2023 HOUSE APPROPRIATIONS

HB 1018

Department 601 - Department of Commerce
House Bill No. 1018

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	$119,274,111	$143,098,891	$262,373,002
2023-25 Base Level	31,502,140	53,544,379	85,046,519
Increase (Decrease)	$87,771,971	$89,554,512	$177,326,483

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments	$444,238	$283,274	$727,512
2. Adds funding for salary equity increases ($100,000), restores funding for salaries underfunded during the 2021-23 biennium ($140,000), and adds funding for temporary salaries ($591,000), of which $91,000 is from the general fund and $500,000 is from federal funds, to provide total funding of $900,000 for temporary salaries	$331,000	$500,000	$831,000
3. Adds funding for 3 FTE positions for the workforce talent attraction initiative ($202,940), workforce investment grant program ($202,940), and Main Street Initiative community development program ($226,922)	$632,802	$0	$632,802
4. Adds funding for an Office of Automation, of which $310,858 is for salaries and wages of 1 FTE position and $689,142 is for operating fees and services	$1,000,000	$0	$1,000,000
5. Adds funding for a Global Engagement Office, of which $250,904 is for salaries and wages of 1 FTE position and $368,500 is for travel, data processing, postage, printing, and professional development costs	$619,404	$0	$619,404
6. Adds funding for the Operation Intern program to provide a total of $1,006,082	$251,082	$0	$251,082
7. Transfers $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)	($1,147,341)	($2,717,553)
8. Adds **one-time funding** for the rural workforce housing grant program, of which $300,000 is for temporary salaries, $200,000 is for travel, information technology (IT) equipment, and operating and professional fees, and $5 million is for grants	$5,500,000	$0	$5,500,000
9. Adds **one-time funding** for the workforce talent attraction initiative, including $97,060 for travel and $24.7 million for professional fees	$24,797,060	$0	$24,797,060
10. Adds **one-time funding** for workforce investment program grants ($20 million), automation workforce transition training grants ($5 million), automation grants ($10 million), and technical skills training grants ($2 million)	$37,000,000	$0	$37,000,000
11. Adds **one-time funding** for tourism awareness marketing from the general fund ($5 million) and a tourism destination development initiative from the legacy earnings fund ($50 million)	$5,000,000	$50,000,000	$55,000,000
12. Adds **one-time funding** for Main Street Initiative community development grants ($800,000), rural revitalization and redevelopment grants ($10 million), and an AmeriCorps volunteer generation fund grant program ($878,571) of which $278,571 is from the general fund and $600,000 is from federal funds	$11,078,571	$600,000	$11,678,571
13. Adds **one-time funding** for the beyond visual line of sight (BVLOS) unmanned aircraft system (UAS) grant program ($30 million) and enhanced use lease grant program ($7 million)	$37,000,000	$0	$37,000,000

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

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Exemptions - Sections 3 through 24 would provide the Department of Commerce exemptions to continue $235.5 million of funding authorized for the 2021-23 biennium into the 2023-25 biennium for the following programs: discretionary funds, BVLOS UAS, enhanced use lease grants, nonresident nurse employment recruitment program, UAS, workforce community services, community development planning grants, workforce innovation network grants, homeless shelter grants, autonomous agriculture matching grants, workforce development incentive grants, technical skills training grants, AmeriCorps workforce community services, parks and recreation grants, energy conservation, heating and cooling grants, agriculture rural placemaking challenge, state small business credit initiative, federal Coronavirus Aid, Relief, and Economic Security Act funding, and funding from the federal Coronavirus Relief Fund.

Transfer - Internship fund - Section 25 would require the Office of Management and Budget (OMB) to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Operation Intern program.

Transfer - Legacy earnings fund to innovation loan fund to support technology advancement - Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.

Transfer - Legacy earnings fund to North Dakota Development Fund - Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.

Legacy earnings fund - Sections 28 and 29 would identify $87 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million), enhanced use lease grants ($7 million), and a tourism destination development grant program ($50 million).

Additional appropriation authority - Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the Department of Commerce during the 2023-25 biennium.

Exemption - Entrepreneurship grants and vouchers program - Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.

North Dakota Development Fund transfer - Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Continuing Appropriations

Innovation loan fund to support technology advancement - North Dakota Century Code Section 6-09.18-05 - Provided for the purpose of providing innovation technology loans and for administrative expenses. The Department of Commerce 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.

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

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

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

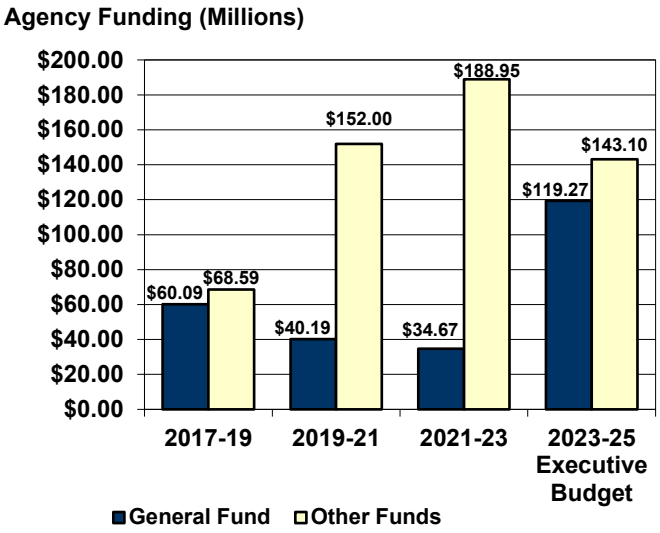
Major Related Legislation

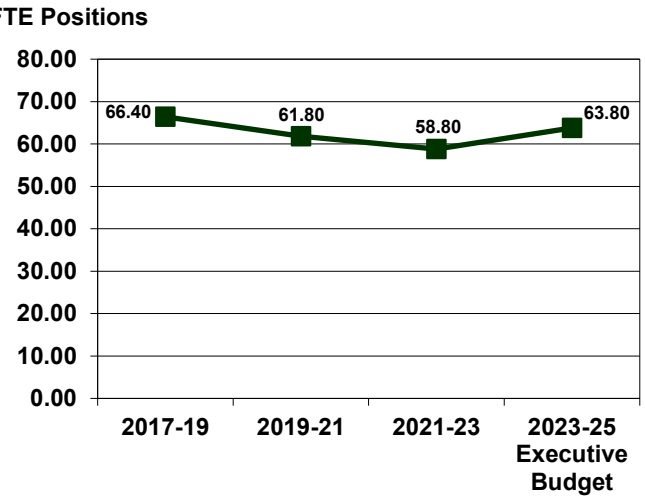
House Concurrent Resolution No. 3001 - Authorizes the Budget Section to hold the required legislative hearings on state plans for the receipt and expenditures of new or revised block grants passed by Congress. The Department of Commerce appropriation bill contains directions regarding the use of community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

Senate Bill No. 2142 - This bill establishes an Office of Health Care Immigration in the Department of Commerce, provides a one-time appropriation of $536,257 from the general fund and an ongoing appropriation of $536,257 from the economic development fund, and authorizes the department 5 FTE positions for the program.

Historical Appropriations Information

Agency Appropriations and FTE Positions





Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading — $200,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519
2023-25 Ongoing Funding Changes				
Base payroll changes		$444,238	$283,274	$727,512
Adds funding for the cost to continue salary increases		80,150	20,345	100,495
Salary increase		863,384	157,900	1,021,284
Health insurance increase		247,062	56,730	303,792
Adds funding for salary equity increases		100,000		100,000
Restores underfunded salaries		140,000		140,000
Adds funding for temporary salaries		91,000	500,000	591,000
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000
Adds funding for a Global Engagement Office	1.00	619,404		619,404
Adds funding for travel		490,534		490,534
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program		251,082		251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852
One-time funding items				
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060
Adds funding for workforce investment program grants		20,000,000		20,000,000
Adds funding for automation workforce transition training grants		5,000,000		5,000,000
Adds funding for automation grants		10,000,000		10,000,000
Adds funding for technical skills training grants		2,000,000		2,000,000
Adds funding for tourism awareness marketing		5,000,000		5,000,000
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000
Adds funding for Main Street Initiative community development grants		800,000		800,000
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002
Federal funds included in other funds			*$46,555,556*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of $100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend $1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend $1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend $14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend $1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend $250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.
Transfer - General fund to internship fund	Section 25 would require OMB to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to innovation loan fund to support technology advancement	Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify $37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million) and enhanced use lease grants ($7 million).
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify $50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1018
(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 amend session laws; 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, 2023, and ending June 30, 2025 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	$12,835,431	$4,394,109	$17,229,540
Operating Expenses	16,883,192	33,392,749	50,275,941
Grants	50,666,898	137,453,791	188,120,689
COVID – 19 Response	0	2,085,834	2,085,834
Discretionary Funds	2,150,000	0	2,150,000
Partner Programs	1,562,531	0	1,562,531
Entrepreneurship Grants and Vouchers	948,467	0	948,467
Total All Funds	$85,046,519	$177,326,483	$262,373,002
Less Estimated Income	53,544,379	89,554,512	143,098,891
Total General Fund	$31,502,140	$87,771,971	$119,274,111
Full-Time Equivalent Positions	58.80	5.00	63.80

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. EXEMPTION – DISCRETIONARY FUNDS. The amount of $2,150,000 appropriated from the general fund in the discretionary funds line item in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 4. EXEMPTION – DISCRETIONARY FUNDS. The amount of $1,000,000 appropriated from the general fund in the discretionary funds line item in section 10 of chapter 15 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 5. EXEMPTION – BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM . The amount of $19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft systems program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 6. EXEMPTION – ENHANCED USE LEASE GRANT PROGRAM. The amount of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 7. EXEMPTION – NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM. The amount of $500,000 appropriated from the general fund for the nonresident nurse employment recruitment program in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 8. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $3,000,000 appropriated from the general fund for the unmanned aircraft systems operating expense in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT. The amount of $1,000,000 appropriated from the general fund for grants to organizations dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry in section 9 of chapter 46 of the

2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. EXEMPTION – WORKFORCE COMMUNITY SERVICES PROGRAM. The amount of $1,074,888 appropriated to the department of commerce for the purpose of workforce community services program in section 19 of chapter 549 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. EXEMPTION – COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. The amount of $1,000,000 appropriated to the department of commerce for the purpose of a community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 12. EXEMPTION – WORKFORCE INNOVATION NETWORK GRANT PROGRAM. The amount of $100,000 appropriated to the department of commerce for the purpose of workforce innovation network grant program in section 21 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 13. EXEMPTION – HOMELESS GRANT PROGRAM. The amount of $1,330,212 appropriated from the general fund to the department of commerce for the purpose of homeless grants in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 14. EXEMPTION – AUTONOMOUS AGRICULTURE MATCHING GRANTS. The amount of $10,000,000 appropriated to the department of commerce for the purpose of autonomous agriculture matching grants in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 15. EXEMPTION – WORKFORCE DEVELOPMENT INCENTIVE GRANT PROGRAM. The amount of $15,000,000 appropriated to the department of commerce for the purpose of adding or expanding a local workforce development incentive grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 16. EXEMPTION – TECHNICAL SKILLS TRAINING GRANT PROGRAM. The amount of $5,000,000 appropriated to the department of commerce for the purpose of adding or expanding technical skills training grant program and a workforce innovation grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 17. EXEMPTION – AMERICORPS PROGRAM. The amount of $1,200,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of funding AmeriCorps programs in communities statewide is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 18. EXEMPTION – PARKS AND RECREATION GRANT. The amount of $1,550,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of projects that support travel, tourism, and outdoor sectors with marketing and technical support is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 19. EXEMPTION – ENERGY CONSERVATION PROGRAM. The amount of $14,222,975 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of developing energy conservation policies and programs related to prudent and

efficient use of energy is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 20. EXEMPTION – HEATING AND COOLING GRANT. The amount of $1,306,112 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing grants to Community Action Agencies to support furnace repair and cooling contracts is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 21. EXEMPTION – AGRICULTURE RURAL PLACEMAKING CHALLENGE. The amount of $250,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing support, assistance and training to foster placemaking activities in rural communities is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 22. EXEMPTION – STATE SMALL BUSINESS CREDIT INITIATIVE. The amount of $56,234,176 appropriated to the department of commerce for the purpose of state small business credit initiative in section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 23. EXEMPTION – CARES ACT FUNDING. The amount of $11,393,078 appropriated to the department of commerce for the purpose of CARES Act funding in section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 24. EXEMPTION – CORONAVIRUS RELIEF FUNDING. The amount of $82,179,000 appropriated to the department of commerce for the purpose of defraying the expense related to the COVID-19 pandemic in section 1 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,000,000 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, 2023 and ending June 30, 2025.

SECTION 26. TRANSFER – LEGACY EARNINGS FUND TO INNOVATION LOAN FUND TO SUPPORT TECHNOLOGY ADVANCEMENT. The office of management and budget shall transfer $20,000,000 from the legacy earnings fund to the innovation loan fund to support technology advancement for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 27. TRANSFER – LEGACY EARNINGS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer $30,000,000 from the legacy earnings fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 28. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of $37,000,000 from the legacy earnings fund, of which $30,000,000 is for beyond visual line of sight unmanned aircraft system grants and $7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 29. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of $50,000,000 from the legacy earnings fund, of which is for destination development grant program. This funding is considered a one-time funding item.

SECTION 30. 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, 2023 and ending June 30, 2025.

SECTION 31. ENTREPRENEURSHIP GRANTS PROGRAM. Section 1 of this Act includes the sum of $948,467, of which $740,956 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, 2023 and ending June 30, 2025. The department shall establish guidelines to award an organization 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, 2025 and ending June 30, 2027.

SECTION 32. AMENDMENT. Section 1 of chapter 550 of the 2021 Special Session Law is amended and reenacted as follows:

SECTION 1. APPROPRIATION - TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING - REPORT - EXEMPTION.

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund <u>for purposes of a grant program</u> under chapter 10-30.5 during the period beginning with the effective date of this Act, and ending June 30, 2023.

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/9/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:43 AM Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives; Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Budget proposal
- Divisions of workforce development

Josh Teigen – Commissioner, ND Department of Commerce - spoke in favor of HB 1018, Testimony #12579, #12580, #12581, #12582, #12583, #12584

Katie Ralston Howe – Director of Workforce Development, ND Department of Commerce - spoke in favor of HB 1018, testimony #12581

11:54 AM Chairman Nathe adjourned the meeting

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/9/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

1:45 PM Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives; Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Committee Service Block Grant
- Tourism and Marketing Budget
- Community Services
- Foreign Investors

Maria Effertz – Director of Community Services - spoke in favor of HB 1018, testimony #14560

Chairman Swiontek moved to allow the Department of Commerce to issue the use of the Federal Block Grant Funds.

Representative Martinson seconded.

Roll call vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried with a 7 - 0 – 0.

Sara Otte Coleman - Tourism and Marketing, spoke in favor of HB 1018. Testimony # 12581

Maria Effertz, Director of Community Services - spoke in favor of HB 1018. Testimony # 12581

Shawn Kesssel – Deputy Commissioner – spoke in favor of HB 1018. Testimony #12581

Rich Garmin – Director of Economic Development and Finance – spoke in favor of HB 1018. Testimony # 12581

Josh Teigen – Commissioner, ND Department of Commerce, spoke in favor of HB 1018. summarized key points. Testimony #12581

Katherine Grindberg - Executive Vice President, FMWF Chamber of Commerce voiced her support of HB 1018, Testimony #12567

Additional written testimony:

Teri Theil, Chief of the ND Travel Alliance #12532

Randy Hatzenbuhler, Theodore Roosevelt Medora Foundation #12574

3:47 PM Chairman Nathe closed the meeting

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/17/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:10 AM Chairman Nathe started the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Unemployment system
- Grand Sky funding
- UAS
- VANTIS
- LIFT (Innovation Loan Fund)
- Grant money for development fund

Chairman Nathe spoke in favor of HB 1018.

Committee discussion

10:32 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/19/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

8:32 AM Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives; Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Requesting funding for infrastructure to build runway
- Test Resource Management Center
- Refitting Global Hawks drones
- Security issues and concerns
- Relationship with UND
- Space Development Agency
- VANTIS, control tower for drones
- LIFT program
- ND Development fund
- Housing Grant Services

Josh Teigen, Commissioner, ND Department of Commerce – spoke in support of HB 1018

Thomas Swoyer, President Grand Sky Development – testified in support of HB 1018, testimony #14578

Frank Matus – Director of Air traffic Control, Thales USA, VANTIS Program -testified in support of HB 1018, testimony #14581

Trevor Woods, Executive Director Northern Plains UAS Test Site – testified in support of HB 1018, testimony #14582

Josh Teigen, Commissioner, ND Department of Commerce – spoke in support of HB 1018

10:11 AM Chairman Nathe called a recess

10:32 AM Chairman Nathe resumed the meeting

Josh Teigen, Commissioner, ND Department of Commerce – spoke in support of HB 1018

Katie Ralston Howe – Director of Workforce Development – spoke in support of HB 1018

Maria Effertz, Director of Community Services – spoke in support of HB 1018

11:27 AM Chairman Nathe – adjourned meeting

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/19/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for a report; and to provide an exemption.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives; Martinson, Richter, Sanford, Schatz, Hanson.

2:26 PM Chairman Nathe begin the meeting

Discussion Topics:

- Five-year key metric comparison
- Development Grant Program
- Destination Development Council
- Destination marking
- Community youth leadership
- Community Development Grants
- Main Street Initiative
- Global Engagement Office

Sara Otte Coleman, ND Tourism – spoke in favor of HB 1018, Testimony #14621

Maria Effertz, Director of Community Services – spoke in favor of HB 1018

Josh Teigen, Commissioner, ND Department of Commerce – spoke in support of HB 1018

Additional written testimony:

Andrea Pfennig #14623

3:10 PM Chairman Nathe adjourned the meeting

Donna Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB1018
1/23/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

9:03 AM Chairman Nathe started the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Grants to regional councils to support rural community projects
- Grants to support childcare
- Grants to support workforce
- Cold War Historic Center Tourism Grant Program

Representative Monson – testified in favor of HB1018, testimony #15585

Dawn Mandt, Executive Director Red River Regional Council - testified in favor of HB 1018, testimony #15592

Additional Written Testimony:

Representative. Monson testimony #15582

9:32 AM Chairman Nathe – adjourned the meeting

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/23/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

3:01 PM Chairman Nathe started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Work force impact program (WIP)
- Regional Workforce Implement Program (RWIP)
- Destination tourism
- Cold War Site

Josh Tiegen, Commissioner of Commerce spoke in favor of HB 1018.

3:21 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/27/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:15 AM Chairman Nathe opened the committee meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives; Martinson, Richter, Sanford, Schatz
Representative Hanson was absent.

Discussion Topics:

- Funds for tech ed
- Dual credit offerings
- CTE component for colleges
- Work force development

Representative Richter – spoke in favor of amending HB 1018

Allan Stenehjem, ND Tribal Colleges – spoke in favor of HB 1018

Dr. Cynthia Lindquist, President Cankdeska Cikana Community College – spoke in favor of amendment to HB 1018

10:41 AM Chairman Nathe adjourned the meeting

Donna Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/30/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

2:49 PM Chairman Nathe opened the committee meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson

Discussion Topics:

- Expand tourism experiences
- Destination Development Grant
- Eligible projects
- Global Engagement Office

Josh Tiegen, Director of Commerce - spoke in favor HB 1018.

Representative Swiontek – spoke in favor on HB1018.

Katie Rolston Howe, Director Workforce Development– spoke in favor of HB 1018.

Representative Hanson – spoke in favor of HB 1018.

Representative Martinson - spoke in favor of HB 1018.

Additional Written Testimony:

Sara Otte Coleman – Director Tourism and Marketing #17967

3:39 PM Chairman Nathe adjourned the meeting

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
1/31/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:10 AM Chairman Nathe opened the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Funding for new FTEs
- Workforce Investment Grant
- Rural revitalization
- VANTIS
- GrandSky
- ND Development Fund
- Spirit Lake CTE
- Grandfarm

Chairman Nathe spoke in favor of HB 1018, presented Representative Kempenich's proposed amendment, #20031 to HB 1018.

Levi Kinnischtzke provided long sheet, #20030.

Representative Richter spoke in favor of HB 1018.

Representative Schatz spoke in favor of HB 1018.

Vice Chairman Swiontek spoke in favor of HB 1018.

Representative Martinson spoke in favor of HB 1018.

Representative Sanford spoke in favor of HB 1018.

Additional Written Testimony:

Representative Kempenich, proposed amendments to HB 1018, #18165

11:02 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
2/7/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

2:57 PM Chairman Nathe started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- One time funding from investment grant
- Automation training grants
- Workforce talent initiative
- Destination development fund
- Developmental fund
- Lease Grant Program

Josh Tiegen, Commissioner of Commerce answered questions on HB 1018.

Additional Information:

Alex Cronquist, legislative council, #19794.

3:20 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
2/13/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

9:15 AM Chairman Nathe started the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Sanford, Schatz, Hanson.

Discussion Topics:

- Committee discussion on proposed budget

Chairman Nathe presented Budget 601, #20657

Josh Tiegen, Commissioner of Commerce answered questions concerning HB 1018.

Committee discussion

Representative Martinson moved to accept the proposed budget.

Representative Sanford seconded.

Roll call vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

7-0-0 Motion carries

Representative Martinson moved do pass on HB 1018 as amended., (23.0247.01006). #20861.

Vice Chairman Swiontek seconded.

Roll call vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	N
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N

5-2-0 Motion carries.

Additional Written Testimony:

Don Larson, VANTIS Lobbyist, #20655.

9:35 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1018
2/17/2023

BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:24 AM Chairman Vigesaa- Meeting was called to order and roll call was taken:

Members present; Chairman Vigesaa, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Kempenich

Discussion Topics:

- Amendment

Representative Nathe- Gives statement of purpose and amendment 23.0247.01006 (Testimony #21088)

Representative Nathe Move to adopt the amendment.

Representative Richter Seconds the motion.

Committee discussion Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y

Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 20-2-1

Representative Richter- Adopt amendment 23.0247.01010 (#21091)

Representative Nathe Seconds the motion

Committee discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	N
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	N

Motion carries 16-6-1
Representative Nathe Move for a Do Pass as Amended

Representative Mitskog Seconds the motion.

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	N
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 19-3-1 Representative Nathe will carry the bill.

Chairman Vigesaa Closed the meeting for HB 1018 at 11:05 AM.

Risa Berube, Committee Clerk

23.0247.01011
Title.02000
Fiscal No. 2

Prepared by the Legislative Council staff for
the House Appropriations Committee
February 17, 2023

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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "commerce" insert "; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, and 6-09.18-07, subsection 4 of section 21-10-13, sections 54-60-22, 54-60-28, 54-60-29, 54-60-29.1, and 54-60.2-02 of the North Dakota Century Code and subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report"

Page 1, replace lines 10 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response	0	16,167,553	16,167,553
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
Total general fund	$31,502,140	$44,783,357	$76,285,497
Full-time equivalent positions	58.80	4.00	62.80"

Page 1, line 23, after the boldfaced period insert "**ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 24 with:

"Unmanned aircraft system	$1,000,000	$0
Beyond visual line of sight uncrewed aircraft system	20,000,000	30,000,000
Enhanced use lease grant	7,000,000	28,000,000
Workforce grants to tribally controlled community colleges	500,000	5,000,000
Workforce safety grant	1,500,000	1,500,000
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	0
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
Discretionary funds	1,000,000	350,000
Small business credit initiative	56,234,176	0

Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0
Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
Rural workforce housing grant program	0	7,000,000
Workforce talent attraction initiative	0	8,000,000
Workforce investment grant program	0	15,000,000
Automation workforce training grants	0	5,000,000
Automation workforce equipment grants	0	5,000,000
Main street initiative community development grants	0	400,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
Heating and cooling grant program	0	1,172,250
Total all funds	$138,574,496	$156,838,969
Less estimated income	135,409,064	116,088,969
Total general fund	$3,165,432	$40,750,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 26, replace "$755,000" with "$1,006,896"

Page 2, after line 28, insert:

"SECTION 4. TRANSFER - LEGACY EARNINGS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS. Pursuant to the designation of funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13, the office of management and budget shall transfer the sum of $20,000,000 from the legacy earnings fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. 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 strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY COUNCIL - EXEMPTION.

1. The office of management and budget shall transfer the sum of $120,000,000 from the strategic investment and improvements fund to the North Dakota development fund under chapter 10-30.5 for the purpose of a fertilizer development grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall distribute grant funding to entities to support the

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development of fertilizer plants in the state based on recommendations from the fertilizer development advisory board. In consultation with the advisory board, the board of directors shall develop program guidelines including eligibility criteria.

3. To be eligible for a grant, a fertilizer development project must be located within the state, and the owner of the fertilizer development project must be an entity domiciled in the United States or Canada. Fifty percent of the grant awards must be designated for one or more fertilizer development projects that use hydrogen produced by the electrolysis of water, and fifty percent of the grant awards must be designated for one or more fertilizer development projects that use natural gas or lignite resources.

4. The fertilizer development advisory board consists of the following members:

   a. The commissioner of commerce or the commissioner's designee to serve as chairman;

   b. The agriculture commissioner or the commissioner's designee;

   c. A representative of the soybean industry appointed by the agriculture commissioner;

   d. A representative of the corn industry appointed by the agriculture commissioner;

   e. A representative of the hydrogen or wind industry appointed by the agriculture commissioner;

   f. A representative of the ethanol industry appointed by the agriculture commissioner;

   g. A representative of the grain growers industry appointed by the agriculture commissioner;

   h. A representative of the petroleum industry appointed by the governor; and

   i. A representative of the lignite industry appointed by the governor.

5. a. To the extent the board of directors, fertilizer development advisory board, or department of commerce determines any materials or data consist of trade secrets or commercial, financial, or proprietary information of entities applying for a fertilizer development grant, materials and data submitted to, made by, or received by the board of directors, fertilizer development advisory board, or department of commerce, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, but are subject to section 44-04-18.4.

   b. A person may file a request with the board of directors, fertilizer development advisory board, or department of commerce to have material designated as confidential under subdivision a. The request must contain any information required by the board of directors, fertilizer development advisory board, or department of commerce and must include at least the following:

(1) A general description of the nature of the information sought to be protected.

(2) An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.

(3) An explanation of why the information is not readily ascertainable by proper means of other persons.

(4) A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.

(5) A description of the efforts used to maintain the secrecy of the information.

c. Any request under subdivision b is confidential. The board of directors, fertilizer development advisory board, or department of commerce shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If the board of directors, fertilizer development advisory board, or department of commerce determines the information is either not relevant or not a trade secret, the board of directors, fertilizer development advisory board, or department of commerce shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are open records.

6. A fertilizer development grant is not a business incentive under chapter 54-60.1.

SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT. The estimated income line item in section 1 of this Act includes the sum of $98,500,000 from the strategic investment and improvements fund, of which $7,000,000 is for the rural workforce housing grant program, $5,000,000 is for the tourism marketing awareness initiative, $25,000,000 is for the tourism destination development initiative grant program, $30,000,000 is for the beyond visual line of sight uncrewed aircraft system program, $28,000,000 is for the enhanced use lease grant program, $2,000,000 is for new Americans workforce development and training grants, and $1,500,000 is for a workforce safety grant to an organization that provides workforce safety. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.

SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of $6,500,000 from the general fund for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

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; and

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

Page 2, line 30, replace "$250,000" with "$444,000"

Page 3, after line 4, insert:

"**SECTION 10. DISCRETIONARY FUNDS - STATE MAGAZINE.** Of the funding appropriated from the general fund in the discretionary funds line item in section 1 of this Act, $150,000 is designated for supporting the continuation of the North Dakota state magazine.

SECTION 11. WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $5,000,000 from the general fund for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, each tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds.

SECTION 12. AMENDMENT. Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.

2. "Committee" means the ~~innovation loan fund to support technology advancement~~legacy investment for technology committee.

3. "Diversification sectors" means the following industries:

   a. Advanced computing and data management;

   b. Agriculture technology;

   c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;

   d. Energy;

   e. Health care;

   f. Value-added agriculture;

   g. Value-added energy; and

h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

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SECTION 13. AMENDMENT. Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-02. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology committee - Membership - Meetings.

1. The ~~innovation loan fund to support technology advancement~~legacy investment for technology committee consists of:

   a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;

   b. Three members representing active venture capital firms, private entities, or angel capital funds;

   c. One member with finance-related experience, knowledge, or education; and

   d. Three members from the private sector with expertise in the diversification sectors.

2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner, in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.

3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.

4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

SECTION 14. AMENDMENT. Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

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6-09.18-03. ~~Innovation loan fund to support technology advancement - Innovation~~Legacy investment technology loan program.

The department of commerce shall administer the ~~innovation~~legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

SECTION 15. AMENDMENT. Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.

1. The committee shall establish guidelines for entities to qualify for ~~an innovation~~a legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.

2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:

   a. 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 or companies making investments in North Dakota;

   b. Lead to the commercialization or patent of an innovation technology solution; or

   c. 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.

3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:

   a. Zero percent interest for the first three years of the loan;

   b. Two percent interest for the next two years of the loan; and

   c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

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SECTION 16. AMENDMENT. Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

SECTION 17. AMENDMENT. Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-06. Use of loan funds.

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

SECTION 18. AMENDMENT. Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-07. ~~Innovation loan fund to support technology advancement -~~ Postaward monitoring.

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.

2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.

3. How the work performed has led to or may lead to a patent or research that is commercially viable.

SECTION 19. AMENDMENT. Subsection 4 of section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:

   a. The first one hundred fifty million dollars to the legacy sinking and interest fund under section 6-09.4-10.1.

   b. The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.

   c. Any remaining funds for other purposes as designated by the legislative assembly, including:

      (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;

      (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and

      (3) Up to thirty million dollars for university research programs, the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.

SECTION 20. AMENDMENT. Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

54-60-22. Workforce enhancement council - Grants.

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and

2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 21. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. ~~Unmanned~~Uncrewed aircraft systems program - Report to legislative management.

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private ~~parties appointed by the governor~~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 ~~establishment~~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.

SECTION 22. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. ~~Unmanned~~Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:

   a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;

   b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and

   c. Enhanced use lease grant program.

2. The fund consists of fees collected for the administration of the test site 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 ~~unmanned~~uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial~~

~~statements~~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 ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 24. AMENDMENT. Section 54-60.2-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-02. Purpose of grants.

1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the college:

   a. ~~For development or enhancement of~~To develop or enhance programs that assist in providing certificates or degrees to North Dakota students attending the college that qualify the student to obtain jobs for which applicants are being sought within the state, as identified by the department of commerce, job service North Dakota, or any of the federally recognized Indian tribes within North Dakota; ~~or~~

   b. To assist any North Dakota student attending the college to establish, or to assist in establishing, a new business operating within North Dakota that will employ North Dakota citizens; or

   c. To develop or enhance career and technical education programs.

2. Any funds provided to tribally controlled community colleges must be used to supplement, not supplant, ~~any~~an existing program or funding source of the college.

SECTION 25. AMENDMENT. Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 26. 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, 2023, and ending June 30, 2025:

1. The sum of $320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;

2. The sum of $11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which $3,000,000 was for the community development block grant program, $7,393,078 was for the community services block grant program, and $1,000,000 was for

the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;

3. The sum of $56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;

4. The sum of $2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;

5. The sum of $1,000,000 appropriated from the general fund for discretionary funds in section 10 of chapter 15 of the 2021 Session Laws;

6. The sum of $3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

7. The sum of $19,000,000 appropriated from the general fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

8. The sum of $1,000,000 appropriated from the strategic investment and improvements fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the 2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;

9. The sum of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;

10. The sum of $1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;

11. The sum of $1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;

12. The sum of $1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;

13. The sum of $10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in subsection 37 of section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be awarded without any matching fund requirements;

14. The sum of $15,000,000 appropriated from federal funds derived from the 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

15. The sum of $5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

SECTION 27. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS. During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program administered by the department during the 2023-25 biennium, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, a detailed listing of how the funding has been used, current and future estimated return on investment statistics and the economic effect on the state's economy as a result of each program, future plans for the use of remaining grant funds, any funding the department anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to the sixty-ninth legislative assembly for additional funding for each program. The department of commerce shall provide information regarding actual and expected revenue received as a result of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$44,783,357	$76,285,497
FTE	58.80	4.00	62.80

Department 601 - Department of Commerce - Detail of House 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 for FTE Positions[4]	Adjusts Base Level Funding[5]	Transfers Funding to the Housing Finance Agency[6]
Salaries and wages	$727,512	$100,495	$1,056,624	$967,642	$731,000	($84,538)
Operating expenses				1,057,642	1,966,282	(62,803)
Grants					(26,000)	(2,570,212)
Discretionary funds						
COVID-19 response					2,085,834	
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$727,512	$100,495	$1,056,624	$2,025,284	$4,757,116	($2,717,553)
Less estimated income	283,274	20,345	176,239	0	2,583,604	(1,147,341)
General fund	$444,238	$80,150	$880,385	$2,025,284	$2,173,512	($1,570,212)
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds One-Time Funding for Community and Workforce Initiatives[7]	Adds One-Time Funding for Tourism Initiatives[8]	Adds One-Time Funding for UAS Programs[9]	Adds One-Time Funding for Federal Community Service Programs[10]	Adds One-Time Funding for Discretionary Funds[11]	Total House Changes
Salaries and wages	$300,000			$130,368		$3,929,103
Operating expenses	8,200,000	$5,000,000		65,319		16,226,440
Grants	42,400,000	25,000,000	$58,000,000	3,311,563		126,115,351
Discretionary funds					$350,000	350,000
COVID-19 response				14,081,719		16,167,553
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$50,900,000	$30,000,000	$58,000,000	$17,588,969	$350,000	$162,788,447
Less estimated income	10,500,000	30,000,000	58,000,000	17,588,969	0	118,005,090
General fund	$40,400,000	$0	$0	$0	$350,000	$44,783,357
FTE	0.00	0.00	0.00	0.00	0.00	4.00

[1] Funding is adjusted for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$632,902	$118,204	$751,106
Health insurance increase	247,483	58,035	305,518
Total	$880,385	$176,239	$1,056,624

[4] Funding of $2,025,284 is added from the general fund for 4 FTE positions as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Workforce talent attraction initiative	$202,940	$0	$202,940
FTE Position - Workforce investment grant program	202,940	0	202,940
FTE position - Office of Automation	310,858	689,142	1,000,000
FTE position - Global Engagement Office	250,904	368,500	619,404
Total	$967,642	$1,057,642	$2,025,284

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Restores funding for salaries underfunded during the 2021-23 biennium	$140,000	$0	$140,000
Adds funding for temporary salaries, including $500,000 from federal funds, to provide a total of $900,000 for temporary salaries	91,000	500,000	591,000
Adds funding for travel to provide a total of $1,606,976 in the operating expenses line item	490,534	0	490,534
Adjusts funding for operating expenses, including a decrease from the community service fund, primarily related to professional development, services, and fees	1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program to provide a total of $1,006,082	251,082	0	251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from the grants line item to the operating expenses line item	0	0	0
Adds federal funding in the COVID-19 response line item for weatherization and furnace cooling assistance programs	0	2,085,834	2,085,834
Adds funding for the rural health care grant program to provide a total of $444,000 from the general fund	194,000	0	194,000
Total	$2,173,512	$2,583,604	$4,757,116

[6] Funding of $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, is transferred to the Housing Finance Agency.

[7] One-time funding is added for community and workforce initiatives as follows:

	General Fund	Other Funds	Total
Rural workforce housing grant program, including $300,000 for temporary salaries, $200,000 for operating expenses, and $6.5 million for grants. Funding is provided from the strategic investment and improvements fund (SIIF)	$0	$7,000,000	$7,000,000
Workforce talent attraction initiative operating expenses	8,000,000	0	8,000,000
Workforce investment program grants	15,000,000	0	15,000,000
Automation workforce transition training grants	5,000,000	0	5,000,000
Automation workforce equipment grants	5,000,000	0	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Main Street Initiative community development grants	400,000	0	400,000
New Americans workforce development and training grants (SIIF)	0	2,000,000	2,000,000
Workforce grants to tribally controlled community colleges	5,000,000	0	5,000,000
Workforce safety grant (SIIF)	0	1,500,000	1,500,000
Total	$40,400,000	$10,500,000	$50,900,000

[8] One-time funding of $30 million is added from SIIF for tourism initiatives, including $5 million for tourism awareness marketing operating expenses and $25 million for a tourism destination development initiative grant program.

[9] One-time funding from SIIF is added for the beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grant program ($30 million) and the enhanced use lease grant program ($28 million).

[10] One-time funding from federal funds is added for the following programs previously approved by the Emergency Commission and Budget Section during the 2021-22 interim:

	Federal Funds
Americorps workforce community services program	$785,000
Parks and recreation grant program	1,550,000
Energy conservation grant program	14,081,719
Heating and cooling grant program, of which $130,368 is for temporary salaries and wages, $65,319 is for operating expenses, and $976,563 is for grants	1,172,250
Total	$17,588,969

[11] One-time funding of $350,000 is added from the general fund for discretionary funds to provide a total of $2.5 million from the general fund, of which $2.15 million is ongoing funding.

This amendment also:

- Amends a section identifying the transfer of $1,006,896 from the general fund to the internship fund for the Operation Intern program.
- Adds a section to provide a $20 million transfer from the legacy earnings fund to the newly named legacy investment fund for technology for the purpose of providing legacy investment technology loans.
- Adds a section to provide a $30 million transfer from SIIF to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5.
- Adds a section to provide a $120 million transfer from SIIF to the North Dakota Development Fund for the purpose of a fertilizer development grant program.
- Adds a section to identify $98.5 million from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS program ($30 million), enhanced use lease grant program ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant to be awarded to an organization that provides workforce safety ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
- Adds a section to identify $6.5 million appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
- Amends a section to identify $444,000 appropriated from the general fund is for the rural health care grant program, which requires the grant recipient to provide matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to identify of the $2.5 million appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
- Adds a section to identify $5 million appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02.
- Adds eight sections to amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology program.
- Adds a section to amend Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds three sections to amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
- Adds a section to amend Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
- Adds a section to amend the 2021 Special Session Session Laws to allow the transfer of $5 million from the federal State Fiscal Recovery Fund to the North Dakota Development Fund to be used for grant programs.
- Adds a section to provide the Department of Commerce 15 exemptions to continue funding appropriated for programs in previous bienniums into the 2023-25 biennium. The exemptions relate to the nonresident nurse employment recruitment program, Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the state small business credit initiative, discretionary funds, UAS program, BVLOS UAS program, enhanced use lease grant program, homeless shelter grant program, workforce community services program, community development planning grant program, autonomous agriculture matching grant program, workforce development incentive grant program, and technical skills grants program. Subsection 13 of Section 24 provides funding remaining after the 2021-23 biennium for the autonomous agriculture matching grant program may be spent during the 2023-25 biennium without requiring matching funds.
- Adds a section to require the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

REPORT OF STANDING COMMITTEE

HB 1018: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, after "commerce" insert "; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, and 6-09.18-07, subsection 4 of section 21-10-13, sections 54-60-22, 54-60-28, 54-60-29, 54-60-29.1, and 54-60.2-02 of the North Dakota Century Code and subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report"

Page 1, replace lines 10 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response	0	16,167,553	16,167,553
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
Total general fund	$31,502,140	$44,783,357	$76,285,497
Full-time equivalent positions	58.80	4.00	62.80"

Page 1, line 23, after the boldfaced period insert "**ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 24 with:

"Unmanned aircraft system	$1,000,000	$0
Beyond visual line of sight uncrewed aircraft system	20,000,000	30,000,000
Enhanced use lease grant	7,000,000	28,000,000
Workforce grants to tribally controlled community colleges	500,000	5,000,000
Workforce safety grant	1,500,000	1,500,000
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	0
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
Discretionary funds	1,000,000	350,000
Small business credit initiative	56,234,176	0
Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0

Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
Rural workforce housing grant program	0	7,000,000
Workforce talent attraction initiative	0	8,000,000
Workforce investment grant program	0	15,000,000
Automation workforce training grants	0	5,000,000
Automation workforce equipment grants	0	5,000,000
Main street initiative community development grants	0	400,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
Heating and cooling grant program	0	1,172,250
Total all funds	$138,574,496	$156,838,969
Less estimated income	135,409,064	116,088,969
Total general fund	$3,165,432	$40,750,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 26, replace "$755,000" with "$1,006,896"

Page 2, after line 28, insert:

"**SECTION 4. TRANSFER - LEGACY EARNINGS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS.** Pursuant to the designation of funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13, the office of management and budget shall transfer the sum of $20,000,000 from the legacy earnings fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. 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 strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY COUNCIL - EXEMPTION.

1. The office of management and budget shall transfer the sum of $120,000,000 from the strategic investment and improvements fund to the North Dakota development fund under chapter 10-30.5 for the purpose of a fertilizer development grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall distribute grant funding to entities to support the development of fertilizer plants in the state based on recommendations from the fertilizer development advisory board. In consultation with the advisory board, the board of directors shall develop program guidelines including eligibility criteria.

3. To be eligible for a grant, a fertilizer development project must be located within the state, and the owner of the fertilizer development project must

be an entity domiciled in the United States or Canada. Fifty percent of the grant awards must be designated for one or more fertilizer development projects that use hydrogen produced by the electrolysis of water, and fifty percent of the grant awards must be designated for one or more fertilizer development projects that use natural gas or lignite resources.

4. The fertilizer development advisory board consists of the following members:

   a. The commissioner of commerce or the commissioner's designee to serve as chairman;

   b. The agriculture commissioner or the commissioner's designee;

   c. A representative of the soybean industry appointed by the agriculture commissioner;

   d. A representative of the corn industry appointed by the agriculture commissioner;

   e. A representative of the hydrogen or wind industry appointed by the agriculture commissioner;

   f. A representative of the ethanol industry appointed by the agriculture commissioner;

   g. A representative of the grain growers industry appointed by the agriculture commissioner;

   h. A representative of the petroleum industry appointed by the governor; and

   i. A representative of the lignite industry appointed by the governor.

5. a. To the extent the board of directors, fertilizer development advisory board, or department of commerce determines any materials or data consist of trade secrets or commercial, financial, or proprietary information of entities applying for a fertilizer development grant, materials and data submitted to, made by, or received by the board of directors, fertilizer development advisory board, or department of commerce, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, but are subject to section 44-04-18.4.

   b. A person may file a request with the board of directors, fertilizer development advisory board, or department of commerce to have material designated as confidential under subdivision a. The request must contain any information required by the board of directors, fertilizer development advisory board, or department of commerce and must include at least the following:

      (1) A general description of the nature of the information sought to be protected.

      (2) An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.

      (3) An explanation of why the information is not readily ascertainable by proper means of other persons.

(4) A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.

(5) A description of the efforts used to maintain the secrecy of the information.

c. Any request under subdivision b is confidential. The board of directors, fertilizer development advisory board, or department of commerce shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If the board of directors, fertilizer development advisory board, or department of commerce determines the information is either not relevant or not a trade secret, the board of directors, fertilizer development advisory board, or department of commerce shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are open records.

6. A fertilizer development grant is not a business incentive under chapter 54-60.1.

SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT. The estimated income line item in section 1 of this Act includes the sum of $98,500,000 from the strategic investment and improvements fund, of which $7,000,000 is for the rural workforce housing grant program, $5,000,000 is for the tourism marketing awareness initiative, $25,000,000 is for the tourism destination development initiative grant program, $30,000,000 is for the beyond visual line of sight uncrewed aircraft system program, $28,000,000 is for the enhanced use lease grant program, $2,000,000 is for new Americans workforce development and training grants, and $1,500,000 is for a workforce safety grant to an organization that provides workforce safety. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.

SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of $6,500,000 from the general fund for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

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; and

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

Page 2, line 30, replace "$250,000" with "$444,000"

Page 3, after line 4, insert:

"**SECTION 10. DISCRETIONARY FUNDS - STATE MAGAZINE.** Of the funding appropriated from the general fund in the discretionary funds line item in section 1 of this Act, $150,000 is designated for supporting the continuation of the North Dakota state magazine.

SECTION 11. WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $5,000,000 from the general fund for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, each tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds.

SECTION 12. AMENDMENT. Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.

2. "Committee" means the ~~innovation loan fund to support technology advancement~~legacy investment for technology committee.

3. "Diversification sectors" means the following industries:

   a. Advanced computing and data management;

   b. Agriculture technology;

   c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;

   d. Energy;

   e. Health care;

   f. Value-added agriculture;

   g. Value-added energy; and

   h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

SECTION 13. AMENDMENT. Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-02. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology committee - Membership - Meetings.

1. The ~~innovation loan fund to support technology advancement~~legacy investment for technology committee consists of:

a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;

b. Three members representing active venture capital firms, private entities, or angel capital funds;

c. One member with finance-related experience, knowledge, or education; and

d. Three members from the private sector with expertise in the diversification sectors.

2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner, in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.

3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.

4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

SECTION 14. AMENDMENT. Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-03. ~~Innovation loan fund to support technology advancement - Innovation~~Legacy investment technology loan program.

The department of commerce shall administer the ~~innovation~~legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

SECTION 15. AMENDMENT. Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.

1. The committee shall establish guidelines for entities to qualify for ~~an innovation~~a legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.

2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:

   a. 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 or companies making investments in North Dakota;

   b. Lead to the commercialization or patent of an innovation technology solution; or

   c. 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.

3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:

   a. Zero percent interest for the first three years of the loan;

   b. Two percent interest for the next two years of the loan; and

   c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

SECTION 16. AMENDMENT. Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

SECTION 17. AMENDMENT. Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-06. Use of loan funds.

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

SECTION 18. AMENDMENT. Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-07. ~~Innovation loan fund to support technology advancement -~~ Postaward monitoring.

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.

2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.

3. How the work performed has led to or may lead to a patent or research that is commercially viable.

SECTION 19. AMENDMENT. Subsection 4 of section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:

   a. The first one hundred fifty million dollars to the legacy sinking and interest fund under section 6-09.4-10.1.

   b. The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.

   c. Any remaining funds for other purposes as designated by the legislative assembly, including:

      (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;

      (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and

      (3) Up to thirty million dollars for university research programs, the ~~innovation loan fund to support technology advancement~~legacy

investment for technology fund, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.

SECTION 20. AMENDMENT. Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

54-60-22. Workforce enhancement council - Grants.

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and

2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 21. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. ~~Unmanned~~Uncrewed aircraft systems program - Report to legislative management.

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private ~~parties appointed by the governor~~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 ~~establishment~~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.

SECTION 22. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. ~~Unmanned~~Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:

   a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;

b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and

c. Enhanced use lease grant program.

2. The fund consists of fees collected for the administration of the test site 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 ~~unmanned~~uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements~~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 ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 24. AMENDMENT. Section 54-60.2-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-02. Purpose of grants.

1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the college:

   a. ~~For development or enhancement of~~To develop or enhance programs that assist in providing certificates or degrees to North Dakota students attending the college that qualify the student to obtain jobs for which applicants are being sought within the state, as identified by the department of commerce, job service North Dakota, or any of the federally recognized Indian tribes within North Dakota; ~~or~~

   b. To assist any North Dakota student attending the college to establish, or to assist in establishing, a new business operating within North Dakota that will employ North Dakota citizens; or

   c. To develop or enhance career and technical education programs.

2. Any funds provided to tribally controlled community colleges must be used to supplement, not supplant, ~~any~~an existing program or funding source of the college.

SECTION 25. AMENDMENT. Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 26. 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, 2023, and ending June 30, 2025:

1. The sum of $320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;

2. The sum of $11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which $3,000,000 was for the community development block grant program, $7,393,078 was for the community services block grant program, and $1,000,000 was for the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;

3. The sum of $56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;

4. The sum of $2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;

5. The sum of $1,000,000 appropriated from the general fund for discretionary funds in section 10 of chapter 15 of the 2021 Session Laws;

6. The sum of $3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

7. The sum of $19,000,000 appropriated from the general fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

8. The sum of $1,000,000 appropriated from the strategic investment and improvements fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the 2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;

9. The sum of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;

10. The sum of $1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;

11. The sum of $1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;

12. The sum of $1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;

13. The sum of $10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in subsection 37 of section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be awarded without any matching fund requirements;

14. The sum of $15,000,000 appropriated from federal funds derived from the 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

15. The sum of $5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

SECTION 27. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS. During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program administered by the department during the 2023-25 biennium, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, a detailed listing of how the funding has been used, current and future estimated return on investment statistics and the economic effect on the state's economy as a result of each program, future plans for the use of remaining grant funds, any funding the department anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to the sixty-ninth legislative assembly for additional funding for each program. The department of commerce shall provide information regarding actual and expected revenue received as a result of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$44,783,357	$76,285,497
FTE	58.80	4.00	62.80

Department 601 - Department of Commerce - Detail of House 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 for FTE Positions[4]	Adjusts Base Level Funding[5]	Transfers Funding to the Housing Finance Agency[6]
Salaries and wages	$727,512	$100,495	$1,056,624	$967,642	$731,000	($84,538)
Operating expenses				1,057,642	1,966,282	(62,803)
Grants					(26,000)	(2,570,212)
Discretionary funds						
COVID-19 response					2,085,834	
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$727,512	$100,495	$1,056,624	$2,025,284	$4,757,116	($2,717,553)
Less estimated income	283,274	20,345	176,239	0	2,583,604	(1,147,341)
General fund	$444,238	$80,150	$880,385	$2,025,284	$2,173,512	($1,570,212)
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds One-Time Funding for Community and Workforce Initiatives[7]	Adds One-Time Funding for Tourism Initiatives[8]	Adds One-Time Funding for UAS Programs[9]	Adds One-Time Funding for Federal Community Service Programs[10]	Adds One-Time Funding for Discretionary Funds[11]	Total House Changes
Salaries and wages	$300,000			$130,368		$3,929,103
Operating expenses	8,200,000	$5,000,000		65,319		16,226,440
Grants	42,400,000	25,000,000	$58,000,000	3,311,563		126,115,351
Discretionary funds					$350,000	350,000
COVID-19 response				14,081,719		16,167,553
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$50,900,000	$30,000,000	$58,000,000	$17,588,969	$350,000	$162,788,447
Less estimated income	10,500,000	30,000,000	58,000,000	17,588,969	0	118,005,090
General fund	$40,400,000	$0	$0	$0	$350,000	$44,783,357
FTE	0.00	0.00	0.00	0.00	0.00	4.00

[1] Funding is adjusted for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$632,902	$118,204	$751,106
Health insurance increase	247,483	58,035	305,518
Total	$880,385	$176,239	$1,056,624

[4] Funding of $2,025,284 is added from the general fund for 4 FTE positions as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Workforce talent attraction initiative	$202,940	$0	$202,940
FTE Position - Workforce investment grant program	202,940	0	202,940
FTE position - Office of Automation	310,858	689,142	1,000,000
FTE position - Global Engagement Office	250,904	368,500	619,404
Total	$967,642	$1,057,642	$2,025,284

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Restores funding for salaries underfunded during the 2021-23 biennium	$140,000	$0	$140,000
Adds funding for temporary salaries, including $500,000 from federal funds, to provide a total of $900,000 for temporary salaries	91,000	500,000	591,000
Adds funding for travel to provide a total of $1,606,976 in the operating expenses line item	490,534	0	490,534
Adjusts funding for operating expenses, including a decrease from the community service fund, primarily related to professional development, services, and fees	1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program to provide a total of $1,006,082	251,082	0	251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from the grants line item to the operating expenses line item	0	0	0
Adds federal funding in the COVID-19 response line item for weatherization and furnace cooling assistance programs	0	2,085,834	2,085,834
Adds funding for the rural health care grant program to provide a total of $444,000 from the general fund	194,000	0	194,000
Total	$2,173,512	$2,583,604	$4,757,116

[6] Funding of $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, is transferred to the Housing Finance Agency.

[7] One-time funding is added for community and workforce initiatives as follows:

	General Fund	Other Funds	Total
Rural workforce housing grant program, including $300,000 for temporary salaries, $200,000 for operating expenses, and $6.5 million for grants. Funding is provided from the strategic investment and improvements fund (SIIF)	$0	$7,000,000	$7,000,000
Workforce talent attraction initiative operating expenses	8,000,000	0	8,000,000
Workforce investment program grants	15,000,000	0	15,000,000
Automation workforce transition training grants	5,000,000	0	5,000,000
Automation workforce equipment grants	5,000,000	0	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Main Street Initiative community development grants	400,000	0	400,000
New Americans workforce development and training grants (SIIF)	0	2,000,000	2,000,000
Workforce grants to tribally controlled community colleges	5,000,000	0	5,000,000
Workforce safety grant (SIIF)	0	1,500,000	1,500,000
Total	$40,400,000	$10,500,000	$50,900,000

[8] One-time funding of $30 million is added from SIIF for tourism initiatives, including $5 million for tourism awareness marketing operating expenses and $25 million for a tourism destination development initiative grant program.

[9] One-time funding from SIIF is added for the beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grant program ($30 million) and the enhanced use lease grant program ($28 million).

[10] One-time funding from federal funds is added for the following programs previously approved by the Emergency Commission and Budget Section during the 2021-22 interim:

	Federal Funds
Americorps workforce community services program	$785,000
Parks and recreation grant program	1,550,000
Energy conservation grant program	14,081,719
Heating and cooling grant program, of which $130,368 is for temporary salaries and wages, $65,319 is for operating expenses, and $976,563 is for grants	1,172,250
Total	$17,588,969

[11] One-time funding of $350,000 is added from the general fund for discretionary funds to provide a total of $2.5 million from the general fund, of which $2.15 million is ongoing funding.

This amendment also:

- Amends a section identifying the transfer of $1,006,896 from the general fund to the internship fund for the Operation Intern program.
- Adds a section to provide a $20 million transfer from the legacy earnings fund to the

newly named legacy investment fund for technology for the purpose of providing legacy investment technology loans.

- Adds a section to provide a $30 million transfer from SIIF to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5.
- Adds a section to provide a $120 million transfer from SIIF to the North Dakota Development Fund for the purpose of a fertilizer development grant program.
- Adds a section to identify $98.5 million from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS program ($30 million), enhanced use lease grant program ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant to be awarded to an organization that provides workforce safety ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
- Adds a section to identify $6.5 million appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
- Amends a section to identify $444,000 appropriated from the general fund is for the rural health care grant program, which requires the grant recipient to provide matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to identify of the $2.5 million appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
- Adds a section to identify $5 million appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02.
- Adds eight sections to amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology program.
- Adds a section to amend Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds three sections to amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
- Adds a section to amend Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
- Adds a section to amend the 2021 Special Session Session Laws to allow the transfer of $5 million from the federal State Fiscal Recovery Fund to the North Dakota Development Fund to be used for grant programs.
- Adds a section to provide the Department of Commerce 15 exemptions to continue funding appropriated for programs in previous bienniums into the 2023-25 biennium. The exemptions relate to the nonresident nurse employment recruitment program, Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the state small business credit initiative, discretionary funds, UAS program, BVLOS UAS program, enhanced use lease grant program, homeless shelter grant program, workforce community services program, community development planning grant program, autonomous agriculture matching grant program, workforce development incentive grant program, and technical skills grants program. Subsection 13 of

Section 24 provides funding remaining after the 2021-23 biennium for the autonomous agriculture matching grant program may be spent during the 2023-25 biennium without requiring matching funds.

- Adds a section to require the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

2023 SENATE APPROPRIATIONS

HB 1018

Department 601 - Department of Commerce
House Bill No. 1018

First Chamber Comparison to Base Level

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

First Chamber Changes

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

Selected Bill Sections Included in the First Chamber Version

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

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

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

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

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

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

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

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

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

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

Continuing Appropriations

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

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

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

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

Major Related Legislation

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

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

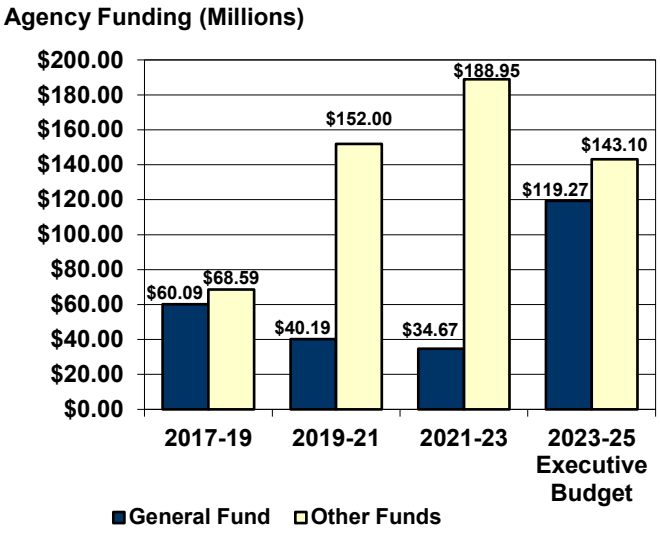
Senate Bill No. 2240 - This bill provides a one-time appropriation of $1.9 million from the general fund to the department for the purpose of providing base retention grant funding to communities with an Air Force base or Air National Guard facilities. Of the total, $900,000 is to be distributed to eligible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

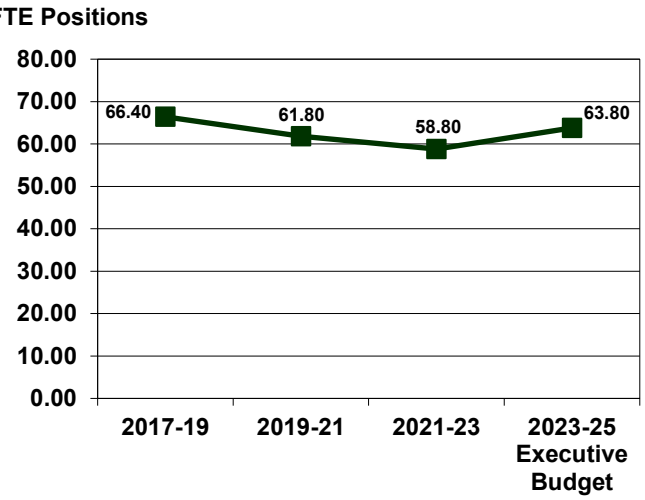
Senate Bill No. 2273 - This bill appropriates one-time funding of $2 million from the general fund to the department for the purpose of establishing a pilot program to provide grants for the preservation of rural grocery stores and increasing the availability of food access in the state.

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

Historical Appropriations Information

Agency Appropriations and FTE Positions





Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading	$200,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations
Rough Rider Room, State Capitol

HB 1018
3/2/2023

A bill for an act to provide an appropriation for defraying the expenses of the department of commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

8:02 AM Chairman Bekkedahl opened the meeting.

Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Mathern, Meyer, Roers, Rust, Schaible, Sorvaag, Vedaa, and Wanzek are present. Senator Kreun is absent.

Discussion Topics:

- Departmental overview
- Attract and retain wealth
- Marketing and tourism
- Workforce development
- Economic development and commerce
- Global engagement office
- Community development
- Synergistic Autonomy Department
- Immigration's role
- FTE requests
- "Total Rewards" program
- Budget overview/comparison
- One-time requests
- Special session funds
- Anticipated federal funds
- House amendments
- Housing funds
- Grand Sky funding
- ND development fund
- Proposed fertilizer plant
- Community Services
- Emergency shelter/homelessness
- Weatherization program
- Senate amendment/emergency request
- Administration costs of federal programs
- Mainstreet initiatives
- Slum and blight redevelopment

- Grant incentives
- Agency communication/cooperation
- Natural gas, value-added
- Sustainable plastics project
- Produced water processing/lithium
- Nickel processing facility
- Autonomous farming
- Soy processing
- Sustainable aviation fuel
- Carbon sequestration – 12-year sunset
- Water treatment and CO2 utilization
- Nation-wide CO2 shortage
- Innovate ND
- Low-Income First-Time Homebuyers (LIFT) loan program
- ND Development Fund – Return on Investment (ROI)
- Goals/plans next biennium
- Beneficial uses of CO2
- CO2 capture/sequestration rates
- Hub concept
- Fertilizer manufacturing projects
- Hydrogen hub
- Commercial drone market
- Energy and Economic Coordination Office
- Budget requests
- Child-care loan fund
- Post-storage CO2 distribution
- Coordination without duplication
- Trade vs investment
- Identification of reliable foreign investors
- Foreign investment as competition or partnership
- Friendly nation status
- Land ownership
- Goals of global engagement
- Annual foreign trade and investment missions
- Regional workforce impact program
- American Rescue Plan Act – Federal funds
- Grants awarded
- Child-care impacts
- Workforce innovations
- Workforce automation tax credit
- Operation Intern (private sector)
- AmeriCorps – immigrant aid
- Workforce recruitment: “Find the Good Life”
- Public/private cooperation to attract workers
- ROI on budget requests
- Targeted marketing metrics

- Tourism to residency
- Video marketing
- Global outreach
- Visitor spending
- Lodging tax
- Visitor spending by county
- Development of tourism destinations
- Department goals and plans
- Destination development – grant program
- Partnerships: Tourism – State Parks – State Historical Society

8:05 AM Josh Teigen, Commissioner of ND Department of Commerce, testified. Testimony #21653, #21654, #21655

8:44 AM Maria Effertz, Community Services Director, testified. Testimony #21653

9:11 AM Rich Garmin, Economic Development and Finance Director, testified. Testimony #21653

10:00 AM Recess

10:10 AM Reconvene

10:13 AM Shawn Kessel, Deputy Commerce Commissioner, testified. Testimony #21653

10:37 AM Katie Ralston Howe, Commerce Workforce Division Director, testified. Testimony #21653

11:01 AM Sara Otte Coleman, Director of Marketing and Tourism, testified. Testimony #21653

Additional written testimony:

James Pursley #21284

Terri Thiel #21301

Julie Obrigewitsch #21304

Brian Ritter #21351

Melissa Hauer #21501

Mitchell Sanderson #21567

Andrea Pfennig #21580

Teran Doerr #21591, #21671

Suzie Kenner #21595

Sandra Shively #21619

Kyle Blanchfield #21629

Traci Redlin #21648

Anthony Pandolfo #21679, #21680, #21681

Brad Barth on behalf of Dawn Mandt #21684

Matthew Marshall #21686

Katherine Grindberg #21693

McKenzy Braaten #21694

Green Sheet #21709

Allen Knudson #21994

11:33 Chairman Bekkedahl closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
3/10/2023 AM

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

8:01 AM Chairman Wanzek called the meeting to order.

Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa were present.

Discussion Topics:

- House adjustments to Governor's budget
- Other bills' impacts: immigration; rural grocery stores
- Tourism destination line
- Tribal college system overview
- UTC (United Tribes College) overview
- Workforce development
- Commercial Driver's License (CDL) and welding programs
- Bison World Fund
- Destination tourist attraction development
- Bison World planning process
- Monetization of bison icon
- Gateway concept
- Winter season aspect
- Public/private investment
- Destination Development Fund
- State investment in legacy projects
- Workforce attraction – 'Find the Good Life'
- Matching fund
- Community development
- Proposed HB 1018 amendment
- Rural economic resiliency
- Workforce development initiatives
- Data-driven worker attraction and retention initiatives
- Grand Sky Airpark Return on Investment (ROI)
- SKY Range
- Uncrewed Aircraft System test site development
- Vantis Beyond Visual Line of Sight - ROI
- Small businesses' participation in government contracts
- Oilfield waste-water conversion

8:03 AM Josh Teigen, ND Commerce Commissioner, testified. Testimony #23574

8:17 AM Dr. Donna Brown, President Turtle Mountain College, testified. Testimony #24209, #24210

8:22 AM Sheila Trottier, Turtle Mountain Community College, testified. Testimony #24209

8:28 AM Dr. Leander McDonald, President United Tribes Technical College, testified.#24209

8:36 AM Dr. Twyla Baker, President NHSC Nueta Hidatsa Sahnish College), testified.#24209

8:45 AM Amy Cleary, of GA Group Law Firm, representing Bison World Fund, testified, and introduced Bob McTyre. Testimony #23686, #23435, #23434

8:47 AM Bob McTyre, President of Apogee Attractions, testified. Testimony #23432, #23435

9:23 AM Stephanie Shainrock, Minot Convention and Visitors Bureau, testified. (No written testimony)
.
9:30 AM Andy Beck, Manager Huff Hills, testified. Testimony #23517

9:35 AM James Persley, Travel Alliance Coalition, testified. (No written testimony)

9:38 AM Terri Thiel, Executive Director Dickinson CVB, testified. (No written testimony)

9:47 AM Kyle Blanchfield, owner of Woodland Resort, testified online. Testimony #23396

9:50 AM Julie Obrigewitsch, President Destination Marketing Association, testified online. Testimony #23414

9:52 AM Sally A. Jacobson, President Red River Zoo, testified online. Testimony #23576

9:57 AM Recess

10:11 AM Reconvene

10:13 AM Matt Marshall, Administrator Minkota Power Cooperative and Secretary-Treasurer Economic Development ND testified. Testimony #23584

10: 31 AM Dawn Mandt, Executive Director of Red River Regional Council and Chair of ND Association of Regional Councils, testified. Testimony #21650, #21651, #21652

10:46 AM Briselda Hernandez, Executive Director Souris Basin Planning Council, testified. (No written testimony)

10:55 AM Jonathan Rosenthal, Economic Development Specialist City of Minot, testified. (No written testimony)

10:56 AM David Farnsworth, Chair ND Workforce Development Council, testified. Testimony #23475

11:04 AM Thomas Swoyer, Grand Sky Development, testified. Testimony #23452

11:17 AM Trevor Woods, Executive Director Norther Plains Unmanned Aircraft Systems Test Site Testimony #23562

11:34 AM Frank Mantis, Thales USA and VANTIS PPP, testified. Testimony #23553, #23554

11:53 AM Dave Kleppe, Program Manager ND Procurement Technical Assistance Center, testified. Testimony #23509

11:58 AM Matt Herst, Wellspring Hydro, testified. (No written testimony)

Additional written testimony:
Robert Heitkamp, Executive Director, Marketplace for Kids Testimony #22270

Carol Peterson, Economic development Coordinator, City of Milnor Testimony #22386

Charley Johnson, President and CEO, Fargo-Moorhead CVB Testimony #22407

Andrew J. Maus, Director and CEO Plains Art Museum Testimony #22425

Robert Fuhrman, Director Dickinson Museum Center Testimony #22782

Aaron L. Barth, PhD, Executive Director Missouri Valley Heritage Alliance Testimony #22972, #23687

Melissa Gapp, Auditor, City of Walhalla Testimony #23009

Amanda Hegland, Executive Director New Rockford Area Betterment Corporation Testimony #23043

Kaylee Wallace, Marketing and Communications Manager, Theodore Roosevelt Medora Foundation Testimony #23051

Michael Hanson, Director North Valley Career and Technology Center Testimony #23063

Kate Kessel, Director Ukrainian Cultural Institute Testimony #23081

Doug Bolken, McKenzie County Tourism Testimony #23106

Casey Krieg, Auditor City of Cavalier Testimony #23109

Phyllis Burckhard, Director of Sales Staybridge Suites, member National Hospitality Services Testimony #23115

Carie Boster, Dunn County Jobs Development Authority Economic Development Director Testimony #23158, #23338

Steve Forde, CFO Nelson County Health System, Testimony #23175

Megan Langley, ND citizen Testimony #23296

Julie Rygg, Executive Director Visit Greater Grand Forks Testimony #23318

Shirley Bentrup, ND citizen Testimony #23390

Joshua Buchmann, Chair Roosevelt Custer Regional Council Testimony #23397

Duane Bowman, President Dakota Western Bank Testimony #23420

Brian Lunde, Member Volunteer Board of Directors, Bison World Fund Testimony #23433

Tyler Hoch, Managing Director Stifel, Nicolaus & Company Testimony #23434 (interest in becoming an underwriter or placement agent of debt for Bison World Theme Park)

Lyn James, President Bowman City Commission Testimony #23438

Britt Jacobson, Practice Manager Golden Valley Veterinary Clinic Testimony #23444

Curtis Glasoe, President Maah Daah Hey Trail Association Testimony #23447

Amie Vasichek, City Auditor of Lakota Testimony #23460

Denise Andress, Director Western ND Area Health Education Center Testimony #23463 #23464

Tammy Jackson, Director of Sales Candlewood Suites Testimony #23471

Ms. Becca Cruger, Director of Workforce Development Grand Forks Region Economic Development Corporation Testimony #23476

Jennifer Dusek, Grafton Community Development Director Testimony #23478

Jennifer Feist, Director of Development Valley City-Barnes County Development Corporation Testimony #23482

Dana Hager, Executive Director ND Economic Development Association Testimony #23487

Chanda Arneson, McVille City Auditor Testimony #23492

Sheri J. Grossman, CDME – Bismarck-Mandan CVB Testimony #23507

Patti Were, Vice President Underwood Economic Development Corporation Testimony #23513

Andrea Olson, Executive Director Community Action Partnership ND Testimony #23516

Hugh Drexler, ND Horse Park Testimony #23548

Alex Reichart, President Grand Forks Childrens Museum Board of Directors
Testimony #23556

Katherine Grinberg, Executive Vice President Fargo Moorhead West Fargo Chamber of Commerce Testimony #23563

Brekka Kramer, President/CEO Minot Chamber Economic Development Commission
Testimony #23569

Levi Kinnischtzke, LC Senior Fiscal Analyst Testimony #23692, #26140

12:06 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
3/13/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

2:32 PM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Fertilizer production plant
- ND annual need:1.8 million tons
- Production process
- Site selection process
- Development timelines
- Added value products
- Integration with existing transportation networks
- ND Development Fund – prioritized spending with flexibility
- Workforce solutions

2:33 PM Garret Goldfinger, Project Director, Hydrogen Business Development, Next Era Energy Resources, testified. (No written testimony)

2:53 Renae Bloms, OMB Fiscal Analyst, testified. (No written testimony)

2:55 PM ND Commerce Commissioner Josh Teigen testified. (No written testimony)

2:57 PM Adam Mathiak, Legislative Council Senior Fiscal Analyst, testified. #24238

3:07 Andrea Pfennig, Greater North Dakota Association, testified. (No written testimony)

Additional written testimony:
Jesse Lewis, Senior Vice President DeTect Inc. - Testimony #23599

Katherine Grindberg, Executive Vice President Fargo Moorhead West Fargo Chamber of Commerce – Testimony #24054

3:14 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
3/17/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

8:54 AM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Salaries and benefits
- Full time employee requests (FTE)
- Federal programs administration
- Electrification program rebate distribution
- Workforce talent attraction
- Tourism destination development/value-added recreation
- Quality of life-workforce attraction-economic development
- Federally funding
- Travel costs
- Operating costs
- Business intern program
- Federal rural workforce housing grant program
- Federal rural revitalization redevelopment combination grants
- *Find the Good Life* campaign
- Employers' workforce attraction efforts
- Community training strategies
- Regional workforce impact solutions
- Technical skills training grants
- Automating workforce equipment transition
- Marketing strategies expansion
- Economic research/marketing research
- Federal data sources
- Tourism destination development
- Uncrewed aeronautical systems (UAS)– Grand Sky
- Monetization of intellectual property (IP)
- Vantis network
- Federal programs: AmeriCorps, parks & recreation, energy conservation
- North Dakota Development Fund
- ND Development Fund distribution procedures
- ND Development Fund history - 501c3

8:57 AM Levi Kinnischtzke, LC Senior Fiscal Analyst, testified. Testimony #23692, #24238

8:58 AM Josh Teigen, ND Commerce Commissioner, testified. Testimony #23692, #21654

9:01 AM Renae Blom, OMB Budget Analyst, testified. Testimony #23692, #24238

9:09 AM Maria Effertz, Community Services Director, testified. Testimony #21653

9:43 AM Alison Widmer. Administrative Services Director, testified. Testimony #21653

9:45 AM Katie Ralston Howe, Workforce Development Director, testified. #21653

9:47 AM Recess
10:03 AM Reconvene

10:33 AM Sarah Otte Coleman, ND Tourism and Marketing Director, testified.
Testimony #21653

11:48 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
4/7/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

11:20 AM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

Discussion Topics:

- Salaries/benefits/health insurance
- New full-time employees (FTEs)
- Global Engagement (trade) Office (export products)
- Foreign Direct Investment (attracting capital investment dollars)
- Trade missions and travel costs
- Intern program
- AmeriCorps - Federal funding
- Weatherization program - Federal
- Homeless shelter grant transfer
- Rural workforce housing grant program
- Workforce talent attraction and retention initiative
- Tourism marketing synergy

11:24 AM Levi Kinnischtzke, Legislative Council Senior Fiscal Analyst, testified. #23692

11:27 AM ND Commerce Commissioner Josh Teigen testified. (No written testimony)

11:27 AM Allison Widmer, ND Commerce Administrative Services Director testified. (No written testimony)

11:44 AM Katie Ralston Howe, ND Commerce Workforce Division Director, testified. (No written testimony)

11:56 AM Maria Effertz, Commerce Community Services Director, testified. (No written testimony)

12:12 PM Sara Otte Coleman, ND Director of Tourism and Marketing, testified. (No written testimony)

12:17 PM Chairman Wanzek closed the meeting.
Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
4/10/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

9:14 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele were present.

Discussion Topics:

- Conference Committee members
- Financial Institutions
- Trust Lands
- Workforce relocation costs
- Commerce & Tourism joint effort in talent attraction
- Pilot program
- Workforce Development in Statute
- Automation workforce training and equipment grants
- Technical skills support

9:20 AM Josh Teigen, ND Commerce Commissioner, testified. (No written testimony)

9:22 AM Katie Ralston Howe, ND Commerce Workforce Division Director, testified.
(No written testimony)

9:59 AM Chairman Wanzek closed (or recessed) the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
4/10/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

10:53 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele are present.

Discussion Topics:

- Weatherization and energy efficiencies
- Rural workforce development
- Mainstreet initiatives
- 'Find the Good Life' marketing initiative
- Tourism destination development grant programs
- Tourism's economic impact
- State industry comparisons research
- Tribal colleges commercial driver's license (CDL) program infrastructure
- Educational Credit Management Corporation (ECMC) - economic impacts study
- CDL simulator training for truckers and bus drivers
- Beyond visual line of sight (Vantis infrastructure) commercialization
- Thales/State of ND private-public partnership
- Drone market
- North Dakota Development Fund
- Value-added animal agriculture projects
- Fertilizer production project

10:54 AM Maria Effertz, Director of the Division of Community Services, testified. (No written testimony)

11:01 AM Levi Kinnischtzke, LC Senior Fiscal Analyst, testified. (No written testimony)

11:08 AM Sarah Otte Coleman, ND Tourism Director, testified. (No written testimony)

11:22 AM Cynthia Lindquist, President of Fort Totten Tribal College, testified. (No written testimony)
11:32 AM Josh Teigen, ND Commerce Commissioner, testified.

12:02 PM Chairman Wanzek closed the meeting.
Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
4/11/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

9:36 AM Chairman Wanzek opened the meeting.

Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele are present.

Discussion Topics:

- Partner Programs (Impact Dakota
- Community Service Fund
- Workforce Development (WFD) special fund (AmeriCorps)
- Uncrewed Aeronautical Systems (UAS) Fund
- Workforce development as line items
- Tourism marketing
- Tribal Colleges grants
- Workforce safety grants
- State small business grant funds (Federal funds)
- Weatherization program (Federal funds)
- Legacy Investment technology programs
- Development Fund
- Strategic Investment and Improvement Fund (SIIF)
- Innovate ND
- Job retention/creation procedural practices

9:40 AM Levi Kinnischtzke, LC Senior Fiscal Analyst, testified. #27437

9:44 AM Josh Teigen, ND Commerce Commissioner, testified. (No written testimony)

9:47 AM Allison Widmer, ND Commerce Administrative Services Director, testified. (No written testimony)

10:28 AM Katie Ralston Howe, ND Commerce Workforce Division Director, testified. (No written testimony)

10:38 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

HB 1018
4/12/2023

A bill for an act to provide an appropriation for defraying the expenses of the Department of Commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

9:41 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele are present.

Discussion Topics:

- Amendments
- Budget
- Committee action

9:42 AM Levi Kinnischtzke, Legislative Council Senior Fiscal Analyst, testified.
Testimony #27474, #27503

9:45 AM ND Commerce Commissioner Josh Teigen testified. (No written testimony)

10:08 AM Senator Dwyer moved to adopt Amendment 23.0247.02001 for HB 1018.
Senator J. Roers seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0

10:08 Senator Erbele moved a Do Pass as Amended recommendation for HB 1018.
Senator J. Roers seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jim P. Roers	Y
Senator Shawn Vedaa	Y

Motion passed 5-0-0
10:09 AM Chairman Wanzek closed the meeting.
Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1018
4/12/2023

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to the legacy investment for technology program, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report.

10:14 AM Chairman Bekkedahl opened the meeting on HB 1018.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Members absent: Senator Meyer

Discussion Topics:

- Department of commerce
- Workforce programs
- Tourism projects
- Federal weatherization programs
- Amendment review
- Budget section approval
- Grand Forks grand sky project
- Committee work

10:14 AM Senator Wanzek introduced amendment LC 23.0247.02001.

10:34 AM Senator Wanzek moved to adopt AMENDMENT 23.0247.02001.
Senator Roers seconded the motion.

10:38 AM Levi Kinnischtzke, Legislative Council, answered questions from the committee, no written testimony

10:50 AM Josh Teigen, Commissioner North Dakota Department of Commerce, answered questions from the committee, no written testimony

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	AB
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 14-1-1.

11:05 AM Senator Roers moved to further amend by deleting sections 14 and 15 of amendment 23.0247.02001.
Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	AB
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 15-0-1.

11:06 AM Senator Wanzek moved DO PASS AS AMENDED.
Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	AB
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	N
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

The motion passed 13-2-1.

Senator Wanzek will carry the bill.

11:08 AM Chairman Bekkedahl closed the hearing.

Kathleen Hall, Committee Clerk

23.0247.02002
Title.03000
Fiscal No. 2

Prepared by the Legislative Council staff for
the Senate Appropriations Committee
April 12, 2023

AG
4-12-23
(1-8)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections 54-60-22," with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, replace "workforce enhancement council" with "North Dakota development fund"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,672,817	$15,508,248
Operating expenses	17,317,760	8,116,440	25,434,200
Grants	50,232,330	86,115,351	136,347,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	30,000,000	30,000,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	210,000,000	210,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$352,989,693	$438,036,212
Less estimated income	53,544,379	318,013,053	371,557,432
Total general fund	$31,502,140	$34,976,640	$66,478,780
Full-time equivalent positions	58.80	7.00	65.80"

Page 2, replace lines 12 through 19 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	20,000,000
Enhanced use lease grant	7,000,000	7,000,000
Workforce grants to tribally controlled community colleges	500,000	2,500,000
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	50,000,000
Technical skills training grants	6,000,000	2,000,000"

Page 2, replace lines 24 and 25 with:

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 5 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	14,000,000
Workforce investment grant program	0	12,500,000"

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(2-8)

Page 3, replace line 7 with:

"New Americans workforce training grants	0	1,500,000
Regional council grant program	0	4,000,000
Weatherization and energy assistance program	0	210,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$351,146,946
Less estimated income	135,409,064	318,246,946
Total general fund	$3,165,432	$32,900,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$5,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $210,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, the department of commerce is authorized three positions for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 9, after the boldfaced dash insert "**REGIONAL COUNCIL GRANTS -**"

Page 6, line 10, replace "$98,500,000" with "$88,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 12, replace "$25,000,000" with "$50,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$20,000,000"

Page 6, line 14, replace "$28,000,000" with "$7,000,000"

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(3-8)

Page 6, line 14, remove "$2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, replace "grant to an organization that provides workforce safety" with "and $4,000,000 is for a regional council grant program. The department of commerce shall award funding for the regional council grant program equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with chapter 54-40.1"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $30,000,000 from the general fund for workforce-related programs, of which $14,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $1,500,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 13, replace "$5,000,000" with "$2,500,000"

Page 7, after line 20, insert:

"**SECTION 13. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program.

Page 11, remove lines 29 and 30

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 3 with:

"**SECTION 21. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with and provide funding to any private or public entity.

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2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 22. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

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Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The $210,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act in the weatherization and energy programs line item and in the estimated income line item in section 1 of Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$12,835,431	$16,764,534	($1,256,286)	$15,508,248
Operating expenses	17,317,760	33,544,200	(8,110,000)	25,434,200
Grants	50,232,330	176,347,681	(40,000,000)	136,347,681
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000
COVID-19 response		16,167,553	572,143	16,739,696
Weatherization and energy programs			210,000,000	210,000,000
Partner programs	1,562,531	1,562,531	(654,611)	907,920
Workforce programs			30,000,000	30,000,000
Entrepreneurship grants and vouchers	948,467	948,467		948,467
Total all funds	$85,046,519	$247,834,966	$190,201,246	$438,036,212
Less estimated income	53,544,379	171,549,469	200,007,963	371,557,432
General fund	$31,502,140	$76,285,497	($9,806,717)	$66,478,780
FTE	58.80	62.80	3.00	65.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Transfers Federal Funding Between Line Items[3]	Reduces Funding for Partner Programs[4]	Adjusts Funding for the Heating and Cooling Assistance Programs[5]	Adjusts One-Time Funding for Workforce Initiatives[6]
Salaries and wages	$264,783	($1,631,069)	$110,000			
Operating expenses			(110,000)			($8,000,000)
Grants						(29,000,000)
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs				($654,611)		
Workforce programs						30,000,000
Entrepreneurship grants and vouchers						
Total all funds	$264,783	($1,631,069)	$0	($654,611)	$0	($7,000,000)
Less estimated income	38,391	(102,571)	0	0	0	(2,000,000)
General fund	$226,392	($1,528,498)	$0	($654,611)	$0	($5,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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	Adjusts Other One-Time Funding Initiatives[7]	Adds One-Time Funding for Weatherization and Energy Programs[8]	Total Senate Changes
Salaries and wages			($1,256,286)
Operating expenses			(8,110,000)
Grants	($11,000,000)		(40,000,000)
Discretionary funds	(350,000)		(350,000)
COVID-19 response	572,143		572,143
Weatherization and energy programs		$210,000,000	210,000,000
Partner programs			(654,611)
Workforce programs			30,000,000
Entrepreneurship grants and vouchers			
Total all funds	($10,777,857)	$210,000,000	$190,201,246
Less estimated income	(7,927,857)	210,000,000	200,007,963
General fund	($2,850,000)	$0	($9,806,717)
FTE	0.00	3.00	3.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$226,813	$39,696	$266,509
Health insurance increase	(421)	(1,305)	(1,726)
Total	$226,392	$38,391	$264,783

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	($967,642)	$0	($967,642)
Vacant FTE positions	(560,856)	(102,571)	(663,427)
Total	($1,528,498)	($102,571)	($1,631,069)

[3] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[4] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[5] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Senate as one-time funding.

[6] One-time funding for workforce initiatives is adjusted as follows:

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	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $14 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item.	$6,000,000	$0	$6,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund in the workforce programs line item. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item.	0	0	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item.	1,500,000	(2,000,000)	(500,000)
Total	($5,000,000)	($2,000,000)	($7,000,000)

[7] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Adds funding for the tourism destination development initiative to provide a total of $50 million from SIIF. The House provided $25 million from SIIF.	0	25,000,000	25,000,000
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $20 million from SIIF. The House provided $30 million from SIIF.	0	(10,000,000)	(10,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $7 million from SIIF. The House provided $28 million from SIIF.	0	(21,000,000)	(21,000,000)
Reduces funding for workforce grants to tribally controlled community colleges to provide a total of $2.5 million from the general fund. The House provided $5 million from the general fund.	(2,500,000)	0	(2,500,000)
Removes funding added by the House from SIIF for a workforce safety grant.	0	(1,500,000)	(1,500,000)
Adds funding from SIIF for a regional council grant program. The House did not add funding for this program.	0	4,000,000	4,000,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program. The House did not add funding for this program.	0	572,143	572,143
Total	($2,850,000)	($7,927,857)	($10,777,857)

[8] One-time funding of $210 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) ($120 million) and Inflation Reduction Act (IRA) ($90 million) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

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Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $210 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provides a $5 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Senate provides for a $65 million transfer.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.
- Adds a section identifying one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provides $88 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Senate provides $1.5 million from SIIF.
- Adds a section identifying $30 million from the general fund in a newly created workforce programs line item.
- Amends a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate provides $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND.
- Removes a section added by the House that amended North Dakota Century Code Section 21-10-13(4), related to legacy earnings fund allocations.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee.
- Removes a section that amended Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium.
- Adds a section to declare the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

REPORT OF STANDING COMMITTEE

HB 1018, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1018 was placed on the Sixth order on the calendar. This bill affects workforce development.

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections 54-60-22," with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, replace "workforce enhancement council" with "North Dakota development fund"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

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Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	30,000,000	30,000,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	210,000,000	210,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$352,989,693	$438,036,212
Less estimated income	53,544,379	318,013,053	371,557,432
Total general fund	$31,502,140	$34,976,640	$66,478,780
Full-time equivalent positions	58.80	7.00	65.80"

Page 2, replace lines 12 through 19 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	20,000,000
Enhanced use lease grant	7,000,000	7,000,000
Workforce grants to tribally controlled community colleges	500,000	2,500,000
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	50,000,000
Technical skills training grants	6,000,000	2,000,000"

Page 2, replace lines 24 and 25 with:

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 5 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	14,000,000
Workforce investment grant program	0	12,500,000"

Page 3, replace line 7 with:

"New Americans workforce training grants	0	1,500,000
Regional council grant program	0	4,000,000
Weatherization and energy assistance program	0	210,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$351,146,946
Less estimated income	135,409,064	318,246,946
Total general fund	$3,165,432	$32,900,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$5,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $210,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, the department of commerce is authorized three positions for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 9, after the boldfaced dash insert "**REGIONAL COUNCIL GRANTS -**"

Page 6, line 10, replace "$98,500,000" with "$88,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 12, replace "$25,000,000" with "$50,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$20,000,000"

Page 6, line 14, replace "$28,000,000" with "$7,000,000"

Page 6, line 14, remove "$2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, replace "grant to an organization that provides workforce safety" with "and $4,000,000 is for a regional council grant program. The department of commerce shall award funding for the regional council grant program equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with chapter 54-40.1"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $30,000,000 from the general fund for workforce-related programs, of which $14,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $1,500,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 13, replace "$5,000,000" with "$2,500,000"

Page 7, after line 20, insert:

"**SECTION 13. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program.

Page 11, remove lines 29 and 30

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 3 with:

"**SECTION 21. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.

The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 22. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The $210,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act in the weatherization and energy programs line item and in the

estimated income line item in section 1 of Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$12,835,431	$16,764,534	($1,256,286)	$15,508,248
Operating expenses	17,317,760	33,544,200	(8,110,000)	25,434,200
Grants	50,232,330	176,347,681	(40,000,000)	136,347,681
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000
COVID-19 response		16,167,553	572,143	16,739,696
Weatherization and energy programs			210,000,000	210,000,000
Partner programs	1,562,531	1,562,531	(654,611)	907,920
Workforce programs			30,000,000	30,000,000
Entrepreneurship grants and vouchers	948,467	948,467		948,467
Total all funds	$85,046,519	$247,834,966	$190,201,246	$438,036,212
Less estimated income	53,544,379	171,549,469	200,007,963	371,557,432
General fund	$31,502,140	$76,285,497	($9,806,717)	$66,478,780
FTE	58.80	62.80	3.00	65.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Transfers Federal Funding Between Line Items[3]	Reduces Funding for Partner Programs[4]	Adjusts Funding for the Heating and Cooling Assistance Programs[5]	Adjusts One-Time Funding for Workforce Initiatives[6]
Salaries and wages	$264,783	($1,631,069)	$110,000			
Operating expenses			(110,000)			($8,000,000)
Grants						(29,000,000)
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs				($654,611)		
Workforce programs						30,000,000
Entrepreneurship grants and vouchers						
Total all funds	$264,783	($1,631,069)	$0	($654,611)	$0	($7,000,000)
Less estimated income	38,391	(102,571)	0	0	0	(2,000,000)
General fund	$226,392	($1,528,498)	$0	($654,611)	$0	($5,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Other One-Time Funding Initiatives[7]	Adds One-Time Funding for Weatherization and Energy Programs[8]	Total Senate Changes
Salaries and wages			($1,256,286)
Operating expenses			(8,110,000)
Grants	($11,000,000)		(40,000,000)
Discretionary funds	(350,000)		(350,000)
COVID-19 response	572,143		572,143
Weatherization and energy programs		$210,000,000	210,000,000
Partner programs			(654,611)
Workforce programs			30,000,000
Entrepreneurship grants and vouchers			
Total all funds	($10,777,857)	$210,000,000	$190,201,246
Less estimated income	(7,927,857)	210,000,000	200,007,963
General fund	($2,850,000)	$0	($9,806,717)
FTE	0.00	3.00	3.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health

insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$226,813	$39,696	$266,509
Health insurance increase	(421)	(1,305)	(1,726)
Total	$226,392	$38,391	$264,783

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	($967,642)	$0	($967,642)
Vacant FTE positions	(560,856)	(102,571)	(663,427)
Total	($1,528,498)	($102,571)	($1,631,069)

[3] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[4] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[5] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Senate as one-time funding.

[6] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $14 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item.	$6,000,000	$0	$6,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund in the workforce programs line item. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item.	0	0	0
	1,500,000	(2,000,000)	(500,000)
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item.			
Total	($5,000,000)	($2,000,000)	($7,000,000)

[7] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Adds funding for the tourism destination development initiative to provide a total of $50 million from SIIF. The House provided $25 million from SIIF.	0	25,000,000	25,000,000
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $20 million from SIIF. The House provided $30 million from SIIF.	0	(10,000,000)	(10,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $7 million from SIIF. The House provided $28 million from SIIF.	0	(21,000,000)	(21,000,000)
Reduces funding for workforce grants to tribally controlled community colleges to provide a total of $2.5 million from the general fund. The House provided $5 million from the general fund.	(2,500,000)	0	(2,500,000)
Removes funding added by the House from SIIF for a workforce safety grant.	0	(1,500,000)	(1,500,000)
Adds funding from SIIF for a regional council grant program. The House did not add funding for this program.	0	4,000,000	4,000,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program. The House did not add funding for this program.	0	572,143	572,143
Total	($2,850,000)	($7,927,857)	($10,777,857)

[8] One-time funding of $210 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) ($120 million) and Inflation Reduction Act (IRA) ($90 million) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $210 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provides a $5 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Senate provides for a $65 million transfer.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.
- Adds a section identifying one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provides $88 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Senate provides $1.5 million from SIIF.

- Adds a section identifying $30 million from the general fund in a newly created workforce programs line item.
- Amends a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate provides $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND.
- Removes a section added by the House that amended North Dakota Century Code Section 21-10-13(4), related to legacy earnings fund allocations.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee.
- Removes a section that amended Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium.
- Adds a section to declare the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

2023 CONFERENCE COMMITTEE

HB 1018

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/20/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

9:30 AM Chairman Nathe started the meeting.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Houge

Discussion Topics:

- Tourism
- VANTIS
- New Americans
- Work Force Safety Grant
- Weatherization Grants
- ND Development Fund
- Gran Farm
- Advisory Board Language

Chairman Nathe opened the meeting.

Senator Wanzek started explaining the senate's changes, Budget No. 601, #27745.

Senator Bekkedahl asked questions on VANTIS.

Josh Tiegen, Commissioner of Commerce answered questions concerning HB 1018.

Representative Martinson suggested what could be discussed at the next meeting.

9:59 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/21/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

3:30 PM Chairman Nathe started the meeting.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Houge

Discussion Topics:

- UAS
- VANTIS
- Workforce Investment Program
- Talent Attraction
- Fertilizer Plant
- Destination Development Grant
- Global Engagement Office
- Office of Automation
- Tourism Awareness Marketing

Chairman Nathe opened the meeting, #27825.

Senator Wanzek explained Destination Development Grant, #27826.

Committee Discussion

Rich Garman, Director of Economic Development and Finance, answered questions regarding HB 1018.

Alison Widmer, Administrative Services Director, answered questions regarding HB 1018.

Representative Martinson suggested what could be discussed at the next meeting.

Sara Coleman, Director of Tourism and Marketing, answered questions regarding HB 1018.

4:06 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/22/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:04 AM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Hogue

Discussion Topics:

- Workforce initiatives
- Discretionary Funds

Chairman Nathe Opens discussion on changes made by the senate.

Committee Discussion

10:25 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

Date: 4/22/2023
Roll Call Vote #1

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	*4/20*	*4/21*	*4/22*	**Yes**	**No**		**Senators**	*4/20*	*4/21*	*4/22*	**Yes**	**No**
Nathe	X	X	X				Bekkedahl	X	X	X		
Swiontek		X	X				Wanzek	X	X	X		
Martinson	X	X	X				Hogue	X	X	X		
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Attendance

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/24/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

3:03 PM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, and Wanzek,

Members not present Senator Hogue

Discussion Topics:

- **Committee Discussion**

Chairman Nathe- Opens discussion on HB 1018

Josh Teigen Commissioner of ND Department of Commerce- Answers questions for the committee

Frank Matus, Director ATC and Digital Aviation- Answers questions for the committee

Sara Otte Coleman- Develop Marketing strategies for ND- Answers questions for the committee

3:27 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/25/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

11:03 AM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Hogue

Discussion Topics:

- Budget Discussion

Chairman Nathe- Opens discussion on HB 1018, #27885, #27886.

Committee Discussion

Levi Kinnischzke, legislative Council, reported on funds carried over into the next biennium.

Josh Teigen Commissioner of ND Department of Commerce answered questions for the committee.

11:24 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/26/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

3:01 PM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Hogue

Discussion Topics:

- Budget Discussion
- ND Development Fund

Chairman Nathe- Opens discussion on HB 1018.

Senator Hogue passed out updates from the Senate, #27922.

Committee Discussion

Levi Kinnischzke, legislative Council, answered questions.

3:17 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

Date: 4/26/2023
Roll Call Vote #1

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	*4/24*	*4/25*	*4/26*	**Yes**	**No**		**Senators**	*4/24*	*4/25*	*4/26*	**Yes**	**No**
Nathe	X	X	X				Bekkedahl	X	X	X		
Swiontek	X	X	X				Wanzek	X	X	X		
Martinson	X	X	X				Hogue		X	X		
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Attendance

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/27/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

10:04 AM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Hogue

Discussion Topics:

- Committee Discussion

Chairman Nathe- Opens discussion on HB 1018,

Levi Kinnischzke, Legislative Council provided printouts of Budget No. 601, #27930.

Representative Martinson moved the amendments.

Senator Bekkedahl seconded the motion for SENATE to recede from Senate amendments and amend as follows 23.0247.02003.

Roll Call Vote:

Motion carried 6-0-0.

Representative Nathe and Senator Bekkedahl will carry the bill.

10:12 AM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

Prepared by the Legislative Council staff for
Conference Committee
April 27, 2023

jmg 4/28/23 1 of 9

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

That the Senate recede from its amendments as printed on pages 1933-1940 of the House Journal and pages 1643-1650 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections" with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, after the first comma insert "the North Dakota development fund,"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,622,805	$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	79,065,351	129,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$253,683,443	$338,729,962
Less estimated income	53,544,379	223,013,053	276,557,432
Total general fund	$31,502,140	$30,670,390	$62,172,530
Full-time equivalent positions	58.80	5.00	63.80"

Page 2, replace lines 12 through 20 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000
Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	40,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000"

Page 2, replace lines 24 and 25 with:

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"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 6 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$252,596,946
Less estimated income	135,409,064	223,246,946
Total general fund	$3,165,432	$29,350,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$10,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 10, replace "$98,500,000" with "$83,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 12, replace "$25,000,000" with "$40,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$26,000,000"

Page 6, line 14, replace "$28,000,000" with "and $10,000,000"

Page 6, line 14, remove ", $2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, remove "grant to an organization that provides workforce safety"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than $20,000,000 for a project under this program."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $28,500,000 from the general fund for workforce-related programs, of which $12,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $2,000,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 8, remove "**- STATE MAGAZINE**"

Page 7, line 10, after "magazine" insert "with the current publisher of the magazine, $350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and $350,000 is designated for providing base retention grant funding to eligible organizations in Minot"

Page 7, replace lines 11 through 20 with:

"**SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program."

Page 11, remove lines 29 and 30

Page 12, replace lines 1 through 17 with:

"**SECTION 20. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and~~, contract with, and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 21. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 16, line 5, replace "general" with "strategic investment and improvements"

Page 16, line 8, replace "strategic investment and improvements" with "general"

Page 17, line 6, remove "administered by the"

Page 17, line 7, replace "department during the 2023-25 biennium" with "identified in section 2 of this Act derived from the general fund or state special funds"

Page 17, line 9, after the third comma insert "and"

Page 17, line 10, remove ", current and future estimated return on"

Page 17, remove lines 11 through 15

Page 17, line 16, remove "of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1"

Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The $120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and

2. The $26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$12,835,431	$16,764,534	($1,306,298)	$15,458,236	$15,508,248	($50,012)
Operating expenses	17,317,760	33,544,200	(8,816,238)	24,727,962	25,434,200	(706,238)
Grants	50,232,330	176,347,681	(47,050,000)	129,297,681	136,347,681	(7,050,000)
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000	2,150,000	
COVID-19 response		16,167,553	572,143	16,739,696	16,739,696	
Weatherization and energy programs			120,000,000	120,000,000	210,000,000	(90,000,000)
Partner programs	1,562,531	1,562,531	(654,611)	907,920	907,920	
Workforce programs			28,500,000	28,500,000	30,000,000	(1,500,000)
Entrepreneurship grants and vouchers	948,467	948,467		948,467	948,467	
Total all funds	$85,046,519	$247,834,966	$90,894,996	$338,729,962	$438,036,212	($99,306,250)
Less estimated income	53,544,379	171,549,469	105,007,963	276,557,432	371,557,432	(95,000,000)
General fund	$31,502,140	$76,285,497	($14,112,967)	$62,172,530	$66,478,780	($4,306,250)
FTE	58.80	62.80	1.00	63.80	65.80	(2.00)

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes FTE Positions[2]	Removes Salary Funding for Funding Pool[3]	Transfers Federal Funding Between Line Items[4]	Reduces Funding for Partner Programs[5]	Adjusts Funding for the Heating and Cooling Assistance Programs[6]
Salaries and wages	$214,771	($561,762)	($1,069,307)	$110,000		
Operating expenses		(706,238)		(110,000)		
Grants						
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs					($654,611)	
Workforce programs						
Entrepreneurship grants and vouchers						
Total all funds	$214,771	($1,268,000)	($1,069,307)	$0	($654,611)	$0
Less estimated income	38,391	0	(102,571)	0	0	0
General fund	$176,380	($1,268,000)	($966,736)	$0	($654,611)	$0
FTE	0.00	(2.00)	0.00	0.00	0.00	0.00

	Adjusts One-Time Funding for Workforce Initiatives[7]	Adjusts Other One-Time Funding Initiatives[8]	Adds One-Time Funding for Weatherization and Energy Programs[9]	Total Conference Committee Changes
Salaries and wages				($1,306,298)
Operating expenses	($8,000,000)			(8,816,238)
Grants	(29,000,000)	($18,050,000)		(47,050,000)
Discretionary funds		(350,000)		(350,000)
COVID-19 response		572,143		572,143
Weatherization and energy programs			$120,000,000	120,000,000
Partner programs				(654,611)
Workforce programs	28,500,000			28,500,000
Entrepreneurship grants and vouchers				
Total all funds	($8,500,000)	($17,827,857)	$120,000,000	$90,894,996
Less estimated income	(2,000,000)	(12,927,857)	120,000,000	105,007,963
General fund	($6,500,000)	($4,900,000)	$0	($14,112,967)
FTE	0.00	0.00	3.00	1.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$187,087	$39,696	$226,783
Health insurance adjustment	(10,707)	(1,305)	(12,012)
Total	$176,380	$38,391	$214,771

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The Senate provided salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024.

[2] Two FTE positions and related funding from the general fund is removed as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Office of Automation	($310,858)	($689,142)	($1,000,000)
FTE position - Global Engagement Office	(250,904)	(17,096)	(268,000)
Total	($561,762)	($706,238)	($1,268,000)

The reduction of $17,096 of operating expenses for the FTE Global Engagement Office position results in a total of $351,404 of operating expenses available for the Global Engagement Office. The Senate did not remove these positions and related funding.

[3] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	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)

The Senate also removed funding for the new and vacant FTE funding pool.

[4] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries, the same as provided by the Senate. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[5] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs, the same as provided by the Senate. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[6] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Conference Committee as one-time funding. The Senate also made this adjustment.

[7] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $12 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item. The Senate provided $14 million from the general fund in the workforce programs line item.	$4,000,000	$0	$4,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund for the workforce investment program, the same as provided by the Senate. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item, the same as provided by the Senate.	0	0	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item. The Senate removed $2 million from SIIF in the grants line item and added $1.5 million from the general fund in the workforce programs line item.	2,000,000	(2,000,000)	0
Total	($6,500,000)	($2,000,000)	($8,500,000)

[8] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants, the same as provided by the Senate. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Adds funding for the tourism destination development initiative to provide a total of $40 million from SIIF. The House provided $25 million from SIIF. The Senate provided $50 million from SIIF.	0	15,000,000	15,000,000
Removes funding for Main Street Initiative community development grants. The House and Senate provided $400,000 for this program.	(400,000)	0	(400,000)
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $26 million from SIIF. The House provided $30 million from SIIF. The Senate provided $20 million from SIIF.	0	(4,000,000)	(4,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $10 million from SIIF. The House provided $28 million from SIIF. The Senate provided $7 million from SIIF.	0	(18,000,000)	(18,000,000)
Removes funding for workforce grants to tribally controlled community colleges. The House provided $5 million from the general fund. The Senate provided $2.5 million from the general fund.	(5,000,000)	0	(5,000,000)
Removes funding added by the House from SIIF for a workforce safety grant. The Senate also removed this funding.	0	(1,500,000)	(1,500,000)
Adds funding for a creamery assistance grant to be provided directly to Cows & Co Creamery. The Senate did not provide funding for this purpose.	250,000	0	250,000
Adds funding for a motion picture production and recruitment grant to be provided directly to Canticle Productions. The Senate did not provide funding for this purpose.	600,000	0	600,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level and as provided by the Senate. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program, the same as provided by the Senate. The House did not add funding for this program.	0	572,143	572,143
Total	($4,900,000)	($12,927,857)	($17,827,857)

[9] One-time funding of $120 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $120 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose. The Senate added $210 million and authorized 3 FTE positions.

The Conference Committee:

- Did not add one-time funding for a regional council grant program. The Senate added $4 million from SIIF.

- Retained a section removed by the Senate to amend North Dakota Century Code Section 54-60-22. The House added this section to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provided a $5 million transfer from SIIF. The Conference Committee provided a $10 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Conference Committee provided for a $65 million transfer, the same as provided by the Senate.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program. The Senate also removed this section.
- Adds a section identifying $120 million of one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA. The Senate identified $210 million.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provided $88 million. The Conference Committee provided $83 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Conference Committee provided $1.5 million from SIIF, the same as provided by the Senate.
- Adds a section identifying funding from the general fund in a newly created workforce programs line item. The Senate provided $30 million. The Conference Committee provided $28.5 million.
- Amends a section identifying the funding appropriated from the general fund for discretionary funds,of which $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot. The House and Senate included the state magazine designation but did not include the Native American small businesses or base retention grants designations.
- Removes a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate amended the section to identify $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND. The Senate also added this section.
- Removes a section added by the House that amended Section 21-10-13(4), related to legacy earnings fund allocations. The Senate also removed this section.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts. The Senate also added this section.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund Chief Executive Officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee. The Senate also added this section.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college. The Senate also added this section.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium. The Senate also adjusted these exemption subsections.
- Amends a section related to the Department of Commerce providing a report to Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department. The Senate did not amend this section. The Conference Committee amended the section to provide the report relate only to one-time funding items from the general fund and state special funds.
- Adds a section to declare the $120 million of federal funds appropriated for weatherization and energy assistance programs and $26 million appropriated from SIIF for the BVLOS UAS program to be an emergency measure. The Senate declared $210 million of federal funding for weatherization and energy programs to be an emergency measure. The House did not declare an emergency for these programs.

Date: 4/27/2023
Roll Call Vote #1

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Martinson Seconded by: Senator Bekkedahl

Representatives	4/27			Yes	No		Senators	4/27			Yes	No
Nathe	X			X			Bekkedahl	X			X	
Swiontek	X			X			Wanzek	X			X	
Martinson	X			X			Hogue	X			X	
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Nathe Senate Carrier Senator Bekkedahl

LC Number 23.0247 . 02003 of amendment

LC Number 23.0247 . 04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Insert LC: 23.0247.02003
House Carrier: Nathe
Senate Carrier: Bekkedahl

REPORT OF CONFERENCE COMMITTEE

HB 1018, as engrossed: Your conference committee (Sens. Bekkedahl, Wanzek, Hogue and Reps. Nathe, Swiontek, Martinson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1933-1940, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1933-1940 of the House Journal and pages 1643-1650 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections" with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, after the first comma insert "the North Dakota development fund,"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,622,805	$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	79,065,351	129,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$253,683,443	$338,729,962
Less estimated income	53,544,379	223,013,053	276,557,432
Total general fund	$31,502,140	$30,670,390	$62,172,530
Full-time equivalent positions	58.80	5.00	63.80"

Page 2, replace lines 12 through 20 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000
Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	40,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000"

Page 2, replace lines 24 and 25 with:

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 6 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$252,596,946
Less estimated income	135,409,064	223,246,946
Total general fund	$3,165,432	$29,350,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$10,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 10, replace "$98,500,000" with "$83,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 12, replace "$25,000,000" with "$40,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$26,000,000"

Page 6, line 14, replace "$28,000,000" with "and $10,000,000"

Page 6, line 14, remove ", $2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, remove "grant to an organization that provides workforce safety"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than $20,000,000 for a project under this program."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $28,500,000 from the general fund for workforce-related programs, of which $12,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $2,000,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 8, remove "**- STATE MAGAZINE**"

Page 7, line 10, after "magazine" insert "with the current publisher of the magazine, $350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and $350,000 is designated for providing base retention grant funding to eligible organizations in Minot"

Page 7, replace lines 11 through 20 with:

"**SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program."

Page 11, remove lines 29 and 30

Page 12, replace lines 1 through 17 with:

"**SECTION 20. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and~~, contract with, and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 21. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 16, line 5, replace "general" with "strategic investment and improvements"

Page 16, line 8, replace "strategic investment and improvements" with "general"

Page 17, line 6, remove "administered by the"

Page 17, line 7, replace "department during the 2023-25 biennium" with "identified in section 2 of this Act derived from the general fund or state special funds"

Page 17, line 9, after the third comma insert "and"

Page 17, line 10, remove ", current and future estimated return on"

Page 17, remove lines 11 through 15

Page 17, line 16, remove "of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1"

Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The $120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and

2. The $26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$12,835,431	$16,764,534	($1,306,298)	$15,458,236	$15,508,248	($50,012)
Operating expenses	17,317,760	33,544,200	(8,816,238)	24,727,962	25,434,200	(706,238)
Grants	50,232,330	176,347,681	(47,050,000)	129,297,681	136,347,681	(7,050,000)
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000	2,150,000	
COVID-19 response		16,167,553	572,143	16,739,696	16,739,696	
Weatherization and energy programs			120,000,000	120,000,000	210,000,000	(90,000,000)
Partner programs	1,562,531	1,562,531	(654,611)	907,920	907,920	
Workforce programs			28,500,000	28,500,000	30,000,000	(1,500,000)
Entrepreneurship grants and vouchers	948,467	948,467		948,467	948,467	
Total all funds	$85,046,519	$247,834,966	$90,894,996	$338,729,962	$438,036,212	($99,306,250)
Less estimated income	53,544,379	171,549,469	105,007,963	276,557,432	371,557,432	(95,000,000)
General fund	$31,502,140	$76,285,497	($14,112,967)	$62,172,530	$66,478,780	($4,306,250)
FTE	58.80	62.80	1.00	63.80	65.80	(2.00)

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes FTE Positions[2]	Removes Salary Funding for Funding Pool[3]	Transfers Federal Funding Between Line Items[4]	Reduces Funding for Partner Programs[5]	Adjusts Funding for the Heating and Cooling Assistance Programs[6]
Salaries and wages	$214,771	($561,762)	($1,069,307)	$110,000		
Operating expenses		(706,238)		(110,000)		
Grants						
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs					($654,611)	
Workforce programs						
Entrepreneurship grants and vouchers						
Total all funds	$214,771	($1,268,000)	($1,069,307)	$0	($654,611)	$0
Less estimated income	38,391	0	(102,571)	0	0	0
General fund	$176,380	($1,268,000)	($966,736)	$0	($654,611)	$0
FTE	0.00	(2.00)	0.00	0.00	0.00	0.00

	Adjusts One-Time Funding for Workforce Initiatives[7]	Adjusts Other One-Time Funding Initiatives[8]	Adds One-Time Funding for Weatherization and Energy Programs[9]	Total Conference Committee Changes
Salaries and wages				($1,306,298)
Operating expenses	($8,000,000)			(8,816,238)
Grants	(29,000,000)	($18,050,000)		(47,050,000)
Discretionary funds		(350,000)		(350,000)
COVID-19 response		572,143		572,143
Weatherization and energy programs			$120,000,000	120,000,000
Partner programs				(654,611)
Workforce programs	28,500,000			28,500,000
Entrepreneurship grants and vouchers				
Total all funds	($8,500,000)	($17,827,857)	$120,000,000	$90,894,996
Less estimated income	(2,000,000)	(12,927,857)	120,000,000	105,007,963
General fund	($6,500,000)	($4,900,000)	$0	($14,112,967)
FTE	0.00	0.00	3.00	1.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$187,087	$39,696	$226,783
Health insurance adjustment	(10,707)	(1,305)	(12,012)
Total	$176,380	$38,391	$214,771

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The Senate provided salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024.

[2] Two FTE positions and related funding from the general fund is removed as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Office of Automation	($310,858)	($689,142)	($1,000,000)
FTE position - Global Engagement Office	(250,904)	(17,096)	(268,000)
Total	($561,762)	($706,238)	($1,268,000)

The reduction of $17,096 of operating expenses for the FTE Global Engagement Office

position results in a total of $351,404 of operating expenses available for the Global Engagement Office. The Senate did not remove these positions and related funding.

[3] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	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)

The Senate also removed funding for the new and vacant FTE funding pool.

[4] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries, the same as provided by the Senate. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[5] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs, the same as provided by the Senate. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[6] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Conference Committee as one-time funding. The Senate also made this adjustment.

[7] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $12 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item. The Senate provided $14 million from the general fund in the workforce programs line item.	$4,000,000	$0	$4,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund for the workforce investment program, the same as provided by the Senate. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item, the same as provided by the Senate.	0	0	0
	2,000,000	(2,000,000)	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item. The Senate removed $2 million from SIIF in the grants line item and added $1.5 million from the general fund in the workforce programs line item.			
Total	($6,500,000)	($2,000,000)	($8,500,000)

[8] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants, the same as provided by the Senate. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Adds funding for the tourism destination development initiative to provide a total of $40 million from SIIF. The House provided $25 million from SIIF. The Senate provided $50 million from SIIF.	0	15,000,000	15,000,000
Removes funding for Main Street Initiative community development grants. The House and Senate provided $400,000 for this program.	(400,000)	0	(400,000)
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $26 million from SIIF. The House provided $30 million from SIIF. The Senate provided $20 million from SIIF.	0	(4,000,000)	(4,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $10 million from SIIF. The House provided $28 million from SIIF. The Senate provided $7 million from SIIF.	0	(18,000,000)	(18,000,000)
Removes funding for workforce grants to tribally controlled community colleges. The House provided $5 million from the general fund. The Senate provided $2.5 million from the general fund.	(5,000,000)	0	(5,000,000)
Removes funding added by the House from SIIF for a workforce safety grant. The Senate also removed this funding.	0	(1,500,000)	(1,500,000)
Adds funding for a creamery assistance grant to be provided directly to Cows & Co Creamery. The Senate did not provide funding for this purpose.	250,000	0	250,000
Adds funding for a motion picture production and recruitment grant to be provided directly to Canticle Productions. The Senate did not provide funding for this purpose.	600,000	0	600,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level and as provided by the Senate. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program, the same as provided by the Senate. The House did not add funding for this program.	0	572,143	572,143
Total	($4,900,000)	($12,927,857)	($17,827,857)

[9] One-time funding of $120 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $120 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose. The Senate added $210 million and authorized 3 FTE positions.

The Conference Committee:

- Did not add one-time funding for a regional council grant program. The Senate added $4 million from SIIF.
- Retained a section removed by the Senate to amend North Dakota Century Code Section 54-60-22. The House added this section to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include

training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provided a $5 million transfer from SIIF. The Conference Committee provided a $10 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Conference Committee provided for a $65 million transfer, the same as provided by the Senate.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program. The Senate also removed this section.
- Adds a section identifying $120 million of one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA. The Senate identified $210 million.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provided $88 million. The Conference Committee provided $83 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Conference Committee provided $1.5 million from SIIF, the same as provided by the Senate.
- Adds a section identifying funding from the general fund in a newly created workforce programs line item. The Senate provided $30 million. The Conference Committee provided $28.5 million.
- Amends a section identifying the funding appropriated from the general fund for discretionary funds,of which $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot. The House and Senate included the state magazine designation but did not include the Native American small businesses or base retention grants designations.
- Removes a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate amended the section to identify $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND. The Senate also added this section.
- Removes a section added by the House that amended Section 21-10-13(4), related to legacy earnings fund allocations. The Senate also removed this section.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts. The Senate also added this section.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund Chief Executive Officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee. The Senate also added this section.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded

based on documented job placement rates at each eligible college. The Senate also added this section.

- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium. The Senate also adjusted these exemption subsections.
- Amends a section related to the Department of Commerce providing a report to Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department. The Senate did not amend this section. The Conference Committee amended the section to provide the report relate only to one-time funding items from the general fund and state special funds.
- Adds a section to declare the $120 million of federal funds appropriated for weatherization and energy assistance programs and $26 million appropriated from SIIF for the BVLOS UAS program to be an emergency measure. The Senate declared $210 million of federal funding for weatherization and energy programs to be an emergency measure. The House did not declare an emergency for these programs.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

HB 1018
4/28/2023

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce.

6:05 PM Chairman Nathe started the meeting and roll call was taken.

Representatives present: Nathe, Swiontek, and Martinson
Senators present: Bekkedahl, Wanzek, and Hogue

Discussion Topics:

- Committee Discussion
- Destination Fund

Chairman Nathe- Gives language for an amendment by changing 40 million to 25 million with 5 million dollars match per project for the destination fund.

Representative Swiontek Move to further amend by changing the 40 million to 25 and a 5 million dollar max per project.

Representative Martinson Seconds the motion.

Committee Discussion- Roll call vote 4-2-0 Motion Fails

Senator Hogue Moves to amend by changing the amount to 7 million 500 thousand dollars per project.

Committee Discussion

Senator Wanzek- Seconds the Motion

Roll call vote 3-3-0 Motion Fails

Representative Martinson- Move to amend by changing the maximum match per project to 5 million and the total amount in the destination fund to 25 million.

Representative Swiontek- Seconds the motion.

Committee Discussion-Roll call vote 5-1-0 Motion Carries

The Senate recedes and they further amended.

Representative Nathe and Senator Bekkedahl will carry the bill

6:15 PM Chairman Nathe adjourned the meeting.

Donna Lynn Knutson, Committee Clerk

SK 1of9 4/28

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Fiscal No. 3

Prepared by the Legislative Council staff for
Conference Committee
April 28, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

That the Senate recede from its amendments as printed on pages 1933-1940 of the House Journal and pages 1643-1650 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections" with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, after the first comma insert "the North Dakota development fund,"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,622,805	$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	64,065,351	114,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$238,683,443	$323,729,962
Less estimated income	53,544,379	208,013,053	261,557,432
Total general fund	$31,502,140	$30,670,390	$62,172,530
Full-time equivalent positions	58.80	5.00	63.80"

Page 2, replace lines 12 through 20 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000
Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000"

Page 2, replace lines 24 and 25 with:

8/209

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 6 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$237,596,946
Less estimated income	135,409,064	208,246,946
Total general fund	$3,165,432	$29,350,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$10,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 10, replace "$98,500,000" with "$68,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$26,000,000"

Page 6, line 14, replace "$28,000,000" with "and $10,000,000"

Page 6, line 14, remove ", $2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, remove "grant to an organization that provides workforce safety"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than $5,000,000 for a project under this program."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $28,500,000 from the general fund for workforce-related programs, of which $12,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $2,000,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 8, remove "**- STATE MAGAZINE**"

Page 7, line 10, after "magazine" insert "with the current publisher of the magazine, $350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and $350,000 is designated for providing base retention grant funding to eligible organizations in Minot"

Page 7, replace lines 11 through 20 with:

"**SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program."

Page 11, remove lines 29 and 30

Page 12, replace lines 1 through 17 with:

"**SECTION 20. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and~~, contract with, and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 21. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 16, line 5, replace "general" with "strategic investment and improvements"

Page 16, line 8, replace "strategic investment and improvements" with "general"

Page 17, line 6, remove "administered by the"

Page 17, line 7, replace "department during the 2023-25 biennium" with "identified in section 2 of this Act derived from the general fund or state special funds"

Page 17, line 9, after the third comma insert "and"

Page 17, line 10, remove ", current and future estimated return on"

Page 17, remove lines 11 through 15

Page 17, line 16, remove "of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1"

Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The $120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and

2. The $26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$12,835,431	$16,764,534	($1,306,298)	$15,458,236	$15,508,248	($50,012)
Operating expenses	17,317,760	33,544,200	(8,816,238)	24,727,962	25,434,200	(706,238)
Grants	50,232,330	176,347,681	(62,050,000)	114,297,681	136,347,681	(22,050,000)
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000	2,150,000	
COVID-19 response		16,167,553	572,143	16,739,696	16,739,696	
Weatherization and energy programs			120,000,000	120,000,000	210,000,000	(90,000,000)
Partner programs	1,562,531	1,562,531	(654,611)	907,920	907,920	
Workforce programs			28,500,000	28,500,000	30,000,000	(1,500,000)
Entrepreneurship grants and vouchers	948,467	948,467		948,467	948,467	
Total all funds	$85,046,519	$247,834,966	$75,894,996	$323,729,962	$438,036,212	($114,306,250)
Less estimated income	53,544,379	171,549,469	90,007,963	261,557,432	371,557,432	(110,000,000)
General fund	$31,502,140	$76,285,497	($14,112,967)	$62,172,530	$66,478,780	($4,306,250)
FTE	58.80	62.80	1.00	63.80	65.80	(2.00)

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes FTE Positions[2]	Removes Salary Funding for Funding Pool[3]	Transfers Federal Funding Between Line Items[4]	Reduces Funding for Partner Programs[5]	Adjusts Funding for the Heating and Cooling Assistance Programs[6]
Salaries and wages	$214,771	($561,762)	($1,069,307)	$110,000		
Operating expenses		(706,238)		(110,000)		
Grants						
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs					($654,611)	
Workforce programs						
Entrepreneurship grants and vouchers						
Total all funds	$214,771	($1,268,000)	($1,069,307)	$0	($654,611)	$0
Less estimated income	38,391	0	(102,571)	0	0	0
General fund	$176,380	($1,268,000)	($966,736)	$0	($654,611)	$0
FTE	0.00	(2.00)	0.00	0.00	0.00	0.00

	Adjusts One-Time Funding for Workforce Initiatives[7]	Adjusts Other One-Time Funding Initiatives[8]	Adds One-Time Funding for Weatherization and Energy Programs[9]	Total Conference Committee Changes
Salaries and wages				($1,306,298)
Operating expenses	($8,000,000)			(8,816,238)
Grants	(29,000,000)	($33,050,000)		(62,050,000)
Discretionary funds		(350,000)		(350,000)
COVID-19 response		572,143		572,143
Weatherization and energy programs			$120,000,000	120,000,000
Partner programs				(654,611)
Workforce programs	28,500,000			28,500,000
Entrepreneurship grants and vouchers				
Total all funds	($8,500,000)	($32,827,857)	$120,000,000	$75,894,996
Less estimated income	(2,000,000)	(27,927,857)	120,000,000	90,007,963
General fund	($6,500,000)	($4,900,000)	$0	($14,112,967)
FTE	0.00	0.00	3.00	1.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$187,087	$39,696	$226,783
Health insurance adjustment	(10,707)	(1,305)	(12,012)
Total	$176,380	$38,391	$214,771

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The Senate provided salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024.

[2] Two FTE positions and related funding from the general fund is removed as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Office of Automation	($310,858)	($689,142)	($1,000,000)
FTE position - Global Engagement Office	(250,904)	(17,096)	(268,000)
Total	($561,762)	($706,238)	($1,268,000)

The reduction of $17,096 of operating expenses for the FTE Global Engagement Office position results in a total of $351,404 of operating expenses available for the Global Engagement Office. The Senate did not remove these positions and related funding.

[3] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	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)

The Senate also removed funding for the new and vacant FTE funding pool.

[4] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries, the same as provided by the Senate. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[5] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs, the same as provided by the Senate. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[6] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Conference Committee as one-time funding. The Senate also made this adjustment.

[7] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $12 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item. The Senate provided $14 million from the general fund in the workforce programs line item.	$4,000,000	$0	$4,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund for the workforce investment program, the same as provided by the Senate. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item, the same as provided by the Senate.	0	0	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item. The Senate removed $2 million from SIIF in the grants line item and added $1.5 million from the general fund in the workforce programs line item.	2,000,000	(2,000,000)	0
Total	($6,500,000)	($2,000,000)	($8,500,000)

[8] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants, the same as provided by the Senate. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Removes funding for Main Street Initiative community development grants. The House and Senate provided $400,000 for this program.	(400,000)	0	(400,000)
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $26 million from SIIF. The House provided $30 million from SIIF. The Senate provided $20 million from SIIF.	0	(4,000,000)	(4,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $10 million from SIIF. The House provided $28 million from SIIF. The Senate provided $7 million from SIIF.	0	(18,000,000)	(18,000,000)
Removes funding for workforce grants to tribally controlled community colleges. The House provided $5 million from the general fund. The Senate provided $2.5 million from the general fund.	(5,000,000)	0	(5,000,000)
Removes funding added by the House from SIIF for a workforce safety grant. The Senate also removed this funding.	0	(1,500,000)	(1,500,000)
Adds funding for a creamery assistance grant to be provided directly to Cows & Co Creamery. The Senate did not provide funding for this purpose.	250,000	0	250,000
Adds funding for a motion picture production and recruitment grant to be provided directly to Canticle Productions. The Senate did not provide funding for this purpose.	600,000	0	600,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level and as provided by the Senate. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program, the same as provided by the Senate. The House did not add funding for this program.	0	572,143	572,143
Total	($4,900,000)	($27,927,857)	($32,827,857)

[9] One-time funding of $120 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $120 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose. The Senate added $210 million and authorized 3 FTE positions.

The Conference Committee:

- Approved a total $25 million for the tourism destination development initiative program with a maximum of $5 million available per project. The House provided $25 million with no project maximum. The Senate provided $50 million with no maximum.
- Did not add one-time funding for a regional council grant program. The Senate added $4 million from SIIF.
- Retained a section removed by the Senate to amend Section 54-60-22. The House added this section to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provided a $5 million transfer from SIIF. The Conference Committee provided a $10 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Conference Committee provided for a $65 million transfer, the same as provided by the Senate.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program. The Senate also removed this section.
- Adds a section identifying $120 million of one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA. The Senate identified $210 million.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provided $88 million. The Conference Committee provided $68 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Conference Committee provided $1.5 million from SIIF, the same as provided by the Senate.
- Adds a section identifying funding from the general fund in a newly created workforce programs line item. The Senate provided $30 million. The Conference Committee provided $28.5 million.
- Amends a section identifying the funding appropriated from the general fund for discretionary funds, of which $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot. The House and Senate included the state magazine designation but did not include the Native American small businesses or base retention grants designations.
- Removes a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate amended the section to identify $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND. The Senate also added this section.
- Removes a section added by the House that amended North Dakota Century Code Section 21-10-13(4), related to legacy earnings fund allocations. The Senate also removed this section.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts. The Senate also added this section.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund Chief Executive Officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee. The Senate also added this section.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college. The Senate also added this section.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium. The Senate also adjusted these exemption subsections.
- Amends a section related to the Department of Commerce providing a report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department. The Senate did not amend this section. The Conference Committee amended the section to provide the report relate only to one-time funding items from the general fund and state special funds.
- Adds a section to declare the $120 million of federal funds appropriated for weatherization and energy assistance programs and $26 million appropriated from SIIF for the BVLOS UAS program to be an emergency measure. The Senate declared $210 million of federal funding for weatherization and energy programs to be an emergency measure. The House did not declare an emergency for these programs.

Date: 4/28/2023
Roll Call Vote #1

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Swiontek Seconded by: Representative Martinson

Representatives	*4/28*			Yes	No		Senators	*4/28*			Yes	No
Nathe	X			X			Bekkedahl	X			X	
Swiontek	X			X			Wanzek	X				X
Martinson	X			X			Hogue	X				X
Total Rep. Vote				3	0		Total Senate Vote				1	2

Vote Count Yes: 4 No: 2 Absent: 0 Fails

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Changing the 40 million in the destination fund to 25 million and the match maximum to 5 million.

Date: 4/28/2023
Roll Call Vote #2

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Swiontek Seconded by: Representative Martinson

Representatives	*4/28*			Yes	No		Senators	*4/28*			Yes	No
Nathe	X				X		Bekkedahl	X			X	
Swiontek	X				X		Wanzek	X			X	
Martinson	X				X		Hogue	X			X	
Total Rep. Vote				0	3		Total Senate Vote				3	

Vote Count Yes: 3 No: 3 Absent: 0 Fails

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Changing the 40 million in the destination fund to 25 million and the match maximum to 7 million 500 thousand

Date: 4/28/2023
Roll Call Vote #3

2023 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

HB 1018 as engrossed

House Environment and Education Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Martinson Seconded by: Representative Swiontek

Representatives	4/28			Yes	No		Senators	4/28			Yes	No
Nathe	X			X			Bekkedahl	X			X	
Swiontek	X			X			Wanzek	X				X
Martinson	X			X			Hogue	X			X	
Total Rep. Vote				3	0		Total Senate Vote				2	1

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier Representative Nathe Senate Carrier Senator Bekkedahl

LC Number 23.0247 . 02005 of amendment

LC Number 23.0247 . 05000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Changing the 40 million in the destination fund to 25 million and the match maximum to 5 million dollars per project

Insert LC: 23.0247.02005
House Carrier: Nathe
Senate Carrier: Bekkedahl

REPORT OF CONFERENCE COMMITTEE

HB 1018, as engrossed: Your conference committee (Sens. Bekkedahl, Vedaa, Hogue and Reps. Nathe, Swiontek, Martinson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1933-1940, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1933-1940 of the House Journal and pages 1643-1650 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections" with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 6, after the first comma insert "the North Dakota development fund,"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,622,805	$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	64,065,351	114,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$238,683,443	$323,729,962
Less estimated income	53,544,379	208,013,053	261,557,432
Total general fund	$31,502,140	$30,670,390	$62,172,530
Full-time equivalent positions	58.80	5.00	63.80"

Page 2, replace lines 12 through 20 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000
Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000"

Page 2, replace lines 24 and 25 with:

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 6 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$237,596,946
Less estimated income	135,409,064	208,246,946
Total general fund	$3,165,432	$29,350,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$10,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 10, replace "$98,500,000" with "$68,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$26,000,000"

Page 6, line 14, replace "$28,000,000" with "and $10,000,000"

Page 6, line 14, remove ", $2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, remove "grant to an organization that provides workforce safety"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than $5,000,000 for a project under this program."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $28,500,000 from the general fund for workforce-related programs, of which $12,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $2,000,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 8, remove "**- STATE MAGAZINE**"

Page 7, line 10, after "magazine" insert "with the current publisher of the magazine, $350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and $350,000 is designated for providing base retention grant funding to eligible organizations in Minot"

Page 7, replace lines 11 through 20 with:

"**SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program."

Page 11, remove lines 29 and 30

Page 12, replace lines 1 through 17 with:

"**SECTION 20. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and,~~ contract with, and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 21. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 16, line 5, replace "general" with "strategic investment and improvements"

Page 16, line 8, replace "strategic investment and improvements" with "general"

Page 17, line 6, remove "administered by the"

Page 17, line 7, replace "department during the 2023-25 biennium" with "identified in section 2 of this Act derived from the general fund or state special funds"

Page 17, line 9, after the third comma insert "and"

Page 17, line 10, remove ", current and future estimated return on"

Page 17, remove lines 11 through 15

Page 17, line 16, remove "of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1"

Page 17, after line 18, insert:

"**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The $120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and

2. The $26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$12,835,431	$16,764,534	($1,306,298)	$15,458,236	$15,508,248	($50,012)
Operating expenses	17,317,760	33,544,200	(8,816,238)	24,727,962	25,434,200	(706,238)
Grants	50,232,330	176,347,681	(62,050,000)	114,297,681	136,347,681	(22,050,000)
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000	2,150,000	
COVID-19 response		16,167,553	572,143	16,739,696	16,739,696	
Weatherization and energy programs			120,000,000	120,000,000	210,000,000	(90,000,000)
Partner programs	1,562,531	1,562,531	(654,611)	907,920	907,920	
Workforce programs			28,500,000	28,500,000	30,000,000	(1,500,000)
Entrepreneurship grants and vouchers	948,467	948,467		948,467	948,467	
Total all funds	$85,046,519	$247,834,966	$75,894,996	$323,729,962	$438,036,212	($114,306,250)
Less estimated income	53,544,379	171,549,469	90,007,963	261,557,432	371,557,432	(110,000,000)
General fund	$31,502,140	$76,285,497	($14,112,967)	$62,172,530	$66,478,780	($4,306,250)
FTE	58.80	62.80	1.00	63.80	65.80	(2.00)

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes FTE Positions[2]	Removes Salary Funding for Funding Pool[3]	Transfers Federal Funding Between Line Items[4]	Reduces Funding for Partner Programs[5]	Adjusts Funding for the Heating and Cooling Assistance Programs[6]
Salaries and wages	$214,771	($561,762)	($1,069,307)	$110,000		
Operating expenses		(706,238)		(110,000)		
Grants						
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs					($654,611)	
Workforce programs						
Entrepreneurship grants and vouchers						
Total all funds	$214,771	($1,268,000)	($1,069,307)	$0	($654,611)	$0
Less estimated income	38,391	0	(102,571)	0	0	0
General fund	$176,380	($1,268,000)	($966,736)	$0	($654,611)	$0
FTE	0.00	(2.00)	0.00	0.00	0.00	0.00

	Adjusts One-Time Funding for Workforce Initiatives[7]	Adjusts Other One-Time Funding Initiatives[8]	Adds One-Time Funding for Weatherization and Energy Programs[9]	Total Conference Committee Changes
Salaries and wages				($1,306,298)
Operating expenses	($8,000,000)			(8,816,238)
Grants	(29,000,000)	($33,050,000)		(62,050,000)
Discretionary funds		(350,000)		(350,000)
COVID-19 response		572,143		572,143
Weatherization and energy programs			$120,000,000	120,000,000
Partner programs				(654,611)
Workforce programs	28,500,000			28,500,000
Entrepreneurship grants and vouchers				
Total all funds	($8,500,000)	($32,827,857)	$120,000,000	$75,894,996
Less estimated income	(2,000,000)	(27,927,857)	120,000,000	90,007,963
General fund	($6,500,000)	($4,900,000)	$0	($14,112,967)
FTE	0.00	0.00	3.00	1.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$187,087	$39,696	$226,783
Health insurance adjustment	(10,707)	(1,305)	(12,012)
Total	$176,380	$38,391	$214,771

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The Senate provided salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024.

[2] Two FTE positions and related funding from the general fund is removed as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Office of Automation	($310,858)	($689,142)	($1,000,000)
FTE position - Global Engagement Office	(250,904)	(17,096)	(268,000)
Total	($561,762)	($706,238)	($1,268,000)

The reduction of $17,096 of operating expenses for the FTE Global Engagement Office

position results in a total of $351,404 of operating expenses available for the Global Engagement Office. The Senate did not remove these positions and related funding.

[3] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	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)

The Senate also removed funding for the new and vacant FTE funding pool.

[4] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries, the same as provided by the Senate. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[5] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs, the same as provided by the Senate. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[6] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Conference Committee as one-time funding. The Senate also made this adjustment.

[7] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $12 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item. The Senate provided $14 million from the general fund in the workforce programs line item.	$4,000,000	$0	$4,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund for the workforce investment program, the same as provided by the Senate. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants. The Senate also removed this funding.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item, the same as provided by the Senate.	0	0	0
	2,000,000	(2,000,000)	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item. The Senate removed $2 million from SIIF in the grants line item and added $1.5 million from the general fund in the workforce programs line item.			
Total	($6,500,000)	($2,000,000)	($8,500,000)

[8] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants, the same as provided by the Senate. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Removes funding for Main Street Initiative community development grants. The House and Senate provided $400,000 for this program.	(400,000)	0	(400,000)
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $26 million from SIIF. The House provided $30 million from SIIF. The Senate provided $20 million from SIIF.	0	(4,000,000)	(4,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $10 million from SIIF. The House provided $28 million from SIIF. The Senate provided $7 million from SIIF.	0	(18,000,000)	(18,000,000)
Removes funding for workforce grants to tribally controlled community colleges. The House provided $5 million from the general fund. The Senate provided $2.5 million from the general fund.	(5,000,000)	0	(5,000,000)
Removes funding added by the House from SIIF for a workforce safety grant. The Senate also removed this funding.	0	(1,500,000)	(1,500,000)
Adds funding for a creamery assistance grant to be provided directly to Cows & Co Creamery. The Senate did not provide funding for this purpose.	250,000	0	250,000
Adds funding for a motion picture production and recruitment grant to be provided directly to Canticle Productions. The Senate did not provide funding for this purpose.	600,000	0	600,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level and as provided by the Senate. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program, the same as provided by the Senate. The House did not add funding for this program.	0	572,143	572,143
Total	($4,900,000)	($27,927,857)	($32,827,857)

[9] One-time funding of $120 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $120 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose. The Senate added $210 million and authorized 3 FTE positions.

The Conference Committee:

- Approved a total $25 million for the tourism destination development initiative program with a maximum of $5 million available per project. The House provided $25 million with no project maximum. The Senate provided $50 million with no maximum.
- Did not add one-time funding for a regional council grant program. The Senate

added $4 million from SIIF.

- Retained a section removed by the Senate to amend Section 54-60-22. The House added this section to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provided for a $20 million transfer from the legacy earnings fund. The Senate provided a $5 million transfer from SIIF. The Conference Committee provided a $10 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Conference Committee provided for a $65 million transfer, the same as provided by the Senate.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program. The Senate also removed this section.
- Adds a section identifying $120 million of one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA. The Senate identified $210 million.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provided $88 million. The Conference Committee provided $68 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Conference Committee provided $1.5 million from SIIF, the same as provided by the Senate.
- Adds a section identifying funding from the general fund in a newly created workforce programs line item. The Senate provided $30 million. The Conference Committee provided $28.5 million.
- Amends a section identifying the funding appropriated from the general fund for discretionary funds, of which $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot. The House and Senate included the state magazine designation but did not include the Native American small businesses or base retention grants designations.
- Removes a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate amended the section to identify $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND. The Senate also added this section.
- Removes a section added by the House that amended North Dakota Century Code Section 21-10-13(4), related to legacy earnings fund allocations. The Senate also removed this section.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts. The Senate also added this section.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund Chief Executive Officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief

Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee. The Senate also added this section.

- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college. The Senate also added this section.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium. The Senate also adjusted these exemption subsections.
- Amends a section related to the Department of Commerce providing a report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department. The Senate did not amend this section. The Conference Committee amended the section to provide the report relate only to one-time funding items from the general fund and state special funds.
- Adds a section to declare the $120 million of federal funds appropriated for weatherization and energy assistance programs and $26 million appropriated from SIIF for the BVLOS UAS program to be an emergency measure. The Senate declared $210 million of federal funding for weatherization and energy programs to be an emergency measure. The House did not declare an emergency for these programs.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

TESTIMONY

HB 1018

North Dakota

Travel Alliance Partnership

P.O. Box 2599
Bismarck, ND 58502
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MEMBERS

America's Best Value Inn & Suites
Basin Electric Power Cooperative
Bismarck Airport
Bismarck-Mandan CVB
Bottineau Area Chamber of Commerce
Destination Marketing Association of North Dakota
Devils Lake CVB
Dickinson CVB
Eastbay Campground
Fargo Air Museum
Fargo-Moorhead CVB
Friends of Lake Sakakawea
Greater Grand Forks CVB
Hampton Inn & Suites Minot Airport
Jamestown Tourism
Leistikow Park Campground
Lone Butte Ranch/Log Cabin Vacations
McKenzie County Tourism
Minot Convention & Visitors Bureau
Missouri Valley Heritage Alliance/ Fort Abraham Lincoln Foundation
Municipal Airport Authority of the City of Fargo
National Hospitality Services
Newman Outdoor Advertising
Norsk Hostfest Association
North Dakota Association of Rural Electric Cooperatives
North Dakota State Fair
North Dakota Tourism Division (ex-officio)
Odney
Rocky Mountain International
Roosevelt Park Zoo
State Historical Society of North Dakota Foundation
Theodore Roosevelt Medora Foundation
Valley City CVB/Sheyenne RV Scenic Byway
Vern's Rental
Williston CVB

Testimony of Terri Thiel

Chair, ND Travel Alliance Partnership

In Support of HB 1018

January 9, 2023

Chairman Nathe and members of the House Appropriations – Education and Environment Committee:

My name is Terri Thiel, the Chair of the ND Travel Alliance Partnership, (ND TAP), a membership-based coalition of North Dakota travel industry related stakeholders and owners that include visitor attractions, visitor businesses, campgrounds, hotels, and non-profit organizations such as Convention & Visitors Bureaus.

On behalf of the ND travel industry and our partners, I am writing to voice support for HB 1018.

HB 1018 provides an opportunity for the travel industry in our state to attract a needed workforce and provide for the increased marketing visibility that has been needed for many years. It also provides for the growth of development and partnerships through the proposed $50 mil Destination Development Fund which would bring forward new and exciting attractions, hands on experiences, guided trips, and the ability to fulfill many of the proposed projects and dreams were not able to be funded during prior sessions. These projects are also the experiences that will attract not only travelers, but also a workforce that will find North Dakota a meaningful, exciting place for them and their families. Support of $25 mil for the targeted marketing for workforce is vital to all our hospitality partners, attractions, and recreational businesses.

The visitor experience is a multi-level return to the local communities and the state. By increasing the marketing messages, the ND Tourism Division is able tell the story of additional positive visitor experiences, which in turn also showcase our business opportunities. These steps bring the goal together that has been

repeated over and over throughout the state in the effort to attract new residents for our job opportunities.

The one-time funding of an additional $5 mil for awareness marketing is critical as we compete with the other states. For many years, the ability to tell the story of the North Dakota experiences has been done exceptionally well by the ND Tourism Division, but the funds to elevate the reach of marketing hits a plateau because of a limited marketing budget.

Marketing continues to evolve and increase in cost, the online social media platforms are an example, as are the traditional media such as print, television, and other outreach programs.

We need to fund the ND Tourism Division competitively; it has historically been well below our neighboring states.

2021 – 203 Annual Budget

ND - 9.5 Mil with additional 1.9 Mil Grants

2023 – 2025 Proposed Annual Budgets Neighboring States

SD - 29.0 Mil

MN - 14.4 Mil

WY – 21.5 Mil

Our opportunity is in front of us, please support HB 1018.

Sincerely,

Terri Thiel
Chair

THE CHAMBER
FARGO MOORHEAD WEST FARGO

FMWF Chamber Support for HB 1018

January 9th, 2023

Chairman Nathe and members of the House Appropriations - Education and Environment Division Committee:

For the record, my name is Katherine Grindberg and I have the pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. Today, on behalf of our over 1,900 members, I offer testimony in support of House Bill 1018 along with a suggestion.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This is the number one issue we hear from our businesses. This challenge is not unique to our state though, businesses across the United States are in desperate need of qualified workers to fill their open positions. Every state in the nation is competing to attract, acclimate, retain, and develop workforce. According to the latest federal Job Openings and Labor Report, the national average was nearly 1.9 job openings per available worker. In December, a U.S. Chamber study categorized North Dakota in the "most severe" workforce shortage category with 2.2 job openings per available worker.

North Dakota must remain committed to identifying creative and multi-pronged solutions to addressing this shortage. For example, during the 2021 Special Session, the 67th Legislative Assembly provided a $15 million appropriation to the Department of Commerce to establish a Regional Workforce Impact Program (RWIP) in SB 2345 for the "purpose of adding or expanding a local workforce development incentive grant program to recruit, retain, and retain workers". Under this innovative program, organizations, like the FMWF Chamber Foundation, will be able to establish and further expand regional workforce programs to address the specific needs of our community.

Through creative and regional-based solutions, like the RWIP program, communities can assist North Dakota businesses with the acclimation, retention, and development of qualified workers, while helping job seekers prepare for and connect to high-quality and good-paying jobs here in our state. The FMWF Chamber supports the continued investment into the RWIP program and would ask the legislature to keep this program sustainable, so our state can remain competitive in a global marketplace.

The Chamber believes the state should continue to invest in state-based workforce programs and we applaud the Workforce Development Council and the Department of Commerce for their leadership in expressing the need for workforce attraction in North Dakota. We recognize the desire to have a uniform voice when it comes to talent attraction, but the reality is that jobs in West Fargo are different from those in Willison. We know talent attraction looks vastly different across our communities. From Minot to Minto, Fargo to Fessenden, and every city or township in between, each community is presented with unique opportunities and challenges regarding workforce attraction. A one size fits all strategy doesn't capitalize on the unique needs of each community.

The FMWF Chamber respectfully suggests that a significant portion of the proposed attraction funding be dedicated to grants for each of the 8 planning regions. Every community has a different and unique story that its' community and business leaders underscore when attracting workforce from across the nation and the world.

Finally, as we discuss workforce attraction, I would be remised to not emphasize the importance of quality-of-life assets and placemaking infrastructure to enhance the State's attraction and retention efforts. As many business owners know, employees are in the driver's seat, and now, more than ever, they are prioritizing quality-of-life assets and placemaking infrastructure when considering employment. We support strategic efforts to energize our communities, like the proposed Destination Development Fund, which helps attract new residents and retain youth and the existing workforce.

On behalf of our members, I would like to thank the committee for their time and consideration this morning.

Respectfully,

Katherine Grindberg

Executive Vice President
FMWF Chamber of Commerce
kgrindberg@fmwfchamber.com

Testimony in support of HB 1018
House Appropriations Education and Environment Division
January 9, 2023
Submitted by
Randy Hatzenbuhler, Theodore Roosevelt Medora Foundation

Please accept this as testimony in favor of the provisions in HB 1018 that support North Dakota Tourism. It is especially encouraging to see:

- $50 million to support Destination Tourism Development to invest in North Dakota's Third Largest Industry and would help to create unique new attractions and amenities that build our tourism sector.
- $25 million for a strategic marketing and workforce recruitment campaign which will include support for expanding Commerce's "Find the Good Life in North Dakota" workforce attraction campaign.
- $5 million (one-time) investment in destination North Dakota awareness marketing will allow us to expand our marketing channels and time in market with new creative campaign elements.

North Dakota Tourism brings visitors/guests to our state. The tourism industry provides the window to future residents and is a critical part of workforce development for North Dakota.

Funding for ND Tourism improves the **quality of life** for our residents. Recreation, music, art, culture will be enhanced as the industry develops new attractions and amenities.

Medora is an example of a Tourism Destination Development and the impact it can have on the economy, quality of life and workforce development. Careful investments over decade have transformed a dormant town to place of great pride, creating hundreds of jobs and dozens of businesses. There is more opportunity for Medora, and North Dakota needs more legacy projects where generations of family memories are made, and communities are built.

HB 1018 invests confidently in our communities and institutions to create a better future for our children and grandchildren.

Respectfully,

Randy Hatzenbuhler, President

HOUSE APPROPRIATIONS COMMITTEE

ND Department of Commerce

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House Bill 1018
Janaury 9, 2023

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SENATE APPROPRIATIONS COMMITTEE
SB 2018

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Testimony in Support of
House Bill No. 1018
Education and Environment Division of the House Appropriations
January 9, 2023

TESTIMONY OF
Josh Teigen, Commissioner, ND Department of Commerce

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Josh Teigen, and I have the privilege to serve as the Commissioner for the ND Department of Commerce.

For those of you who may not know me, I came to Commerce about three and a half years ago. Prior, I had been an entrepreneur my entire life. When the opportunity presented itself to join state government, it was never something I had considered. When I stepped back and looked at the scale of the impact that I could make working in the public sector instead of the private, I became enamored with all the opportunities that would present. I love this state, and I show up every day with nearly 800,000 shareholders to answer to, which is not something I take lightly. I share this with you today because I am proud of the people in this agency, and proud of what we have accomplished. In addition, I don't take lightly the taxpayer dollars we administer daily. The requests in front of you from our office have been carefully thought through and designed for the highest return on investment for taxpayer dollars.

I stand here today honored and proud of what Commerce has accomplished over the past two years. I truly believe that there has never been a biennium where Commerce has accomplished more or delivered on our mission more than this past one. The economic development wins get the headlines, and I am sure that most of you are familiar with them, but we have had incredible success in all areas of what we do.

From a procedural point of view, I would love to provide you with a high-level overview of the agency and our budget, and then after lunch we will go into individual division reports and do a deeper dive into each of the areas. I know there are some new faces this year, and you guys will see plenty of people standing at the podium over the next four months, so we figured we would break it up a little and show you this short video that overviews what we do at Commerce. https://www.youtube.com/watch?v=MupKaEUq1L8

In the organizer that you provided, you asked for the ND Century Code associated with our agency. Rather than go through all of that, we have included it in the written testimony that you have received. If there are questions, please don't hesitate to ask them.

At a high level, Commerce exists to attract and retain wealth for the state of ND. We do this primarily through the attraction of capital and talent. We accomplish that mission through four operational divisions: Tourism and Marketing, Workforce Development, Economic Development and Finance, and Community Services. In addition, we also have two offices that reside within our agency. One is the newly created Economic and Energy Coordination Office, which we may refer to as the EECO. The other is the Global Engagement Office. As you may recall from the 2019 session when the ND Trade Office moved to the Department of Agriculture, Commerce retained the foreign direct investment strategy, which we have now branded the Global Engagement Office. The most recent outcome that you have likely heard about from that office is the Governor-led trade mission to Japan late last year. There will be more to come and a deeper dive and report out on that office this afternoon. Beyond those operational elements of our agency, we also have our Administrative Services Division which makes everything possible and keeps the rest of us out of trouble.

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 have 58.8 FTEs – fully funded with benefits, four temporary staff members, and one intern. In addition, we have five requested FTEs for this upcoming biennium which you will hear more about later.

Moving on to audits, our agency audit conducted by the State Auditor's Office is still ongoing, but to date we have one audit finding which relates to the LIHEAP program. The finding was that we did not conduct sub-recipient risk assessments in the field. Our response to this finding is, yes, it is correct that we did not conduct these risk assessments for Community Action Agencies. The reason for not completing these risk assessments during the audit period was due to the fact that we were unable to go on-site to assess the risk at each Community Action Agency due to the global pandemic and COVID-19 restrictions. We have written documentation from the Community Action Agencies stating that they were not on-site during that time frame, and therefore, there was no ability for us be there to conduct our risk assessments, nor did they want us to. This is a direct result of following guidance from both federal and state governments at the time.

Commerce has implemented and completed the risk assessments as of Dec. 31, 2022; as we are now able to perform onsite monitoring to assess the risk at each Community Action Agency due to COVID-19 restrictions having subsequently been lifted.

Moving on to item number five, relating to FTE requests for the next biennium, as I mentioned earlier, we are currently 58.8 FTEs, with four temp staff and one intern. We have five FTE requests in front of you today as outlined in the executive budget proposal. As I mentioned at the beginning of my testimony, Commerce has delivered successes across the board, in every division at record levels this last biennium. I truly don't believe we have ever been able to stand in front of you with a more compelling story to tell than we have now. A large part of our

ability to deliver those results is the trust that each of you has put in our agency and the resources that you have allocated.

I stand here today as a fiscal conservative who never thought he would end up in state government. I have started and ran businesses my entire career prior to joining Team ND. I believe that government should operate as lean as possible and I will be the first one to admit when there are areas that can be improved or trimmed, but I promise you that these FTE requests are paramount for our ability to deliver on our mission moving forward. I would be the last person up here advocating for additional spending and resources unless there is a direct tie back to taxpayer return on investment. Whether it is private sector business or government, there is lean, and there is too lean. Right now, Commerce is too lean. Given what we have accomplished over the past two years, one could think we would be up here asking for a pile of FTEs to keep this momentum going. That is not how my brain operates. These five requests have been carefully thought out and brought forth with only the highest ROI in mind.

The FTE requests break down as follows:

Workforce Division (2 FTEs)
Office of Automation (1 FTE)
Community Development (1 FTE)
Global Engagement (1 FTE)

In addition to these requests, we wholeheartedly support the Total Rewards package outlined in the executive budget proposal. We are very concerned with our ability to attract and retain talent in the current and anticipated future without significant increases in salaries, 6% in year one and 4% in year two. Our applicant pool per position listed has dropped from an average of approximately 40 applications two years ago to five. We have had multiple instances where we received no applications and others where the person didn't accept the position because the salary was too low. We compete directly with the private sector, and they have caught up regarding the benefit package and we are behind in salaries.

Next, you will see on the screen as well as your written materials a high-level overview of our budget. As you can see, we are just over a $260 million budget each biennium, with $119 million dollars being general funds, $47 million of federal funds, and $96 million of special funds.

You will see on the screens, and in the written materials provided to you, a high-level overview of our budget. As mentioned, we will do a deeper dive into each division after lunch.

Object/Revenue	2023-25 Total Budget Recommended
Description	
Administration	5,725,555
Tourism & Marketing	67,951,539
Workforce Development	69,136,507
Economic Development & Finance	65,968,256
Community Services	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 262,373,002**
Salaries and Wages	17,229,540
Operating Expenses	50,275,941
Grants	188,120,689
COVID-19 Response	2,085,834
Discretionary Funds	2,150,000
Unmanned Aircraft System	-
ND Trade Office	-
Partner Programs	1,562,531
Entrepreneurship Grants	948,467
CARES Act Funding – 2020	-
TOTAL BY OBJECT SERIES	**$ 262,373,002**
General	119,274,111
Federal	46,555,556
Special	96,543,335
TOTAL BY FUNDS	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**63.80**

We have also provided a comparison of last biennium's funding and the funding proposed for this biennium for your reference.

Object/Revenue	2021-23 Biennium Appropriations	2023-25 Total Budget Recommended
Description		
Administration	6,112,340	5,725,555
Tourism & Marketing	24,222,308	67,951,539
Workforce Development	8,351,003	69,136,507
Economic Development & Finance	104,946,354	65,968,256
Community Services	42,814,122	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 186,446,127**	**$ 262,373,002**
Salaries and Wages	12,835,431	17,229,540
Operating Expenses	23,883,192	50,275,941
Grants	87,832,330	188,120,689
COVID-19 Response	56,234,176	2,085,834
Discretionary Funds	3,150,000	2,150,000
Unmanned Aircraft System	-	-
ND Trade Office	-	-
Partner Programs	1,562,531	1,562,531
Entrepreneurship Grants	948,467	948,467
CARES Act Funding – 2020	-	-
TOTAL BY OBJECT SERIES	**$ 186,446,127**	**$ 262,373,002**
General	34,667,572	119,274,111
Federal	112,320,270	46,555,556
Special	39,458,285	96,543,335
TOTAL BY FUNDS	**$ 186,446,127**	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**58.80**	**63.80**

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

1. Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant - $19 million was appropriated from the Strategic Investment and Improvements funds for beyond visual line of sight unmanned aircraft system grants.
2. COVID-19 Response – State Small Business Credit Initiative - $56 million of federal funding authority was appropriated in HB 1395 for purposes of funding state small business investment programs.
3. Discretionary Funds – Tourism Planning Grants - $1 million supported five Tourism Planning Grants to support tourism development.
4. Job Development and Economic Growth Grant – $1.5 million of specialized investment funds to the Cavalier County Job Development Authority, $900,000 to the Frost Fire Park, and $600,000 for the redevelopment of the Stanley Mickelson Safeguard Complex (SRMSC) at Nekoma (purchased by

Bitzero). At the SRMSC site they removed asbestos $386,336.30, performed electrical upgrades $52,738.29, and did ice blasting$48,717.76, detailed plat prepared $28,455.25 and created a concept building design & hazardous material specifications $71,140.42.

5. Motion Picture Production and Recruitment Grant - $100,000 has been expended
6. Technical Skills Training Grant - $1 million to support the launch and expansion of accelerated skilled workforce training programs. This program requires a 1:1 match.
7. Tourism Marketing - $6,565,432 of Cares Act dollars utilized to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
8. Tourism Transportation Improvement Grant - $1 million grant made up of $565,432 of general funds and $434,568 of Coronavirus Relief Funds to an organization dedicated to preserving and promoting a historic tourism destination in a ND city for the purpose of offsetting the costs for tourism transportation improvement related costs. The Theodore Roosevelt Medora Foundation (TRMF) was only response to the RFP. The TRMF used the funds to build a high-capacity elevator and improve existing escalators. See slide for additional funding.
9. Travel Agency and Tour Operator Emergency Resiliency Grants - $1.4 million of $2 million awarded to 24 applicants.
10. Event Center Emergency Resiliency Grants - $2 million awarded to 28 applicants.
11. Unmanned Aircraft System Grant –$1 million grant was awarded to TrainND NW for the purpose of expanding workforce opportunities, training and education related to the beyond the visual line of sight aircraft system industry.
12. Workforce Grants to Tribally Controlled Community Colleges - $500,000 allows for the development and enhancement of programs in high demand occupations. This was awarded to Turtle Mountain Community College.
13. Workforce Safety Grant - This $1.5 million grant was provided to the ND Safety Council The grant was used to prevent injuries and save lives by supporting community and workplace safety training and advocacy throughout North Dakota primarily through four focus areas: 1. Workforce Safety 2. Community Safety 3. Driver Safety 4. First Aid/Emergency Response.

In our budget request, we also have numerous one-time funding requests. These are on the screens as well as your written materials. These items will be covered more in depth in our divisional reports, but at a high level you will see $52 million across four different workforce programs. These are programs that we stood up largely using one-time federal funds or discretionary dollars to test the waters and refine our thesis on how we make progress towards attracting workforce. These programs are working, and we are asking you to consider bold

investments to continue the momentum that we have built thus far. You will also see bold investments for tourism and marketing, including $5 million for destination marketing, and a $50 million Destination Development Fund. This is a new and innovative idea, and much needed for our state. We have so many beautiful attractions in the state, but we need to bring additional investment forward in order to bring new and unique tourism attractions to the state. In addition, we can bring ancillary businesses to come alongside our existing attractions and make them more desirable and drive spending and visitors, such as lodging, dining, service providers and more to help solidify these attractions and drive more visitors. Visitors not only drive spending, but they also drive workforce as people are far more likely to move to our state if they visit first. We can leverage quality of life as a competitive advantage and these investments are a great place to start. Next, you will see needed investments for our community development efforts. We must have healthy, vibrant communities for people to live in if we want to not only retain our current talent, but also attract new talent. Finally, we have investments for UAS and automation, which you will hear more about in the economic development and finance report.

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

Transfers	
Workforce	
Internship Fund	$ 1,000,000.00
Economic Development and Finance	
North Dakota Development Fund	$ 30,000,000.00
Innovation Loan Fund	$ 20,000,000.00

Moving on to section 14 in the organizer that you provided, you will see an overview of the funds that were provided to us during the special session and where those funds stand today.

	SB 2345 (60180)	**Amount**	**Nov-22**
ND Development Fund	Section 35	$5,000,000.00	Transfer is pending
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$20,413.31
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$191,406.95
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$116,089.26
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

Lastly, please see an overview of the federal funds that we anticipate receiving in this biennium.

Program Name/Description	**Estimated Federal Funds to be Received**
Community Development Block Grant/State's Program	8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter Plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000
Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135

AmeriCorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	**$ 54,018,402.50**

Mr. Chairman Nathe and committee members, this concludes my testimony. I ask your support for House Bill 1018. I would be happy to answer any questions.

I would like to now turn the podium over to Katie Ralston Howe, director of Workforce to talk more about workforce development.

Workforce Development

Thank you, Commissioner Teigen.

Chairman Nathe and members of the committee, I'm Katie Ralston Howe and I have served as the Workforce Division Director for the ND Department of Commerce for three years. 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. In October 2022, the Council released 10 comprehensive recommendations, seven of which are included in the Executive Budget. The new programs for which we are requesting funds have all been included in the Council's latest Report of Recommendations.

Our division has evolved a lot since the beginning of this biennium. We left the last legislative session with a couple small grants for skilled workforce training programs, and now, thanks to an appropriation of $20 million of American Rescue Plan Act (ARPA) funds by this legislative body during the special session in 2021, and the wise investment of discretionary dollars, we are operating two large grant programs that are impacting every part of the state, with a third grant launching soon, and a new comprehensive talent attraction initiative that is successfully helping people around the country discover ND and make the move to their new home in our state. Our larger requests are designed to build on the programs we launched this biennium, so I will provide a brief overview and explain the impact of each program before covering our new requests.

Last spring, we launched the Regional Workforce Impact Program (RWIP) using $15 million in ARPA funds. The goal of the RWIP is to empower locally led solutions to workforce challenges that were caused or exacerbated by the pandemic. Workforce needs vary by region, so a one-size-fits-all approach is unrealistic and would not adequately address challenges in all parts of the state.

To ensure equitable access to these grant dollars, a portion of funding was reserved for each of the eight planning regions, based on population as provided by the 2020 decennial U.S. Census. Applicants are required to provide a 25% match of the of the overall project budget. Due to this unique structure, partners representing rural and urban communities in each region worked together to prioritize projects that would have the greatest impact throughout the region and submitted one application that encompassed multiple projects.

Although the RWIP has had some challenges primarily related to limitations within the federal funding source, we've seen tremendous success with this program. To date, we have awarded $13,438,471 to 57 projects with a few awards still pending, which will soon put us over 60 projects being funded by this grant. Projects range from skilled workforce training, career exploration, expansion of career and technical education offerings, affordable housing, talent attraction, child care, and more. Each project is in a different stage, so data related to the impact of these dollars continues to come in. Within child care alone, we're supporting 33 facilities that are using their grants to expand capacity by adding a total of 1,590 new child care slots statewide.

This model has been effective, so our goal for this program in the next biennium is to create more flexibility in how grant funds can be used to foster more creativity and innovation in the projects communities develop.

The second program we're facilitating using $3 million in ARPA funds is the Technical Skills Training grant, which also received $1 million in Coronavirus Relief Funds (CRF) that we utilized until that funding source expired on Dec. 30, 2021. This program is designed to support eligible training providers and employers in their efforts to design and launch rapid, non-degree re-skilling and upskilling programs, expand capacity in existing programs that began after May 17, 2021, and/or move training to virtual platforms to train workers. All training programs must mitigate a workforce issue that was created or exacerbated by the COVID-19 pandemic.

This program has two tracks, each focused on developing or expanding a highly skilled workforce:

- Track A reflects the initial intent of this grant program when we first launched it in 2020 and is designed for new and expanding accelerated, non-degree training programs that prepare trainees for new jobs. Applicants in this track are eligible for up to $100,000 with a 1:1 match.
- Track B is designed for companies wishing to provide internal upskilling opportunities for their existing staff to promote movement and advancement throughout the organization, create more comprehensive onboarding and new worker training programs, or to provide safety training for employees. Applicants in this track may be eligible for up to $50,000 with a 1:1 match.

Since its inception, the Technical Skills Training Grant has supported the launch and expansion of programs in health care, energy, transportation and logistics, IT, welding, UAS, and more. This biennium alone, we've invested $1,299,927 in 20 training programs that are upskilling and reskilling workers across the state. All of the training programs we've supported using federal dollars are sustainable and will continue to prepare citizens for entrance and movement within the workforce for years to come, thus creating more pathways to employment in our state.

The final grant program for which we will use $2 million in ARPA dollars is the Workforce Innovation Grant. Due to challenges and delays we encountered with the RWIP, we have not launched this program yet. Now that the RWIP is well-underway with payments to grantees being processed daily, we are in a better position to launch this third program. The goal of the Workforce Innovation Grant is to empower business and industry-led workforce solutions and inject innovation into the way we address our workforce challenges. Innovation may be demonstrated by collaborations that broadly support workforce in one or more industries, initiatives that support in-migration of workers, and hiring fairs in areas of low unemployment in North Dakota and throughout North America.

SB 2345 included an end date of June 30, 2023, and with all of three of our grants in different stages, we are asking for carryover authority to allow grantees to continue using their funds beyond the end of the 2021-2023 biennium. We are also asking for $20 million to sustain the Regional Workforce Impact Program as it has proven to be an effective mechanism for fueling sustainable locally-led workforce solutions and 1 FTE, and $2 million for the Technical Skills Training Grant.

- Regional Workforce Impact Program
    - Carryover: $15 million (ARPA)
    - Ask: $20 million
    - 1 FTE
- Technical Skills Training Grant
    - Carryover: $2 million (ARPA)
    - Ask: $2 million
- Workforce Innovation Grant
    - Carryover: $3 million (ARPA)

Another new program for which we are seeking investment is the Automation Enhancement Workforce Training Grant. ND employers across industry are investing in automation to address workforce shortages and to create better paying jobs for workers. Adapting to new technology in the workplace necessitates training and the development of new skill sets, which requires an investment in a company's own workforce. The Automation Tax Credit has been a resource for primary sector businesses by providing a partial credit for machinery and equipment, but it does not allow for workforce upskilling which is a critical component in successfully implementing automation into a company. This grant program is designed to complement the Automation Tax Credit but will expand its support for workforce training beyond primary sector companies.

We are asking for $5 million to facilitate this program. With a maximum award of $80,000 per company, we could support a minimum of 62 companies seeking to automate processes and create advancement for their workers through upskilling.
Before moving on from our grant programs, I'd like to briefly touch on two of our long-standing programs that continue to grow in demand and impact.

- Operation Intern was first established in 2015 and it continues to provide wage match dollars to companies that are creating valuable work-based learning experiences through internships. This program is in such high demand that we had to close our 2022 application window in three days as our remaining funds for the biennium had been spoken for.
    - Biennial funding: $755,000
    - Number of businesses participating
        - 2021 PY: 90
        - 2022 PY: 58
        - Biennial total: 148
    - Number of interns served
        - 2021 PY: 272
        - 2022 PY: 198
        - Biennial total: 470
    - 2023-2025 Ask: $1 million

- Our AmeriCorps program awards grants to non-profits, faith and community organizations, public agencies, tribes, and institutions of higher education for service-based programs throughout the state. AmeriCorps is a federal program that requires a state match.
    - Current funding (state + federal): $220,000 in required general fund match dollars and our federal allocation is around $3.3 million per biennium.
    - Number of projects:
        - 2021-2022: 5
        - 2022-2023: 6
    - Number of members:
        - 2021-2022: 123 members
        - 2022-2023: 168 members
    - Communities served, project titles and areas of focus
        - Southeast Education Cooperative Reading and Math Corps had 85 members serving communities across the state The project focused on literacy and math.
        - Souris Basin Planning Council had 15 members serving across the state. The project focused on capacity building.
        - Cooperstown Community Activities had six members serving in Cooperstown. The project focused on afterschool and healthy futures.
        - Jamestown Parks and Recreation had 10 members serving in Jamestown. The project focused on education and healthy futures

        - Strengthen ND had 40 members in rural ND. The project focused on capacity building.
        - United Way of Cass-Clay had 12 members in the Fargo area. The project focused on education and workforce.

The last program I'll discuss today is Find the Good Life in ND (FTGL), a comprehensive talent attraction initiative that utilizes a software system that allows us to collect information from job seekers, connect them with communities that offer the quality of life they're looking for, and employers in their field. Through this system, we are able to track their progress as they explore opportunities in ND until the point at which they accept a job here and call ND home. Although many states have marketing campaigns to attract people, ND is the first state to take this hands-on, innovative approach to help individuals and families actually make the move.

We're achieving this through collaboration with a contractor, our Tourism and Marketing team, Job Service ND, and 60 community champions, who are volunteers from around the state who are engaging with job seekers, connecting them with employers, and sharing information about their communities based on the interests the jobseeker has shared with us through our relocation help desk.

Our success to date includes:

- Job seekers in the pipeline
    - Total: 1,106 leads (Jan. 3, 2023)
    - Number of states: 49
        - Top five states: Florida, California, Texas, Ohio, and Georgia
    - Number of countries: 24
    - Number of resumes: 308
    - Top industries: health care, skilled trades, sales/marketing, manufacturing, social services
    - Community champion contacts: 316
- New North Dakotans
    - Total: 9 (excludes partners/children)
    - States they came from: WA, TX, NJ, CA, TN, SD, NY, and LA
    - Cities they moved to: Minot, Wahpeton, Bismarck, West Fargo, and Fargo
    - Jobs they filled: hospitality, IT, education, retail, and manufacturing

More important than these numbers are the names behind them.

- Travis H. moved to Minot from Washington in July 2022 before he had a job and was hired within a week of arriving. He's now working for Pro IT LLC.
- Frank M. had been to ND for work and after visiting the eastern side of the state in October with his wife and son, they moved to West Fargo from Syracuse, NY in December 2022. Frank is establishing a local office for Thales (Digital Aviation Solutions for the Americas). His wife, Paula, works remotely supporting student travel abroad programs and his son is enrolled at Sheyenne High School.

- Juan moved to Wahpeton from Texas last fall and is working for a manufacturing company. His wife and children will join him after this school year, and we'll get to help her find a dream job, too.

Our relocation help desk existed before we revived FTGL in June, but we couldn't have shared this type of information. What we know is that from May 2021 to May 2022, 106 people submitted forms through our relocation help desk and based on self-reporting, which can be spotty, we believe 15 people made the move in that year. Now, in just six months, we've grown the number of job seekers interested in ND by 10 times.

The list of success stories will continue to grow, especially with the horsepower we plan to put behind this initiative with increased funding. Sara will share the marketing side of this investment, but the workforce portion includes:

- Growing the services provided by our contractor to better leverage the system we're using for tracking leads and building out an employer portal to provide a more direct connection between candidates and jobs.
- Partnering with industry and communities to help get job seekers here to explore a community and engage with employers prior to making the move as individuals are more likely to move to a place they've visited and the vast majority of job seekers in our pipeline have never been to ND.
- Providing a grant program for employers wishing to help incentivize or support an out-of-state job seeker's move. Based on the volume of contacts in our pipeline and their engagement with community champions, we know that interest in moving to ND is high, but the financial means to do so can be limited. Employers are already working to offer sign-on bonuses, reimburse relocation expenses, and offset rent or child care costs temporarily to help individuals get here and get settled, but this comes at a great expense and it's one that many companies are taking on. Through a matching program, we can support their efforts to get workers to ND.
    - 2021-2023: $410,000 two-year contract, discretionary funding
    - 2023-2025 Ask: $12.5 million ($25 million total for workforce)

In addition to being the hub of the state's workforce system, we've realized that the most direct impact we can have on addressing ND's workforce needs is by attracting and retaining workers through FTGL, by empowering locally-led solutions, and by expanding opportunities to retrain workers through grant programs. We've been doing these things really well with the resources we've had available, and we're excited to grow these programs and their impact with increased state investment.

Summary of Requests

- Carryover Authority
    - Regional Workforce Impact Program: $15 million
    - Technical Skills Training Grant: $2 million
    - Workforce Innovation Grant: $3 million

- One-time Requests
    - Talent Attraction: $24,797,060
        - 1 FTE
    - Regional Workforce Investment: $20 million
        - 1 FTE
    - Automation Workforce Transition Training Program: $5 million
    - Technical Skills Training Grant: $2 million
    - Operation Intern: $1 million
    - AmeriCorps: $878,571

I would like to now turn the podium over to Sara Otte Coleman, director of Tourism and Marketing.

Tourism and Marketing

Thank you, Katie,

Good afternoon, Chairman Nathe and members of the committee, I am Sara Otte Coleman, Director of the Tourism and Marketing Division at Commerce. Twenty years ago, I wouldn't have dreamed I would still be in this position. I thought the bureaucracy and slow pace of government would kill my need to achieve results. But that has not been the case, while we have made progress, we still have tremendous potential to increase awareness and appreciation for our state, grow tourism experiences, attract workforce, and diversify our economy.
Our work primarily focuses on the following areas:

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

Following are the areas you asked us to brief you on.

Current Biennium accomplishments and challenges

State Marketing and Image Development:
Our proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firms and targeted efforts created additional media opportunities and reach on ND stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This media coverage improves the awareness of our state and elevates our image across all focus areas of commerce.

- Tourism – 2,124 instances reaching 13 billion
- Quality of place – 171 instances reaching 2.8 billion
- Workforce - 193 instances reaching 1 billion
- Business - 1,531 instances reaching 3.4 billion

One big win from these efforts was the hosting of a freelance journalist that resulted in a feature of Fargo in the New York Times reaching 140 million with another story planned in Spring 2023 in Travel + Leisure magazine.

The 2021 Tourism marketing campaign reached more than 333 million total impressions, with digital advertising garnering 94.3 million impressions, 285,000 clicks to the website and 15.2 million video completions.

Our domestic road trips measured through geolocation tracked more than 7.9 million trips through year-end. The number of visitors was down 2.5% compared to 2021, but there was a 20% increase in longer stays and overnights. These visits will impact workforce attraction efforts. Recent research indicated that 76% of new residents had visited the state prior to moving.

Hotel occupancy was 11.9% higher with revenue per available room up 23.9% through November. The state's average daily rate averaged $90.76 through 2022, an increase of 10.7%. Lodging tax collections are also up 37%.

Global tour operators selling ND experiences totaled 125, up 9.6% over 2021. Fifty-one new itineraries were added, and total overnights offered were up 57% reaching 1,266.

NDtourism.com was updated to improve accessibility and search engine optimization. The website is ND's front door and welcomed over 2 million visits through Dec. 31. (Traffic was down 4% due to a smaller advertising campaign; however, traffic was up 21% from 2020.) Referrals to partner sites reached over 240,000.

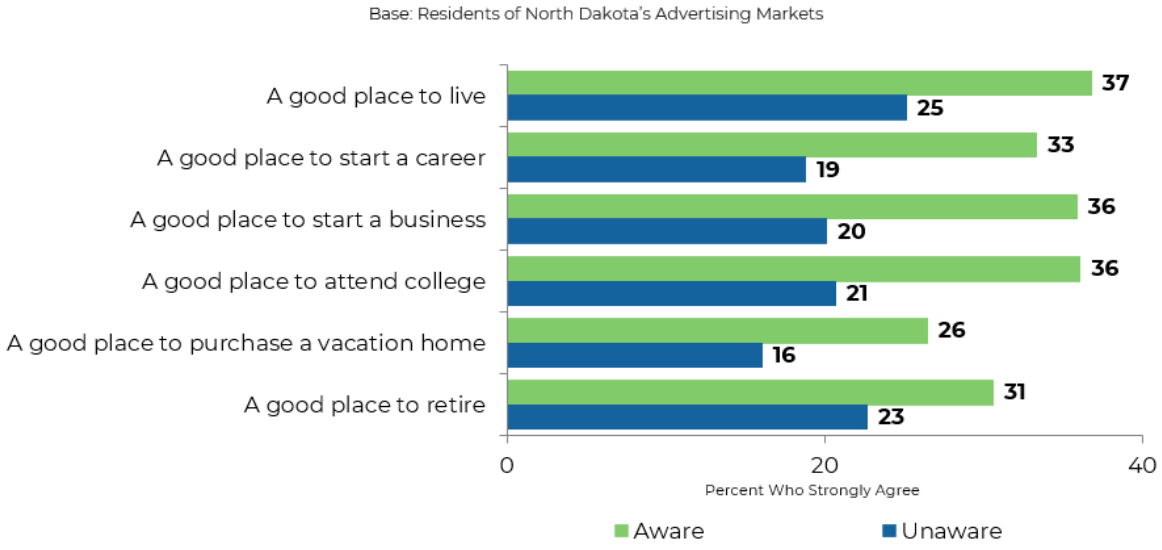
Other Tourism metrics

- Travel and tourism generated $2.61 billion in direct visitor spending in 2021. (Tourism Satellite Account from Tourism Economics and the U.S. Travel Association)

- There were 21.71 million visitors to ND in 2021; a 19% increase in visitation since 2011. (Longwoods International and Tourism Economics)

- The halo effect of seeing tourism advertising improves ND's image an average of 12.5%.

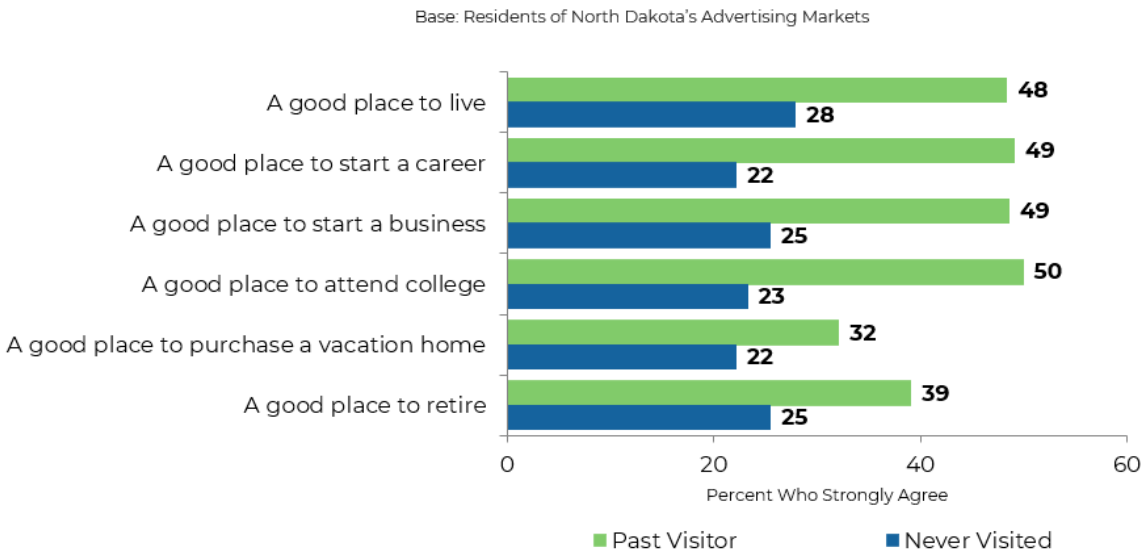
North Dakota Halo Effect: Advertising Impact



2019 North Dakota Image & Halo Effect Study

- If the advertising is coupled with a trip to the state those image indicators increase an average of 26.2%. This quantifies the value of tourism marketing for workforce and business development.

North Dakota Halo Effect: Visitation Impact



2019 North Dakota Image & Halo Effect Study

Find the Good Life in ND

The "Find the Good Life in ND" workforce attraction campaign was updated to support our comprehensive workforce initiative. The marketing refresh included an updated website and a targeted media plan focused on five personas. The 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 both inspire and motivate new talent to move to ND.

- The $438,000 marketing campaign, which began in late June, has delivered 11 million impressions, and driven more than 55,000 visitors to the website resulting in 5,150 conversions for potential residents.

- Workforce staff and community champions are working with over 1,106 leads in the pipeline. 78% of those have not been to ND with 66% looking to relocate in the next six months.

- ND is the first state that utilizes a unique system for drip marketing and tracking leads as they explore career opportunities and lifestyle options across our state.

Tourism Development

The Tourism and Marketing Division reorganized existing positions in order to hire a tourism business development manager, who now works to support the growth of tourism offerings across the state. Work is underway to adopt consistent tourism definitions to be used for incentives tied to primary sector designations and programs allowing the recruitment of new businesses, offerings, and value-added expansions. Our tourism development plan will help focus efforts on in-demand experiences, gaps and regional clusters.

Funding - Tourism and Marketing Division:

Next biennium's goals and plans

Marketing ND

The executive budget includes an additional $5 million which would enable a new creative campaign in expanded channels and more markets, focused on motivating travel to the state. The governor's budget includes $25 million for a strategic marketing and recruitment campaign which will include $12 million to expand the Find the Good Life in ND marketing. The campaign would position ND as the "best place" for talent to build their careers and futures. This synergistic approach for marketing our state will leverage tourism assets and campaign pieces and cross-sell to both audiences. Potential new workers will be invited to visit our state which will improve the likelihood of a move and current visitors will be presented with information on why a move to ND should be considered. ND lags in all but three states in investing in tourism marketing, and is drastically behind SD, WY, and MT, which is impeding our economy.

Why is tourism marketing a catalyst?

A 2022 national perception study assessing Americans' awareness of ND showed that perceptions of the state are modest and largely driven by a lack of familiarity.

- Only 22% had lived in or visited ND.
- Familiarity and perceptions varied little by region.
- Cold, rural, and remote were the top words associated with ND.
- Relaxed, adventurous, traditional, and welcoming lead the "feel" of ND.
- Of the 76% who cited they may be interested in relocating to ND, 71% are familiar with ND.

Today's workforce is prioritizing lifestyle and quality of life factors, giving ND an opportunity to market our state's superior quality of place and quality of life.

A 2022 resident recruitment study surveying new residents in ND who transferred a driver's license in the last two years, showed 76% of these new residents visited ND prior to moving to the state. This reinforces the strong correlation between tourism and talent attraction.

- Research on the effectiveness of the 2021 tourism advertising campaign showed positive results despite a huge influx of marketing dollars from other states. 56% of those surveyed in regional markets recalled seeing our advertising.
- Digital advertising had the highest awareness.
- Evaluated $7.2 million invested in 2021 advertising, which resulted in 1.4 million advertising-motivated trips, and $242 million of incremental spending, of which $23.5 million was from incremental state and local taxes. Every dollar invested in the 2021 ND advertising campaign generated $34 in direct visitor spending and $3 in taxes.

Destination Development in ND:

ND offers tremendous outdoor recreation, rich history and culture, and scenic beauty, but we have an opportunity to expand beyond "do-it-yourself" trips and create more offerings that will motivate trips to our state. We need to support the expansion of destination attractions, recreation opportunities, community amenities through partnerships, and financial support from non-state entities. The purpose of the Destination Attraction Grant is to encourage non-state investments in destination development to draw in more visitors and keep them in our state longer. The proposed $50 million Destination Development Fund would utilize a new destination development council that will work with Commerce Tourism and Marketing staff, and local developers to vet proposals and fund impactful projects that will serve ND for generations. The new experiences will attract new visitors and revenue, improve the quality of life for North Dakotans and help attract the needed workforce. We have invested in value-added agriculture and value-added energy – now is the time to build value-added recreation and tourism. I look forward to further discussion on this important appropriation which will invest in our third-largest industry and begin building legacy projects that set ND apart.

Base budget additions
$100,000 to cover operating costs
$5 million addition to tourism base budget for destination marketing (one-time)
$50 million for Destination Development grants (one-time)
$12 million for the Find the Good Life in ND workforce recruitment campaign

One-time funding 2021-2023

Film and Theater Production Grant – The full $100,000 has been expended.
Tourism marketing – $7 million Cares Act dollars to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
Travel Agent and Tour Operator Grants –$1.4 million of $2 million awarded to 24 applicants
Events and Support Service Grants – $2 million awarded to 28 applicants
Tourism Transportation Improvement Grants – $565,432 awarded to accessibility project
Tourism Planning Grants – $1 million transferred from 1,015 supported five Tourism Planning Grants to support future tourism development.

One-time funding 2023-2025

The governor's budget includes $5 million in one-time destination funding which is imperative as we compete for awareness with surrounding states that spend two to three times what we do marketing their states. U.S. Travel reports the average (2022) marketing spend by state tourism offices was $12.4 million. Additionally, the average COVID-19 relief funding by the state was $14.6 million.

SD - $19.5M annual (governor recommendation $29 million for 2023)
MN - $14.4 million annual
MT - $14.8 million annual
WY - $41.8 million biennial (governor recommendation of $43 million includes new 3% statewide lodging tax)
ND - $ 12.2 million biennial or $6.1 million annual

Assuming the ROI we had in 2021 – if we were to spend $4 million in paid marketing, we would see visitor spending increase by $136 million and an additional $12 million in state and local tax revenues.

The budget also includes $50 million in legacy fund earnings for the Destination Development Grant program. This program will provide financial support to build new attractions and offerings and expand experiences to set ND apart and motivate more trips to the state, while also entertaining our residents. Programs in other states have resulted in major developments with positive economic impacts. For example, in KY $544 million in incentives have resulted in 62 projects costing $2.2 billion, since 1997. The positive economic impact reached $9.5 billion. These projects include the famous horse parks and bourbon distilleries that now define KY tourism.

Federal Funding anticipated for 2023-2025

The Tourism and Marketing Division was awarded an EDA grant which we plan to use in 2023. The dollars will be used for:

- $1.3 million– State marketing targeting outdoor enthusiasts and leisure travelers looking for new locations to enjoy less crowded communities, trails, and activities.
- $250,000 – Develop a digital information distribution system to connect travelers to all offerings. The system will populate full listings of offerings. For example, there are campgrounds that are owned and managed privately or by a municipality, the state or one of several federal agencies. The goal is to create one source for all. ND is a state that is not easy to navigate, and this system will assist visitors in planning and booking experiences which will sustain economic activity statewide. The expansion of outdoor recreation will diversify local economies and make them more resilient. This information will also be used to expand services at visitor information centers and rest areas.

Next up will be Maria Effertz, director of Community Services.

Community Services

Thank you, Sara.

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

My name is Maria Effertz, and I am the Division of Community Services director at Commerce. The Division of Community Services supports ND residents and communities through the administration of federal block grant funds delivered from the U.S. Department of Housing and Urban Development (HUD), the Office of Community Services, and the Department of Energy.

We provide the people of ND with effective, efficient, and customer-oriented administration of federal and state programs for:

- Community Development
- Energy Efficiency
- Housing
- Self Sufficiency

Our division also supports community development across our state. Our Main Street Community Development team works with development organizations, community and county elected officials, and community-minded volunteers to support planning, enhance vibrancy, and advance efforts that contribute to equitable population gain across ND communities.

My testimony today will provide a high-level overview of the work the 10 members of the Community Services team work diligently on every day to support communities, individual citizens, business owners, nonprofit organizations, and community service agencies. Our request this biennium allows the continuation of this support.

Our request also includes an emergency clause that would allow our division to accept additional federal funds.

Many of the programs we administer support low- to moderate-income communities and households. Some of the programs are direct funding but several of our programs work closely with community action agencies, nonprofits, and regional councils.

Community Services manages the Community Development Block Grant (CDBG) funding from HUD. Our funds continue to decline from the federal government for this program, while the regulatory requirements grow and truly constrain the ability to meet the emergency and small project needs in our rural communities. We only receive 3% in federal funding for administration and this past year, our small CDBG team has strengthened our ability to meet these federal demands and ensure program compliance. These changes have resulted in adjustments to the local management and delivery of the funds. While these changes have created short-term modifications, in the long-term this will allow the state to stay compliant with federal requirements and distribute the funds to areas of need across the state.

The low-income assistance activities within Community Services centers around the Community Services Block Grant (CSBG) program. The CSBG program is administered statewide with direct client services being provided through the state's seven Community Action Agencies (CAAs) and the ND Community Action Partnership (NDCAP). In 2022, Community Services supported the delivery of $4.8 million to CAP Agencies, which has served thousands of ND residents in need, including elderly populations, children in poverty, and disabled individuals.

CSBG programs and services are locally designed to promote self-sufficiency, family stability and community revitalization. The CAAs deliver various services, including emergency assistance, money management and housing counseling, self-sufficiency services, case management and outreach and referral services to low-income households and persons within their respective regions. The CSBG program is also closely integrated with the low-income weatherization assistance program which Community Services also manages.

The U.S. Department of Energy's Low-Income Weatherization Assistance Program works to increase the energy efficiency of homes owned or occupied by low-income persons, reducing their total residential energy expenditures, and improving their health and safety. This program is also managed locally and hires local teams to accomplish the work in each region. Through the federal Infrastructure Investment and Jobs Act (IIJA), the ND Weatherization program received an additional $15 million to distribute and meet the needs of low-income households. These funds, allocated over the next five years, will allow community action partners to confidentially hire the workforce needed to meet the needs in many areas of the state. As heating and cooling costs increase, a more efficient, weatherized home will return multi-fold for the homeowner and renter.

We are requesting an emergency clause on this $15,131,495 funding along with the ability to hire two full-time employees to support both the fiscal and program administration. The reasoning for the emergency clause on these funds allows community action partners to start securing additional crews to deliver the services associated with this program. The federal

government provides 100% funding for projects and employees. We would like to have this funding on its own line item called Infrastructure Investment and Jobs Act (IIJA) Weatherization

Community Services administers the Emergency Shelter Grant (ESG) and the ND Homeless Grant programs. These programs distribute operational funds from federal and state funding to homeless shelters. In this bill, we are requesting the federal and state funding of these programs be transferred to the ND Housing Finance Agency to support the ultimate recipients through a continuum of care from homelessness to homeowner. This transfer request of appropriation is $1,387,341 in federal funds for ESG and $1,330,212 in state Homeless Grant funds.

Commerce has several programs dedicated to energy development, conservation, and production. The Community Services team supports multiple programs that deliver energy and conservation measures to increase efficiencies for homes and communities.

The State Energy Program (SEP) promotes energy efficiencies and conservation through funding by the U.S. Department of Energy. Every year, the SEP receives an annual allocation to fund a variety of energy-related activities including energy education, installation of energy efficient measures (building audits, lighting retrofits, HVAC upgrades, etc.), transportation initiatives (alternative fuel vehicles and fueling systems) and renewable energy technologies (small scale wind turbines and solar technologies). In the last biennium, the SEP was awarded more than $1.34 million in project funding to 42 projects across the state.

Through the federal IIJA, this program will receive an additional $3,905,130, which can be expended over four years, to accomplish the above goals along with developing a state energy plan to support Community Services and other state agencies' efforts to deliver federal funding and efficiencies. Additionally, federal legislation has authorized over $4 million for a revolving loan program, $78 million in energy efficiency rebates and training, and nearly $10 million in Energy Efficiency and Conservation Block grants.

We are asking for an emergency clause to accept $120 million of funding along with the authority to hire one full-time employee to support the coordination and grant distribution of these dollars. The reason for the emergency clause on these funds is to allow the state to complete the Energy Preparedness plan by April 2023, which is required to receive federal funds. The amount requested is higher than our known dollars as several states have indicated they will be turning back their dollars which will result in larger projected funds for the states which have plans for using the funds. The regular allocation requires a 20% match from state and local, but the additional federal funds allocated under the IIJA will not require a match or state funds.

The emergency funding request is:

- $20 million IIJA SEP
- $90 million IRA SEP
- 1 FTE

The Energy Conservation Grant, administered by Community Services, assists ND political subdivisions in making energy efficiency improvements to public buildings. Energy conservation projects in nonfederal public buildings owned by political subdivisions may qualify for consideration. Awards are available up to $100,000 and a 50% cash match is required. Projects that meet the qualifications will be awarded on a first come, first served basis and are subject to funding availability. We are asking for a continued appropriation for this heavily used program.

Community Services houses many of the development programs that help keep communities going. We are assigned the responsibility of updating and amending the ND State Building Code. While not involved in the enforcement of the State Building Code, the state supports research and federal/state directives. Community Services also manages the HUD program for manufactured home installers licensing and training. This self-sufficient program provides homeowners and families the assurance the manufactured home was installed correctly and safely.

The administration of the Renaissance Zones is also housed in Community Services. Renaissance Zones are tools to help cities revitalize their communities. This legislative body will hear separate bills proposed to enhance and adjust the Renaissance Zone timeframes and incentives.

The Main Street Community Development team works closely with leadership and volunteers across the state to improve their vibrancy, support planning efforts and provide sustenance to develop our main streets and nonprimary sector businesses.

At the end of 2022, we have awarded Partners in Planning grants to 20 communities in the amount of $169,587. The total state and local investment for these grants totaled over $10 million with a 25:1 ROI. These planning grants were awarded to a variety of rural and urban communities and are helping communities build plans to attract workforce, create community spaces for all generations, and develop recreational options. Additionally, Commerce was able to award nearly $73,528 in Vibrancy grants that also equaled nearly a 10:1 return on investment in local match funds to create communities where new and existing workforce and families want to call home.

In conversations with communities, there was a repeated concern about citizens being willing to take on the responsibility of community leadership. The Main Street Community Development team worked with a Minot area nonprofit and Minot State University to pilot the Launching Leadership program supporting 15 youth to develop leadership skills with the intent of exposing and encouraging youth to take active roles in elected positions. We intend to continue and grow this program regionally and hopefully statewide.

Main Street Community Development has also been charged with administering and providing results of a $1 million grant from the federal economic development administration. The state

has awarded six grants totaling $506,000 grants to communities across the state to create in-depth placemaking plans that attract and retain workforce and families. Additionally, with this grant funding, five communities received technical assistance and direct grants to understand and expand their artists' involvement and activities on their Main Streets. The budget presented has a one-time allocation of $800,000 to continue supporting communities in planning, community vibrancy to attract and retain workforce, youth involvement and additional collaboration with federal and state partners.

The common theme you hear in this testimony is proper planning. I believe great plans lead to success, and that is why we are proposing a one-time funding allocation to pilot a Workforce Housing plan and implementation in partnership with rural communities.

State agencies have recognized the value of communities that have participated and actively planned for their future. Commerce now partners with other state agencies to provide insight and direction to communities that have taken the effort and time to plan. These agencies provide additional considerations to Main Street champion communities, which carries over and supports the community's investment in planning.

Communities also expressed grave concerns about the "gaps in their smiles" and slum and blighted properties which have created areas of the community where the development of existing infrastructure becomes very difficult. Working jointly with the Division of Environmental Quality (DEQ), Commerce is proposing the community pilot program to support publicly owned buildings, which have development plans to remove identified hazardous materials and support redevelopment of buildings and Main Streets. This pilot program can only be used if the community has identified a reuse of the budling/area and can prove matching funds.

Main Streets and rural communities are critical to the success of our state. We need to maintain our grocery stores, gas stations, drugstores, and boutiques. To maintain these critical parts of a community, it takes smart planning and support to the local elected people and volunteers. For this reason, we have asked to employ a rural community development planner who can support the local developers and community leaders create and deliver economic, community and comprehensive plans which do not increase tax burdens while growing the community's base.

We need to utilize the federal funds according to the regulations and guidelines provided. The Community Services team is small but mighty. With only 10 full-time employees, they have successfully distributed millions in eleven state and federal programs meeting the needs and providing resources to nearly every corner of the state. With your support, we know we can do even more to transform our state and move the needle to support our families and workforce for **every** part of the state.

Chairman Nathe and committee members, this concludes my testimony and ask for your support for House Bill 1018. I would be happy to answer any questions.

I would like to now turn the podium over to Shawn Kessel, COO and deputy commissioner.

Global Engagement

Thank you, Maria.

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Shawn Kessel and I have the privilege of serving as COO/Deputy Commissioner at Commerce.

The ND Trade Office (NDTO) was moved to the Department of Agriculture last year, but Commerce retained the foreign direct investment strategy. We have been working closely with the NDTO, private businesses and other ND units of government, local and state, to obtain interest and then investment in ND from foreign businesses. We have retooled what you may know as COIN into the ND Global Engagement Office (GEO). GEO offers customized services:

- Identification and engagement of compatible foreign markets and expansion-ready foreign business
- Liaison between foreign businesses and ND
- Foreign market research
- Foreign investment mission planning and execution

These services help international companies looking to locate, expand or invest/acquire businesses in ND that will ultimately grow and diversify our economy. The office is an advocate and liaison between foreign investors and federal, state, and local governments in ND. Connecting foreign businesses with ND companies/opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

After developing a solid international reputation, it will provide us with additional opportunities to expand the service offerings to three broad entities:

1. Foreign Entity
    - Helping set up a U.S. business entity
    - Identifying and visiting business sites to forge relationships/partnerships
    - In-depth research on available workforce, infrastructure, taxes and more
    - Introductions to regional and local economic development partners and elected officials
    - Customized incentives to eligible businesses including financial assistance (grants, low-interest loans, tax credits, bond financing and job training)
    - Information on foreign trade zones in ND
2. ND Entity
    - Foreign market economic opportunity tracking/communication
    - Tracking of participating ND projects/businesses seeking foreign direct investment

- Ongoing/regular project presentation to foreign investors
- Tracking foreign business ownership/investments
- International market business engagement trainings in partnership with NDTO and U.S. commercial services
- Collaborative investment missions with other states

3. ND
    - Global Engagement Office international business internships/fellowships
    - International business/government global engagement trips
    - International market business engagement trainings in partnership with NDTO and U.S. Commercial Services

An ND example of FDI

Bobcat was founded in Gwinner, ND in 1947. It was bought out by Doosan, South Korean company, in 2007. Revenue has almost doubled since 2015 and net profits are up 250% during the same period.

How do we identify who we work with?

We are in the process of developing a rubric to identify priorities when selecting which countries we should engage with that have the highest potential for success. That rubric contains the following data:

- Friendly nation/political stability of the country
- Alignment with current ND industries
- Country gross domestic product (GDP)
- Five-year foreign direct investment trend
- Current relationship with NDTO, ND companies or ND political entities

In partnership with NDTO, GEO held the first governor-led trade and investment mission to Japan in October of 2022. Positive outcomes include:

- Total Japanese companies/organizations engaged: 157
- Private meetings: 17 ($985.93 billion in direct market cap)
- JETRO presentation: 137
- Keidanren presentation: 15
- Embassy Reception: 153 attendees (-34 ND) = 119

This mission strengthened our partnerships with global industry leaders such as Sumitomo Corporation, that recently visited and will be returning to ND seeking investment opportunities state-wide.

Opportunity

According to the Bureau of Economic Analysis, Foreign Direct Investment (FDI) in the U.S. in 2020 to acquire, establish or expand U.S. businesses totaled $120.7 billion. The latest data available from the Organization for Economic Co-operation and Development (OECD) shows

that in the first semester of 2021, FDI inflows to the U.S. totaled $149 billion, tripling the level reached during the same time period in 2020.

Challenge

FDI in ND, according to the federal Bureau of Economic Statistics, has been non-existent since 2018 and was on life support in 2016 and 2017.

New Foreign Direct Investment in ND by Type

	2014	2015	2016	2017	***2018***	***2019***	***2020***	***2021***
Businesses Acquired	0	32	0	0	***0***	***0***	***0***	***0***
Businesses Established	0	0	3	6	***0***	***0***	***0***	***0***
Businesses Expanded	4	13	0	0	***0***	***0***	***0***	***0***

Budget Overview

- $368,500 operating budget
- $268,430 salary and benefits
- Request 1 FTE

Goals

- Hold a governor-led investment mission once every two years
- Hold a Commissioner-led mission annually
- Economic Development
- Workforce
- Tourism
- Engage at least five countries annually (Consulates/Embassies)
- Increase FDI in ND
- Increase available workforce in ND through immigration
- Facilitate education/university relationships
- Help create ambassadorship/"sister" relations
- Elevate tourism in ND from foreign nationals

Before I turn the podium over to Rich Garman I would like to find out if there are any questions I can try to answer.

Not only do I work closely with the NDTO, I also work closely with Rich Garman and the Economic Development and Finance (ED&F) team and he is prepared to talk to you about the many wins and opportunities in ED&F.

Economic Development & Finance

Thank you, Shawn.

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Rich Garman, and I am honored to have been given the opportunity to serve as the Director of the Economic Development & Finance (ED&F) Division.

I have been with Commerce for the past 1 ½ years. Prior to this role, I was in the energy industry for over 30 years. The last 15 years were spent at Great River Energy (GRE) as a project manager and an economic and business developer. During my tenure at GRE, I learned from my mentor Al Christianson that economic development is a marathon, not a sprint. While at GRE, I saw the completion of several major projects. The major projects were Spiritwood Station, Dakota Spirit Ethanol, Spiritwood Energy Park and the decommissioning and demolition of the Stanton Station. Thanks to your good work, I never got to complete the final project I was assigned. That project was the decommissioning and demolition of the Coal Creek Station. That was one project I did not want to complete. You did the impossible. When a power plant is marked for demolition, they don't make a comeback. Only in ND could this feat have been accomplished. You saved an industry, and the livelihoods of 1000's of North Dakotan's (many of my former co-workers and friends) and several ND communities.

The abundant oil and gas fields in the west were laid down millions of years ago. We have developed ingenious solutions that have allowed for hydraulic fracturing of the rock that contained the tightly trapped Bakken oil. We also passed thoughtful legislation that allows the industry to grow and prosper in an environmentally sound way. We are now the third largest oil-producing state in the U.S.

The latest prize that ND has lying beneath our feet is simply empty space (pore space) which is strategically placed between several layers of non-porous rock. Several years ago, our leadership had the foresight to obtain Class 6 primacy from the federal government. This primacy allows ND to permit its own CO2 injection wells. This has become an extremely valuable asset as of late with the passage of the Inflation Reduction Act and the allowance setting of pricing of sequestered CO2 at $85 per ton. It is estimated that ND has the capacity to store 250 billion tons of CO2 under its vast landscape. Preparation and planning now allow us to take full advantage of this to bring wealth into ND.

We have been busy the past two years bringing tens of billions of dollars of potential projects to the ND portfolio. These projects cover the spectrum from ag, to energy, autonomy,

technology, and manufacturing. We are taking a much more proactive approach and seeking out these opportunities.

Current biennium accomplishments, challenges

State of Energy Production

The Bakken oil play is naturally moving from an oil play to a gas play. The pipeline capacity moving natural gas from the Bakken to external markets is essentially full. Current production is approximately 3 billion cubic feet (BCF) per day, projections show that potentially doubling in the next decade. We need to actively develop projects that add value to natural gas and allow for full production and maintenance, and even increase tax revenue. Several large projects are proposed or underway right now that do just that, add value to the natural gas, near the source.

- Potential Value-Added Projects Utilizing Significant Volumes of Natural Gas
    - Gas to Liquids Project
    - Sustainable Plastics Project
    - Sustainable aviation fuel production facility
    - Fertilizer Production
    - Hydrogen Hub
    - Pipeline to Eastern ND
    - Three major soy processing plants (spread across the state)

Some highlights on some of those projects are as follows:

Gas to Liquids Project: A $3 billion facility to be built by Cerilon in Williams County. Gas to liquids (GTL) is a process that converts natural gas to renewable diesel fuel (14,000 barrels per day). This will be the first of its kind in North America and will have the lowest carbon footprint of any GTL plant when utilizing CO2 sequestration.

Sustainable Plastics Project: Newlight utilizes methane and ocean-based microorganisms to produce a biodegradable material that is an alternative to single-use plastic (AirCarbon). They currently have a facility operating in Huntington Beach, CA, and market their products retail and wholesale.

Produced Water Processing: Two separate entities are developing projects that will take produced water from oil production and process it to remove the salts from the water. These salts have commercial value as bases for producing several industrial chemicals. The most valuable salt that can be extracted is Lithium. Demand for battery production will make ND a major player in the lithium markets. It will also be one of the cleanest methods of producing lithium in the world.

Metal Ore Processing: A huge win for ND came with the announcement that Talon Metals will be locating a nickel processing plant in Mercer County. This facility will bring nickel mined in Northern Minnesota to be processed in Mercer County. The nickel processed will be sold on long-term contracts to battery manufacturers (Tesla). The facility has an approximate capital construction budget of $400 million. Talon Metals also received a $114 million Department of Energy grant (27% of the budget).

Grand Farm: Grand Farm facilitates agriculture technology collaboration and research bringing together researchers, growers, industry, startups, and government to solve some of the world's largest challenges in agriculture. It will provide acreage for the deployment of agriculture technology projects, rapid prototyping capabilities, and increased research and educational capacity. Senator Hoeven announced $1 million in federal appropriations to develop a partnership between Grand Farm, NDSU, and the U.S. Department of Agriculture's Agricultural Research Service. In 2022, Grand Farm was awarded a $10 million matching grant by the ND Legislature and Commerce to be used towards the building of the Innovation Facility.

Soy processing: Two years ago, there were no soybean processing facilities in the state, there will soon be four. Green Bison (ADM/Marathon) in Spiritwood, CGB/Minnesota Soy in Casselton, Epitome Energy in Grand Forks, and AIC Energy in Trenton. These facilities will shift the soy markets in ND by keeping those beans here and adding value in ND. Oil will be processed into renewable diesel and sustainable aviation fuel. The soy meal will open new markets in animal feed in ND. To maximize this value chain of soy meal, we need to work towards attracting more animal agriculture to the state.

Challenges

Growing portfolio

We have an ever-growing portfolio of projects we are managing. We are working diligently to implement several project management and efficiency tools to work smarter. We are working to streamline our work and seek out the value-added steps while trimming out the non-value-added steps. This is a delicate procedure since we absolutely want to maintain our reputation of outstanding customer service, while streamlining our processes.

NIMBY

We occasionally see some resistance to local development. The "Not in my backyard" problem comes to the table in some discussions. The best solution for this issue is excellent preparation of projects so that we understand as much as possible about project impacts before moving forward. The next thing is the simplest and yet the trickiest. Solid, constant, effective communication with local leadership is critical. We need to flood all the communication channels with positive, truthful information to reduce the false information that makes it out to the public. This is on us in Commerce to lead and make sure it happens on a regular cadence. To help facilitate this, Commerce will be working on a media relations kit to share with our local development partners.

Incentives

ND offers many generous and useful incentives for projects. What is becoming apparent though, is that the dollar of these incentives is becoming less effective as the net value of projects is going up. A decade ago, a project in the high $100 millions was a rare item. Today, that level is becoming common and now projects over the $1 billion mark are becoming more and more common. Our incentives packages need the ability to grow with the size of the projects we have in the portfolio now.

Valuing employees

As we have discussed, we are working on a portfolio of projects now that is 10 times what we were a few years ago. Our staff has not grown in numbers except to backfill a few positions and to ask for the addition of an Autonomy Office. We are working hard to streamline as much as possible to utilize as many technologies as are appropriate to manage our project load. With increased project load and extremely high inflation, we need to continually address the issue of compensation. We need to make sure we are compensating our team and that we can attract new talent as the need arises.

Next Biennium Goals & Plans

Carbon Capture, Sequestration and Use

We have a goal of carbon neutrality by 2030. A key to making this goal a reality is the geology of Western ND (250 billion tons of CO2 capacity). The Inflation Reduction Act sets the value of CO2 sequestered has been set at $85/ton. Importation of CO2 from ethanol plants from neighboring Midwestern states and Southeast ND is part of the solution. The Summit Carbon pipeline will open many opportunities in Western ND for carbon sequestration. In addition to the Summit Pipeline Project, ND is poised to take advantage of the sequestration funding of IRA with the implementation of Project Tundra. Project Tundra will capture and sequester the 100 million tons of CO2 from the Minnkota's Milton R Young Station. Other sites that are being evaluated for CO2 sequestration are the Rainbow Energy Center, Midwest AgEnergy's Blue Flint Biorefinery, and the industrial development west of Williston near Trenton.

Current incentives promote sequestration over use. There are many practical uses for CO2. Ironically, in a world where we are all worried about too much CO2 in the atmosphere, we are desperately seeking CO2 for industrial and municipal use. CO2 has many industrial uses - carbonation of beverages, a key nutrient feedstock in greenhouses, metal fabrication, cooling systems, fire suppression and as a feedstock for treating municipal wastewater and as a curing agent for concrete.

Red Trail Energy in Richardton is currently actively sequestering all its biogenic CO2 generated. They estimate that they are on schedule to sequester 180,000 tons per year of CO2. This is the first in the nation facility to become permitted under a State Class 6 Primacy to capture and sequester CO2.

Many of the projects (including foreign investors, like Sumitomo) we have been working with cite their driving factor is lowering their Carbon Intensity Score. This is only possible with a viable carbon sequestration opportunity in the state. It is a goal of Commerce to develop CO2 sequestration as a utility as readily accessible as power, gas or water supply. We are discussing with some companies about developing several carbon sequestration sites to be able to offer this service to companies considering locating to ND.

Synergy

With all of these projects in the portfolio, the most logical way to make the best and most efficient use of the resources and land we have available is to work to develop these entities in hubs or parks. The grouping of complementary facilities next to each other makes economic and synergistic sense.

We are promoting several of these hubs across the state. Several already exist or are planned (Minot Intermodal Site, Spiritwood Energy Park, Rainbow Energy Center, Trenton Eco Park). Commerce will work to find synergies between companies wanting to locate to ND. We will work to place them in the area that best suits their utility and logistics need. We will also work to co-locate entities that would gain synergy.

Fertilizer Projects

Several projects proposed are currently proposed in various locations across the state. ND imports 80% of its fertilizer products. The balance is imported (nationally and internationally). This is problematic as supply chain issues continue to disrupt markets. A single facility proposed would produce approximately 20-30% of the need in the state. Our farmers pay the highest prices in the country for fertilizer. Establishing an effective fertilizer production industry is a top priority for us in the next biennium.

Pipeline to Eastern ND

A pipeline to move gas from western ND to eastern ND was proposed in the 2021 legislative session. The legislature approved a $150 million fund to facilitate the construction of this pipeline. This pipeline would reduce the congestion of natural gas in Western ND while promoting development across North Central and Eastern ND. Fertilizer production and soy processing plants in Grand Forks would utilize natural gas supply from the Bakken. Private developers need to have commitments for a significant volume of the gas prior to committing to building the line. Commerce will work diligently to identify and lock down those developments that will support the project plan for the west to the east natural gas line. This effort will support the utilization of the overabundance of natural gas.

Hydrogen Hub

The EERC has submitted a concept paper to the Department of Energy. This concept paper has resulted in an invitation to submit a full application by April of 2023. 79 concept papers were submitted, with 33 being encouraged to submit a full application. Of those 33, 6-10 will be selected to receive a share of the $7 billion in grants to establish regional hydrogen hubs.

These will create a network of producers, consumers, and local connective infrastructure to accelerate the use of hydrogen as a clean fuel source.

ND's hydrogen hub is a combination of green and blue hydrogen, taking advantage of CO2 sequestration.

UAS/Autonomy

The commercial drone market is $24.39 billion and is forecasted to reach $504.5 billion by 2030. Industry growth is expected to be driven by regulatory advancements and technological innovations. ND is home to a strong UAS ecosystem having unique expertise, capabilities, and amenities that appeal to industry, academia, and federal agencies. Our Northern Plains UAS Test Site is one of only seven FAA-approved UAS test sites in the nation. Grand Sky, the nation's first UAS-focused business park, is poised to build upon its successes to date as its anchor tenants experience considerable growth. Vantis is a major project of the Northern Plains UAS Test Site and is designed to enable safe beyond visual line of sight (BVLOS) UAS operations across ND. The ND UAS ecosystem already features prominent companies such as Northrop Grumman and General Atomics; successful service providers such as ISight Drone Services, Frontier Precision, and SkySkopes; and rapidly scaling businesses such as Thread and Packet Digital.

Promoting the State

ED&F is in an enviable position right now that we get to guide the development of projects that are the most economically beneficial, most environmentally conscious, and the best fit for the citizens of ND. We evaluate these potential projects, help them identify the needs they have and pair them with the best locations in the state. The key here is that we can bring the best-suited projects to ND. We will do so by working hand in hand with both workforce development and community development growing in a controlled, organized manner. Economic development without consideration of workforce or community results in chaotic boom/bust cycles. Economic development with consideration to these two key elements results in strong, vibrant, economically stable communities.

With the incredible amount of project potential and potential volume of federal funding, we have organized an Energy and Economic Coordination Office within ED&F. The purpose of this office will be to coordinate the economic development efforts for the State in the energy sector. They will coordinate with all the various entities having expertise in various energy areas (ND Pipeline Authority, the ND Transmission Authority, the ND Department of Mineral Resources, ND University System, the EERC, EmPower ND, the Lignite Energy Council and the ND Petroleum Council.)

Funding

ND Investment Fund – Requesting funding at $30 million
LIFT – Request funding at $20 million
Innovate – Funding level request for biennium - $948,000

We also support the use of several other funding sources housed in other agencies. We support the continuation and enhanced funding of these sources:

Clean Sustainable Energy Authority – Funding at higher levels
Renewable Energy Authority – Very popular program
APUC – key first stop for new projects in the ag sector
Lignite Research Council
Oil & Gas Research Council
Bank of North Dakota – Retaining Earnings

Economic Development & Finance Budget Highlights

Budget Overview –
$300,000 increase for increased operating expenses
$10 million Automation Budget Grant
$22 million grants budget for Grand Sky
$30 million for Northern Plains Test Site

1 FTE – Office of Autonomy

<u>Federal Funding Opportunities</u>
Support of *Hydrogen Hub* Application *(IRA)*
Investigating opportunities in *Regional Technology & Innovation Hub (CHIPS ACT)*
State Energy Program
Several other programs are being investigated

<u>Summary</u>
In summary, ND has been doing amazing things. We have never feared hard work. Challenges have been a way of life here from the beginning, but so have opportunities. It is when we pair those challenges, hard work and opportunities, we make our own good fortune for the citizens of ND.

Chairman Nathe and committee members, this concludes my testimony. I ask for your support for House Bill 1018. I would be happy to answer any questions.

Thank you.

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HOUSE APPROPRIATIONS

January 9, 2023

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The North Dakota Department of Commerce works to improve the quality of life for North Dakota citizens by leading efforts to attract, retain and expand wealth. Commerce serves businesses and communities statewide through committed people and partners who offer valuable programs and dynamic services.

Commerce Video

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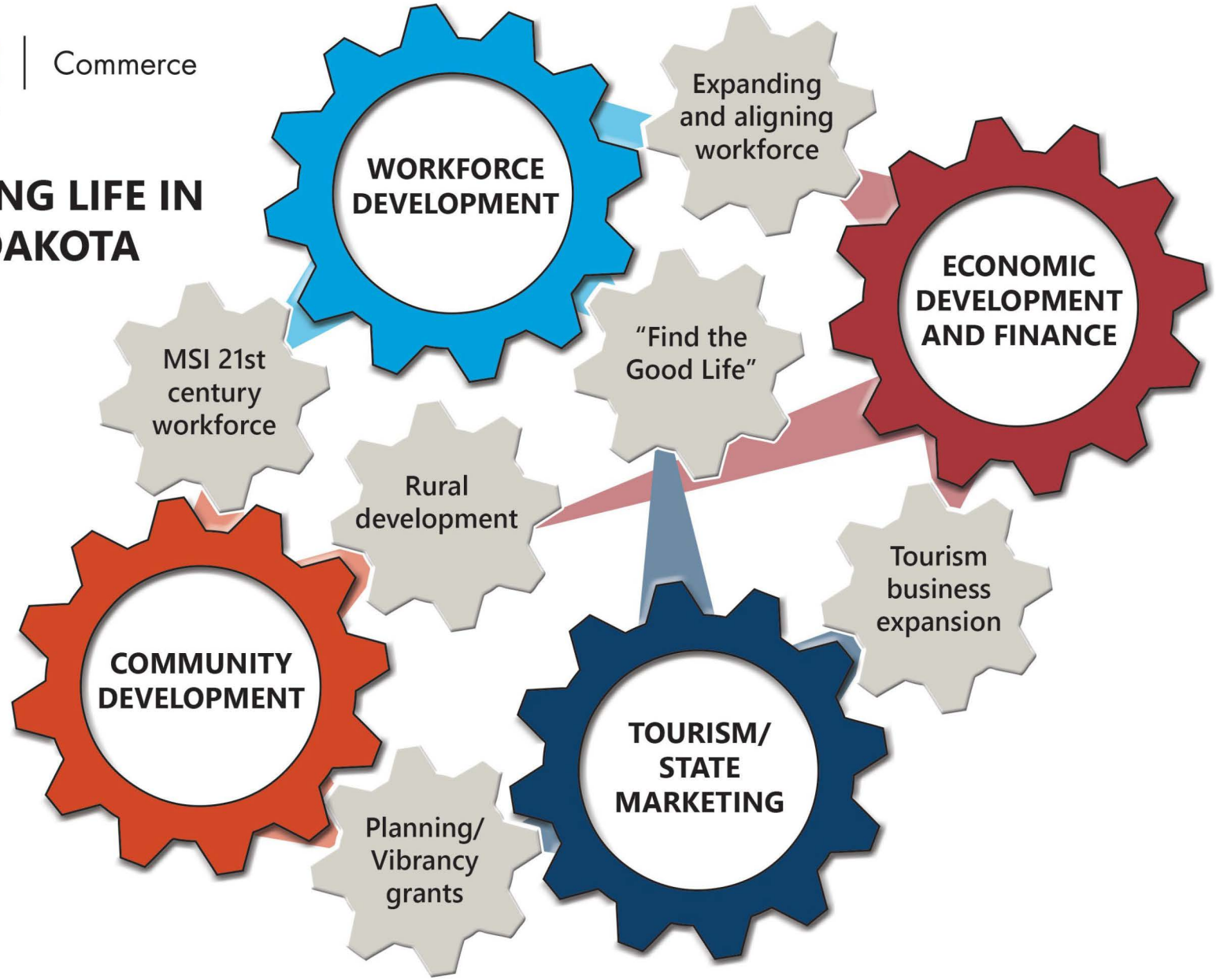
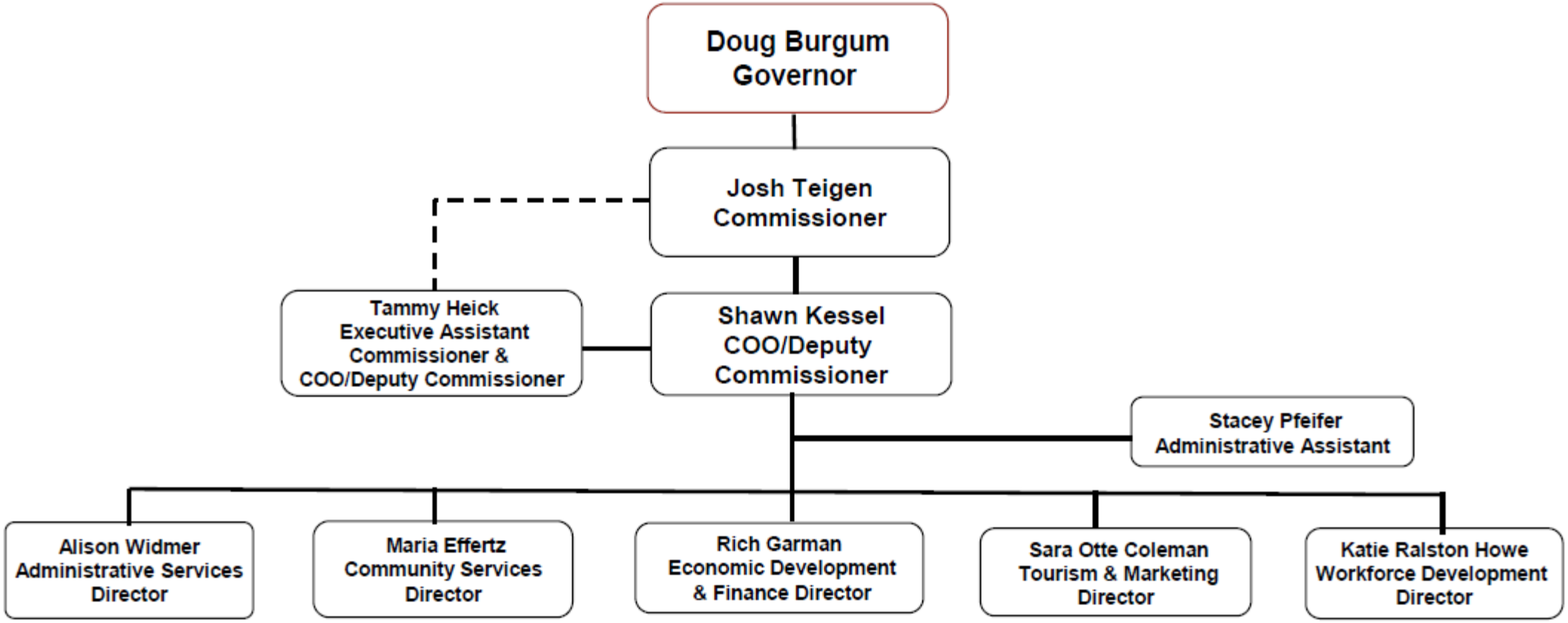
IMPROVING LIFE IN NORTH DAKOTA



ORGANIZATIONAL CHART



AUDIT

- Commerce LIHEAP Finding – lack of subrecipient risk assessments.
- Finding relates to the global pandemic.
- Corrective action plan has been completed as of December 31, 2022.

COMMERCE FTES

Current

58.8 FTEs – Fully Funded with Benefits

2023-2025

63.8 FTEs – Fully Funded with Benefits

2023-2025 - FTE Request

- Workforce Division (2 FTEs)
- Office of Automation (1 FTE)
- Community Services* (1 FTE) * May add three more
- Global Engagement (1 FTE)

SUPPORT FOR TOTAL REWARDS

$90M equity

- 6% year one
- 4% year two

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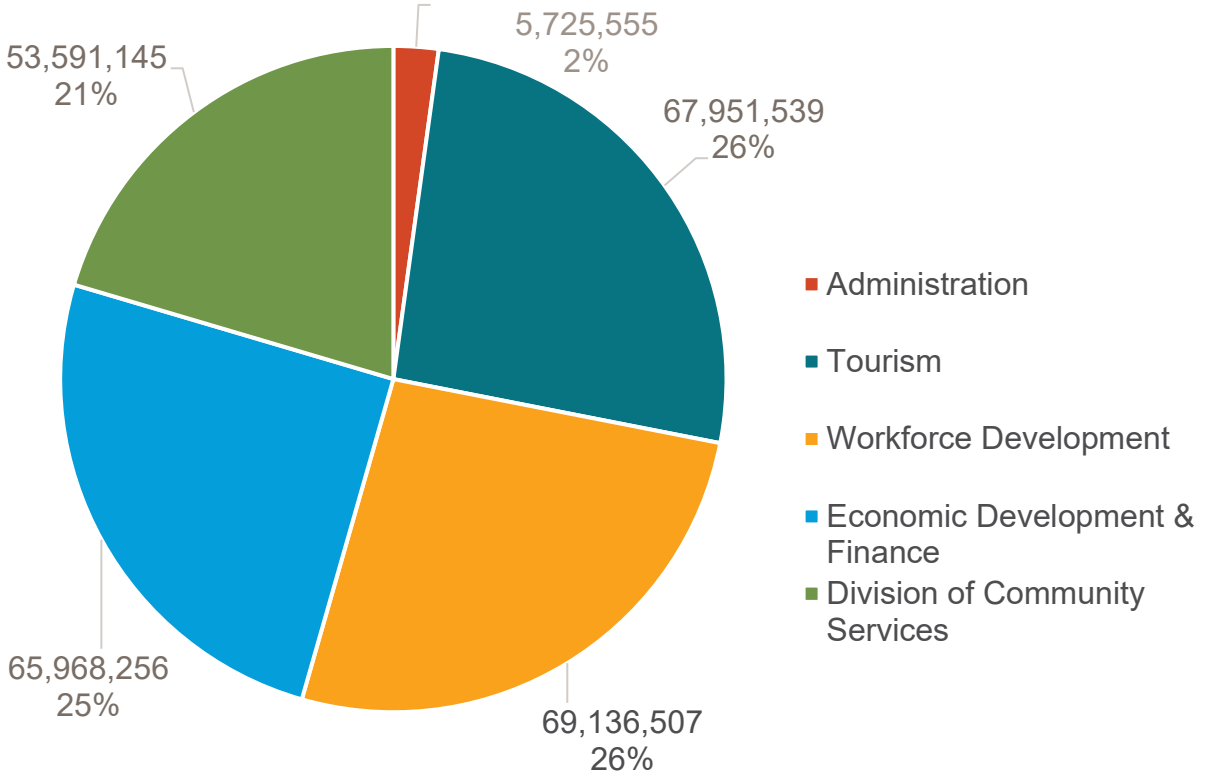
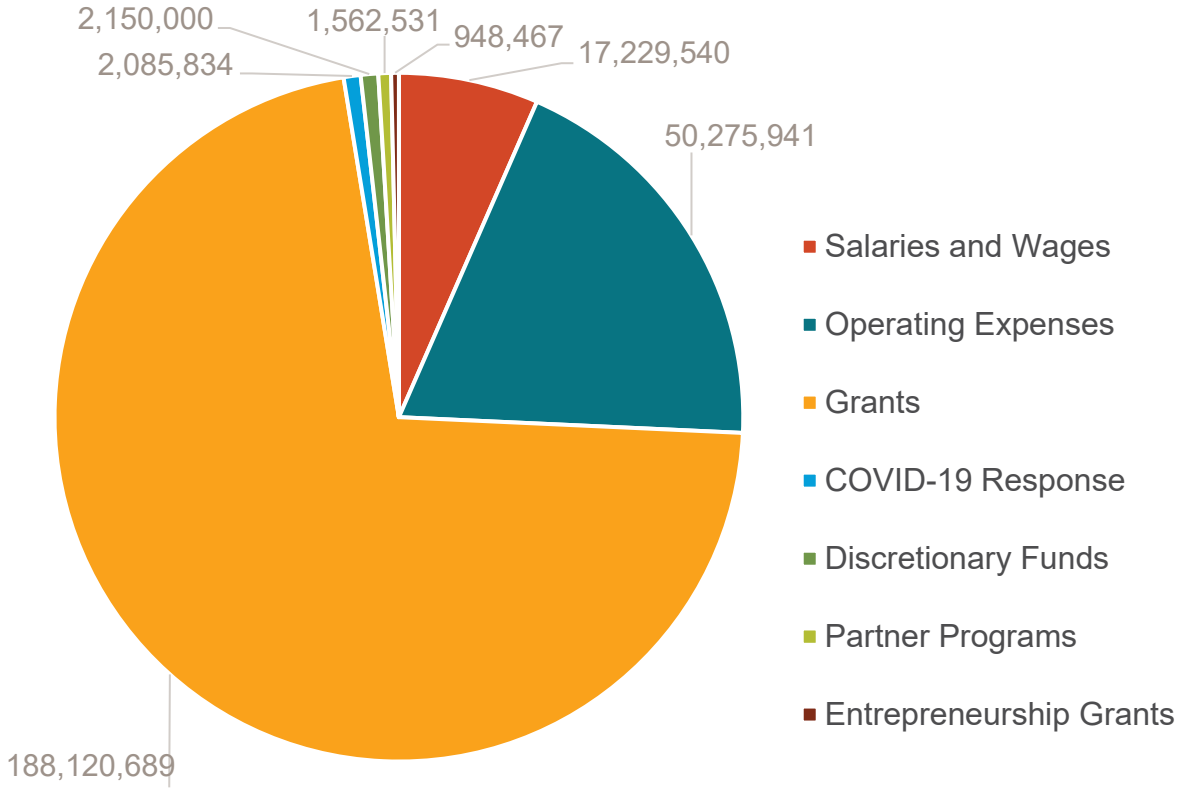
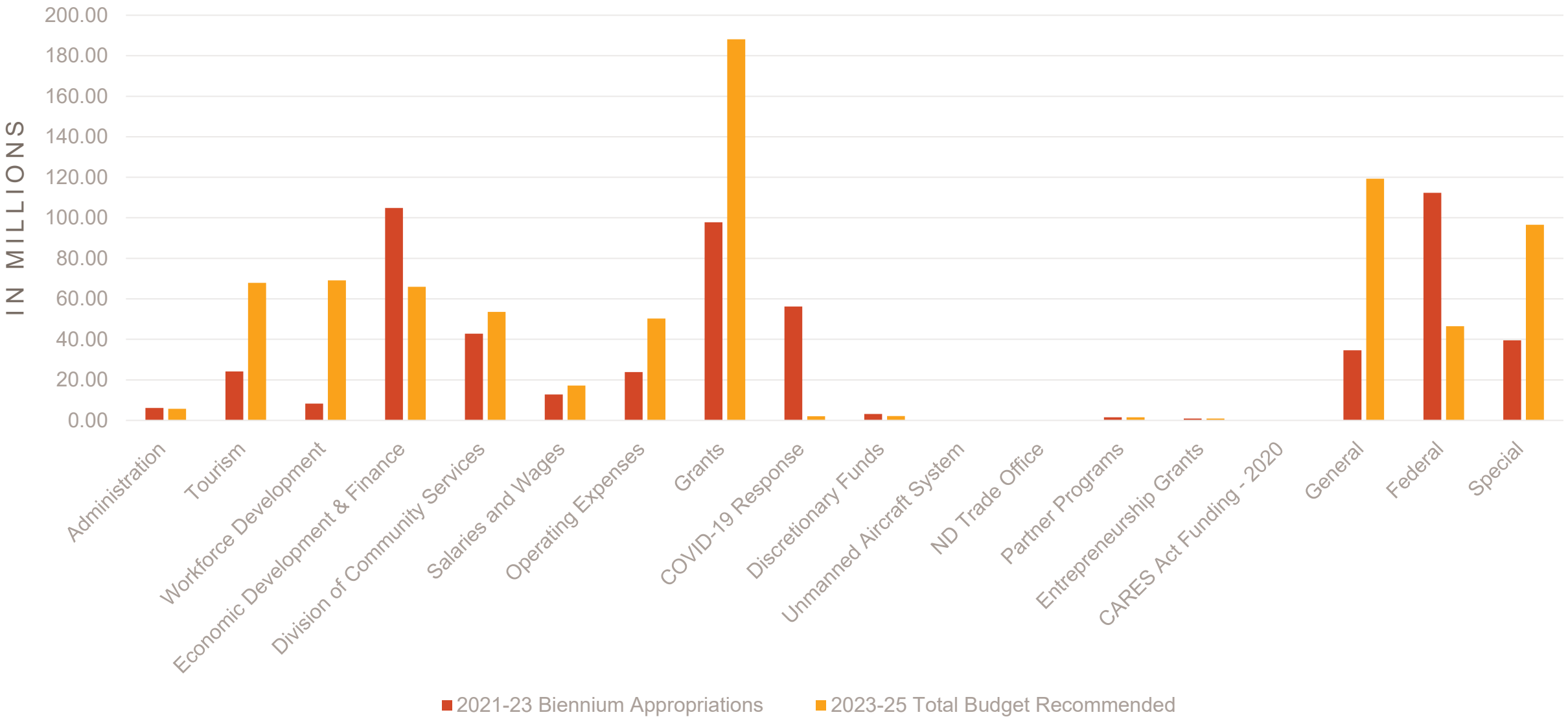
BUDGET – OPERATIONS OVERVIEW





BUDGET COMPARISON



ONE TIME FUNDING – LAST BIENNIUM

- Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant
- COVID 19 Response – State Small Business Initiative
- Discretionary Funds – Tourism Planning Grants
- Job Development and Economic Growth Grant
- Motion Picture Production and Recruitment Grant
- Technical Skills Training Grant
- Tourism Marketing
- Tourism Transportation Improvement Grants
- Travel Agency and Tour Operator Emergency Resiliency Grants
- Event Center Emergency Resiliency Grants
- Unmanned Aircraft System
- Workforce Grants to Tribally Controlled Community Colleges Workforce Safety Grant

ONE TIME FUNDING – PROPOSED 23-25

One Time Funding	
Workforce	
Workforce Investment Funding	$ 20,000,000.00
Talent Attraction	$ 24,797,060.00
Automation Workforce Transition Training Program	$ 5,000,000.00
Workforce Enhancement Grant	$ 2,000,000.00
Volunteer Generation Fund	$ 878,571.00
Tourism	
Destination North Dakota	$ 5,000,000.00
Destination Development Fund	$50,000,000
Community Development	
Rural Renewal Workforce Housing	$ 5,500,000.00
Community Development Grants	$ 800,000.00
Rural Revitalization and Redevelopment Grant Program	$ 10,000,000.00
Economic Development and Finance	
Northern Plains Unmanned Aircraft Systems	$ 30,000,000.00
Enhanced Use Lease - Grand Sky	$ 7,000,000.00
Automation Grant	$ 10,000,000.00
Transfers	
Workforce	
Internship Fund	$ 1,000,000.00
Economic Development and Finance	
North Dakota Development Fund	$ 30,000,000.00
Innovation Loan Fund	$ 20,000,000.00

21-23 SPECIAL SESSION FUNDS

	SB 2345 (60180)	Amount	Nov-22
North Dakota Development Fund	Section 35	$5,000,000.00	Transfer is pending
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$20,413.31
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$191,406.95
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$116,089.26
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

ANTICIPATED FORMULA ALLOCATION FEDERAL FUNDS '23-'25

The following was provided to legislative council in September 2022 regarding anticipated federal formula funds Commerce is anticipating to receive.

Program Name / Description	Estimated Federal Funds to be Received
Community Development Block Grant/State's Program	$8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000
Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135
Americorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	$ 54,018,402.50

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THE NRIC
Dakota

WORKFORCE DEVELOPMENT

The North Dakota Department of Commerce Workforce Development Division partners with other state agencies and public sector industry to deliver specialized programs and services to assist in enhancing the workforce of North Dakota.

It monitors and delivers workforce strategies for North Dakota such as:

- Ensuring employers have access to a skilled talent pool
- Growing opportunities for youth in careers and civic engagement
- Expanding volunteerism

Katie Ralston Howe, Director

WORKFORCE DEVELOPMENT

REGIONAL WORKFORCE IMPACT PROGRAM Current Biennium

Accomplishments

- Awarded 59 projects to date
  - Areas of focus: infrastructure investments, talent attraction, affordable housing, career exploration, career and technical education, workforce training, and child care.
- Supported expansion of 33 child care facilities; 1,590 new slots statewide

Challenges

- Limitations within federal funding source
- Modifying program during application window to accommodate applicant concerns
- Timeline to review and approve applications took longer than expected due to gaps and ineligibilities in proposals
- Program end date is causing concern for recipients

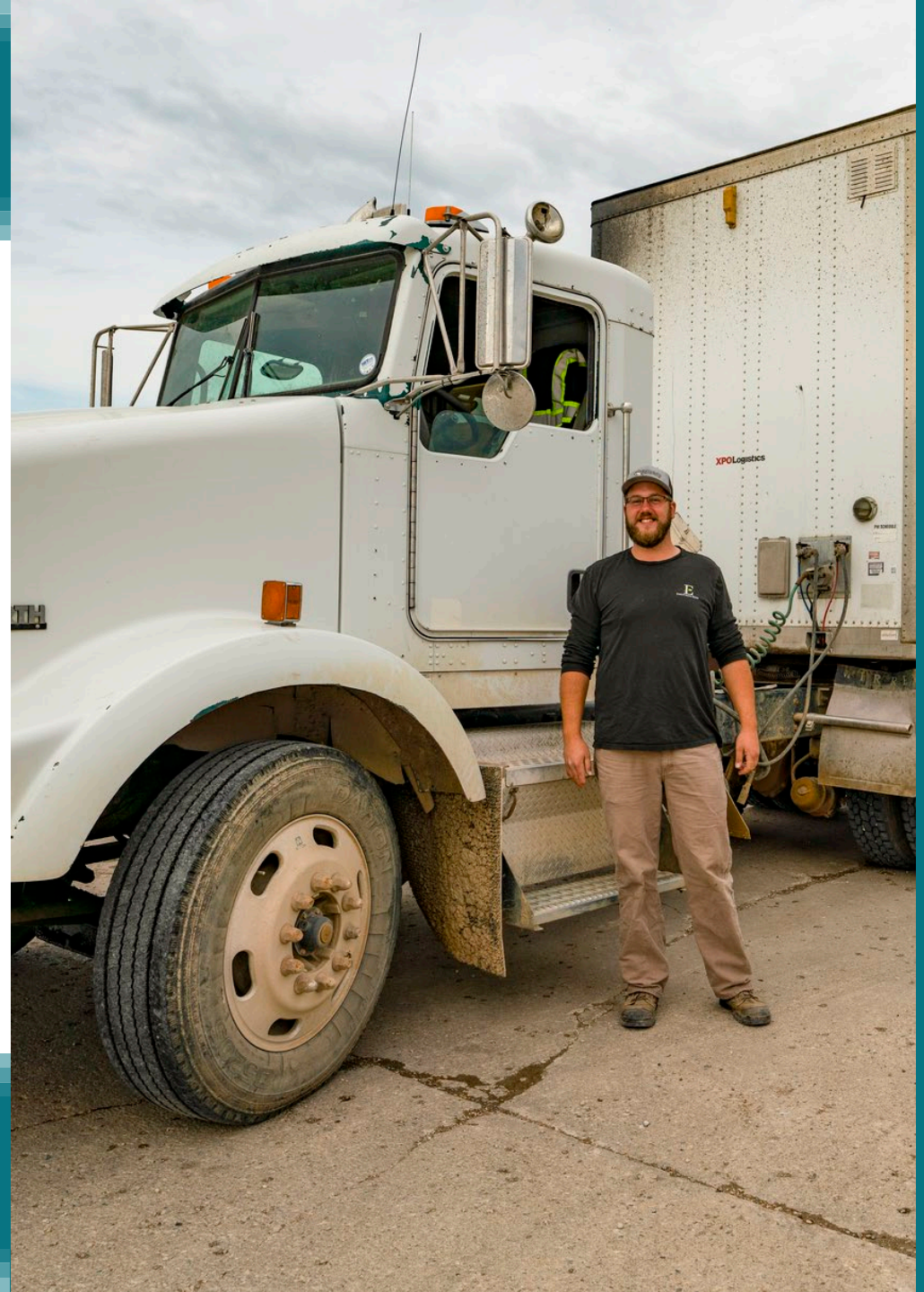
Funding

- 2021-2023: $15 million (ARPA); $14,218,377.14 awarded to date

WORKFORCE DEVELOPMENT

TECHNICAL SKILLS TRAINING GRANT CURRENT BIENNIUM

- Accomplishments
  - Expanded program to include incumbent worker training
  - 20 programs supported this biennium
  - Examples: welding, CNA, CDL, software development and cyber security, UAS, and more.
  - Training providers include businesses, community colleges, area career and technology centers
- Funding
  - 2021 Regular Session: $1M (CRF); $509,171 expended
  - 2021 Special Session: $3M (ARPA); $626,705 awarded



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WORKFORCE DEVELOPMENT

WORKFORCE INNOVATION GRANT Current Biennium

Accomplishments

- Working to identify most innovative opportunities within ARPA guidelines

Challenges

- Administrative burden and challenges with RWIP caused Workforce Innovation Grant to stall
- Initial vision for grant is not allowable under ARPA guidelines
- Challenges in hiring a temporary employee to administer ARPA grant programs

Funding

- 2021-2023: $2M (ARPA); requesting carryover authority

WORKFORCE DEVELOPMENT

OPERATION INTERN, AMERICORPS – Current Biennium

OPERATION INTERN

Accomplishments

- 148 businesses
- 470 interns

Challenges

- Demand was higher than available funding
- $824,358

Funding

- 2021-2023: $755,000

AMERICORPS

Accomplishments

- Increased number of projects; now at six
- Recruited 150+ AmeriCorps members
- 62 service locations

Funding

- Federal: $3.8M
- State match: $108,302

WORKFORCE DEVELOPMENT

FIND THE GOOD LIFE IN ND Current Biennium

Accomplishments

- Have 1,106 leads in the pipeline in six months
  - 29% to move immediately
  - 66% within 0-6 months
  - 78% new to ND
  - 9 relocated participants
  - 308 resumes
- Built a network of 60 community champions to assist job seekers
- 316 leads connected to champions

Challenges

- Establishing direct connections between job seekers and employers

Funding

- $410,000 discretionary funds

FIND THE goodlife in North Dakota

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WORKFORCE DEVELOPMENT

NEXT BIENNIUM GOALS AND PLANS

- Build on FTGL to expedite conversion timeline and increase number of job seekers/families who relocate to ND
- Create more flexibility and opportunities for innovation in RWIP
- Lean into skilled workforce training and try to be more proactive in pursuing new programs

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WORKFORCE DEVELOPMENT

Budget

- Operating Budget: $1M
- Regional Workforce Impact Program: $20M
  - Carryover Authority + 1 FTE
- Technical Skills Training Grant: $2M
  - Carryover Authority
- Workforce Innovation Grant: Carryover Authority ONLY
- Find the Good Life: $12M (additional $12M in Tourism & Marketing Budget)
- Automation Enhancement Workforce Training Grant: $5M

TOURISM & MARKETING

We build a positive public image of North Dakota as a dynamic place to live and work. By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.

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

Sara Otte Coleman, Director

TOURISM & MARKETING

Current biennium accomplishments, challenges

- Media outreach resulted in 4,019 instances - up 821% - reaching 20.2B
- Tourism advertising reached 333 million resulting in 285,000 click-throughs and 15.2M video completions
- Domestic road trips tracked 7.9M trips
- Hotel occupancy was up 11.9%, RevPAR up 23.9%. Lodging tax up 37%
- Global tours up 9.6%
- NDtourism.com – updated and improved, welcomed more than 2M visits

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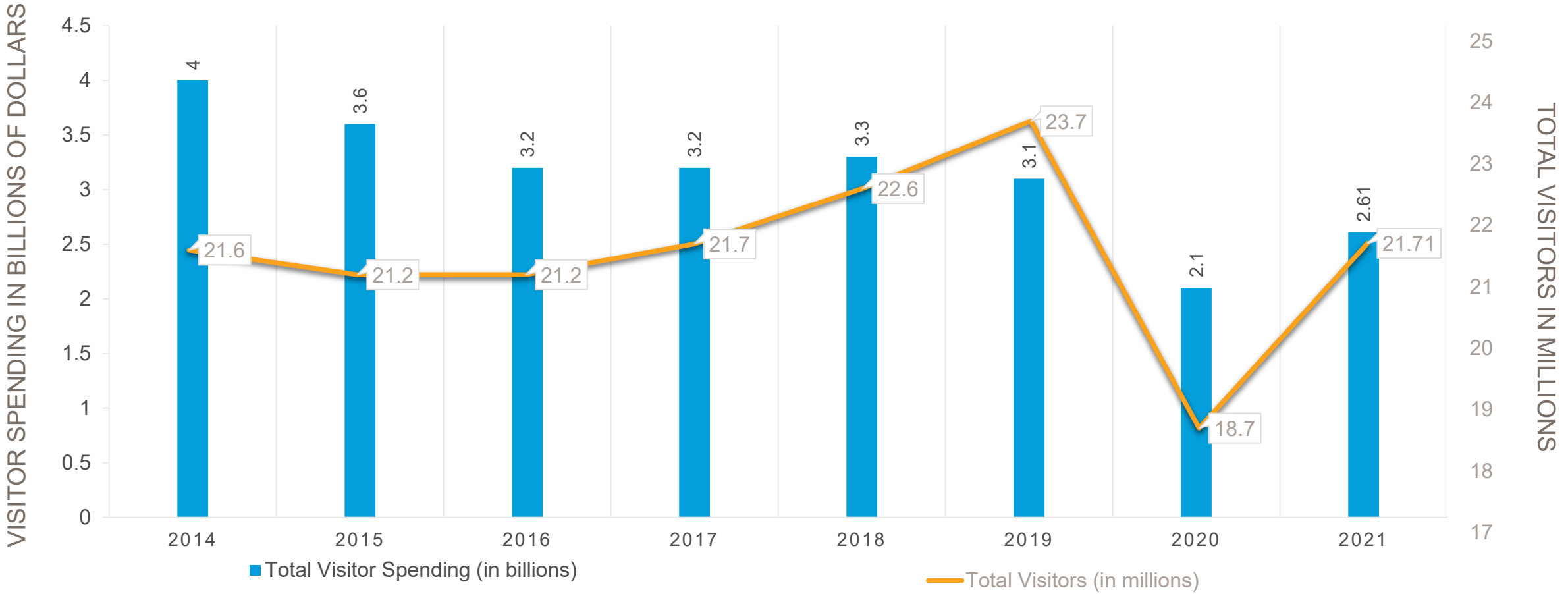
VISITOR SPENDING IN NORTH DAKOTA



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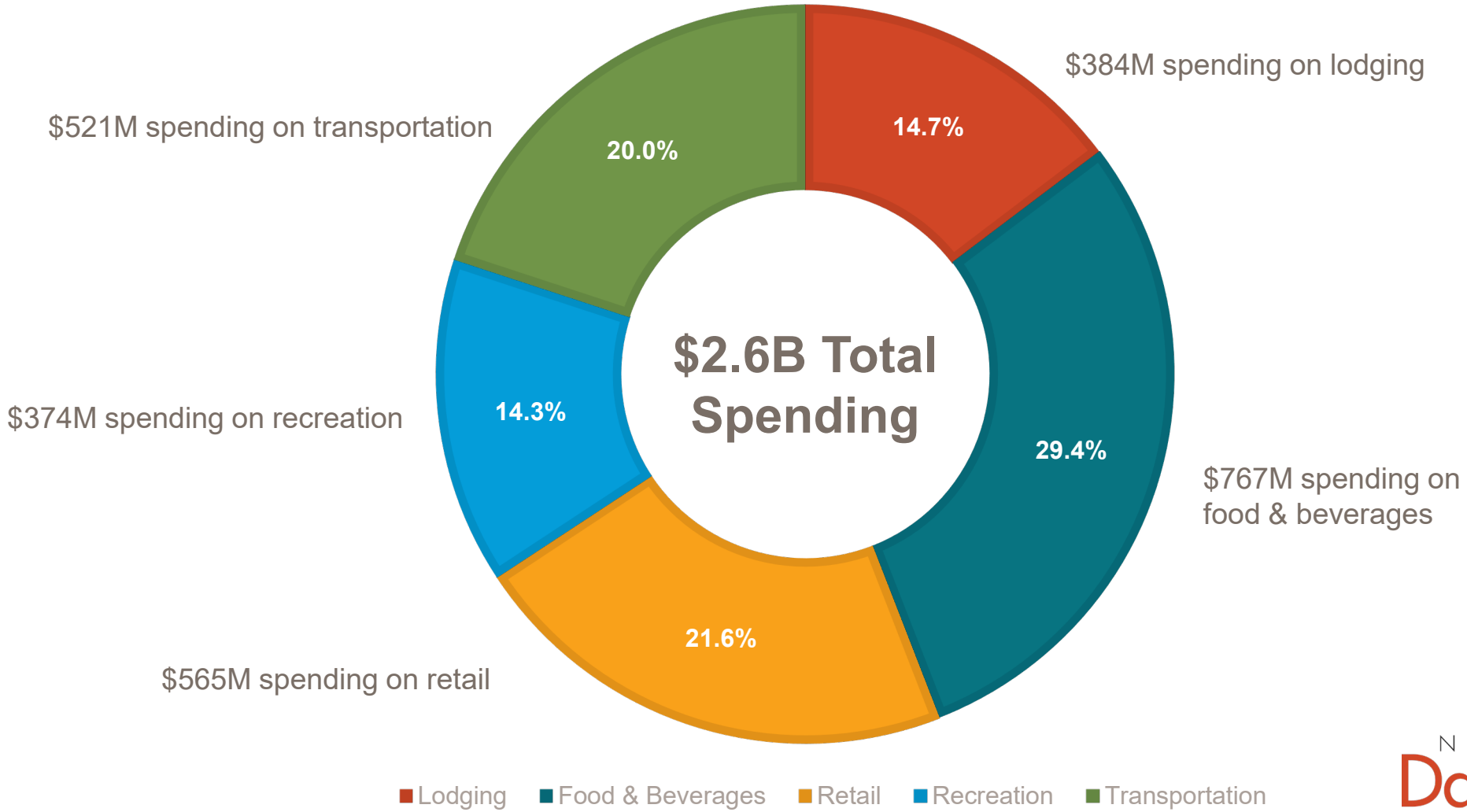
VISITOR SPENDING TOUCHES VARIOUS SECTORS

TOURISM INDUSTRY SALES IN NORTH DAKOTA, 2021



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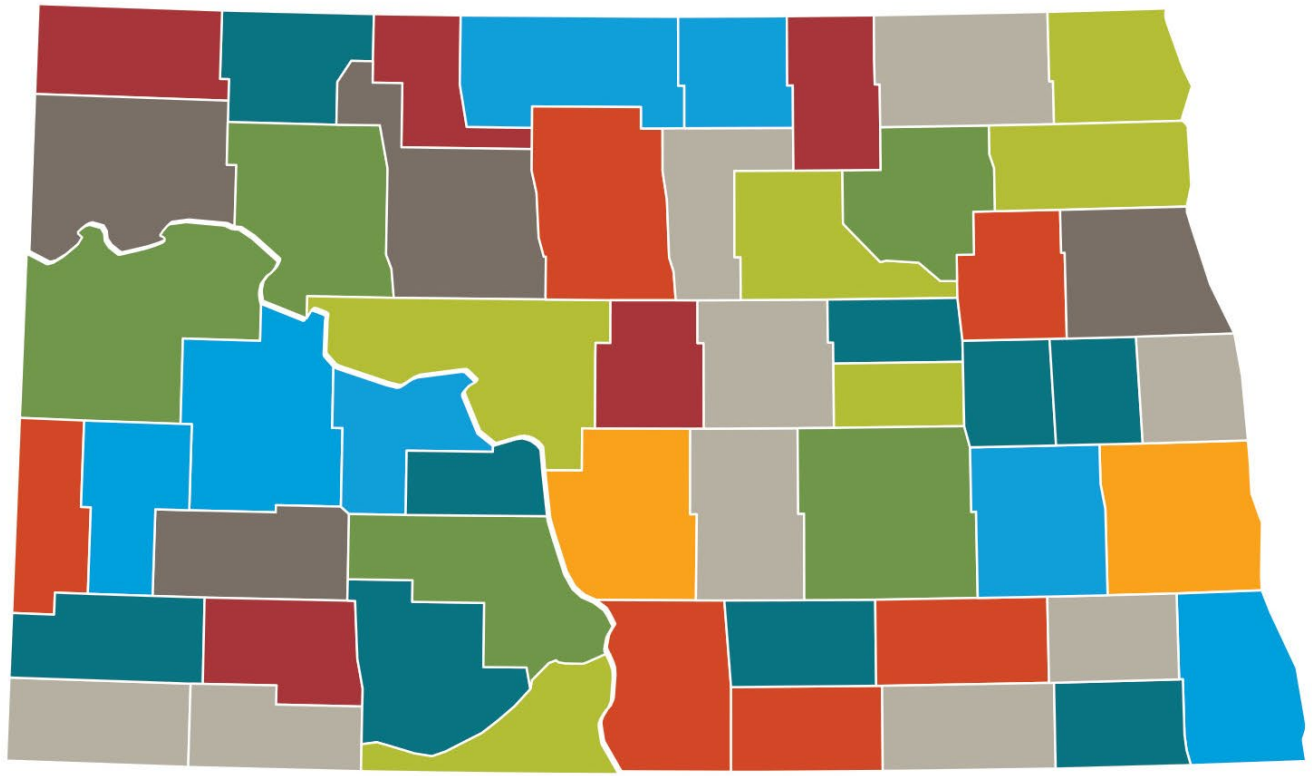
VISITOR SPENDING BY COUNTY

- Under $2M
- $2-4M
- $4-8M
- $8-16M
- $16-30M
- $36-100M
- $100-400M
- $400-850M



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

NORTH Dakota Be Legendary.

TOURISM & MARKETING

CURRENT BIENNIUM ACCOMPLISHMENTS, CHALLENGES

- Halo effect of seeing tourism advertising improves North Dakota's image
  - 12.5% advertising seen
  - 26.2% advertising seen + visit to ND

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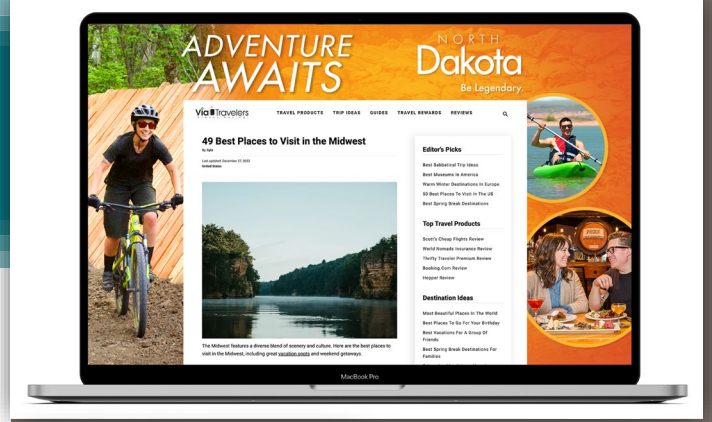
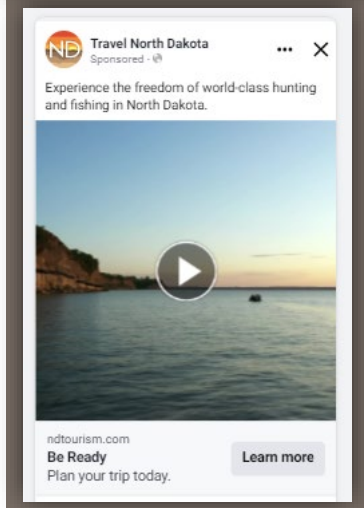
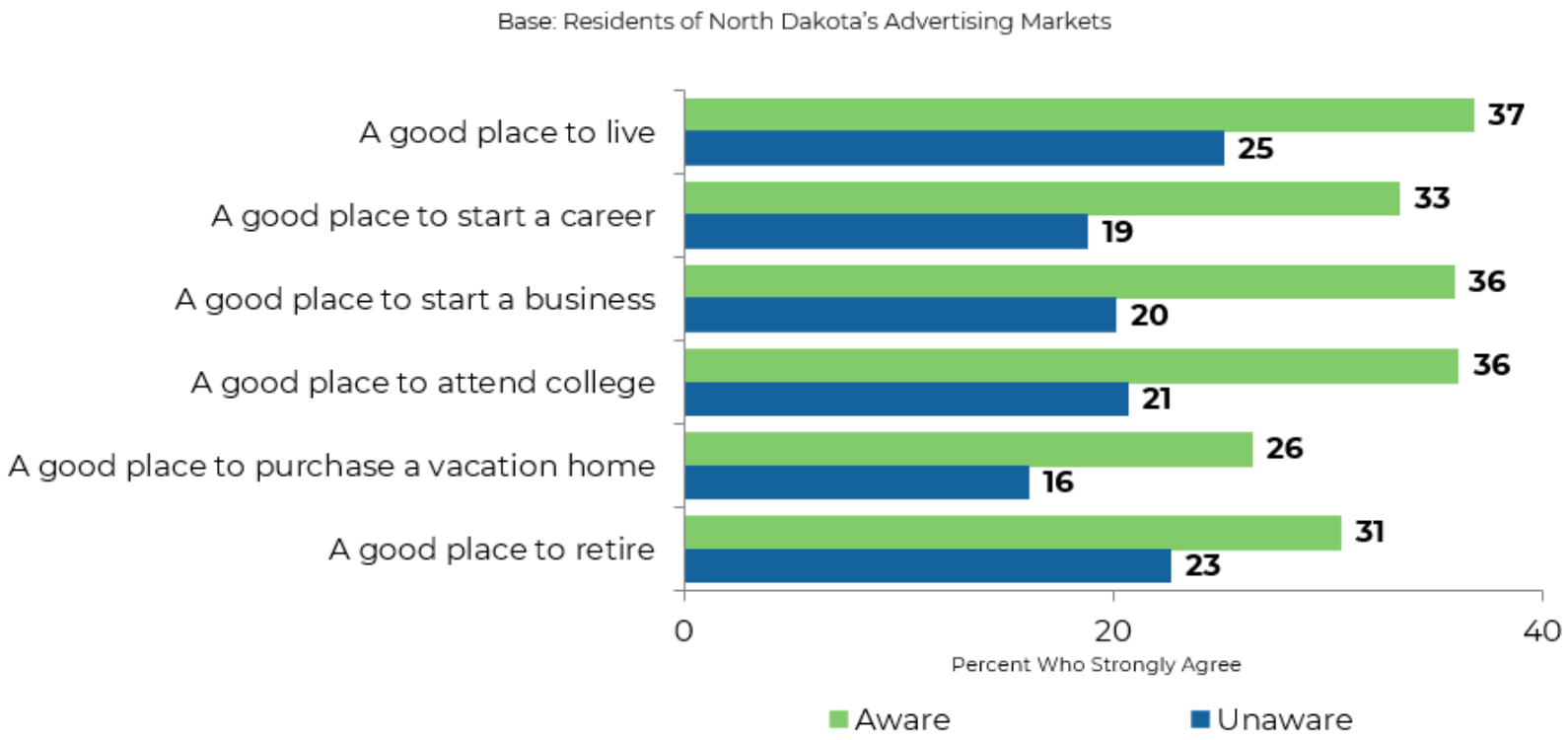




Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Advertising Impact

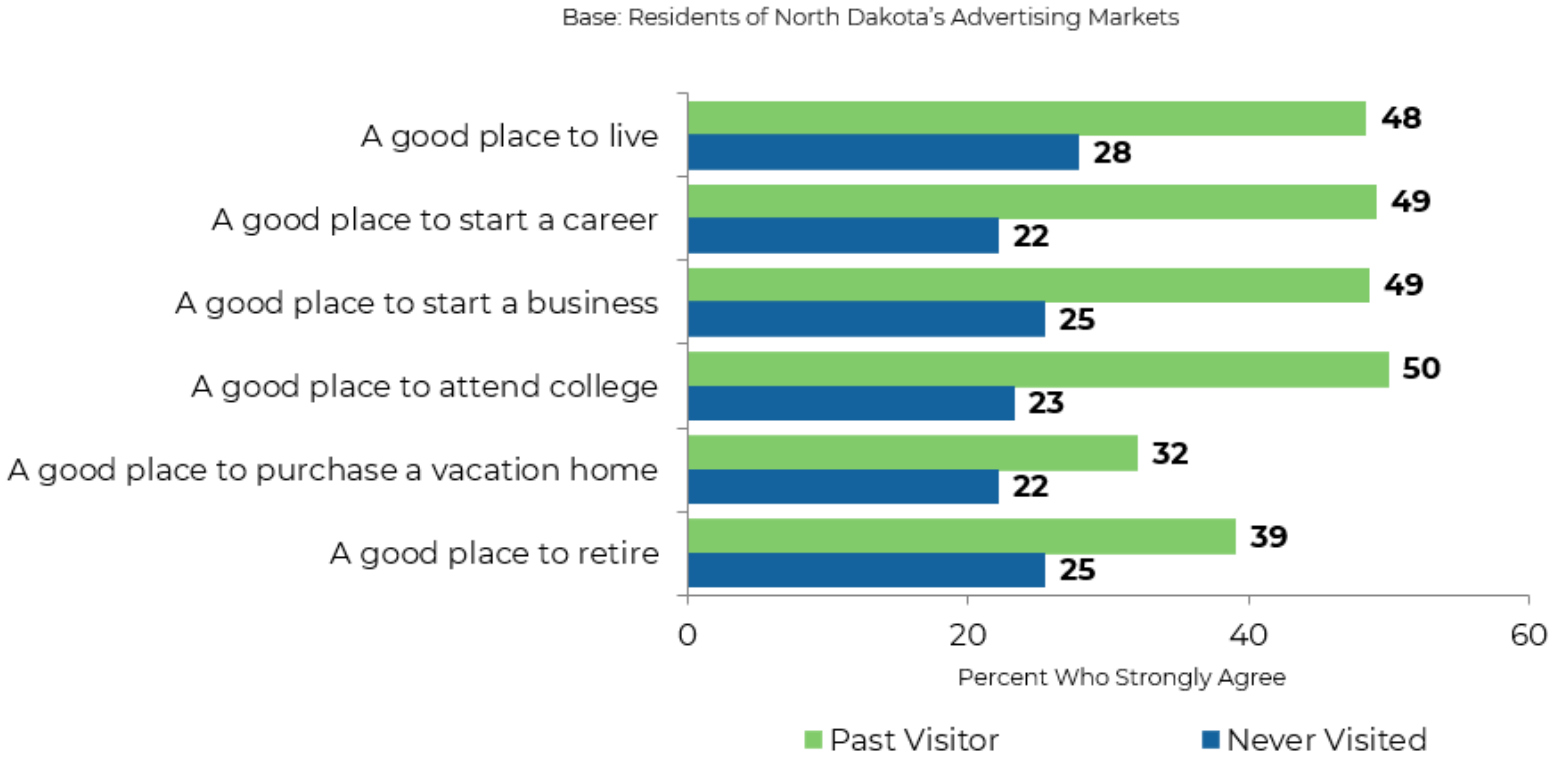


2019 North Dakota Image & Halo Effect Study

TOURISM & MARKETING

Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Visitation Impact



TOURISM & MARKETING

Current biennium accomplishments, challenges

Find the Good Life

- Updated logo, website and targeting
- Campaign drives interested relocators into pipeline
  - $438,000 resulted in 11M impressions, 55,000 visitors and 5,150 conversions
- Synergies between tourism, talent attraction and economic development

Tourism business development

- Focus on recruiting and attracting new tourism businesses and offerings

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TOURISM & MARKETING

Next Biennium Goals and Plans

Marketing to address – Lack of Awareness for North Dakota

- $5M (one-time) addition to tourism marketing
- $12-$15M – Find the Good Life marketing
- Break-through creative
- Synergy between tourism and workforce
  - 76% of new residents visited North Dakota prior to moving
  - Cross-sell to both audiences
  - Using best from 2022, to grow conversions and visitation
  - Potential new channels and longer campaigns

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TOURISM & MARKETING

NEXT BIENNIUM GOALS AND PLANS

Destination Development

- Dedicated staff person and plan
- Value-added recreation and tourism
- Destination development fund - $50M
  - Encourage non-state investments (1:1 match) in new and expanded attractions
  - New visitors, revenue, new residents, quality of life
  - Destination Development Council – goal legacy projects

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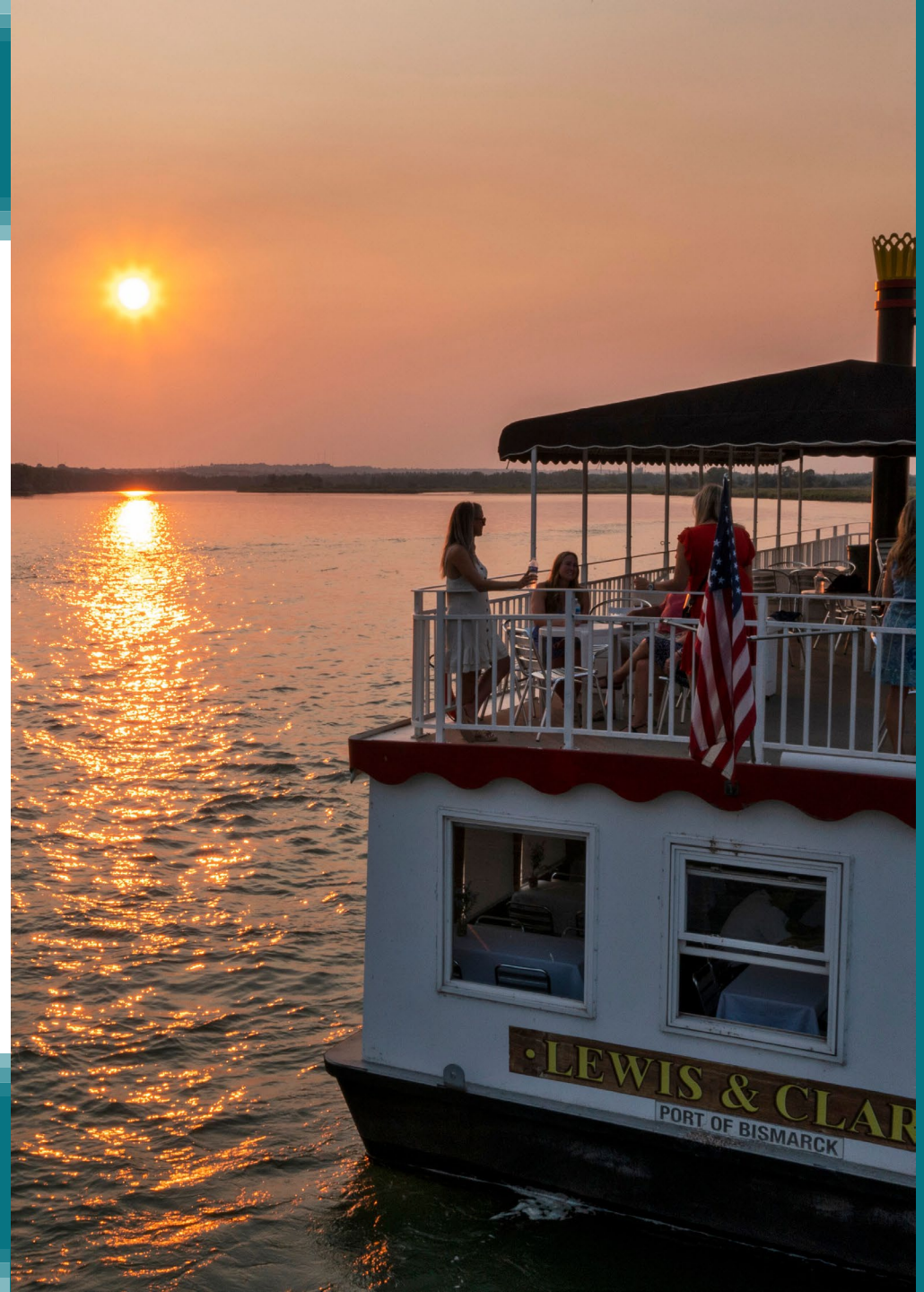

TOURISM & MARKETING

BUDGET

- $100,000 to cover operating expenses
- $5M addition to tourism base budget for destination marketing
- $50M for Destination Development Fund grants
- $12M for workforce recruitment marketing – Find the Good Life in North Dakota

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TOURISM & MARKETING

One-Time Funding

2021-2023

- Film and theater production grant – The full $100,000 has been expended.
- Tourism marketing – $7M Cares Act dollars to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
- Travel agent and tour operator grants – $1.4M of $2M awarded to 24 applicants
- Events and support service grants – $2M awarded to 28 applicants
- Tourism Transportation Improvement Grant – $565,432 awarded to accessibility project
- Tourism Planning Grants – $1M transferred from 1015 supported 5 tourism planning grants to support future tourism development

2023-2025

- $5M tourism marketing

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TOURISM & MARKETING

FEDERAL FUNDING

- EDA Non-competitive Grant North Dakota for Tourism and Outdoor Recreation
  - $1.3M state marketing targeting outdoor enthusiasts and leisure travelers will allow 2023 spring/summer campaign
  - $250,000 to support digital information compilation and distribution
    - Pilot program to enhance Apple Creek Rest area to better sell North Dakota

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COMMUNITY SERVICES

Provides the people of North Dakota with effective, efficient and customer-oriented administration of federal and state programs for:

- Community Development
- Energy Efficiency
- Housing
- Self Sufficiency

Maria Effertz, Director

COMMUNITY SERVICES

CDBG and CSGB - Current Biennium Accomplishments, Challenges

Community Development Block Grant (CDBG)

- Provide grants to local governments with public facilities, economic development, housing and public services. Primary beneficiaries must be low to moderate income.
  - 2020 Award from HUD $3,961,967
  - 2021 Award from HUD $4,023,769
- CDBG CARES Funding - DCS received an additional $6.1M

Community Services Block Grant (CSGB)

- Locally designed to promote self-sufficiency, family stability and community revitalization.
  - Impacted 35,246 low-income individuals
    - 13,000 children; 5,605 persons with disabilities; 5,379 people who lacked health insurance
  - CSGB CARES Funding - DCS received additional $4,209,178.50
    - Community Action Agencies assisted 4,984 low-income clients in 2020 and 2021

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COMMUNITY SERVICES

Weatherization Assistance Program - Current Biennium Accomplishments

Weatherization/LIHEAP goals are to increase energy efficiency in homes for low-income persons across the state

- 1,200 homes have been weatherized since January 1, 2020, including 623 families with children.
- Weatherization program shows an ROI of $2.78 in non-energy benefits for every $1 invested in the program.

Request authority to receive and spend with Emergency Clause

- $15,131,495 in federal funds from Infrastructure Investment and Jobs Act (IIJA)
- Two FTEs to support and administer additional funding

COMMUNITY SERVICES

Emergency Shelter Grants (ESG) and ND Homeless Grant (NDHG) current biennium accomplishments

The ESG and NDHG provide financial assistance to facilities and programs across the state.

- 10,471 persons served by Homeless grants
- CARES ESG - An additional $5,142,580 was received and distributed to provide support to the ESG grant.

Request transfer to North Dakota Housing Finance Agency (NDHFA)

- $1,387,341 in federal funds for ESG
- $1,330,212 in state Homeless grant funds.

COMMUNITY SERVICES

STATE ENERGY PROGRAM, CURRENT BIENNIUM ACCOMPLISHMENTS, CHALLENGES

- Promoting energy conservation and efficiency with a variety of grant resources including energy education, installation of energy efficient features and new and expanding energy technology.
  - $1.34M in project funding to 42 projects across the state
- Request ability to receive and expend federal funds with an emergency clause:
  - $20M IIJA SEP
  - $90M IRA SEP
  - 1 FTE

COMMUNITY SERVICES

Main Street Initiative, current biennium accomplishments, challenges

- 99 communities engaged through the Main Street program
- Partners in Planning Grants
  - 20 communities in the amounts of $169,587.
  - ROI 25:1 - The total state and local investment for these grants totaled over $10M
- Vibrancy Grants
  - 59 grants totaling $73,528
  - ROI 10:1
- Youth involvement
  - Launching leadership, youth participation in community meetings, active engagement in tribal areas
- EDA funded six communities with $506,000 in Placemaking grants

COMMUNITY SERVICES

ONE-TIME FUNDING

- Community Planning and Community workforce enhancement
  - $800,000 community development/comprehensive planning and community vibrancy grants
  - Partnership/collaboration with EDA on implementation of placemaking projects

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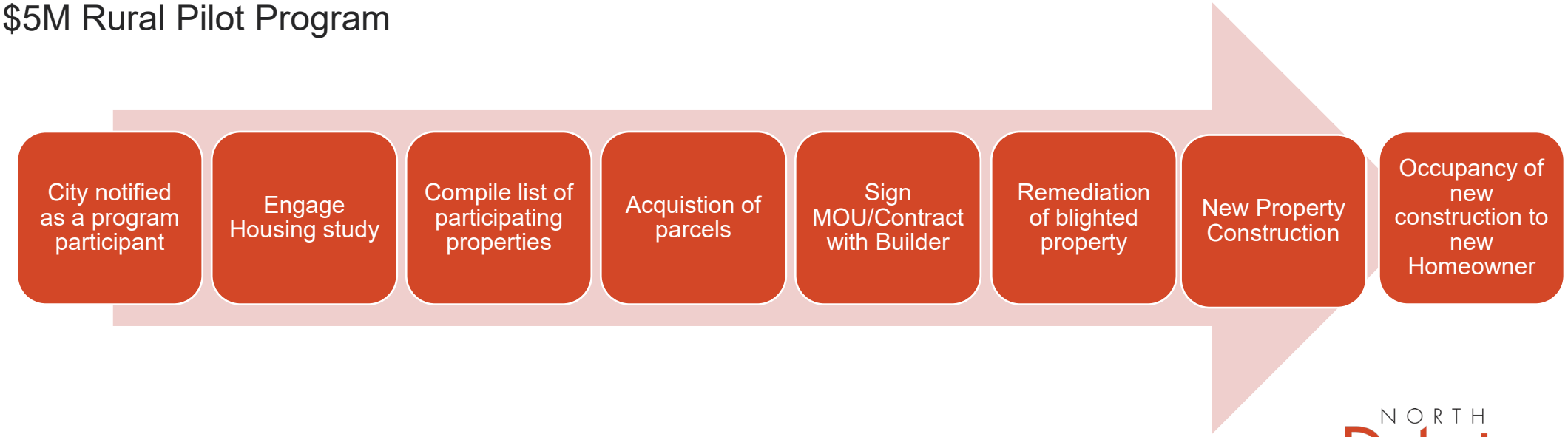
COMMUNITY SERVICES

One-time Funding

Rural Workforce Housing Pilot Program

- Effectively re-use existing infrastructure while engaging the private sector.
- Targets workforce housing for the displaced, blight and unsafe properties and the effective reuse of existing infrastructure for in-fill housing development.
- $5M Rural Pilot Program



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COMMUNITY SERVICES

One-time Funding

Rural Revitalization and Redevelopment Pilot Program *(removal of slum and blight)*

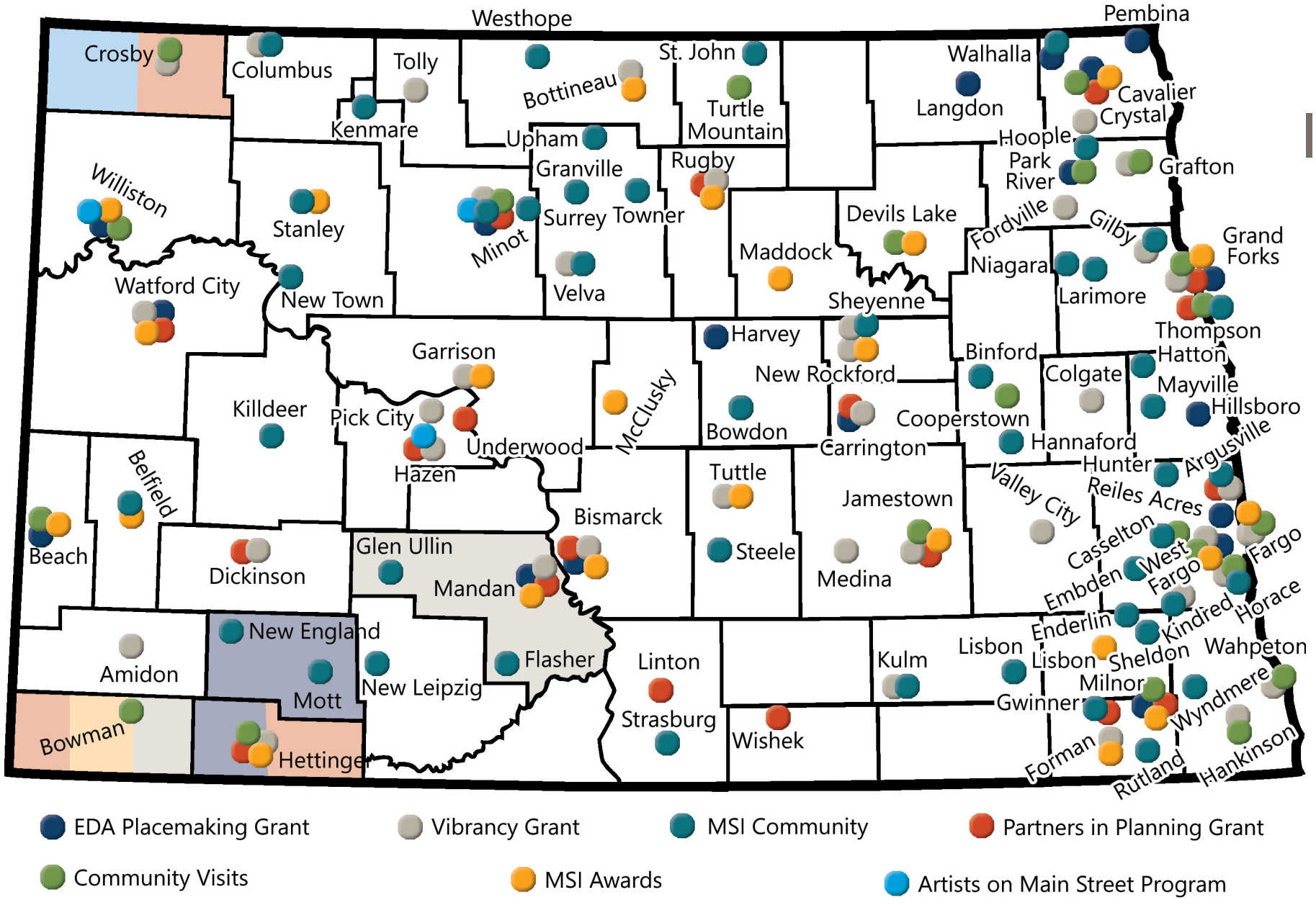
Reinvesting in public properties increases local tax bases, facilitates job growth, utilizes existing infrastructure, takes development pressures off undeveloped, open land, and both improves and protects the environment.

- $10M pilot program available to publicly owned buildings/areas
- Work jointly with DEQ and other state/local agencies
- Funding provided to assist but requires redevelopment plan and local participation

Community Planning and Community Workforce Enhancement

- $800,000 Community Development/Comprehensive Planning and Community Vibrancy grants
- Partnership/collaboration with EDA on implementation of placemaking projects

MSI Impact


Westhope
Pembina
Crosby
Columbus
Tolly
Bottineau
St. John
Walhalla
Cavalier
Crystal
Kenmare
Turtle Mountain
Langdon
Upham
Hoople
Park River
Grafton
Granville
Rugby
Williston
Stanley
Surrey
Towner
Devils Lake
Fordville
Gilby
Grand Forks
Minot
Maddock
Niagara
Larimore
Watford City
Velva
Sheyenne
New Town
Harvey
Thompson
Hatton
Garrison
Binford
Colgate
Mayville
New Rockford
Killdeer
McClusky
Hillsboro
Pick City
Bowdon
Cooperstown
Hannaford
Underwood
Carrington
Argusville
Hunter
Tuttle
Belfield
Reiles Acres
Jamestown
Valley City
Bismarck
Casselton
Beach
Glen Ullin
Steele
West Fargo
Fargo
Dickinson
Medina
Embden
Mandan
Enderlin
Kindred
Horace
New England
Lisbon
Wahpeton
Amidon
Flasher
Linton
Kulm
Lisbon
Sheldon
New Leipzig
Milnor
Mott
Gwinner
Wyndmere
Strasburg
Wishek
Bowman
Hettinger
Forman
Rutland
Hankinson
EDA Placemaking Grant
Vibrancy Grant
MSI Community
Partners in Planning Grant
Community Visits
MSI Awards
Artists on Main Street Program

COMMERCE OFFICES

- Energy & Economic Coordination Office
- Global Engagement Office

Shawn Kessel

GLOBAL ENGAGEMENT OFFICE

Foreign Direct Investment (FDI)

The North Dakota Global Engagement Office offers customized services to help international companies looking to:

-locate *-expand* *-invest in* *-and/or acquire*

businesses in North Dakota to grow and diversify the state's economy.

The office is an *advocate* and *liaison* between foreign investors and federal, state, and local governments in North Dakota.

Connecting foreign businesses with ND companies/opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

Example: Doosan/Bobcat - South Korea

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COUNTRIES FORMALLY ENGAGED SINCE 2020

Consulate Relationship

Governor led mission

Business Activity in ND

GLOBAL ENGAGEMENT OFFICE

MISSION GOALS

1. Hold a Governor led investment mission once every two years
2. Hold a Commissioner led mission annually
   - Economic Development
   - Workforce
   - Tourism
3. Engage at least five countries annually (Consulates/Embassies)

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ECONOMIC DEVELOPMENT & FINANCE

Strategic economic development is important to communities across North Dakota. This proactive work to support economic diversification, community building and workforce development keeps North Dakota growing.

Business incentives, government accessibility, and workforce performance, combined with North Dakota's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in North Dakota.

Rich Garman, Director

ECONOMIC DEVELOPMENT & FINANCE

Current biennium accomplishments, challenges

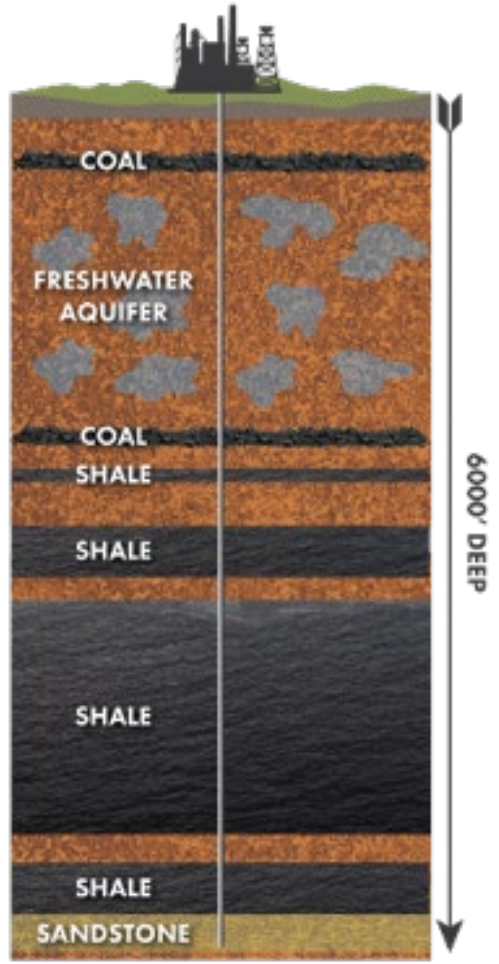
- Gas to liquids project
- Sustainable plastics project
- Soy processing plants X 4
- Grand Farm
- Grand Sky
- Produced water processing
- Nickel processing facility
- Produced water processing

- Growing portfolio
- Local resistance to development
- Misinformation on projects
- Incentive values
- Compensation

ECONOMIC DEVELOPMENT & FINANCE

Next Biennium Goals & Plans

- Carbon capture, sequestration and use projects
- Develop several hubs (parks)
- Establish fertilizer producer
- Develop natural gas pipeline to east
- Support hydrogen hub
- Continue to bring in various projects seeking more business-friendly environment
- Support the existing incentives and help mature the portfolio of incentives to match the current project load
- UAS/Autonomy
- Energy & Economic Coordination Office



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ECONOMIC DEVELOPMENT & FINANCE

BUDGET

- $300K increase for operating expenses
- $10M Automation Budget Grant
- $22M Grants budget for Grand Sky
- $30M for Northern Plains Test Site

- 1 FTE – Office of Autonomy

ECONOMIC DEVELOPMENT & FINANCE

ONE-TIME FUNDING

- ND Investment Fund - $30M
- LIFT - $20M
- Innovate ND - $948K

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ECONOMIC DEVELOPMENT & FINANCE

FEDERAL FUNDING

- Hydrogen Hub
- CHIPS For America
- State Energy Program
- Inflation Reduction Act

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NORTH Dakota
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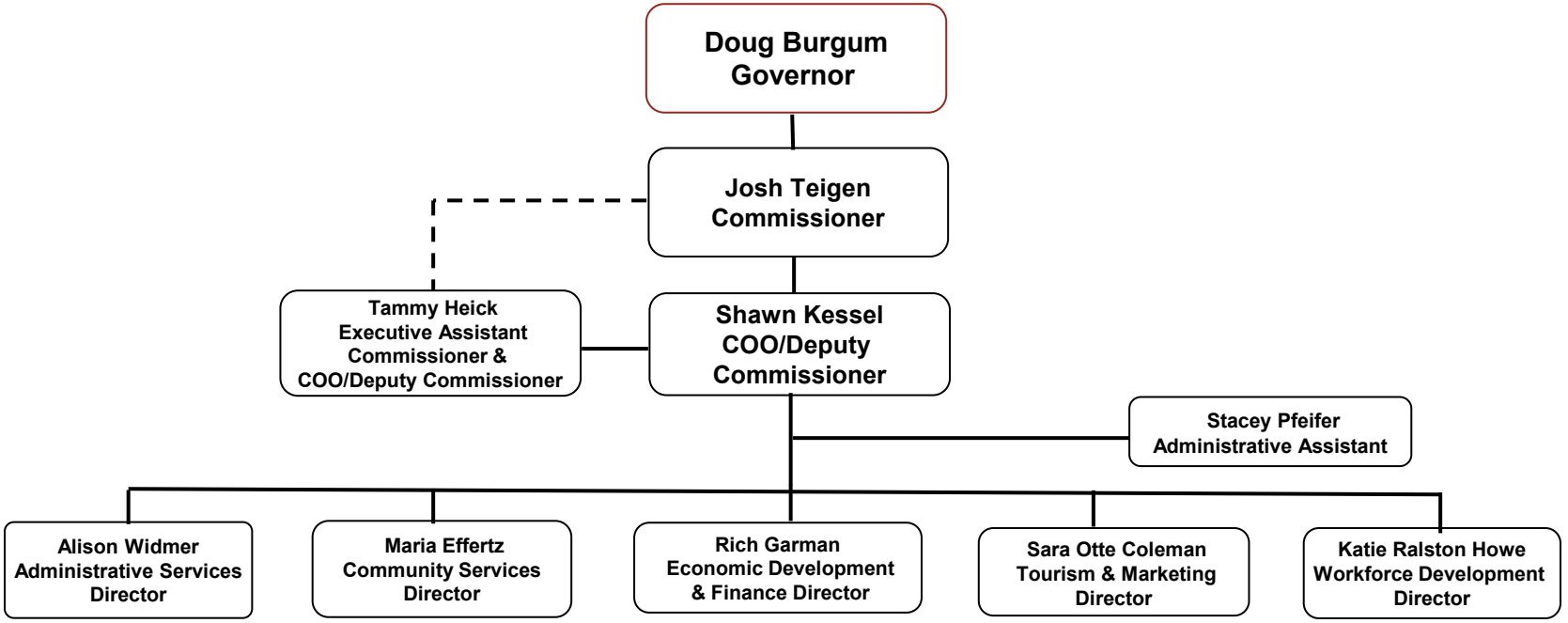
Department of Commerce Organizational Chart



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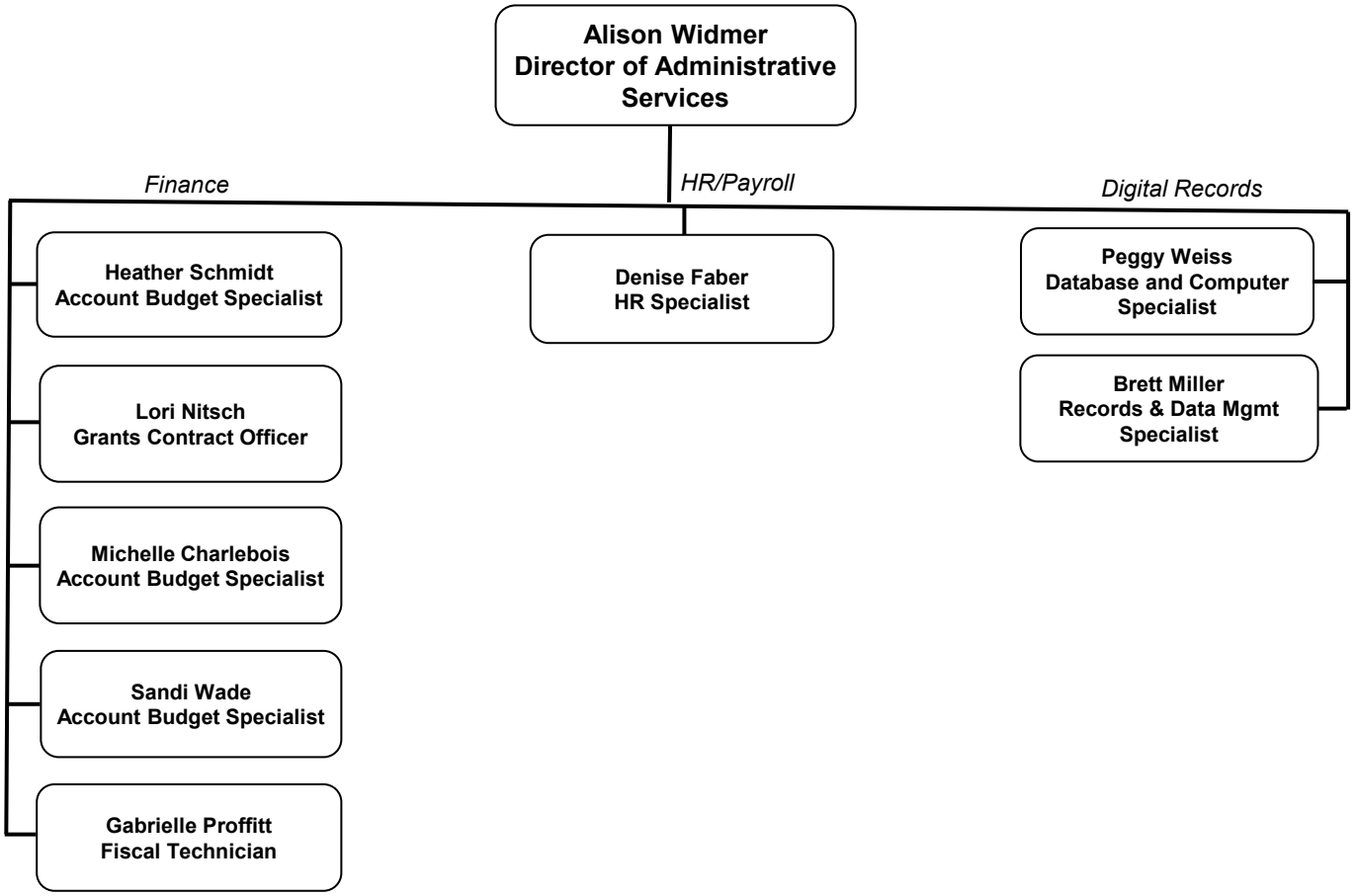
Administrative Services Organizational Chart



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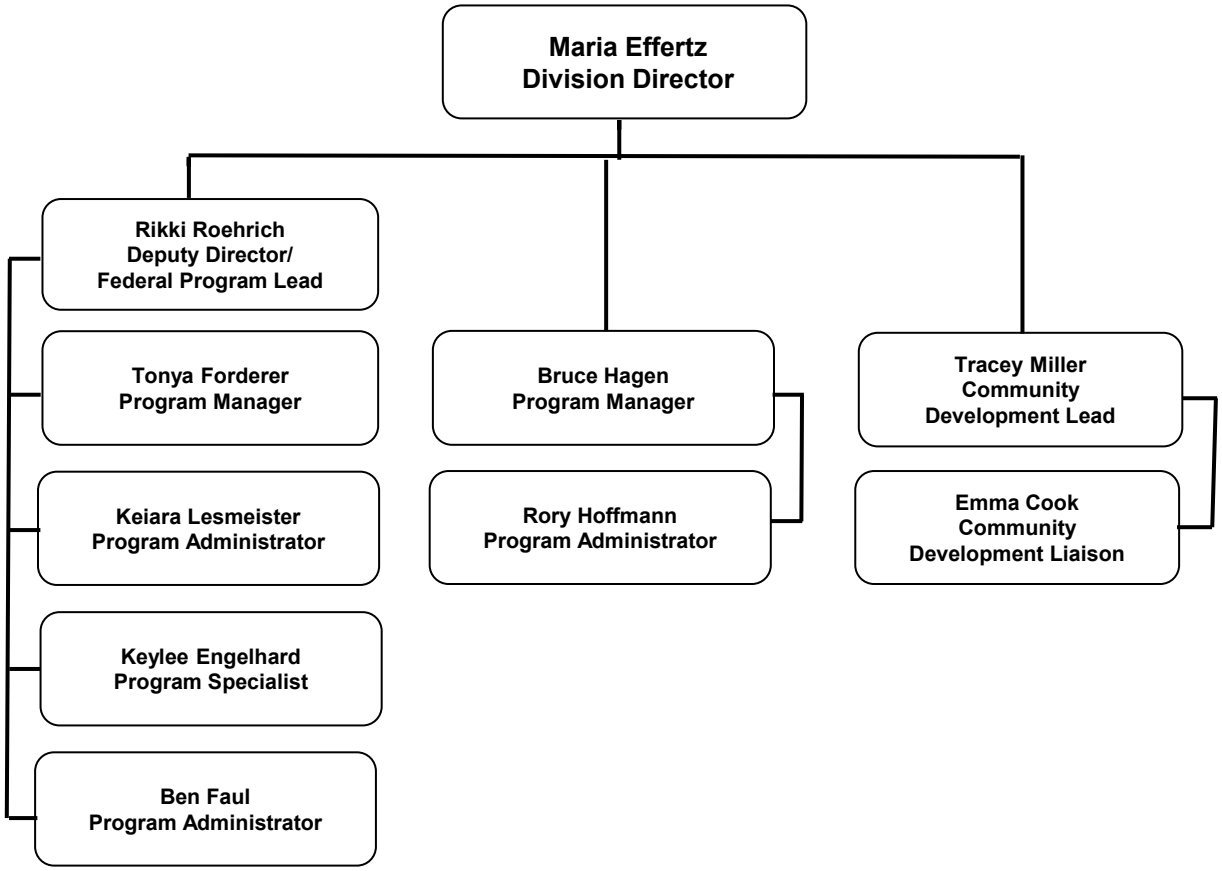
Division of Community Services Organizational Chart



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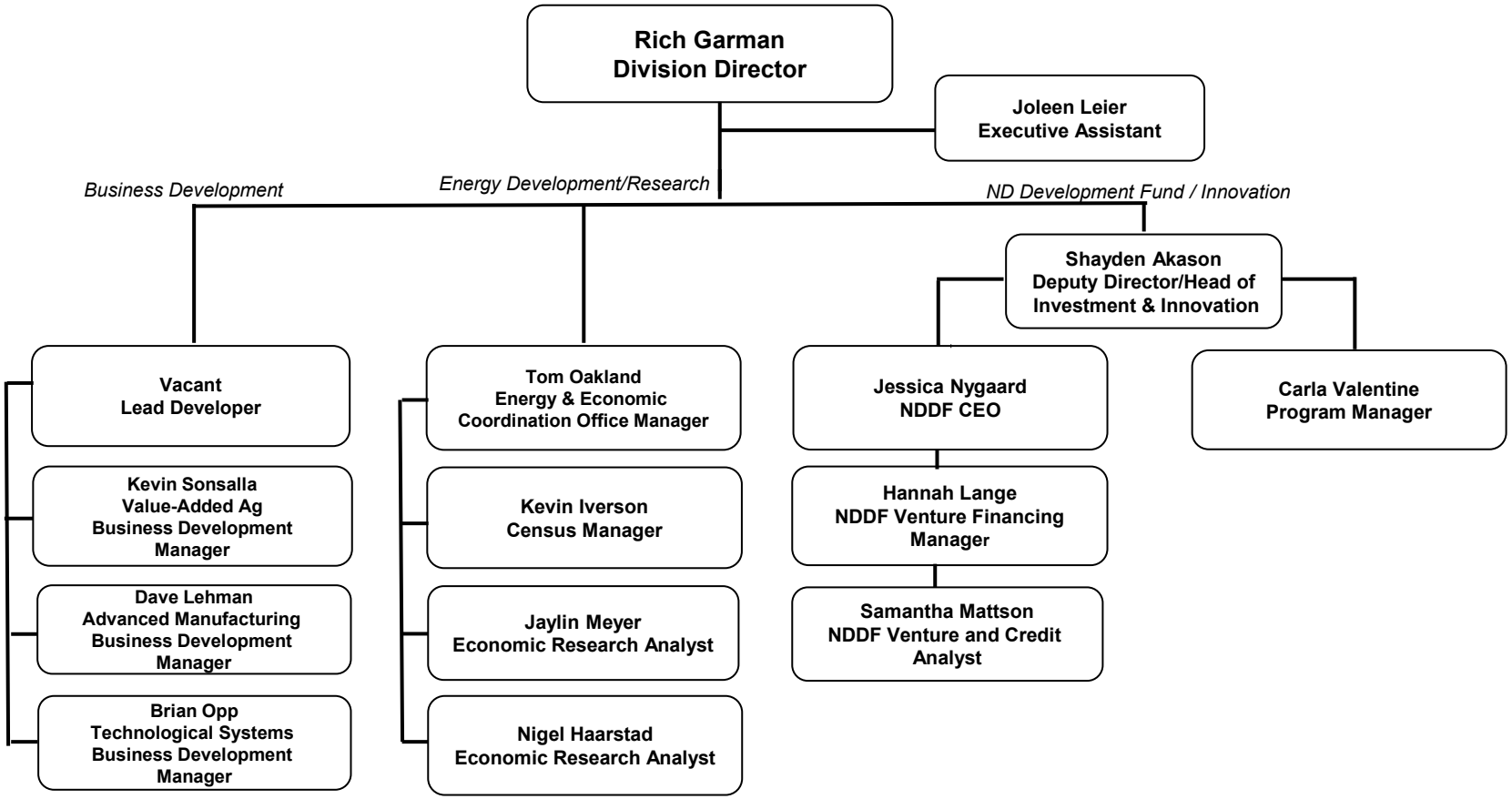
Division of Economic Development & Finance Organizational Chart



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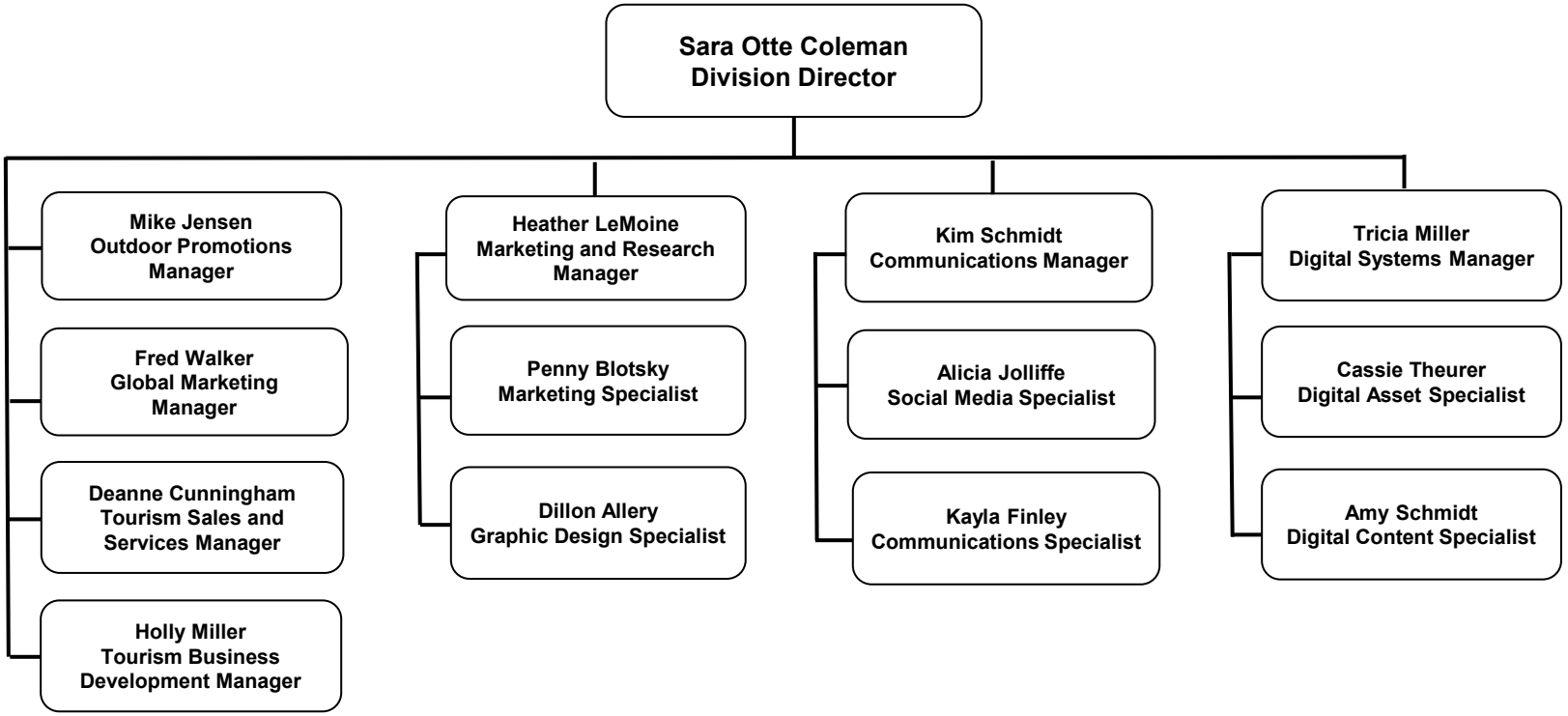
Division of Tourism and Marketing Organizational Chart



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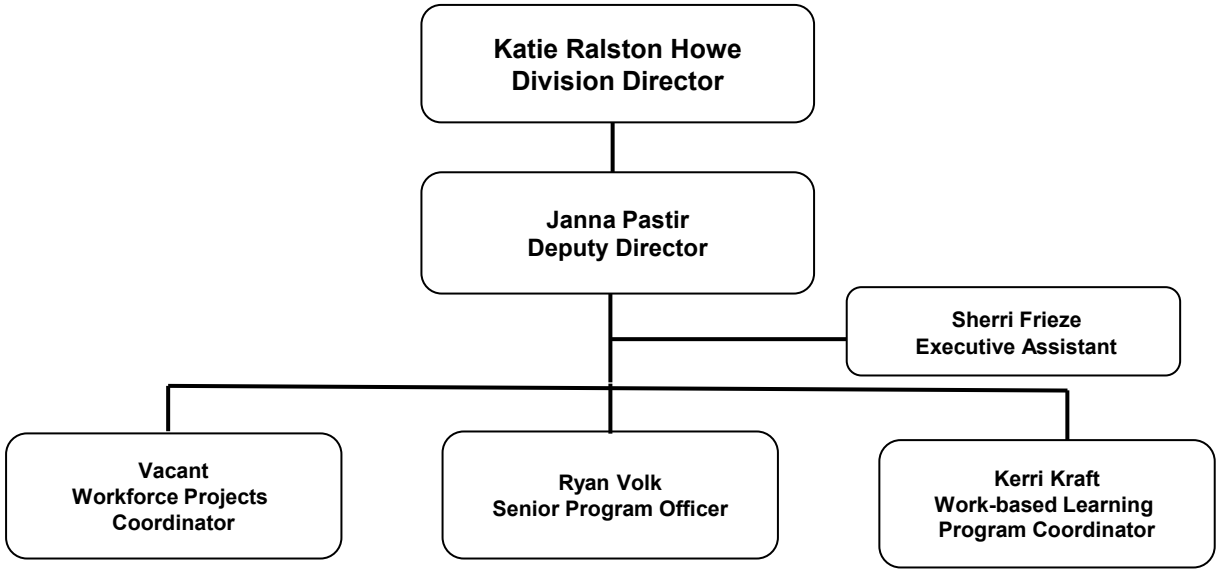
Division of Workforce Development Organizational Chart



Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1018
(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 amend session laws; 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, 2023, and ending June 30, 2025 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	$12,835,431	$4,394,109	$17,229,540
Operating Expenses	16,883,192	33,392,749	50,275,941
Grants	50,666,898	137,453,791	188,120,689
COVID – 19 Response	0	2,085,834	2,085,834
Discretionary Funds	2,150,000	0	2,150,000
Partner Programs	1,562,531	0	1,562,531
Entrepreneurship Grants and Vouchers	948,467	0	948,467
Total All Funds	$85,046,519	$177,326,483	$262,373,002
Less Estimated Income	53,544,379	89,554,512	143,098,891
Total General Fund	$31,502,140	$87,771,971	$119,274,111
Full-Time Equivalent Positions	58.80	5.00	63.80

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. EXEMPTION – DISCRETIONARY FUNDS. The amount of $2,150,000 appropriated from the general fund in the discretionary funds line item in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 4. EXEMPTION – DISCRETIONARY FUNDS. The amount of $1,000,000 appropriated from the general fund in the discretionary funds line item in section 10 of chapter 15 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 5. EXEMPTION – BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM . The amount of $19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft systems program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 6. EXEMPTION – ENHANCED USE LEASE GRANT PROGRAM. The amount of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 7. EXEMPTION – NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM. The amount of $500,000 appropriated from the general fund for the nonresident nurse employment recruitment program in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 8. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $3,000,000 appropriated from the general fund for the unmanned aircraft systems operating expense in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT. The amount of $1,000,000 appropriated from the general fund for grants to organizations dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry in section 9 of chapter 46 of the

2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. EXEMPTION – WORKFORCE COMMUNITY SERVICES PROGRAM. The amount of $1,074,888 appropriated to the department of commerce for the purpose of workforce community services program in section 19 of chapter 549 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. EXEMPTION – COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. The amount of $1,000,000 appropriated to the department of commerce for the purpose of a community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 12. EXEMPTION – WORKFORCE INNOVATION NETWORK GRANT PROGRAM. The amount of $100,000 appropriated to the department of commerce for the purpose of workforce innovation network grant program in section 21 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 13. EXEMPTION – HOMELESS GRANT PROGRAM. The amount of $1,330,212 appropriated from the general fund to the department of commerce for the purpose of homeless grants in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 14. EXEMPTION – AUTONOMOUS AGRICULTURE MATCHING GRANTS. The amount of $10,000,000 appropriated to the department of commerce for the purpose of autonomous agriculture matching grants in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 15. EXEMPTION – WORKFORCE DEVELOPMENT INCENTIVE GRANT PROGRAM. The amount of $15,000,000 appropriated to the department of commerce for the purpose of adding or expanding a local workforce development incentive grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 16. EXEMPTION – TECHNICAL SKILLS TRAINING GRANT PROGRAM. The amount of $5,000,000 appropriated to the department of commerce for the purpose of adding or expanding technical skills training grant program and a workforce innovation grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 17. EXEMPTION – AMERICORPS PROGRAM. The amount of $1,200,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of funding AmeriCorps programs in communities statewide is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 18. EXEMPTION – PARKS AND RECREATION GRANT. The amount of $1,550,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of projects that support travel, tourism, and outdoor sectors with marketing and technical support is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 19. EXEMPTION – ENERGY CONSERVATION PROGRAM. The amount of $14,222,975 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of developing energy conservation policies and programs related to prudent and

efficient use of energy is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 20. EXEMPTION – HEATING AND COOLING GRANT. The amount of $1,306,112 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing grants to Community Action Agencies to support furnace repair and cooling contracts is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 21. EXEMPTION – AGRICULTURE RURAL PLACEMAKING CHALLENGE. The amount of $250,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing support, assistance and training to foster placemaking activities in rural communities is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 22. EXEMPTION – STATE SMALL BUSINESS CREDIT INITIATIVE. The amount of $56,234,176 appropriated to the department of commerce for the purpose of state small business credit initiative in section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 23. EXEMPTION – CARES ACT FUNDING. The amount of $11,393,078 appropriated to the department of commerce for the purpose of CARES Act funding in section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 24. EXEMPTION – CORONAVIRUS RELIEF FUNDING. The amount of $82,179,000 appropriated to the department of commerce for the purpose of defraying the expense related to the COVID-19 pandemic in section 1 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,000,000 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, 2023 and ending June 30, 2025.

SECTION 26. TRANSFER – LEGACY EARNINGS FUND TO INNOVATION LOAN FUND TO SUPPORT TECHNOLOGY ADVANCEMENT. The office of management and budget shall transfer $20,000,000 from the legacy earnings fund to the innovation loan fund to support technology advancement for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 27. TRANSFER – LEGACY EARNINGS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer $30,000,000 from the legacy earnings fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 28. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of $37,000,000 from the legacy earnings fund, of which $30,000,000 is for beyond visual line of sight unmanned aircraft system grants and $7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 29. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of $50,000,000 from the legacy earnings fund, of which is for destination development grant program. This funding is considered a one-time funding item.

SECTION 30. 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, 2023 and ending June 30, 2025.

SECTION 31. ENTREPRENEURSHIP GRANTS PROGRAM. Section 1 of this Act includes the sum of $948,467, of which $740,956 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, 2023 and ending June 30, 2025. The department shall establish guidelines to award an organization 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, 2025 and ending June 30, 2027.

SECTION 32. AMENDMENT. Section 1 of chapter 550 of the 2021 Special Session Law is amended and reenacted as follows:

SECTION 1. APPROPRIATION - TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING - REPORT - EXEMPTION.

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund <u>for purposes of a grant program</u> under chapter 10-30.5 during the period beginning with the effective date of this Act, and ending June 30, 2023.

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Service & Program Guide

(Commerce.nd.gov)

Economic Development & Finance

Services:
- State Data Center
- Incentives Reports for New or Expanding Businesses
- Requests for Proposal (RFP/RFI)
- General Economic Development Assistance
- Project Funding
- Connect Companies with Communities, Developers, Academia, Other Businesses, Etc.

Programs:
- Angel Match Program
- Automation Tax Credit
- ND Development Fund
- Regional Rural Revolving Loan Fund
- Childcare Loan Program
- Innovative Technology Program Fund (LIFT)
- Innovate ND
- Rural Growth Incentive Program

commerce.nd.gov/economic-development-finance

Workforce Development

Services:
- Recruiter Network
- Relocation Help Desk

Programs:
- AmeriCorps
- Operation Intern
- Find the Good Life in ND
- Technical Skills Training Grant
- Regional Workforce Impact Program
- Tribal College Grants
- Non-Resident Nursing Employment Recruitment
- Apprenticeship

commerce.nd.gov/workforce

Community Services

Services:
- Technical Assistance with Federal and State Grant Applications
- Community and Economic Development Project Funding
- Training and Technical Assistance for Compliance with Federal and State Regulations
- Monitoring of HUD Projects and Programs
- Community Development (Nonprimary Sector) Planning, Resources and Technical Assistance

Programs:
- Community Development Block Grant (CDBG)
- Community Development Loan Fund (CDLF)
- Weatherization/LIHEAP
- Renaissance Zone Program
- Manufactured Home Installation Program
- Renewable Energy Programs
- Main Street/Community Development
- Building Codes
- Community Services Block Grant (CSBG)
- State Energy Program
- Vibrancy Grants
- Partners in Planning Grants

commerce.nd.gov/community-services

Tourism & Marketing

Services:
- State Marketing (Tourism and Workforce)
- Public and Media Relations
- Visitor Services
- Tourism Development
- Tribal Tourism
- Global Tourism Marketing
- Group Travel
- Outdoor Promotions
- Photo and Video Sharing
- Free Website Listings
- Social Media
- Research

Programs:
- Tourism Development Grant
- Cooperative Programs for Partners
- Agritourism

commerce.nd.gov/tourism-marketing

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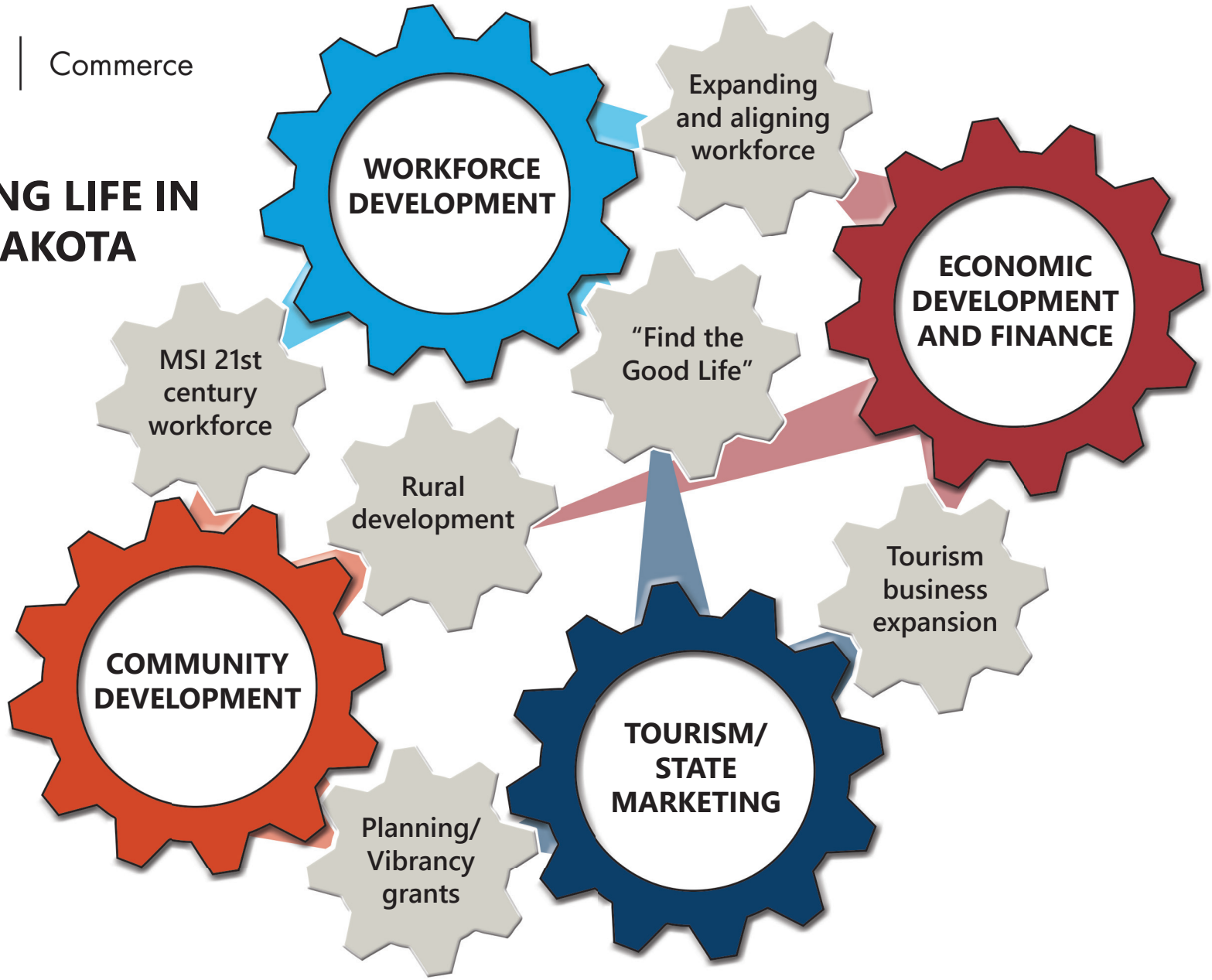
IMPROVING LIFE IN NORTH DAKOTA



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FIND THE goodlife in North Dakota

FACTS

35K
OPEN JOBS IN NORTH DAKOTA

ONLY **22%** OF U.S. RESIDENTS SURVEYED ARE FAMILIAR WITH ND

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

UPDATED 01/06/2023

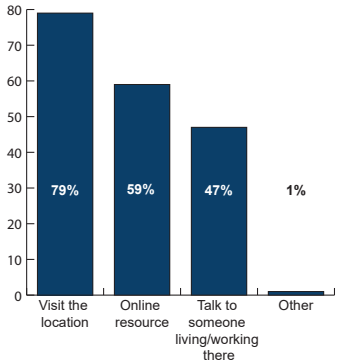
FIND THE GOOD LIFE — STRATEGIC MARKETING AND RECRUITMENT CAMPAIGN

The North Dakota Department of Commerce Workforce and Tourism and Marketing divisions have partnered with national talent attraction agency RoleCall to develop a comprehensive talent attraction marketing campaign built around the established Find the Good Life brand. The purpose of this initiative it to change perceptions of our state, improve awareness and showcase the best of life in North Dakota.

Advertising that targets four personas: boomerangs, young families, recent college graduates, and veterans, aims to drive traffic to the refreshed findthegoodlife.com website. The website includes a relocation help desk that provides a personalized relocation assistance service for prospective residents. The personalized service begins with a series of questions that includes basic information pertaining to relocation such as career goals, hobbies, and interest in specific areas of North Dakota. This information is used to connect potential new workers to more than 60 community champions who assist with details on their community.

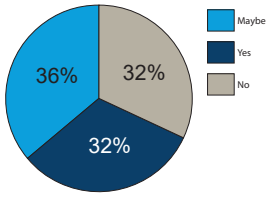
This first-of-its-kind state program ushers potential workers through the sales funnel and connects them to communities and employers that fit their long-term needs.

MOST USEFUL TOOLS WHEN CONSIDERING RELOCATION



INTEREST IN RELOCATING TO NORTH DAKOTA

Q: If a job opportunity that matched your skill and salary requirements were offered to you in North Dakota, would you be willing to relocate?



24% of respondents report that they would not be willing to relocate to North Dakota because of the climate. Other top reasons preventing relocation: too far from family/friends and unknown.*

*Based on a 2022 national consumer perception study on ND

EARLY RESULTS

Top States:
- FL
- CA
- TX
- OH
- GA

Top Industries:
- Health Care
- Skilled Trades
- Sales and Marketing
- Manufacturing
- Social Services
- Transportation

$438,000 marketing campaign has delivered

- More than 10 million impressions
- Nearly 2 million video completions
- 5,000 conversions
- 53,000 clicks to website

For more information, contact Janna Pastir at jalpastir@nd.gov

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WORKFORCE DEVELOPMENT COUNCIL

FACTS

78%
ND HIGH SCHOOL STUDENTS IN CTE COURSES

1,350
RELEASED ANNUALLY FROM ND CORRECTIONAL FACILITIES

620
WIOA PARTICIPANTS

20+
PROGRAMS SUPPORTED BY TECHNICAL SKILLS GRANT IN 2020

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 state workforce partners and local and state elected officials.

LETTER FROM THE CHAIR

As chair of the North Dakota Workforce Development Council, I am pleased to forward 10 recommendations and four endorsements that the council believes can help address the greatest workforce challenges faced by the state of North Dakota today and in the coming years. These recommendations fall under four 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.

David E. Farnsworth

WDC MEMBER LOCATIONS

Council members represent large and small communities across the state.

UPDATED: 01/04/2023

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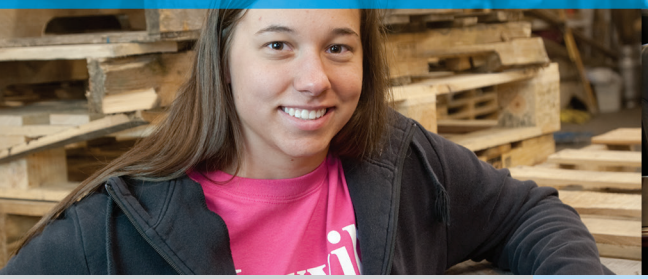
OPERATION INTERN



FACTS

3,780
INTERNSHIP POSITIONS ASSISTED

481
BUSINESSES PARTICIPATING SINCE 2007

$4,000
MATCHING FUNDS AVAILABLE

"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

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. 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-profits do not qualify for the program, with the exception of the tourism and health care industries.

North Dakota businesses receive up to $4,000 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 01/04/2023

"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

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AMERICORPS

FACTS

$850K
ANNUAL FUNDING

2,400
AMERICORPS MEMBERS IN ND

2.7 MILLION
HOURS OF SERVICE

$6.2 MILLION
IN EDUCATION AWARDS

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 $3.4 million in federal 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

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**

UPDATED 01/04/2023

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

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, more than 2,400 North Dakota residents have served approximately 2.7 million hours and earned education awards totaling more than $6.2 million.

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

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TRAVEL AND TOURISM

INDUSTRY FACTS

21.7 MILLION
ANNUAL VISITORS

$2.6 BILLION
IN VISITOR SPENDING

MORE THAN 2,900
RELATED BUSINESSES AND ORGANIZATIONS

MORE THAN 41K
JOBS

TOURISM DIVERSIFIES NORTH DAKOTA'S ECONOMY

Tourism links communities, supports main streets, sparks economic diversification and defines our image – how we see ourselves and how others see us. It is a significant economic driver.

Residents in every community, large and small, rural and urban, 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 interact more with 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 $2.61 billion in direct visitor spending and $237 million in visitor paid taxes to the state's economy in 2021.

SUPPORTS 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 2021, there were more than 21.7 million visitors to and through North Dakota.

ECONOMIC DRIVER
There are more than 2,900 businesses and organizations offering countless attractions, events and tourism-related activity in the state.

UPDATED 01/03/2023

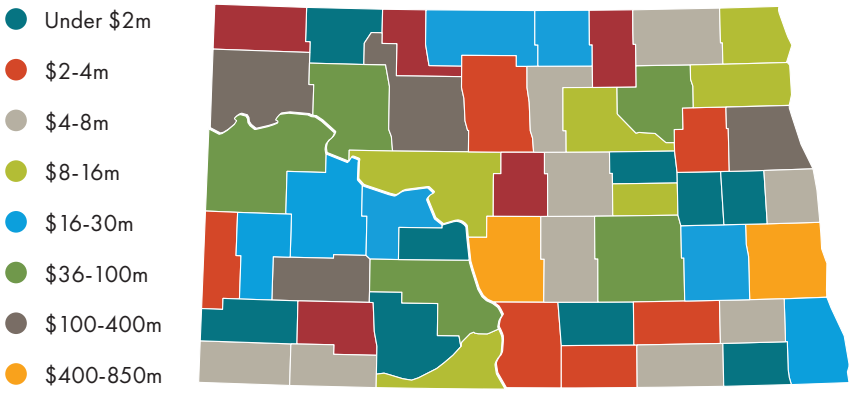
TOURISM IS A GATEWAY GATEWAY TO ECONOMIC AND WORKFORCE DEVELOPMENT

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.

15.22 million video completions

Research on the 2021 paid advertising campaign showed that 1.4 million trips were motivated due to advertising. Visitors reported spending $241.9 million in incremental spending. Every dollar invested in the 2021 ND advertising campaign generated $34 in direct visitor spending and $3 in tax contributions.

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.

$384 MILLION IN LODGING

$767 MILLION IN FOOD AND BEVERAGE

$521 MILLION IN TRANSPORTATION

$374 MILLION IN RECREATION

$565 MILLION IN RETAIL

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

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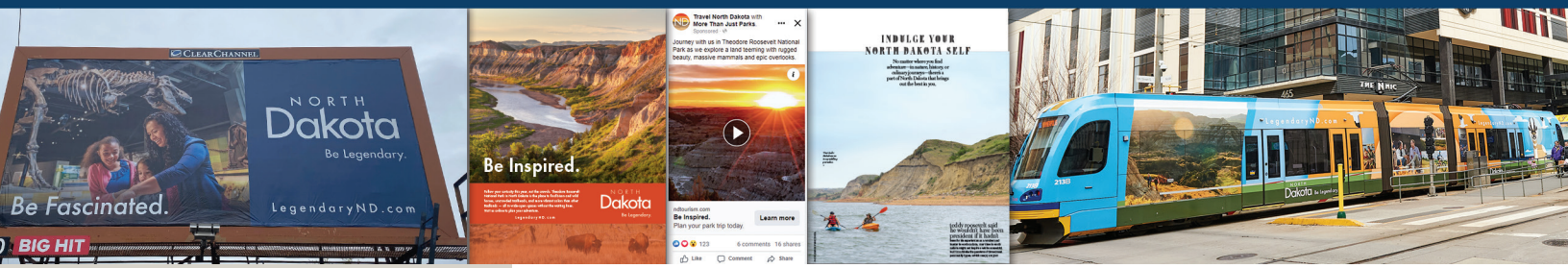
ELEVATING IMAGE



AD EFFECTIVENESS

13%
AVERAGE IMAGE LIFT FROM ADVERTISING AWARENESS

MORE THAN **2 MILLION** VISITS TO NDTOURISM.COM IN 2022

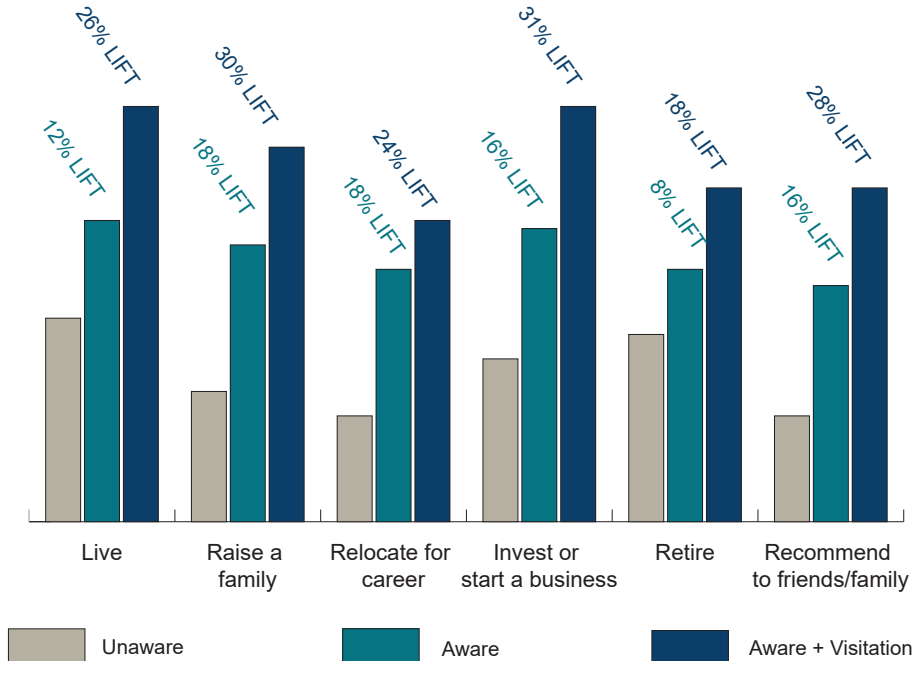
DIGITAL CAMPAIGN HAD **15 MILLION** VIDEO COMPLETIONS

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



A recent 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.

UPDATED 01/06/2023

WHY INVEST IN MARKETING?

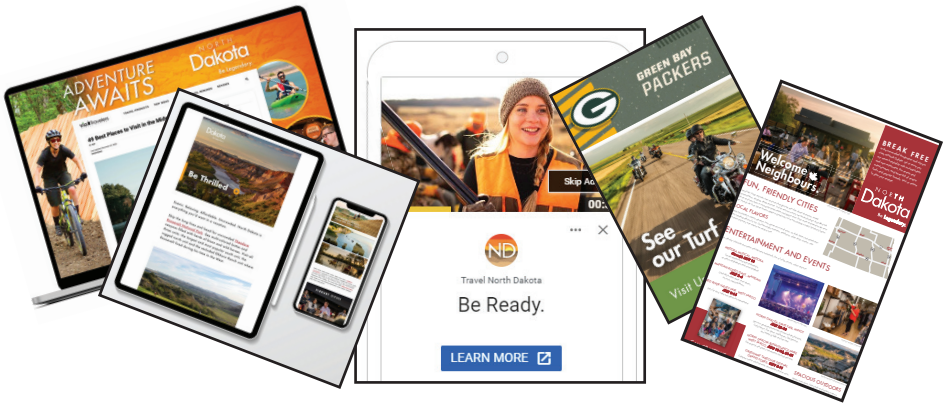
Tourism marketing **supports North Dakota entrepreneurs and businesses** by raising awareness of North Dakota.

Every dollar invested in the 2021 tourism advertising campaign **generated $34** in direct visitor spending.

Every dollar invested in North Dakota Tourism paid media returns $3 in tax revenue resulting in **$23.5 million in visitor-paid taxes**.

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

There are more than **41K visitor-supported jobs** and 2,968 tourism-related businesses in North Dakota.



SOLID ADVERTISING OUTREACH

Research on the effectiveness of the 2021 paid advertising campaign showed that 1.4 million additional trips were motivated due to advertising. Visitors reported spending a total of $241.9 million in incremental spending, of which $23.5 million was state and local taxes paid. Here is how far the North Dakota Tourism campaign has reached over the last couple of years.

TV/RADIO
202 MILLION (2021)
83 MILLION (2020)

PRINT
12 MILLION (2021)
12 MILLION (2020)

DIGITAL
314 MILLION (2021)
233 MILLION (2020)

SOCIAL MEDIA
17 MILLION (2021)
23 MILLION (2020)

OUT-OF-HOME
255 MILLION (2021)
85 MILLION (2020)

EARNED MEDIA TELLS THE NORTH DAKOTA STORY

Proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firm and targeted efforts created additional media opportunities and reach on North Dakota's stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This coverage improves awareness of our state and elevates our image across all Commerce focus areas.

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

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COMMUNITY SERVICES

FACTS

53,193
PEOPLE IMPACTED BY CDBG AND CSBG

10,471
PERSONS SERVED BY HOMELESS GRANTS

CDBG AND HOME FUNDS REHABBED **132** HOMES

42
PROJECTS COMPLETED THROUGH THE STATE ENERGY PROGRAM

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 provides a range of grant resources for energy conservation-related opportunities, including energy education, installation of energy efficient features, and new and expanding energy technologies. The program's state energy plan is supported by financial and technical assistance through the U.S. Department of Energy (DOE) and funds political subdivisions, nonprofits and education centers. More than $1.34 M in project funding was granted for 42 projects in 2020–2022.

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.

EMERGENCY SOLUTIONS AND NORTH DAKOTA HOMELESS GRANT — Working to End Homelessness

The Emergency Solutions Grant (ESG) is a program of the U.S. Department of Housing and Urban Development.

The Emergency Solutions Grant and ND Homeless Grant (NDHG) provides financial assistance to facilities and programs to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide services to help them quickly regain stability in permanent housing after experiencing homelessness. The North Dakota Department of Commerce currently awards grant funds directly to emergency/homeless shelters and agencies throughout the state for activities like operational expenses (utilities, insurance, furnishings, appliances, etc.) and essential services (case management, medical, laundry, transportation, etc.), homeless prevention, rapid rehousing and the Homeless Management Information System.

It has been proposed that the ESG and NDHG programs move to the North Dakota Housing and Finance Agency in 2023.

UPDATED 01/04/2023

DID YOU KNOW?

Since 2001, **10,000 homes** equipped with energy saving measures.

Community Services Block Grant **impacted 35,246 low-income individuals**, including 13,000 children, 5,605 persons with disabilities, and 5,379 people who lacked health insurance.

Community Development Block Grant assisted **six businesses** as part of economic development.

More than 1,200 homes have weatherized since January 1, 2020, including 623 families with children.

In the last 2 years **542 manufactured homes** installed.

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.

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. From July 1, 2020, through June 30, 2022, we had 542 manufactured homes installed.

COMMUNITY SERVICES BLOCK GRANT — Fighting Poverty in North Dakota

The Community Services Block Grant (CSBG) Program assists communities 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

CARES FUNDING — Relieving the Effects of the Pandemic

DCS received additional federal funds for the ESG and CSBG programs to assist with the challenges of the pandemic. CSBG received an additional $4,209,178.50 and from these funds, the Community Action Agencies have assisted 4,984 low-income clients in 2020 and 2021. An additional $5,142,580 was received to provide support to the ESG grant.

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

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STATE ENERGY PROGRAM

STATE ENERGY PROGRAM APPLICATIONS

- State Energy Security Planning
- Lighting retro fits
- "Spotlight on Energy"
- Energy audits
- Electric vehicle (EV) charging stations
- Electric vehicle (EV) training programs

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

- Construction costs are ineligible.
- 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.

REIMBURSEMENT

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

- 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.

UPDATED 09/13/2022

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

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MAIN STREET ND
INITIATIVE

MAIN STREET FACTS

99
MAIN STREET COMMUNITIES

MORE THAN
$1.1 MILLION
IN GRANT FUNDING AWARDED

81
COLLABORATING PARTNERS

BRINGS ADDITIONAL FEDERAL FUNDS INCLUDING
$1M EDA GRANT

UPDATED 01/06/2023

MAIN STREET NORTH DAKOTA

Every community has unique opportunities and challenges. The Main Street Initiative gives local leaders direct access to a variety of resources, building on community strengths to make sound decisions. These efforts will help create vibrant cities that are poised to attract and retain a 21st century workforce, helping North Dakota compete and succeed in a global economy through diversification of industries.

Communities engaged in this initiative receive direct and focused assistance with community planning and development, tailored support from participating state agencies, streamlined access to resources and learning opportunities and enhanced access to select state resources, helping create a planned pathway to a future of their design.

THE FOUR PILLARS OF THE MAIN STREET INITIATIVE

- HEALTHY, VIBRANT COMMUNITIES
- 21ST CENTURY WORKFORCE
- SMART, EFFICIENT INFRASTRUCTURE
- ECONOMIC DIVERSIFICATION

MAIN STREET INITIATIVE SUCCESSES

BUILDING PRIDE AND PROMOTING VIBRANCY
The Hettinger Chamber of Commerce started "Tuesday Night Lights" every Tuesday in September, 2021, as a way to get people out of their homes during the pandemic and down to Hettinger's Main Street to enjoy socializing, eating and purchasing products from local home businesses, food trucks, produce marketers and Main Street businesses.

ATTRACTING AND RETAINING WORKFORCE
Jamestown Stutsman County Intern Reimbursement Program - JSDC reimburses local employers up to $3,500 in payroll costs for college students hired through this program.

INFILL DEVELOPMENT
Gilby Grind and Community Center - The community received a generous donation of an old grocery store and embraced the challenge of finding a way to turn it into a coffee shop and community center.

ECONOMIC DIVERSIFICATION
Destination Red River - These recipients came together to create a robust economic diversification and tourism plan that will take the Rendezvous Region of northeast North Dakota into the future.

MAIN STREET INITIATIVE HIGHLIGHTS

The state team has led meetings in 32 communities over the last 12 months.

The 2022 Main Street ND Summit had 4,580 livestreams, 942 registrations, 558 check-ins, 423 first time attendees.

ROI for the Partners in Planning (PIP) grant is 25:1 and Main Street Vibrancy grant is 10:1.

The Main Street Initiative connects with more than 4,476 community leaders, volunteers and advocates from around the region, engages in regular webinars and regional workshops to promote learning and connections.

The Main Street Initiative continues to expand its Partnership Network with partners like EDND, ND Council on the Arts, AARP, StrengthenND, ND League of Cities, USDA Rural Development, NDSU Extension and more!

WHY BECOME A MAIN STREET COMMUNITY?

Joining the Main Street Initiative provides communities the resources, technical assistance, educational opportunities and network connections that **empower communities** to proactively plan their futures and **build local capacity** to improve quality of life for their current and future citizens. Plus, engaged communities receive extra benefits on some state grant applications.

LEVELS OF ENGAGEMENT

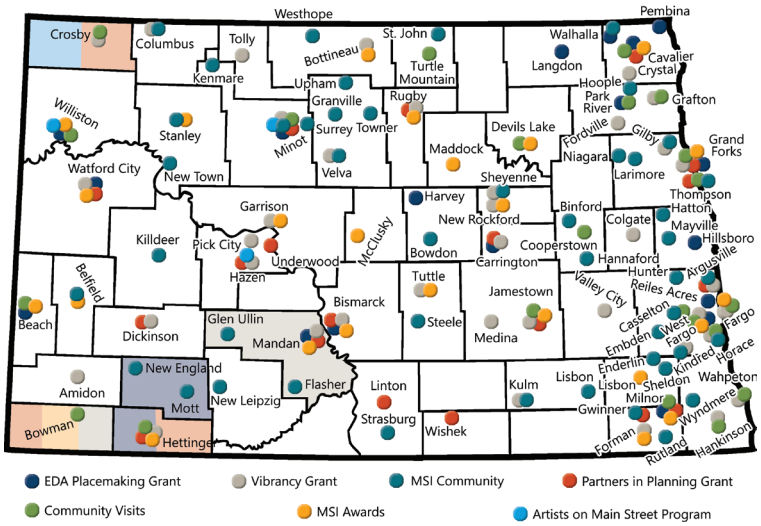
Main Street COMMUNITY

- Sign up through the online portal
- Community Visit by MSI Team
- Share success stories

Main Street CHAMPION

- All above requirements plus:
- Sign a Main Street Initiative proclamation
- Complete Main Street Initiative Action Plan
- Identify top 3-5 priorities, assign champions and establish timelines

MSI IMPACT



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For more information contact Tracey Miller at tracmiller@nd.gov

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ENERGY AND NATURAL RESOURCES

INDUSTRY FACTS

ND RANKS 3RD IN NATIONAL OIL PRODUCTION

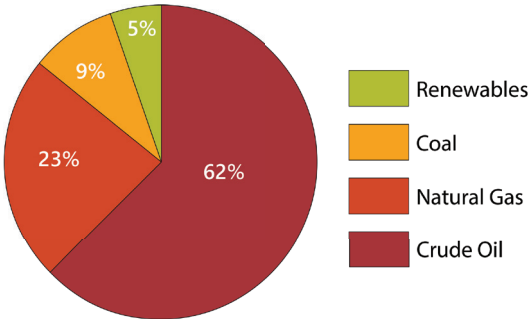
42.2 MILLION MEGAWATT HOURS OF ELECTRICITY GENERATED

5th IN SHARE OF WIND GENERATED ELECTRICITY

2nd LARGEST KNOWN LIGNITE DEPOSIT IN THE WORLD

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.

NORTH DAKOTA TOTAL ENERGY PRODUCTION



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 05/13/2022

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.**

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

Electric vehicle charging stations have doubled across North Dakota with plans for more.

In 2021, North Dakota had over **4,000 MW of installed wind capacity**, with interest in an additional 6,200 MW. Ranked **7th in the nation** for installed capacity share with 31% of total electric generation coming from wind.

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

29,655 Miles of Pipeline

- 17 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.

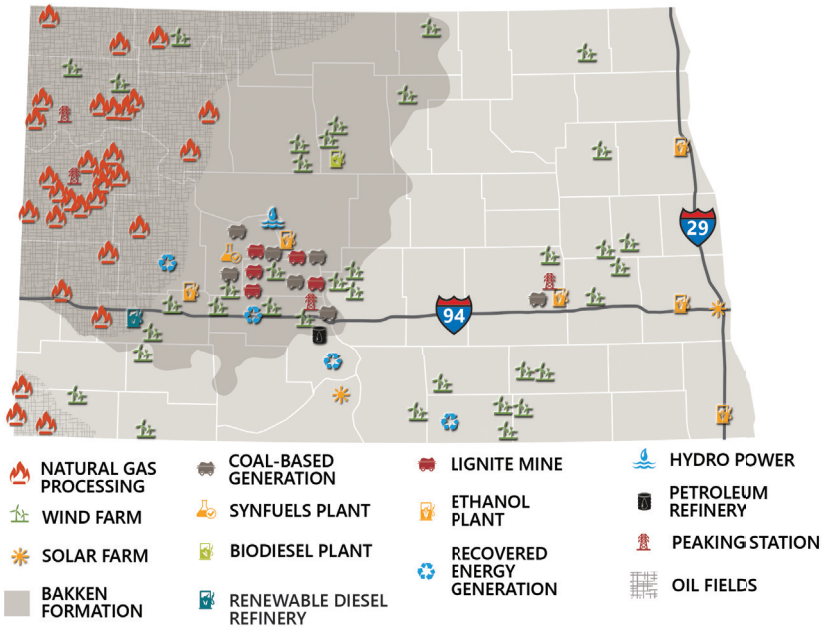
North Dakota Port Services Inc. Serviced by BNSF

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

Electrical Capacity

- More than 42 million megawatt hours of electricity generated annually.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES



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For more information, contact Rich Garman at rgarman@nd.gov
or Tom Oakland at thomas.oakland@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

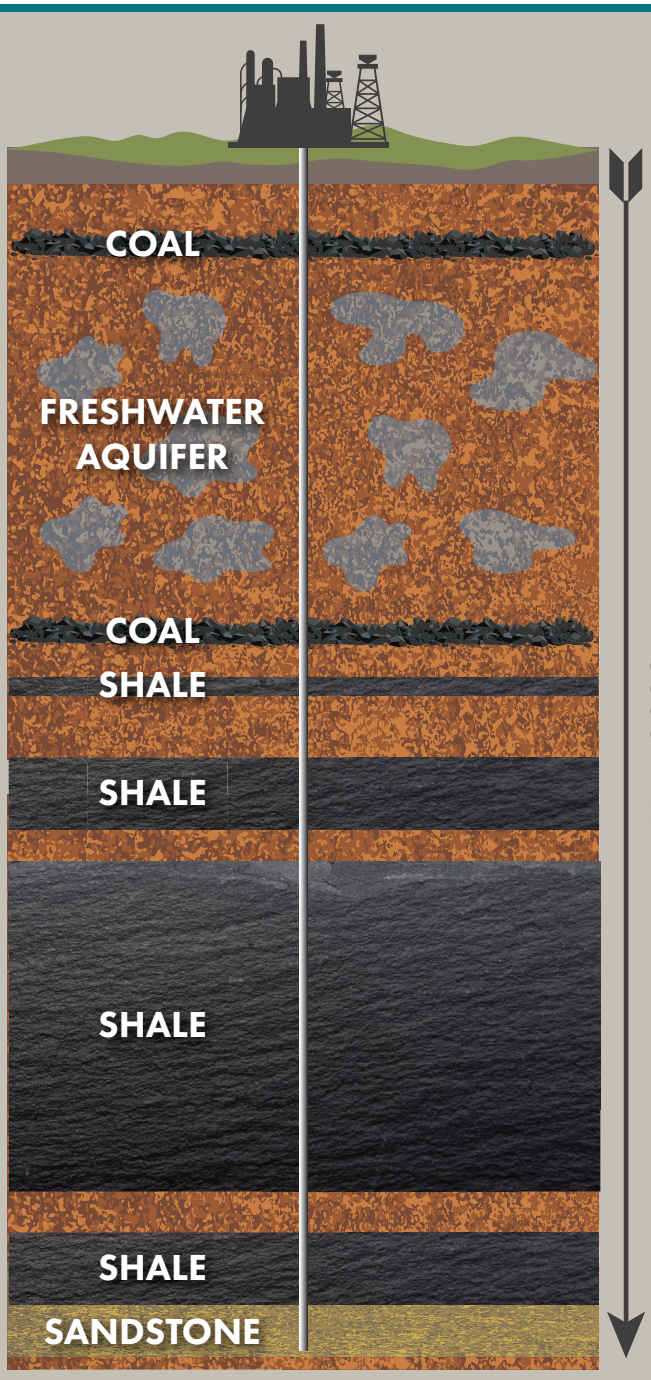
Proactive actions are already underway to fulfill this commitment. For example, Project Tundra in Oliver County, North Dakota, aims to build the largest carbon capture, utilization and storage (CCUS) facility in the world. Also, Red Trail Energy in Richardton is studying the economic feasibility of integrating CCUS with ethanol production. Research is underway at the University of North Dakota's Energy and Environmental Research Center (EERC) to bring this initiative 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!

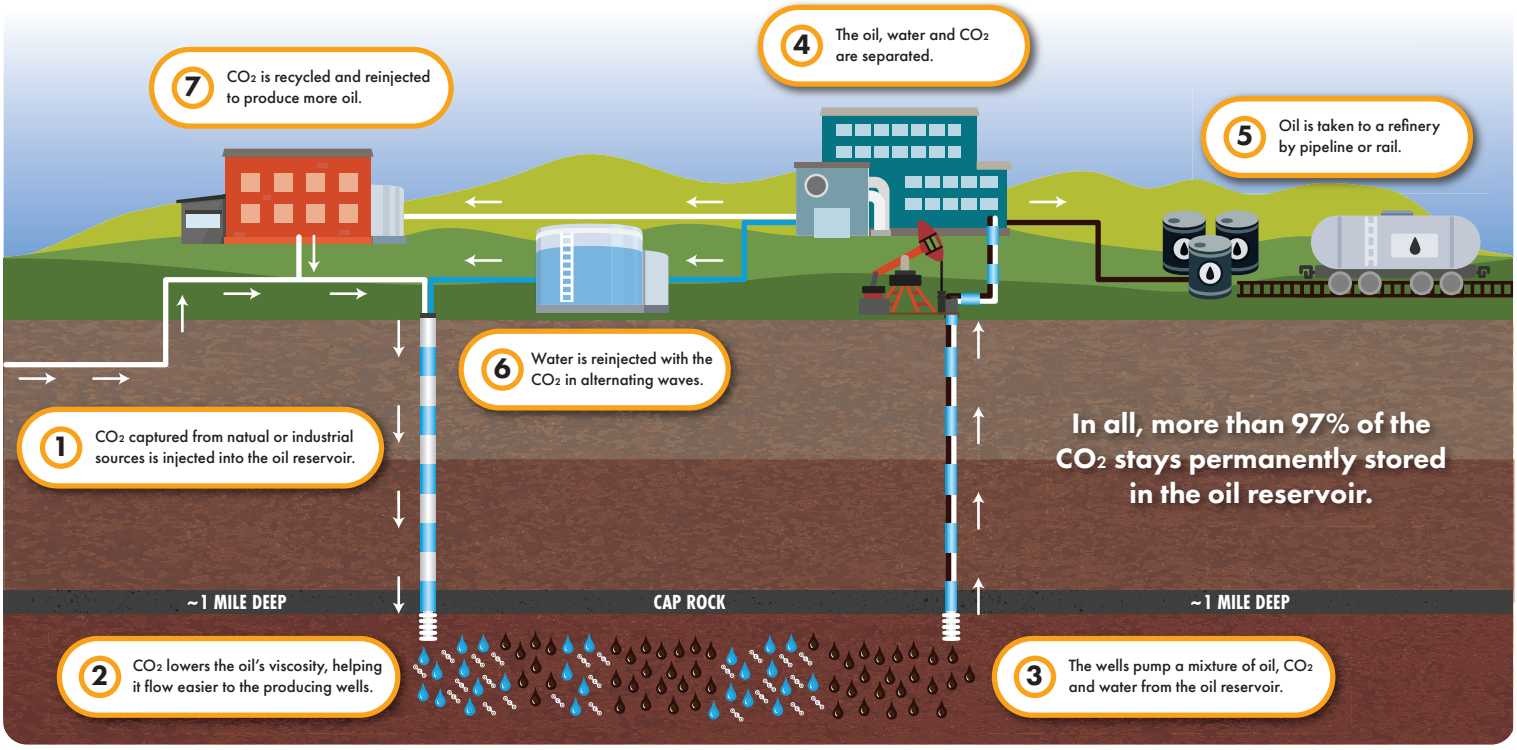
North Dakota's Bakken (unconventional) oil fields: When the technology is ready, CO_2 EOR can be applied to declining Bakken oil wells to improve production, unlocking up to 7 billion additional barrels from the Bakken and Three Forks shale!



9/22/2022

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 oilfields, 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.



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 Rich Garman or Tom Oakland at 701-328-5300.

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

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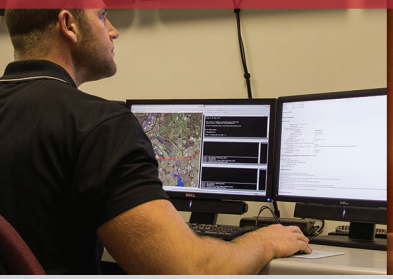
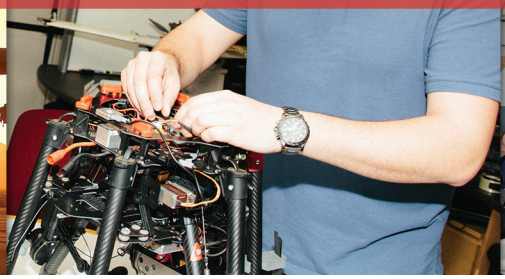
UAS (UNCREWED AIRCRAFT SYSTEMS)





INDUSTRY FACTS

STATE COMMITMENT FOR NEW INFRASTRUCTURE
$33 MILLION

$78 MILLION
TOTAL INVESTMENT BY THE STATE OF NORTH DAKOTA

THE NATION'S FIRST
BVLOS SYSTEM
VANTIS

1 ST
UAV TRANSATLANTIC FLIGHT

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 01/03/2023

KEY NORTH DAKOTA GROWTH

$400 million in private sector investment.

Almost 50 UAS companies call North Dakota home.

Over 1,000 people employed by the industry.

Federal partners include DoD, CBP and FAA.

INDUSTRY CLUSTERS

The North Dakota UAS entrepreneur cluster is larger than any other accelerator, incubator or entrepreneur center in the nation.

Almost all UAS companies operate in North Dakota, including:

- Northrop Grumman
- General Atomics
- Collins Aerospace
- Thales USA
- SkySkopes
- ISight RPV Services
- Botlink
- Thread
- Airial Robotics

SUCCESSES

- Participation in the FAA's BEYOND program which continues the partnership that was started through the UAS Integration Pilot Program
- Northrup Grumman endurance testing
- Department of Homeland Security Northern Border Airspace Domain Awareness Test Bed
- Four contracts awarded to support the United States Air Force Agility Prime program

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 through UND Research Institute for Autonomous Systems
- History and culture of aviation safety
- Uncongested airspace
- Climate diversity
- Unique testing locations and scenarios

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

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VALUE-ADDED AGRICULTURE

INDUSTRY FACTS

$4.3 BILLION
AGRICULTURE EXPORTS ABROAD

26,000
FARMS AND RANCHES ACROSS 39.3 MILLION ACRES

40
FARMERS MARKETS

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 8 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.

NORTH DAKOTA LEADS THE NATION

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

- dry beans, all
- pinto beans
- canola
- flaxseed
- honey
- peas, dry edible
- wheat, durum
- wheat, spring

1

(USDA 2022 report on 2021 production)

UPDATED 08/15/2022

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.

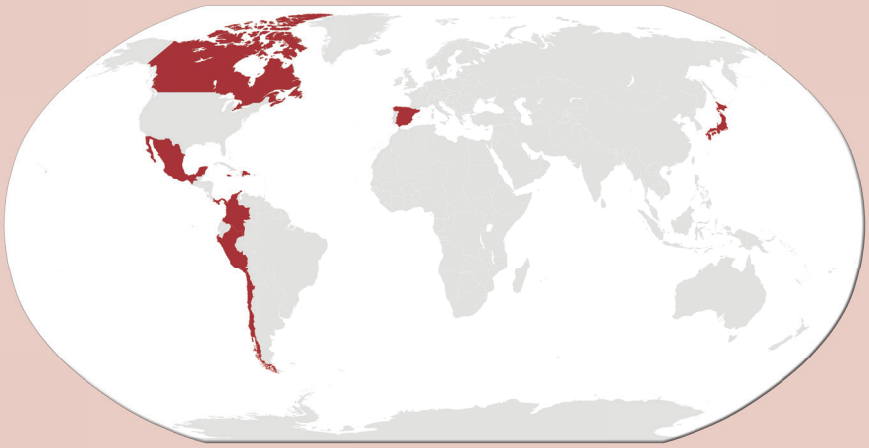
Beef cattle are raised in every North Dakota county with about 945K beef cattle and calves across the state. That's more than **1.2 cattle for every person** in North Dakota.

The state has 55 dairy farms that produce nearly **40 million gallons of milk** each year.

There are approximately **12,127 head of bison** in North Dakota. They are raised for meat and hides.

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

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

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

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

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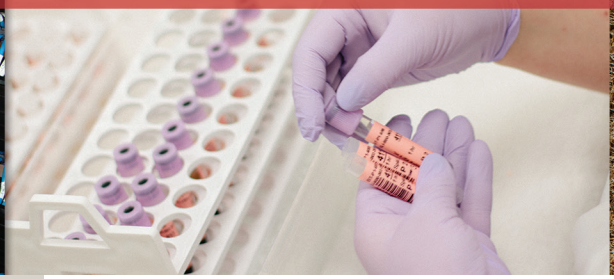
INNOVATION TECHNOLOGY LOAN FUND



FUND FACTS

42
PARTICIPANTS

MORE THAN $29 MILLION
IN LOANS AWARDED

3
COMPANY EXITS

The Innovation Technology Loan Fund (LIFT) is an innovation loan fund that supports technology advancement by providing financing for commercialization of intellectual property within the state of North Dakota. The following industries qualify for these funds:

- Advanced computing and data management
- Agriculture technology
- Autonomous and unmanned vehicles and related technologies
- Energy
- Health care
- Value-added agriculture
- Value-added energy
- Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy

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.

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 or companies making investments in North Dakota.
2. Lead to the commercialization or patent of an innovation 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.

More info can be found by visiting NDCC Chapter 6-09.18 or contacting Carla Valentine at crvalentine@nd.gov.

INDUSTRIES REPRESENTED

- ADVANCED COMPUTING AND DATA MANAGEMENT
- AGRICULTURE TECHNOLOGY
- ENERGY AND VALUE-ADDED ENERGY
- HEALTH CARE
- VALUE-ADDED AGRICULTURE
- UAS

UPDATED 01/03/2023

LIFT SUCCESS EXAMPLES

Access Point Technologies EP Inc. — A global supplier of innovative medical devices focused on meeting the needs of the large and fast-growing electrophysiology (EP) market, estimated at $5 billion today with an 11% compound annual growth rate. APT EP designs and develops new catheters and systems for treating cardiac arrhythmias. It is building a new research and development center in Horace which will be ready in Q1 2021 and plans to develop both catheters and systems in this new facility. In addition, the company plans to hire and train local engineering talent and partner with ND physicians to develop significant bioscience intellectual property.

Checkable Medical Corp. — Developing an at-home strep test to be manufactured in North Dakota and launching an at-home rapid COVID-19 antibody test. LIFT support allowed it to move the founding team to the state and partner with a North Dakota clinical research partner to execute its trial. The company plans to create high-paying jobs in the bioscience industry in the next couple years.

First-I LLC (KSI Video) — Currently contracting its software services from a North Dakota company and recently established an office in Grand Forks as base for the development and manufacture of a new UAS product designed to assist first responders and emergency management personnel. The company is applying for matching funding from other sources and plans to have a commercially viable prototype available later in 2021. To date it has created one job in Grand Forks with plans for additional hires once it reaches commercialization.

Three Farm Daughters — A value-added ag start-up creating high-fiber, low gluten food products utilizing GoodWheat varieties grown in the USA and milled at the North Dakota State Mill. Three Farm Daughters has launched three pasta products and a 100% wheat flour for sale online and in stores in North Dakota and Minnesota. In doing so, Three Farm Daughters utilizes three North Dakota logistics companies, a North Dakota food-grade warehouse facility and collaborates with a Grand Forks local chef for recipe development.

TracFrac Inc. — A Bismarck-based company developing a patent pending scheduling platform that coordinates activities between operators and service companies in the oil and gas industry. Currently working with two major energy companies in North Dakota, TracFrac adds reliability and automation to the oil and gas monitoring and notification system.

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

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ECONOMIC IMPACTS FROM LIFT

FUND FACTS

$158 MILLION
PROJECTED ANNUAL GDP INCREASE

$265 MILLION
PROJECTED ANNUAL ECONOMIC OUTPUT INCREASE

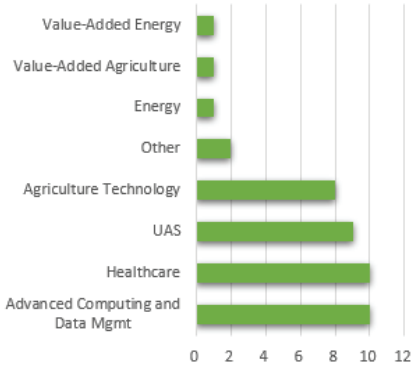
$51.7 MILLION
ESTIMATED INCREASE IN PERSONAL INCOME

1,163
AVERAGE EXPECTED JOB CREATION ACROSS ALL INDUSTRIES

The LIFT initiative approved $29.14 million (97%) of the appropriated funds ($30 Million) as of August 2022, since the inception of the program in the 2019-21 biennium. The program has provided funding to 35 North Dakota businesses in specific sectors outlined in N.D.C.C 6-09.18-01. The North Dakota Department of Commerce utilized the Regional Economic Model Tax Policy Insight (REMI Tax PI) to forecast the state level's economic impacts of the LIFT funds over 2020-2024. The projected economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); wealth creation (as measured by personal income); and new jobs created (as measured by employment). There are three categories of employment: direct employment, indirect employment, and induced employment. Direct jobs are those created by the LIFT awardees. Indirect jobs are those created by related industries, such as suppliers and manufacturers. Induced jobs are local industries that increase due to the additional increase in direct or indirect employment, such as local restaurants, retail and entertainment. From 2020 to 2024, the LIFT program is expected to have impacted North Dakota's economy by the following measures. All dollars are inflation-adjusted to 2021 dollars.

- Increase of North Dakota's Output by $265 million, and an increase of North Dakota's GDP by $158 million by 2024. Output measures the value of all goods and services, including business-to-business sales. GDP measures only value-added goods and services, or the value of the final product sold.
- Increase of North Dakotan's yearly Personal Income by a collective $51.7 million, an average of $57,480 per resident by 2024.
- Across all industries, there is an expected impact of 1,163 new jobs int he state, with businesses participating in the LIFT program expected to have created 702 new jobs by 2024. Over 430 of these jobs are projected to be in the Advanced Computing and Agriculture Technology industries. These 1,163 jobs include direct and indirect employment.

LIFT RECIPIENTS BY INDUSTRY



METHODOLOGY

The main idea behind economic impact analysis is that one more (or less) dollar spent in a local or regional economy results in a greater than one dollar change in economic activity in the area. The most common and widely respected method of examining such changes involves using economic models called input-output models. A key feature of input-output models is that they are ideally suited to capture the interdependence among different industries. Commerce utilized version 2.5 of the REMI Tax-PI model. Briefly, the REMI Tax-PI model is a sophisticated regional economic model that dynamically simulates the year-by-year economic effects of public policy initiatives and is widely used by state agencies and legislatures, universities and other organizations and experts. The REMI model is tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration and other reliable data sources.

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

UPDATED 01/03/2023

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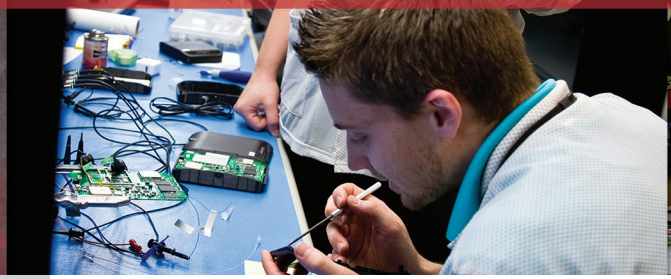
DEVELOPMENT FUND



DEVELOPMENT FUND FACTS

9,182
JOBS CREATED

878
PROJECTS FUNDED

PRIMARY SECTOR
ECONOMIC DEVELOPMENT TOOL

UPDATED 01/03/2023

ECONOMIC DEVELOPMENT TOOL

The North Dakota Development Fund 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 entrepreneur must have a realistic financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Refinancing of debt is not eligible.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- Financing is available to any North Dakota primary sector business project with the exception of production 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.
- Primary sector includes tourism and specific types of investor-owned agriculture, and is typically businesses such as manufacturers, food processors or export service companies. Investor-owned agriculture includes livestock feeding or milking operations or other value-added agriculture located apart from an individual farm operation that is professionally managed and has employees.
- Financing is available to any North Dakota licensed child care operator up to $100,000.

"The Development Fund offers the financing resources needed to help support business startups and expansion projects that create jobs while also providing taxpayers with a strong return on investment. Businesses in need of equity financing can look to the Development Fund as a possible solution. The North Dakota Development Fund is a valuable tool in developing strategies for business growth."

North Dakota Governor Doug Burgum

For more information, contact Jessica Nygaard at jnygaard@nd.gov

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MANUFACTURING

INDUSTRY FACTS

$4.63 BILLION
INDUSTRY OUTPUT 2021

71% GROWTH
TOTAL OUTPUT 2011–2021

82%
OF ND EXPORTERS ARE SMALL BUSINESS

7.31%
INDUSTRY OUTPUT 2021

MANUFACTURING OPPORTUNITIES

Strong market growth, both domestically and internationally, have contributed to a healthy manufacturing economy in the state. 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 a combination of a manufacturing surveys and personal visits with manufacturing leaders across the state, that future expansion of our manufacturing sector will come not from 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 2018, North Dakota led the nation in export growth, with a 35% 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 the North Dakota delivery organization of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network. Its staff of experts provide specialized business consulting services to North Dakota-based manufacturing and ag-processing companies. Impact Dakota supports North Dakota manufacturers by conducting detailed needs assessments, outlines potential solutions and provides technical assistance to solve problems that deliver positive financial impacts. In 2021, clients reported $30.1 million in gained and retained sales, $2.9 million in cost savings, $4.4 million in investments made, and 219 jobs created and retained as direct result of projects delivered by Impact Dakota.

UPDATED 06/08/2022

TRADE AND TRANSPORT BY THE NUMBERS

Two **Foreign Trade Zones**

Two Canada-Mexico **Trade Corridors**

Top Five Export Markets — Canada, Mexico, Australia, Germany, Brazil

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 **7.3% of the total output** in the state, employing 7.7% of the workforce

Areas of service include, but are not limited to:

- Process Improvement
- Business Operations Optimization — Strategy, Structure, People, Methods, Communications, Metrics and Rewards
- Compliance and/or Certifications — Cybersecurity/CMMC, Food Safety, ISO, etc.
- Quality Management Systems
- Workforce Development
- Automation
- Performance Improvement: Growth Strategies and Innovation

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

- North Dakota Development Fund — 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%
- Financial Investment for Technology (LIFT) — 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

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

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Testimony in Support of
House Bill No. 1018
Education and Environment Division of the House Appropriations
January 9, 2023

TESTIMONY OF
Josh Teigen, Commissioner, ND Department of Commerce

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Josh Teigen, and I have the privilege to serve as the Commissioner for the ND Department of Commerce.

For those of you who may not know me, I came to Commerce about three and a half years ago. Prior, I had been an entrepreneur my entire life. When the opportunity presented itself to join state government, it was never something I had considered. When I stepped back and looked at the scale of the impact that I could make working in the public sector instead of the private, I became enamored with all the opportunities that would present. I love this state, and I show up every day with nearly 800,000 shareholders to answer to, which is not something I take lightly. I share this with you today because I am proud of the people in this agency, and proud of what we have accomplished. In addition, I don't take lightly the taxpayer dollars we administer daily. The requests in front of you from our office have been carefully thought through and designed for the highest return on investment for taxpayer dollars.

I stand here today honored and proud of what Commerce has accomplished over the past two years. I truly believe that there has never been a biennium where Commerce has accomplished more or delivered on our mission more than this past one. The economic development wins get the headlines, and I am sure that most of you are familiar with them, but we have had incredible success in all areas of what we do.

From a procedural point of view, I would love to provide you with a high-level overview of the agency and our budget, and then after lunch we will go into individual division reports and do a deeper dive into each of the areas. I know there are some new faces this year, and you guys will see plenty of people standing at the podium over the next four months, so we figured we would break it up a little and show you this short video that overviews what we do at Commerce. https://www.youtube.com/watch?v=MupKaEUq1L8

In the organizer that you provided, you asked for the ND Century Code associated with our agency. Rather than go through all of that, we have included it in the written testimony that you have received. If there are questions, please don't hesitate to ask them.

At a high level, Commerce exists to attract and retain wealth for the state of ND. We do this primarily through the attraction of capital and talent. We accomplish that mission through four operational divisions: Tourism and Marketing, Workforce Development, Economic Development and Finance, and Community Services. In addition, we also have two offices that reside within our agency. One is the newly created Economic and Energy Coordination Office, which we may refer to as the EECO. The other is the Global Engagement Office. As you may recall from the 2019 session when the ND Trade Office moved to the Department of Agriculture, Commerce retained the foreign direct investment strategy, which we have now branded the Global Engagement Office. The most recent outcome that you have likely heard about from that office is the Governor-led trade mission to Japan late last year. There will be more to come and a deeper dive and report out on that office this afternoon. Beyond those operational elements of our agency, we also have our Administrative Services Division which makes everything possible and keeps the rest of us out of trouble.

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 have 58.8 FTEs – fully funded with benefits, four temporary staff members, and one intern. In addition, we have five requested FTEs for this upcoming biennium which you will hear more about later.

Moving on to audits, our agency audit conducted by the State Auditor's Office is still ongoing, but to date we have one audit finding which relates to the LIHEAP program. The finding was that we did not conduct sub-recipient risk assessments in the field. Our response to this finding is, yes, it is correct that we did not conduct these risk assessments for Community Action Agencies. The reason for not completing these risk assessments during the audit period was due to the fact that we were unable to go on-site to assess the risk at each Community Action Agency due to the global pandemic and COVID-19 restrictions. We have written documentation from the Community Action Agencies stating that they were not on-site during that time frame, and therefore, there was no ability for us be there to conduct our risk assessments, nor did they want us to. This is a direct result of following guidance from both federal and state governments at the time.

Commerce has implemented and completed the risk assessments as of Dec. 31, 2022; as we are now able to perform onsite monitoring to assess the risk at each Community Action Agency due to COVID-19 restrictions having subsequently been lifted.

Moving on to item number five, relating to FTE requests for the next biennium, as I mentioned earlier, we are currently 58.8 FTEs, with four temp staff and one intern. We have five FTE requests in front of you today as outlined in the executive budget proposal. As I mentioned at the beginning of my testimony, Commerce has delivered successes across the board, in every division at record levels this last biennium. I truly don't believe we have ever been able to stand in front of you with a more compelling story to tell than we have now. A large part of our

ability to deliver those results is the trust that each of you has put in our agency and the resources that you have allocated.

I stand here today as a fiscal conservative who never thought he would end up in state government. I have started and ran businesses my entire career prior to joining Team ND. I believe that government should operate as lean as possible and I will be the first one to admit when there are areas that can be improved or trimmed, but I promise you that these FTE requests are paramount for our ability to deliver on our mission moving forward. I would be the last person up here advocating for additional spending and resources unless there is a direct tie back to taxpayer return on investment. Whether it is private sector business or government, there is lean, and there is too lean. Right now, Commerce is too lean. Given what we have accomplished over the past two years, one could think we would be up here asking for a pile of FTEs to keep this momentum going. That is not how my brain operates. These five requests have been carefully thought out and brought forth with only the highest ROI in mind.

The FTE requests break down as follows:

Workforce Division (2 FTEs)
Office of Automation (1 FTE)
Community Development (1 FTE)
Global Engagement (1 FTE)

In addition to these requests, we wholeheartedly support the Total Rewards package outlined in the executive budget proposal. We are very concerned with our ability to attract and retain talent in the current and anticipated future without significant increases in salaries, 6% in year one and 4% in year two. Our applicant pool per position listed has dropped from an average of approximately 40 applications two years ago to five. We have had multiple instances where we received no applications and others where the person didn't accept the position because the salary was too low. We compete directly with the private sector, and they have caught up regarding the benefit package and we are behind in salaries.

Next, you will see on the screen as well as your written materials a high-level overview of our budget. As you can see, we are just over a $260 million budget each biennium, with $119 million dollars being general funds, $47 million of federal funds, and $96 million of special funds.

You will see on the screens, and in the written materials provided to you, a high-level overview of our budget. As mentioned, we will do a deeper dive into each division after lunch.

Object/Revenue	2023-25 Total Budget Recommended
Description	
Administration	5,725,555
Tourism & Marketing	67,951,539
Workforce Development	69,136,507
Economic Development & Finance	65,968,256
Community Services	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 262,373,002**
Salaries and Wages	17,229,540
Operating Expenses	50,275,941
Grants	188,120,689
COVID-19 Response	2,085,834
Discretionary Funds	2,150,000
Unmanned Aircraft System	-
ND Trade Office	-
Partner Programs	1,562,531
Entrepreneurship Grants	948,467
CARES Act Funding – 2020	-
TOTAL BY OBJECT SERIES	**$ 262,373,002**
General	119,274,111
Federal	46,555,556
Special	96,543,335
TOTAL BY FUNDS	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**63.80**

We have also provided a comparison of last biennium's funding and the funding proposed for this biennium for your reference.

Object/Revenue	2021-23 Biennium Appropriations	2023-25 Total Budget Recommended
Description		
Administration	6,112,340	5,725,555
Tourism & Marketing	24,222,308	67,951,539
Workforce Development	8,351,003	69,136,507
Economic Development & Finance	104,946,354	65,968,256
Community Services	42,814,122	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 186,446,127**	**$ 262,373,002**
Salaries and Wages	12,835,431	17,229,540
Operating Expenses	23,883,192	50,275,941
Grants	87,832,330	188,120,689
COVID-19 Response	56,234,176	2,085,834
Discretionary Funds	3,150,000	2,150,000
Unmanned Aircraft System	-	-
ND Trade Office	-	-
Partner Programs	1,562,531	1,562,531
Entrepreneurship Grants	948,467	948,467
CARES Act Funding – 2020	-	-
TOTAL BY OBJECT SERIES	**$ 186,446,127**	**$ 262,373,002**
General	34,667,572	119,274,111
Federal	112,320,270	46,555,556
Special	39,458,285	96,543,335
TOTAL BY FUNDS	**$ 186,446,127**	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**58.80**	**63.80**

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

1. Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant - $19 million was appropriated from the Strategic Investment and Improvements funds for beyond visual line of sight unmanned aircraft system grants.
2. COVID-19 Response – State Small Business Credit Initiative - $56 million of federal funding authority was appropriated in HB 1395 for purposes of funding state small business investment programs.
3. Discretionary Funds – Tourism Planning Grants - $1 million supported five Tourism Planning Grants to support tourism development.
4. Job Development and Economic Growth Grant – $1.5 million of specialized investment funds to the Cavalier County Job Development Authority, $900,000 to the Frost Fire Park, and $600,000 for the redevelopment of the Stanley Mickelson Safeguard Complex (SRMSC) at Nekoma (purchased by

Bitzero). At the SRMSC site they removed asbestos $386,336.30, performed electrical upgrades $52,738.29, and did ice blasting$48,717.76, detailed plat prepared $28,455.25 and created a concept building design & hazardous material specifications $71,140.42.

5. Motion Picture Production and Recruitment Grant - $100,000 has been expended
6. Technical Skills Training Grant - $1 million to support the launch and expansion of accelerated skilled workforce training programs. This program requires a 1:1 match.
7. Tourism Marketing - $6,565,432 of Cares Act dollars utilized to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
8. Tourism Transportation Improvement Grant - $1 million grant made up of $565,432 of general funds and $434,568 of Coronavirus Relief Funds to an organization dedicated to preserving and promoting a historic tourism destination in a ND city for the purpose of offsetting the costs for tourism transportation improvement related costs. The Theodore Roosevelt Medora Foundation (TRMF) was only response to the RFP. The TRMF used the funds to build a high-capacity elevator and improve existing escalators. See slide for additional funding.
9. Travel Agency and Tour Operator Emergency Resiliency Grants - $1.4 million of $2 million awarded to 24 applicants.
10. Event Center Emergency Resiliency Grants - $2 million awarded to 28 applicants.
11. Unmanned Aircraft System Grant –$1 million grant was awarded to TrainND NW for the purpose of expanding workforce opportunities, training and education related to the beyond the visual line of sight aircraft system industry.
12. Workforce Grants to Tribally Controlled Community Colleges - $500,000 allows for the development and enhancement of programs in high demand occupations. This was awarded to Turtle Mountain Community College.
13. Workforce Safety Grant - This $1.5 million grant was provided to the ND Safety Council The grant was used to prevent injuries and save lives by supporting community and workplace safety training and advocacy throughout North Dakota primarily through four focus areas: 1. Workforce Safety 2. Community Safety 3. Driver Safety 4. First Aid/Emergency Response.

In our budget request, we also have numerous one-time funding requests. These are on the screens as well as your written materials. These items will be covered more in depth in our divisional reports, but at a high level you will see $52 million across four different workforce programs. These are programs that we stood up largely using one-time federal funds or discretionary dollars to test the waters and refine our thesis on how we make progress towards attracting workforce. These programs are working, and we are asking you to consider bold

investments to continue the momentum that we have built thus far. You will also see bold investments for tourism and marketing, including $5 million for destination marketing, and a $50 million Destination Development Fund. This is a new and innovative idea, and much needed for our state. We have so many beautiful attractions in the state, but we need to bring additional investment forward in order to bring new and unique tourism attractions to the state. In addition, we can bring ancillary businesses to come alongside our existing attractions and make them more desirable and drive spending and visitors, such as lodging, dining, service providers and more to help solidify these attractions and drive more visitors. Visitors not only drive spending, but they also drive workforce as people are far more likely to move to our state if they visit first. We can leverage quality of life as a competitive advantage and these investments are a great place to start. Next, you will see needed investments for our community development efforts. We must have healthy, vibrant communities for people to live in if we want to not only retain our current talent, but also attract new talent. Finally, we have investments for UAS and automation, which you will hear more about in the economic development and finance report.

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

Transfers	
Workforce	
Internship Fund	$ 1,000,000.00
Economic Development and Finance	
North Dakota Development Fund	$ 30,000,000.00
Innovation Loan Fund	$ 20,000,000.00

Moving on to section 14 in the organizer that you provided, you will see an overview of the funds that were provided to us during the special session and where those funds stand today.

	SB 2345 (60180)	**Amount**	**Nov-22**
ND Development Fund	Section 35	$5,000,000.00	Transfer is pending
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$20,413.31
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$191,406.95
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$116,089.26
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

Lastly, please see an overview of the federal funds that we anticipate receiving in this biennium.

Program Name/Description	**Estimated Federal Funds to be Received**
Community Development Block Grant/State's Program	8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter Plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000
Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135

AmeriCorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	**$ 54,018,402.50**

Mr. Chairman Nathe and committee members, this concludes my testimony. I ask your support for House Bill 1018. I would be happy to answer any questions.

I would like to now turn the podium over to Katie Ralston Howe, director of Workforce to talk more about workforce development.

Workforce Development

Thank you, Commissioner Teigen.

Chairman Nathe and members of the committee, I'm Katie Ralston Howe and I have served as the Workforce Division Director for the ND Department of Commerce for three years. 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. In October 2022, the Council released 10 comprehensive recommendations, seven of which are included in the Executive Budget. The new programs for which we are requesting funds have all been included in the Council's latest Report of Recommendations.

Our division has evolved a lot since the beginning of this biennium. We left the last legislative session with a couple small grants for skilled workforce training programs, and now, thanks to an appropriation of $20 million of American Rescue Plan Act (ARPA) funds by this legislative body during the special session in 2021, and the wise investment of discretionary dollars, we are operating two large grant programs that are impacting every part of the state, with a third grant launching soon, and a new comprehensive talent attraction initiative that is successfully helping people around the country discover ND and make the move to their new home in our state. Our larger requests are designed to build on the programs we launched this biennium, so I will provide a brief overview and explain the impact of each program before covering our new requests.

Last spring, we launched the Regional Workforce Impact Program (RWIP) using $15 million in ARPA funds. The goal of the RWIP is to empower locally led solutions to workforce challenges that were caused or exacerbated by the pandemic. Workforce needs vary by region, so a one-size-fits-all approach is unrealistic and would not adequately address challenges in all parts of the state.

To ensure equitable access to these grant dollars, a portion of funding was reserved for each of the eight planning regions, based on population as provided by the 2020 decennial U.S. Census. Applicants are required to provide a 25% match of the of the overall project budget. Due to this unique structure, partners representing rural and urban communities in each region worked together to prioritize projects that would have the greatest impact throughout the region and submitted one application that encompassed multiple projects.

Although the RWIP has had some challenges primarily related to limitations within the federal funding source, we've seen tremendous success with this program. To date, we have awarded $13,438,471 to 57 projects with a few awards still pending, which will soon put us over 60 projects being funded by this grant. Projects range from skilled workforce training, career exploration, expansion of career and technical education offerings, affordable housing, talent attraction, child care, and more. Each project is in a different stage, so data related to the impact of these dollars continues to come in. Within child care alone, we're supporting 33 facilities that are using their grants to expand capacity by adding a total of 1,590 new child care slots statewide.

This model has been effective, so our goal for this program in the next biennium is to create more flexibility in how grant funds can be used to foster more creativity and innovation in the projects communities develop.

The second program we're facilitating using $3 million in ARPA funds is the Technical Skills Training grant, which also received $1 million in Coronavirus Relief Funds (CRF) that we utilized until that funding source expired on Dec. 30, 2021. This program is designed to support eligible training providers and employers in their efforts to design and launch rapid, non-degree re-skilling and upskilling programs, expand capacity in existing programs that began after May 17, 2021, and/or move training to virtual platforms to train workers. All training programs must mitigate a workforce issue that was created or exacerbated by the COVID-19 pandemic.

This program has two tracks, each focused on developing or expanding a highly skilled workforce:

- Track A reflects the initial intent of this grant program when we first launched it in 2020 and is designed for new and expanding accelerated, non-degree training programs that prepare trainees for new jobs. Applicants in this track are eligible for up to $100,000 with a 1:1 match.
- Track B is designed for companies wishing to provide internal upskilling opportunities for their existing staff to promote movement and advancement throughout the organization, create more comprehensive onboarding and new worker training programs, or to provide safety training for employees. Applicants in this track may be eligible for up to $50,000 with a 1:1 match.

Since its inception, the Technical Skills Training Grant has supported the launch and expansion of programs in health care, energy, transportation and logistics, IT, welding, UAS, and more. This biennium alone, we've invested $1,299,927 in 20 training programs that are upskilling and reskilling workers across the state. All of the training programs we've supported using federal dollars are sustainable and will continue to prepare citizens for entrance and movement within the workforce for years to come, thus creating more pathways to employment in our state.

The final grant program for which we will use $2 million in ARPA dollars is the Workforce Innovation Grant. Due to challenges and delays we encountered with the RWIP, we have not launched this program yet. Now that the RWIP is well-underway with payments to grantees being processed daily, we are in a better position to launch this third program. The goal of the Workforce Innovation Grant is to empower business and industry-led workforce solutions and inject innovation into the way we address our workforce challenges. Innovation may be demonstrated by collaborations that broadly support workforce in one or more industries, initiatives that support in-migration of workers, and hiring fairs in areas of low unemployment in North Dakota and throughout North America.

SB 2345 included an end date of June 30, 2023, and with all of three of our grants in different stages, we are asking for carryover authority to allow grantees to continue using their funds beyond the end of the 2021-2023 biennium. We are also asking for $20 million to sustain the Regional Workforce Impact Program as it has proven to be an effective mechanism for fueling sustainable locally-led workforce solutions and 1 FTE, and $2 million for the Technical Skills Training Grant.

- Regional Workforce Impact Program
    - Carryover: $15 million (ARPA)
    - Ask: $20 million
    - 1 FTE
- Technical Skills Training Grant
    - Carryover: $2 million (ARPA)
    - Ask: $2 million
- Workforce Innovation Grant
    - Carryover: $3 million (ARPA)

Another new program for which we are seeking investment is the Automation Enhancement Workforce Training Grant. ND employers across industry are investing in automation to address workforce shortages and to create better paying jobs for workers. Adapting to new technology in the workplace necessitates training and the development of new skill sets, which requires an investment in a company's own workforce. The Automation Tax Credit has been a resource for primary sector businesses by providing a partial credit for machinery and equipment, but it does not allow for workforce upskilling which is a critical component in successfully implementing automation into a company. This grant program is designed to complement the Automation Tax Credit but will expand its support for workforce training beyond primary sector companies.

We are asking for $5 million to facilitate this program. With a maximum award of $80,000 per company, we could support a minimum of 62 companies seeking to automate processes and create advancement for their workers through upskilling.
Before moving on from our grant programs, I'd like to briefly touch on two of our long-standing programs that continue to grow in demand and impact.

- Operation Intern was first established in 2015 and it continues to provide wage match dollars to companies that are creating valuable work-based learning experiences through internships. This program is in such high demand that we had to close our 2022 application window in three days as our remaining funds for the biennium had been spoken for.
    - Biennial funding: $755,000
    - Number of businesses participating
        - 2021 PY: 90
        - 2022 PY: 58
        - Biennial total: 148
    - Number of interns served
        - 2021 PY: 272
        - 2022 PY: 198
        - Biennial total: 470
    - 2023-2025 Ask: $1 million

- Our AmeriCorps program awards grants to non-profits, faith and community organizations, public agencies, tribes, and institutions of higher education for service-based programs throughout the state. AmeriCorps is a federal program that requires a state match.
    - Current funding (state + federal): $220,000 in required general fund match dollars and our federal allocation is around $3.3 million per biennium.
    - Number of projects:
        - 2021-2022: 5
        - 2022-2023: 6
    - Number of members:
        - 2021-2022: 123 members
        - 2022-2023: 168 members
    - Communities served, project titles and areas of focus
        - Southeast Education Cooperative Reading and Math Corps had 85 members serving communities across the state The project focused on literacy and math.
        - Souris Basin Planning Council had 15 members serving across the state. The project focused on capacity building.
        - Cooperstown Community Activities had six members serving in Cooperstown. The project focused on afterschool and healthy futures.
        - Jamestown Parks and Recreation had 10 members serving in Jamestown. The project focused on education and healthy futures

        - Strengthen ND had 40 members in rural ND. The project focused on capacity building.
        - United Way of Cass-Clay had 12 members in the Fargo area. The project focused on education and workforce.

The last program I'll discuss today is Find the Good Life in ND (FTGL), a comprehensive talent attraction initiative that utilizes a software system that allows us to collect information from job seekers, connect them with communities that offer the quality of life they're looking for, and employers in their field. Through this system, we are able to track their progress as they explore opportunities in ND until the point at which they accept a job here and call ND home. Although many states have marketing campaigns to attract people, ND is the first state to take this hands-on, innovative approach to help individuals and families actually make the move.

We're achieving this through collaboration with a contractor, our Tourism and Marketing team, Job Service ND, and 60 community champions, who are volunteers from around the state who are engaging with job seekers, connecting them with employers, and sharing information about their communities based on the interests the jobseeker has shared with us through our relocation help desk.

Our success to date includes:

- Job seekers in the pipeline
    - Total: 1,106 leads (Jan. 3, 2023)
    - Number of states: 49
        - Top five states: Florida, California, Texas, Ohio, and Georgia
    - Number of countries: 24
    - Number of resumes: 308
    - Top industries: health care, skilled trades, sales/marketing, manufacturing, social services
    - Community champion contacts: 316
- New North Dakotans
    - Total: 9 (excludes partners/children)
    - States they came from: WA, TX, NJ, CA, TN, SD, NY, and LA
    - Cities they moved to: Minot, Wahpeton, Bismarck, West Fargo, and Fargo
    - Jobs they filled: hospitality, IT, education, retail, and manufacturing

More important than these numbers are the names behind them.

- Travis H. moved to Minot from Washington in July 2022 before he had a job and was hired within a week of arriving. He's now working for Pro IT LLC.
- Frank M. had been to ND for work and after visiting the eastern side of the state in October with his wife and son, they moved to West Fargo from Syracuse, NY in December 2022. Frank is establishing a local office for Thales (Digital Aviation Solutions for the Americas). His wife, Paula, works remotely supporting student travel abroad programs and his son is enrolled at Sheyenne High School.

- Juan moved to Wahpeton from Texas last fall and is working for a manufacturing company. His wife and children will join him after this school year, and we'll get to help her find a dream job, too.

Our relocation help desk existed before we revived FTGL in June, but we couldn't have shared this type of information. What we know is that from May 2021 to May 2022, 106 people submitted forms through our relocation help desk and based on self-reporting, which can be spotty, we believe 15 people made the move in that year. Now, in just six months, we've grown the number of job seekers interested in ND by 10 times.

The list of success stories will continue to grow, especially with the horsepower we plan to put behind this initiative with increased funding. Sara will share the marketing side of this investment, but the workforce portion includes:

- Growing the services provided by our contractor to better leverage the system we're using for tracking leads and building out an employer portal to provide a more direct connection between candidates and jobs.
- Partnering with industry and communities to help get job seekers here to explore a community and engage with employers prior to making the move as individuals are more likely to move to a place they've visited and the vast majority of job seekers in our pipeline have never been to ND.
- Providing a grant program for employers wishing to help incentivize or support an out-of-state job seeker's move. Based on the volume of contacts in our pipeline and their engagement with community champions, we know that interest in moving to ND is high, but the financial means to do so can be limited. Employers are already working to offer sign-on bonuses, reimburse relocation expenses, and offset rent or child care costs temporarily to help individuals get here and get settled, but this comes at a great expense and it's one that many companies are taking on. Through a matching program, we can support their efforts to get workers to ND.
    - 2021-2023: $410,000 two-year contract, discretionary funding
    - 2023-2025 Ask: $12.5 million ($25 million total for workforce)

In addition to being the hub of the state's workforce system, we've realized that the most direct impact we can have on addressing ND's workforce needs is by attracting and retaining workers through FTGL, by empowering locally-led solutions, and by expanding opportunities to retrain workers through grant programs. We've been doing these things really well with the resources we've had available, and we're excited to grow these programs and their impact with increased state investment.

Summary of Requests

- Carryover Authority
    - Regional Workforce Impact Program: $15 million
    - Technical Skills Training Grant: $2 million
    - Workforce Innovation Grant: $3 million

- One-time Requests
    - Talent Attraction: $24,797,060
        - 1 FTE
    - Regional Workforce Investment: $20 million
        - 1 FTE
    - Automation Workforce Transition Training Program: $5 million
    - Technical Skills Training Grant: $2 million
    - Operation Intern: $1 million
    - AmeriCorps: $878,571

I would like to now turn the podium over to Sara Otte Coleman, director of Tourism and Marketing.

Tourism and Marketing

Thank you, Katie,

Good afternoon, Chairman Nathe and members of the committee, I am Sara Otte Coleman, Director of the Tourism and Marketing Division at Commerce. Twenty years ago, I wouldn't have dreamed I would still be in this position. I thought the bureaucracy and slow pace of government would kill my need to achieve results. But that has not been the case, while we have made progress, we still have tremendous potential to increase awareness and appreciation for our state, grow tourism experiences, attract workforce, and diversify our economy.
Our work primarily focuses on the following areas:

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

Following are the areas you asked us to brief you on.

Current Biennium accomplishments and challenges

State Marketing and Image Development:
Our proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firms and targeted efforts created additional media opportunities and reach on ND stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This media coverage improves the awareness of our state and elevates our image across all focus areas of commerce.

- Tourism – 2,124 instances reaching 13 billion
- Quality of place – 171 instances reaching 2.8 billion
- Workforce - 193 instances reaching 1 billion
- Business - 1,531 instances reaching 3.4 billion

One big win from these efforts was the hosting of a freelance journalist that resulted in a feature of Fargo in the New York Times reaching 140 million with another story planned in Spring 2023 in Travel + Leisure magazine.

The 2021 Tourism marketing campaign reached more than 333 million total impressions, with digital advertising garnering 94.3 million impressions, 285,000 clicks to the website and 15.2 million video completions.

Our domestic road trips measured through geolocation tracked more than 7.9 million trips through year-end. The number of visitors was down 2.5% compared to 2021, but there was a 20% increase in longer stays and overnights. These visits will impact workforce attraction efforts. Recent research indicated that 76% of new residents had visited the state prior to moving.

Hotel occupancy was 11.9% higher with revenue per available room up 23.9% through November. The state's average daily rate averaged $90.76 through 2022, an increase of 10.7%. Lodging tax collections are also up 37%.

Global tour operators selling ND experiences totaled 125, up 9.6% over 2021. Fifty-one new itineraries were added, and total overnights offered were up 57% reaching 1,266.

NDtourism.com was updated to improve accessibility and search engine optimization. The website is ND's front door and welcomed over 2 million visits through Dec. 31. (Traffic was down 4% due to a smaller advertising campaign; however, traffic was up 21% from 2020.) Referrals to partner sites reached over 240,000.

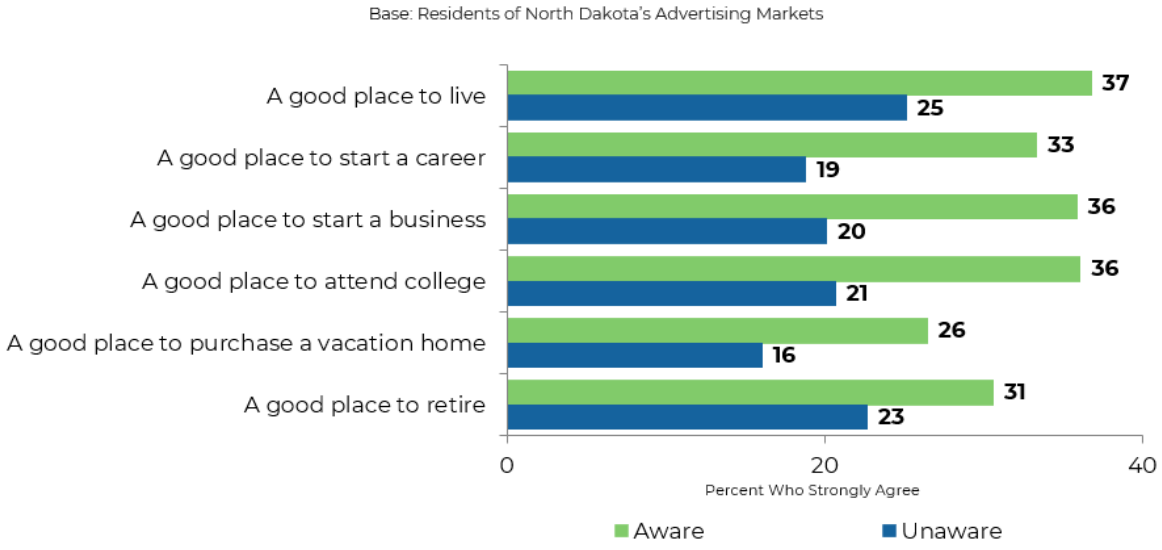
Other Tourism metrics

- Travel and tourism generated $2.61 billion in direct visitor spending in 2021. (Tourism Satellite Account from Tourism Economics and the U.S. Travel Association)

- There were 21.71 million visitors to ND in 2021; a 19% increase in visitation since 2011. (Longwoods International and Tourism Economics)

- The halo effect of seeing tourism advertising improves ND's image an average of 12.5%.

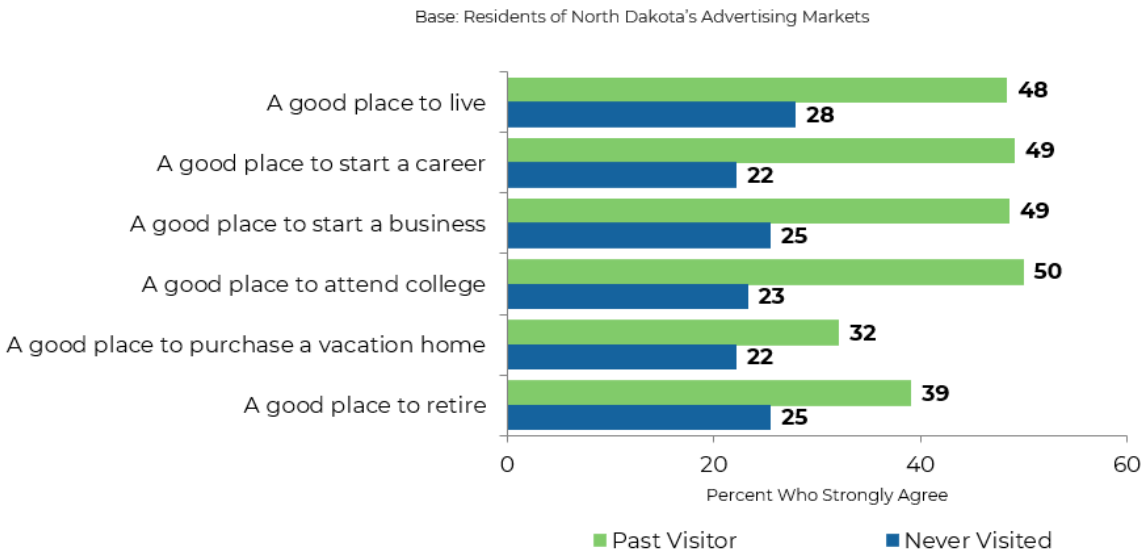
North Dakota Halo Effect: Advertising Impact



2019 North Dakota Image & Halo Effect Study

- If the advertising is coupled with a trip to the state those image indicators increase an average of 26.2%. This quantifies the value of tourism marketing for workforce and business development.

North Dakota Halo Effect: Visitation Impact



2019 North Dakota Image & Halo Effect Study

Find the Good Life in ND

The "Find the Good Life in ND" workforce attraction campaign was updated to support our comprehensive workforce initiative. The marketing refresh included an updated website and a targeted media plan focused on five personas. The 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 both inspire and motivate new talent to move to ND.

- The $438,000 marketing campaign, which began in late June, has delivered 11 million impressions, and driven more than 55,000 visitors to the website resulting in 5,150 conversions for potential residents.

- Workforce staff and community champions are working with over 1,106 leads in the pipeline. 78% of those have not been to ND with 66% looking to relocate in the next six months.

- ND is the first state that utilizes a unique system for drip marketing and tracking leads as they explore career opportunities and lifestyle options across our state.

Tourism Development

The Tourism and Marketing Division reorganized existing positions in order to hire a tourism business development manager, who now works to support the growth of tourism offerings across the state. Work is underway to adopt consistent tourism definitions to be used for incentives tied to primary sector designations and programs allowing the recruitment of new businesses, offerings, and value-added expansions. Our tourism development plan will help focus efforts on in-demand experiences, gaps and regional clusters.

Funding - Tourism and Marketing Division:

Next biennium's goals and plans

Marketing ND

The executive budget includes an additional $5 million which would enable a new creative campaign in expanded channels and more markets, focused on motivating travel to the state. The governor's budget includes $25 million for a strategic marketing and recruitment campaign which will include $12 million to expand the Find the Good Life in ND marketing. The campaign would position ND as the "best place" for talent to build their careers and futures. This synergistic approach for marketing our state will leverage tourism assets and campaign pieces and cross-sell to both audiences. Potential new workers will be invited to visit our state which will improve the likelihood of a move and current visitors will be presented with information on why a move to ND should be considered. ND lags in all but three states in investing in tourism marketing, and is drastically behind SD, WY, and MT, which is impeding our economy.

Why is tourism marketing a catalyst?

A 2022 national perception study assessing Americans' awareness of ND showed that perceptions of the state are modest and largely driven by a lack of familiarity.

- Only 22% had lived in or visited ND.
- Familiarity and perceptions varied little by region.
- Cold, rural, and remote were the top words associated with ND.
- Relaxed, adventurous, traditional, and welcoming lead the "feel" of ND.
- Of the 76% who cited they may be interested in relocating to ND, 71% are familiar with ND.

Today's workforce is prioritizing lifestyle and quality of life factors, giving ND an opportunity to market our state's superior quality of place and quality of life.

A 2022 resident recruitment study surveying new residents in ND who transferred a driver's license in the last two years, showed 76% of these new residents visited ND prior to moving to the state. This reinforces the strong correlation between tourism and talent attraction.

- Research on the effectiveness of the 2021 tourism advertising campaign showed positive results despite a huge influx of marketing dollars from other states. 56% of those surveyed in regional markets recalled seeing our advertising.
- Digital advertising had the highest awareness.
- Evaluated $7.2 million invested in 2021 advertising, which resulted in 1.4 million advertising-motivated trips, and $242 million of incremental spending, of which $23.5 million was from incremental state and local taxes. Every dollar invested in the 2021 ND advertising campaign generated $34 in direct visitor spending and $3 in taxes.

Destination Development in ND:

ND offers tremendous outdoor recreation, rich history and culture, and scenic beauty, but we have an opportunity to expand beyond "do-it-yourself" trips and create more offerings that will motivate trips to our state. We need to support the expansion of destination attractions, recreation opportunities, community amenities through partnerships, and financial support from non-state entities. The purpose of the Destination Attraction Grant is to encourage non-state investments in destination development to draw in more visitors and keep them in our state longer. The proposed $50 million Destination Development Fund would utilize a new destination development council that will work with Commerce Tourism and Marketing staff, and local developers to vet proposals and fund impactful projects that will serve ND for generations. The new experiences will attract new visitors and revenue, improve the quality of life for North Dakotans and help attract the needed workforce. We have invested in value-added agriculture and value-added energy – now is the time to build value-added recreation and tourism. I look forward to further discussion on this important appropriation which will invest in our third-largest industry and begin building legacy projects that set ND apart.

Base budget additions
$100,000 to cover operating costs
$5 million addition to tourism base budget for destination marketing (one-time)
$50 million for Destination Development grants (one-time)
$12 million for the Find the Good Life in ND workforce recruitment campaign

One-time funding 2021-2023

Film and Theater Production Grant – The full $100,000 has been expended.
Tourism marketing – $7 million Cares Act dollars to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
Travel Agent and Tour Operator Grants –$1.4 million of $2 million awarded to 24 applicants
Events and Support Service Grants – $2 million awarded to 28 applicants
Tourism Transportation Improvement Grants – $565,432 awarded to accessibility project
Tourism Planning Grants – $1 million transferred from 1,015 supported five Tourism Planning Grants to support future tourism development.

One-time funding 2023-2025

The governor's budget includes $5 million in one-time destination funding which is imperative as we compete for awareness with surrounding states that spend two to three times what we do marketing their states. U.S. Travel reports the average (2022) marketing spend by state tourism offices was $12.4 million. Additionally, the average COVID-19 relief funding by the state was $14.6 million.

SD - $19.5M annual (governor recommendation $29 million for 2023)
MN - $14.4 million annual
MT - $14.8 million annual
WY - $41.8 million biennial (governor recommendation of $43 million includes new 3% statewide lodging tax)
ND - $ 12.2 million biennial or $6.1 million annual

Assuming the ROI we had in 2021 – if we were to spend $4 million in paid marketing, we would see visitor spending increase by $136 million and an additional $12 million in state and local tax revenues.

The budget also includes $50 million in legacy fund earnings for the Destination Development Grant program. This program will provide financial support to build new attractions and offerings and expand experiences to set ND apart and motivate more trips to the state, while also entertaining our residents. Programs in other states have resulted in major developments with positive economic impacts. For example, in KY $544 million in incentives have resulted in 62 projects costing $2.2 billion, since 1997. The positive economic impact reached $9.5 billion. These projects include the famous horse parks and bourbon distilleries that now define KY tourism.

Federal Funding anticipated for 2023-2025

The Tourism and Marketing Division was awarded an EDA grant which we plan to use in 2023. The dollars will be used for:

- $1.3 million– State marketing targeting outdoor enthusiasts and leisure travelers looking for new locations to enjoy less crowded communities, trails, and activities.
- $250,000 – Develop a digital information distribution system to connect travelers to all offerings. The system will populate full listings of offerings. For example, there are campgrounds that are owned and managed privately or by a municipality, the state or one of several federal agencies. The goal is to create one source for all. ND is a state that is not easy to navigate, and this system will assist visitors in planning and booking experiences which will sustain economic activity statewide. The expansion of outdoor recreation will diversify local economies and make them more resilient. This information will also be used to expand services at visitor information centers and rest areas.

Next up will be Maria Effertz, director of Community Services.

Community Services

Thank you, Sara.

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

My name is Maria Effertz, and I am the Division of Community Services director at Commerce. The Division of Community Services supports ND residents and communities through the administration of federal block grant funds delivered from the U.S. Department of Housing and Urban Development (HUD), the Office of Community Services, and the Department of Energy.

We provide the people of ND with effective, efficient, and customer-oriented administration of federal and state programs for:

- Community Development
- Energy Efficiency
- Housing
- Self Sufficiency

Our division also supports community development across our state. Our Main Street Community Development team works with development organizations, community and county elected officials, and community-minded volunteers to support planning, enhance vibrancy, and advance efforts that contribute to equitable population gain across ND communities.

My testimony today will provide a high-level overview of the work the 10 members of the Community Services team work diligently on every day to support communities, individual citizens, business owners, nonprofit organizations, and community service agencies. Our request this biennium allows the continuation of this support.

Our request also includes an emergency clause that would allow our division to accept additional federal funds.

Many of the programs we administer support low- to moderate-income communities and households. Some of the programs are direct funding but several of our programs work closely with community action agencies, nonprofits, and regional councils.

Community Services manages the Community Development Block Grant (CDBG) funding from HUD. Our funds continue to decline from the federal government for this program, while the regulatory requirements grow and truly constrain the ability to meet the emergency and small project needs in our rural communities. We only receive 3% in federal funding for administration and this past year, our small CDBG team has strengthened our ability to meet these federal demands and ensure program compliance. These changes have resulted in adjustments to the local management and delivery of the funds. While these changes have created short-term modifications, in the long-term this will allow the state to stay compliant with federal requirements and distribute the funds to areas of need across the state.

The low-income assistance activities within Community Services centers around the Community Services Block Grant (CSBG) program. The CSBG program is administered statewide with direct client services being provided through the state's seven Community Action Agencies (CAAs) and the ND Community Action Partnership (NDCAP). In 2022, Community Services supported the delivery of $4.8 million to CAP Agencies, which has served thousands of ND residents in need, including elderly populations, children in poverty, and disabled individuals.

CSBG programs and services are locally designed to promote self-sufficiency, family stability and community revitalization. The CAAs deliver various services, including emergency assistance, money management and housing counseling, self-sufficiency services, case management and outreach and referral services to low-income households and persons within their respective regions. The CSBG program is also closely integrated with the low-income weatherization assistance program which Community Services also manages.

The U.S. Department of Energy's Low-Income Weatherization Assistance Program works to increase the energy efficiency of homes owned or occupied by low-income persons, reducing their total residential energy expenditures, and improving their health and safety. This program is also managed locally and hires local teams to accomplish the work in each region. Through the federal Infrastructure Investment and Jobs Act (IIJA), the ND Weatherization program received an additional $15 million to distribute and meet the needs of low-income households. These funds, allocated over the next five years, will allow community action partners to confidentially hire the workforce needed to meet the needs in many areas of the state. As heating and cooling costs increase, a more efficient, weatherized home will return multi-fold for the homeowner and renter.

We are requesting an emergency clause on this $15,131,495 funding along with the ability to hire two full-time employees to support both the fiscal and program administration. The reasoning for the emergency clause on these funds allows community action partners to start securing additional crews to deliver the services associated with this program. The federal

government provides 100% funding for projects and employees. We would like to have this funding on its own line item called Infrastructure Investment and Jobs Act (IIJA) Weatherization

Community Services administers the Emergency Shelter Grant (ESG) and the ND Homeless Grant programs. These programs distribute operational funds from federal and state funding to homeless shelters. In this bill, we are requesting the federal and state funding of these programs be transferred to the ND Housing Finance Agency to support the ultimate recipients through a continuum of care from homelessness to homeowner. This transfer request of appropriation is $1,387,341 in federal funds for ESG and $1,330,212 in state Homeless Grant funds.

Commerce has several programs dedicated to energy development, conservation, and production. The Community Services team supports multiple programs that deliver energy and conservation measures to increase efficiencies for homes and communities.

The State Energy Program (SEP) promotes energy efficiencies and conservation through funding by the U.S. Department of Energy. Every year, the SEP receives an annual allocation to fund a variety of energy-related activities including energy education, installation of energy efficient measures (building audits, lighting retrofits, HVAC upgrades, etc.), transportation initiatives (alternative fuel vehicles and fueling systems) and renewable energy technologies (small scale wind turbines and solar technologies). In the last biennium, the SEP was awarded more than $1.34 million in project funding to 42 projects across the state.

Through the federal IIJA, this program will receive an additional $3,905,130, which can be expended over four years, to accomplish the above goals along with developing a state energy plan to support Community Services and other state agencies' efforts to deliver federal funding and efficiencies. Additionally, federal legislation has authorized over $4 million for a revolving loan program, $78 million in energy efficiency rebates and training, and nearly $10 million in Energy Efficiency and Conservation Block grants.

We are asking for an emergency clause to accept $120 million of funding along with the authority to hire one full-time employee to support the coordination and grant distribution of these dollars. The reason for the emergency clause on these funds is to allow the state to complete the Energy Preparedness plan by April 2023, which is required to receive federal funds. The amount requested is higher than our known dollars as several states have indicated they will be turning back their dollars which will result in larger projected funds for the states which have plans for using the funds. The regular allocation requires a 20% match from state and local, but the additional federal funds allocated under the IIJA will not require a match or state funds.

The emergency funding request is:

- $20 million IIJA SEP
- $90 million IRA SEP
- 1 FTE

The Energy Conservation Grant, administered by Community Services, assists ND political subdivisions in making energy efficiency improvements to public buildings. Energy conservation projects in nonfederal public buildings owned by political subdivisions may qualify for consideration. Awards are available up to $100,000 and a 50% cash match is required. Projects that meet the qualifications will be awarded on a first come, first served basis and are subject to funding availability. We are asking for a continued appropriation for this heavily used program.

Community Services houses many of the development programs that help keep communities going. We are assigned the responsibility of updating and amending the ND State Building Code. While not involved in the enforcement of the State Building Code, the state supports research and federal/state directives. Community Services also manages the HUD program for manufactured home installers licensing and training. This self-sufficient program provides homeowners and families the assurance the manufactured home was installed correctly and safely.

The administration of the Renaissance Zones is also housed in Community Services. Renaissance Zones are tools to help cities revitalize their communities. This legislative body will hear separate bills proposed to enhance and adjust the Renaissance Zone timeframes and incentives.

The Main Street Community Development team works closely with leadership and volunteers across the state to improve their vibrancy, support planning efforts and provide sustenance to develop our main streets and nonprimary sector businesses.

At the end of 2022, we have awarded Partners in Planning grants to 20 communities in the amount of $169,587. The total state and local investment for these grants totaled over $10 million with a 25:1 ROI. These planning grants were awarded to a variety of rural and urban communities and are helping communities build plans to attract workforce, create community spaces for all generations, and develop recreational options. Additionally, Commerce was able to award nearly $73,528 in Vibrancy grants that also equaled nearly a 10:1 return on investment in local match funds to create communities where new and existing workforce and families want to call home.

In conversations with communities, there was a repeated concern about citizens being willing to take on the responsibility of community leadership. The Main Street Community Development team worked with a Minot area nonprofit and Minot State University to pilot the Launching Leadership program supporting 15 youth to develop leadership skills with the intent of exposing and encouraging youth to take active roles in elected positions. We intend to continue and grow this program regionally and hopefully statewide.

Main Street Community Development has also been charged with administering and providing results of a $1 million grant from the federal economic development administration. The state

has awarded six grants totaling $506,000 grants to communities across the state to create in-depth placemaking plans that attract and retain workforce and families. Additionally, with this grant funding, five communities received technical assistance and direct grants to understand and expand their artists' involvement and activities on their Main Streets. The budget presented has a one-time allocation of $800,000 to continue supporting communities in planning, community vibrancy to attract and retain workforce, youth involvement and additional collaboration with federal and state partners.

The common theme you hear in this testimony is proper planning. I believe great plans lead to success, and that is why we are proposing a one-time funding allocation to pilot a Workforce Housing plan and implementation in partnership with rural communities.

State agencies have recognized the value of communities that have participated and actively planned for their future. Commerce now partners with other state agencies to provide insight and direction to communities that have taken the effort and time to plan. These agencies provide additional considerations to Main Street champion communities, which carries over and supports the community's investment in planning.

Communities also expressed grave concerns about the "gaps in their smiles" and slum and blighted properties which have created areas of the community where the development of existing infrastructure becomes very difficult. Working jointly with the Division of Environmental Quality (DEQ), Commerce is proposing the community pilot program to support publicly owned buildings, which have development plans to remove identified hazardous materials and support redevelopment of buildings and Main Streets. This pilot program can only be used if the community has identified a reuse of the budling/area and can prove matching funds.

Main Streets and rural communities are critical to the success of our state. We need to maintain our grocery stores, gas stations, drugstores, and boutiques. To maintain these critical parts of a community, it takes smart planning and support to the local elected people and volunteers. For this reason, we have asked to employ a rural community development planner who can support the local developers and community leaders create and deliver economic, community and comprehensive plans which do not increase tax burdens while growing the community's base.

We need to utilize the federal funds according to the regulations and guidelines provided. The Community Services team is small but mighty. With only 10 full-time employees, they have successfully distributed millions in eleven state and federal programs meeting the needs and providing resources to nearly every corner of the state. With your support, we know we can do even more to transform our state and move the needle to support our families and workforce for **every** part of the state.

Chairman Nathe and committee members, this concludes my testimony and ask for your support for House Bill 1018. I would be happy to answer any questions.

I would like to now turn the podium over to Shawn Kessel, COO and deputy commissioner.

Global Engagement

Thank you, Maria.

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Shawn Kessel and I have the privilege of serving as COO/Deputy Commissioner at Commerce.

The ND Trade Office (NDTO) was moved to the Department of Agriculture last year, but Commerce retained the foreign direct investment strategy. We have been working closely with the NDTO, private businesses and other ND units of government, local and state, to obtain interest and then investment in ND from foreign businesses. We have retooled what you may know as COIN into the ND Global Engagement Office (GEO). GEO offers customized services:

- Identification and engagement of compatible foreign markets and expansion-ready foreign business
- Liaison between foreign businesses and ND
- Foreign market research
- Foreign investment mission planning and execution

These services help international companies looking to locate, expand or invest/acquire businesses in ND that will ultimately grow and diversify our economy. The office is an advocate and liaison between foreign investors and federal, state, and local governments in ND. Connecting foreign businesses with ND companies/opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

After developing a solid international reputation, it will provide us with additional opportunities to expand the service offerings to three broad entities:

1. Foreign Entity
    - Helping set up a U.S. business entity
    - Identifying and visiting business sites to forge relationships/partnerships
    - In-depth research on available workforce, infrastructure, taxes and more
    - Introductions to regional and local economic development partners and elected officials
    - Customized incentives to eligible businesses including financial assistance (grants, low-interest loans, tax credits, bond financing and job training)
    - Information on foreign trade zones in ND
2. ND Entity
    - Foreign market economic opportunity tracking/communication
    - Tracking of participating ND projects/businesses seeking foreign direct investment

- Ongoing/regular project presentation to foreign investors
- Tracking foreign business ownership/investments
- International market business engagement trainings in partnership with NDTO and U.S. commercial services
- Collaborative investment missions with other states

3. ND
    - Global Engagement Office international business internships/fellowships
    - International business/government global engagement trips
    - International market business engagement trainings in partnership with NDTO and U.S. Commercial Services

An ND example of FDI

Bobcat was founded in Gwinner, ND in 1947. It was bought out by Doosan, South Korean company, in 2007. Revenue has almost doubled since 2015 and net profits are up 250% during the same period.

How do we identify who we work with?

We are in the process of developing a rubric to identify priorities when selecting which countries we should engage with that have the highest potential for success. That rubric contains the following data:

- Friendly nation/political stability of the country
- Alignment with current ND industries
- Country gross domestic product (GDP)
- Five-year foreign direct investment trend
- Current relationship with NDTO, ND companies or ND political entities

In partnership with NDTO, GEO held the first governor-led trade and investment mission to Japan in October of 2022. Positive outcomes include:

- Total Japanese companies/organizations engaged: 157
- Private meetings: 17 ($985.93 billion in direct market cap)
- JETRO presentation: 137
- Keidanren presentation: 15
- Embassy Reception: 153 attendees (-34 ND) = 119

This mission strengthened our partnerships with global industry leaders such as Sumitomo Corporation, that recently visited and will be returning to ND seeking investment opportunities state-wide.

Opportunity

According to the Bureau of Economic Analysis, Foreign Direct Investment (FDI) in the U.S. in 2020 to acquire, establish or expand U.S. businesses totaled $120.7 billion. The latest data available from the Organization for Economic Co-operation and Development (OECD) shows

that in the first semester of 2021, FDI inflows to the U.S. totaled $149 billion, tripling the level reached during the same time period in 2020.

Challenge

FDI in ND, according to the federal Bureau of Economic Statistics, has been non-existent since 2018 and was on life support in 2016 and 2017.

New Foreign Direct Investment in ND by Type

	2014	2015	2016	2017	***2018***	***2019***	***2020***	***2021***
Businesses Acquired	0	32	0	0	***0***	***0***	***0***	***0***
Businesses Established	0	0	3	6	***0***	***0***	***0***	***0***
Businesses Expanded	4	13	0	0	***0***	***0***	***0***	***0***

Budget Overview

- $368,500 operating budget
- $268,430 salary and benefits
- Request 1 FTE

Goals

- Hold a governor-led investment mission once every two years
- Hold a Commissioner-led mission annually
- Economic Development
- Workforce
- Tourism
- Engage at least five countries annually (Consulates/Embassies)
- Increase FDI in ND
- Increase available workforce in ND through immigration
- Facilitate education/university relationships
- Help create ambassadorship/"sister" relations
- Elevate tourism in ND from foreign nationals

Before I turn the podium over to Rich Garman I would like to find out if there are any questions I can try to answer.

Not only do I work closely with the NDTO, I also work closely with Rich Garman and the Economic Development and Finance (ED&F) team and he is prepared to talk to you about the many wins and opportunities in ED&F.

Economic Development & Finance

Thank you, Shawn.

Chairman Nathe and members of the Education and Environment Division of the House Appropriations, my name is Rich Garman, and I am honored to have been given the opportunity to serve as the Director of the Economic Development & Finance (ED&F) Division.

I have been with Commerce for the past 1 ½ years. Prior to this role, I was in the energy industry for over 30 years. The last 15 years were spent at Great River Energy (GRE) as a project manager and an economic and business developer. During my tenure at GRE, I learned from my mentor Al Christianson that economic development is a marathon, not a sprint. While at GRE, I saw the completion of several major projects. The major projects were Spiritwood Station, Dakota Spirit Ethanol, Spiritwood Energy Park and the decommissioning and demolition of the Stanton Station. Thanks to your good work, I never got to complete the final project I was assigned. That project was the decommissioning and demolition of the Coal Creek Station. That was one project I did not want to complete. You did the impossible. When a power plant is marked for demolition, they don't make a comeback. Only in ND could this feat have been accomplished. You saved an industry, and the livelihoods of 1000's of North Dakotan's (many of my former co-workers and friends) and several ND communities.

The abundant oil and gas fields in the west were laid down millions of years ago. We have developed ingenious solutions that have allowed for hydraulic fracturing of the rock that contained the tightly trapped Bakken oil. We also passed thoughtful legislation that allows the industry to grow and prosper in an environmentally sound way. We are now the third largest oil-producing state in the U.S.

The latest prize that ND has lying beneath our feet is simply empty space (pore space) which is strategically placed between several layers of non-porous rock. Several years ago, our leadership had the foresight to obtain Class 6 primacy from the federal government. This primacy allows ND to permit its own CO2 injection wells. This has become an extremely valuable asset as of late with the passage of the Inflation Reduction Act and the allowance setting of pricing of sequestered CO2 at $85 per ton. It is estimated that ND has the capacity to store 250 billion tons of CO2 under its vast landscape. Preparation and planning now allow us to take full advantage of this to bring wealth into ND.

We have been busy the past two years bringing tens of billions of dollars of potential projects to the ND portfolio. These projects cover the spectrum from ag, to energy, autonomy,

technology, and manufacturing. We are taking a much more proactive approach and seeking out these opportunities.

Current biennium accomplishments, challenges

State of Energy Production

The Bakken oil play is naturally moving from an oil play to a gas play. The pipeline capacity moving natural gas from the Bakken to external markets is essentially full. Current production is approximately 3 billion cubic feet (BCF) per day, projections show that potentially doubling in the next decade. We need to actively develop projects that add value to natural gas and allow for full production and maintenance, and even increase tax revenue. Several large projects are proposed or underway right now that do just that, add value to the natural gas, near the source.

- Potential Value-Added Projects Utilizing Significant Volumes of Natural Gas
    - Gas to Liquids Project
    - Sustainable Plastics Project
    - Sustainable aviation fuel production facility
    - Fertilizer Production
    - Hydrogen Hub
    - Pipeline to Eastern ND
    - Three major soy processing plants (spread across the state)

Some highlights on some of those projects are as follows:

Gas to Liquids Project: A $3 billion facility to be built by Cerilon in Williams County. Gas to liquids (GTL) is a process that converts natural gas to renewable diesel fuel (14,000 barrels per day). This will be the first of its kind in North America and will have the lowest carbon footprint of any GTL plant when utilizing CO2 sequestration.

Sustainable Plastics Project: Newlight utilizes methane and ocean-based microorganisms to produce a biodegradable material that is an alternative to single-use plastic (AirCarbon). They currently have a facility operating in Huntington Beach, CA, and market their products retail and wholesale.

Produced Water Processing: Two separate entities are developing projects that will take produced water from oil production and process it to remove the salts from the water. These salts have commercial value as bases for producing several industrial chemicals. The most valuable salt that can be extracted is Lithium. Demand for battery production will make ND a major player in the lithium markets. It will also be one of the cleanest methods of producing lithium in the world.

Metal Ore Processing: A huge win for ND came with the announcement that Talon Metals will be locating a nickel processing plant in Mercer County. This facility will bring nickel mined in Northern Minnesota to be processed in Mercer County. The nickel processed will be sold on long-term contracts to battery manufacturers (Tesla). The facility has an approximate capital construction budget of $400 million. Talon Metals also received a $114 million Department of Energy grant (27% of the budget).

Grand Farm: Grand Farm facilitates agriculture technology collaboration and research bringing together researchers, growers, industry, startups, and government to solve some of the world's largest challenges in agriculture. It will provide acreage for the deployment of agriculture technology projects, rapid prototyping capabilities, and increased research and educational capacity. Senator Hoeven announced $1 million in federal appropriations to develop a partnership between Grand Farm, NDSU, and the U.S. Department of Agriculture's Agricultural Research Service. In 2022, Grand Farm was awarded a $10 million matching grant by the ND Legislature and Commerce to be used towards the building of the Innovation Facility.

Soy processing: Two years ago, there were no soybean processing facilities in the state, there will soon be four. Green Bison (ADM/Marathon) in Spiritwood, CGB/Minnesota Soy in Casselton, Epitome Energy in Grand Forks, and AIC Energy in Trenton. These facilities will shift the soy markets in ND by keeping those beans here and adding value in ND. Oil will be processed into renewable diesel and sustainable aviation fuel. The soy meal will open new markets in animal feed in ND. To maximize this value chain of soy meal, we need to work towards attracting more animal agriculture to the state.

Challenges

Growing portfolio

We have an ever-growing portfolio of projects we are managing. We are working diligently to implement several project management and efficiency tools to work smarter. We are working to streamline our work and seek out the value-added steps while trimming out the non-value-added steps. This is a delicate procedure since we absolutely want to maintain our reputation of outstanding customer service, while streamlining our processes.

NIMBY

We occasionally see some resistance to local development. The "Not in my backyard" problem comes to the table in some discussions. The best solution for this issue is excellent preparation of projects so that we understand as much as possible about project impacts before moving forward. The next thing is the simplest and yet the trickiest. Solid, constant, effective communication with local leadership is critical. We need to flood all the communication channels with positive, truthful information to reduce the false information that makes it out to the public. This is on us in Commerce to lead and make sure it happens on a regular cadence. To help facilitate this, Commerce will be working on a media relations kit to share with our local development partners.

Incentives

ND offers many generous and useful incentives for projects. What is becoming apparent though, is that the dollar of these incentives is becoming less effective as the net value of projects is going up. A decade ago, a project in the high $100 millions was a rare item. Today, that level is becoming common and now projects over the $1 billion mark are becoming more and more common. Our incentives packages need the ability to grow with the size of the projects we have in the portfolio now.

Valuing employees

As we have discussed, we are working on a portfolio of projects now that is 10 times what we were a few years ago. Our staff has not grown in numbers except to backfill a few positions and to ask for the addition of an Autonomy Office. We are working hard to streamline as much as possible to utilize as many technologies as are appropriate to manage our project load. With increased project load and extremely high inflation, we need to continually address the issue of compensation. We need to make sure we are compensating our team and that we can attract new talent as the need arises.

Next Biennium Goals & Plans

Carbon Capture, Sequestration and Use

We have a goal of carbon neutrality by 2030. A key to making this goal a reality is the geology of Western ND (250 billion tons of CO2 capacity). The Inflation Reduction Act sets the value of CO2 sequestered has been set at $85/ton. Importation of CO2 from ethanol plants from neighboring Midwestern states and Southeast ND is part of the solution. The Summit Carbon pipeline will open many opportunities in Western ND for carbon sequestration. In addition to the Summit Pipeline Project, ND is poised to take advantage of the sequestration funding of IRA with the implementation of Project Tundra. Project Tundra will capture and sequester the 100 million tons of CO2 from the Minnkota's Milton R Young Station. Other sites that are being evaluated for CO2 sequestration are the Rainbow Energy Center, Midwest AgEnergy's Blue Flint Biorefinery, and the industrial development west of Williston near Trenton.

Current incentives promote sequestration over use. There are many practical uses for CO2. Ironically, in a world where we are all worried about too much CO2 in the atmosphere, we are desperately seeking CO2 for industrial and municipal use. CO2 has many industrial uses - carbonation of beverages, a key nutrient feedstock in greenhouses, metal fabrication, cooling systems, fire suppression and as a feedstock for treating municipal wastewater and as a curing agent for concrete.

Red Trail Energy in Richardton is currently actively sequestering all its biogenic CO2 generated. They estimate that they are on schedule to sequester 180,000 tons per year of CO2. This is the first in the nation facility to become permitted under a State Class 6 Primacy to capture and sequester CO2.

Many of the projects (including foreign investors, like Sumitomo) we have been working with cite their driving factor is lowering their Carbon Intensity Score. This is only possible with a viable carbon sequestration opportunity in the state. It is a goal of Commerce to develop CO2 sequestration as a utility as readily accessible as power, gas or water supply. We are discussing with some companies about developing several carbon sequestration sites to be able to offer this service to companies considering locating to ND.

Synergy

With all of these projects in the portfolio, the most logical way to make the best and most efficient use of the resources and land we have available is to work to develop these entities in hubs or parks. The grouping of complementary facilities next to each other makes economic and synergistic sense.

We are promoting several of these hubs across the state. Several already exist or are planned (Minot Intermodal Site, Spiritwood Energy Park, Rainbow Energy Center, Trenton Eco Park). Commerce will work to find synergies between companies wanting to locate to ND. We will work to place them in the area that best suits their utility and logistics need. We will also work to co-locate entities that would gain synergy.

Fertilizer Projects

Several projects proposed are currently proposed in various locations across the state. ND imports 80% of its fertilizer products. The balance is imported (nationally and internationally). This is problematic as supply chain issues continue to disrupt markets. A single facility proposed would produce approximately 20-30% of the need in the state. Our farmers pay the highest prices in the country for fertilizer. Establishing an effective fertilizer production industry is a top priority for us in the next biennium.

Pipeline to Eastern ND

A pipeline to move gas from western ND to eastern ND was proposed in the 2021 legislative session. The legislature approved a $150 million fund to facilitate the construction of this pipeline. This pipeline would reduce the congestion of natural gas in Western ND while promoting development across North Central and Eastern ND. Fertilizer production and soy processing plants in Grand Forks would utilize natural gas supply from the Bakken. Private developers need to have commitments for a significant volume of the gas prior to committing to building the line. Commerce will work diligently to identify and lock down those developments that will support the project plan for the west to the east natural gas line. This effort will support the utilization of the overabundance of natural gas.

Hydrogen Hub

The EERC has submitted a concept paper to the Department of Energy. This concept paper has resulted in an invitation to submit a full application by April of 2023. 79 concept papers were submitted, with 33 being encouraged to submit a full application. Of those 33, 6-10 will be selected to receive a share of the $7 billion in grants to establish regional hydrogen hubs.

These will create a network of producers, consumers, and local connective infrastructure to accelerate the use of hydrogen as a clean fuel source.

ND's hydrogen hub is a combination of green and blue hydrogen, taking advantage of CO2 sequestration.

UAS/Autonomy

The commercial drone market is $24.39 billion and is forecasted to reach $504.5 billion by 2030. Industry growth is expected to be driven by regulatory advancements and technological innovations. ND is home to a strong UAS ecosystem having unique expertise, capabilities, and amenities that appeal to industry, academia, and federal agencies. Our Northern Plains UAS Test Site is one of only seven FAA-approved UAS test sites in the nation. Grand Sky, the nation's first UAS-focused business park, is poised to build upon its successes to date as its anchor tenants experience considerable growth. Vantis is a major project of the Northern Plains UAS Test Site and is designed to enable safe beyond visual line of sight (BVLOS) UAS operations across ND. The ND UAS ecosystem already features prominent companies such as Northrop Grumman and General Atomics; successful service providers such as ISight Drone Services, Frontier Precision, and SkySkopes; and rapidly scaling businesses such as Thread and Packet Digital.

Promoting the State

ED&F is in an enviable position right now that we get to guide the development of projects that are the most economically beneficial, most environmentally conscious, and the best fit for the citizens of ND. We evaluate these potential projects, help them identify the needs they have and pair them with the best locations in the state. The key here is that we can bring the best-suited projects to ND. We will do so by working hand in hand with both workforce development and community development growing in a controlled, organized manner. Economic development without consideration of workforce or community results in chaotic boom/bust cycles. Economic development with consideration to these two key elements results in strong, vibrant, economically stable communities.

With the incredible amount of project potential and potential volume of federal funding, we have organized an Energy and Economic Coordination Office within ED&F. The purpose of this office will be to coordinate the economic development efforts for the State in the energy sector. They will coordinate with all the various entities having expertise in various energy areas (ND Pipeline Authority, the ND Transmission Authority, the ND Department of Mineral Resources, ND University System, the EERC, EmPower ND, the Lignite Energy Council and the ND Petroleum Council.)

Funding

ND Investment Fund – Requesting funding at $30 million
LIFT – Request funding at $20 million
Innovate – Funding level request for biennium - $948,000

We also support the use of several other funding sources housed in other agencies. We support the continuation and enhanced funding of these sources:

Clean Sustainable Energy Authority – Funding at higher levels
Renewable Energy Authority – Very popular program
APUC – key first stop for new projects in the ag sector
Lignite Research Council
Oil & Gas Research Council
Bank of North Dakota – Retaining Earnings

Economic Development & Finance Budget Highlights

Budget Overview –
$300,000 increase for increased operating expenses
$10 million Automation Budget Grant
$22 million grants budget for Grand Sky
$30 million for Northern Plains Test Site

1 FTE – Office of Autonomy

<u>Federal Funding Opportunities</u>
Support of *Hydrogen Hub* Application *(IRA)*
Investigating opportunities in *Regional Technology & Innovation Hub (CHIPS ACT)*
State Energy Program
Several other programs are being investigated

<u>Summary</u>
In summary, ND has been doing amazing things. We have never feared hard work. Challenges have been a way of life here from the beginning, but so have opportunities. It is when we pair those challenges, hard work and opportunities, we make our own good fortune for the citizens of ND.

Chairman Nathe and committee members, this concludes my testimony. I ask for your support for House Bill 1018. I would be happy to answer any questions.

Thank you.

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HOUSE APPROPRIATIONS

January 9, 2023

NORTH Dakota | Commerce

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The North Dakota Department of Commerce works to improve the quality of life for North Dakota citizens by leading efforts to attract, retain and expand wealth. Commerce serves businesses and communities statewide through committed people and partners who offer valuable programs and dynamic services.

Commerce Video

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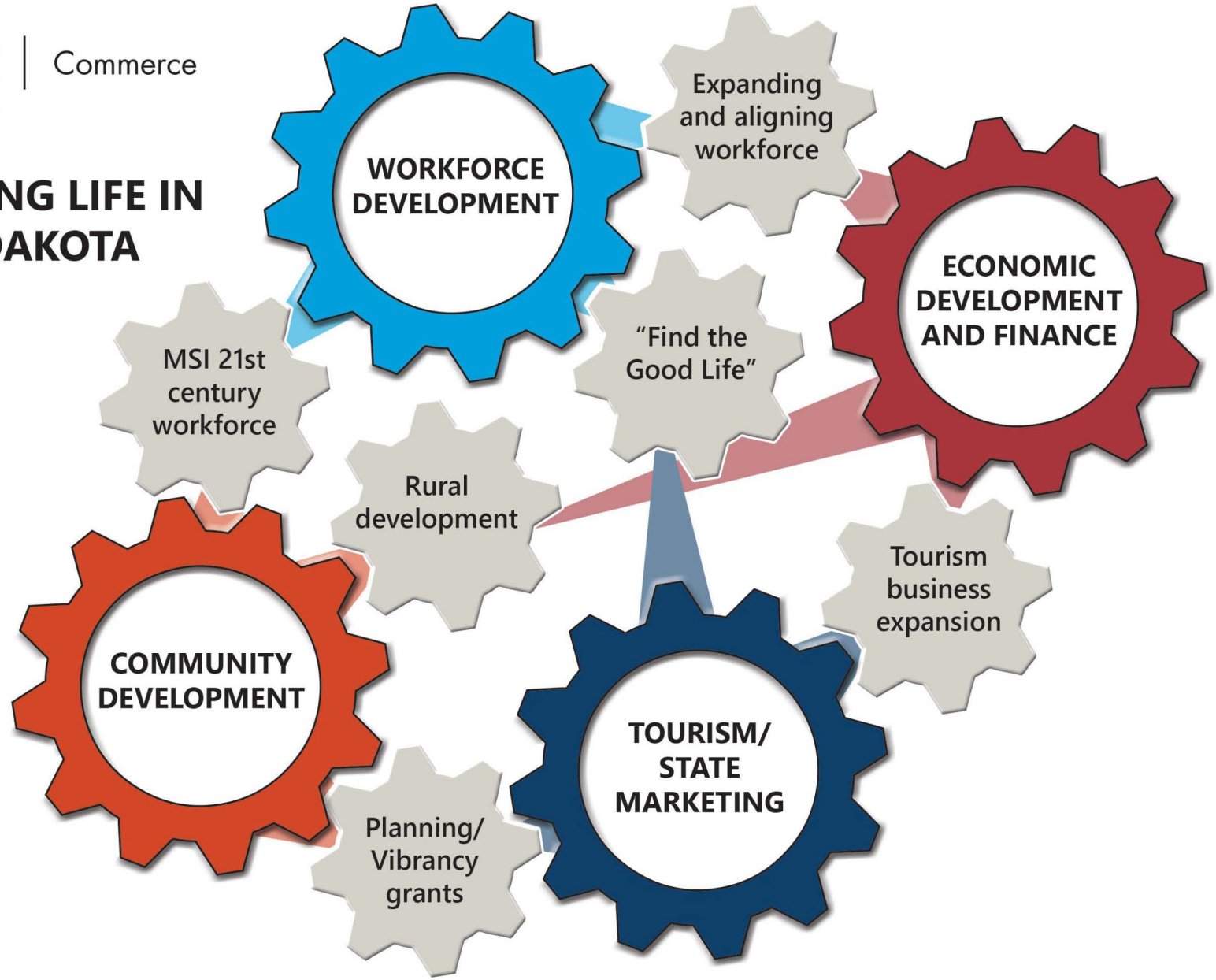
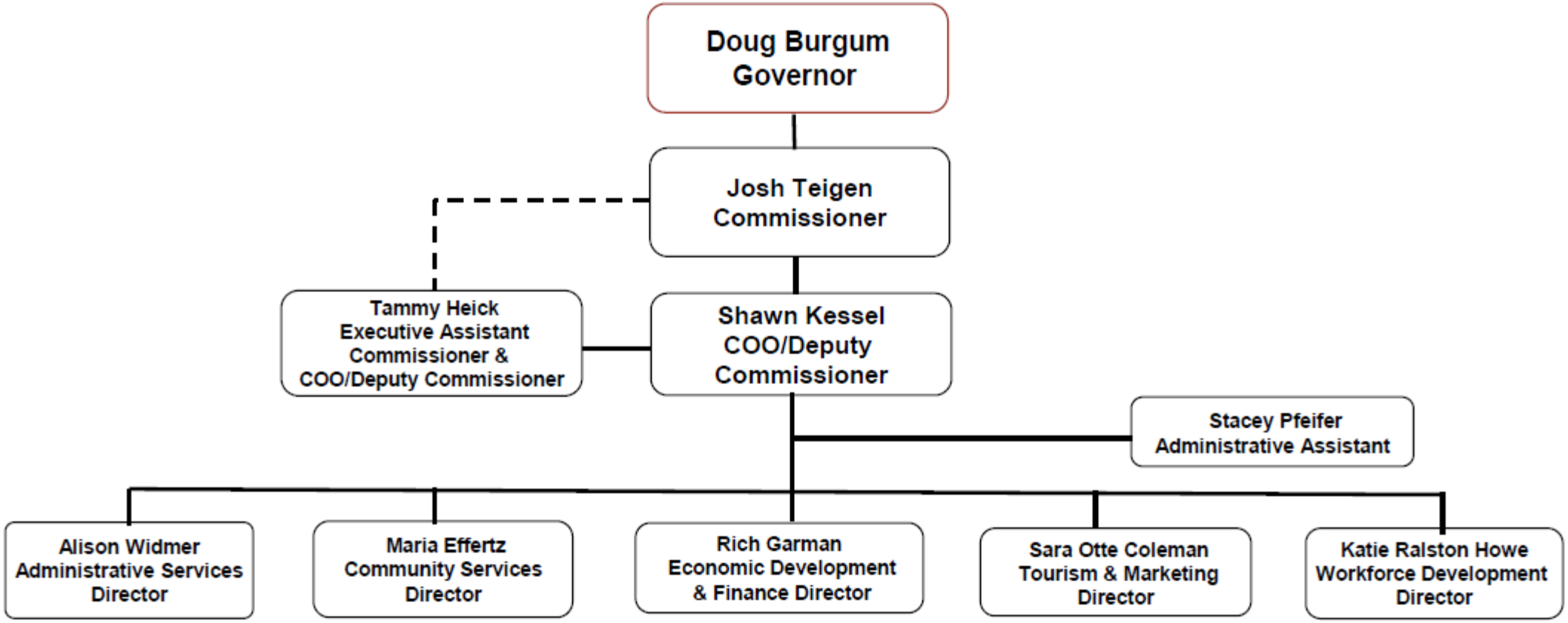
IMPROVING LIFE IN NORTH DAKOTA



ORGANIZATIONAL CHART



AUDIT

- Commerce LIHEAP Finding – lack of subrecipient risk assessments.
- Finding relates to the global pandemic.
- Corrective action plan has been completed as of December 31, 2022.

COMMERCE FTES

Current

58.8 FTEs – Fully Funded with Benefits

2023-2025

63.8 FTEs – Fully Funded with Benefits

2023-2025 - FTE Request

- Workforce Division (2 FTEs)
- Office of Automation (1 FTE)
- Community Services* (1 FTE) * May add three more
- Global Engagement (1 FTE)

SUPPORT FOR TOTAL REWARDS

$90M equity

- 6% year one
- 4% year two

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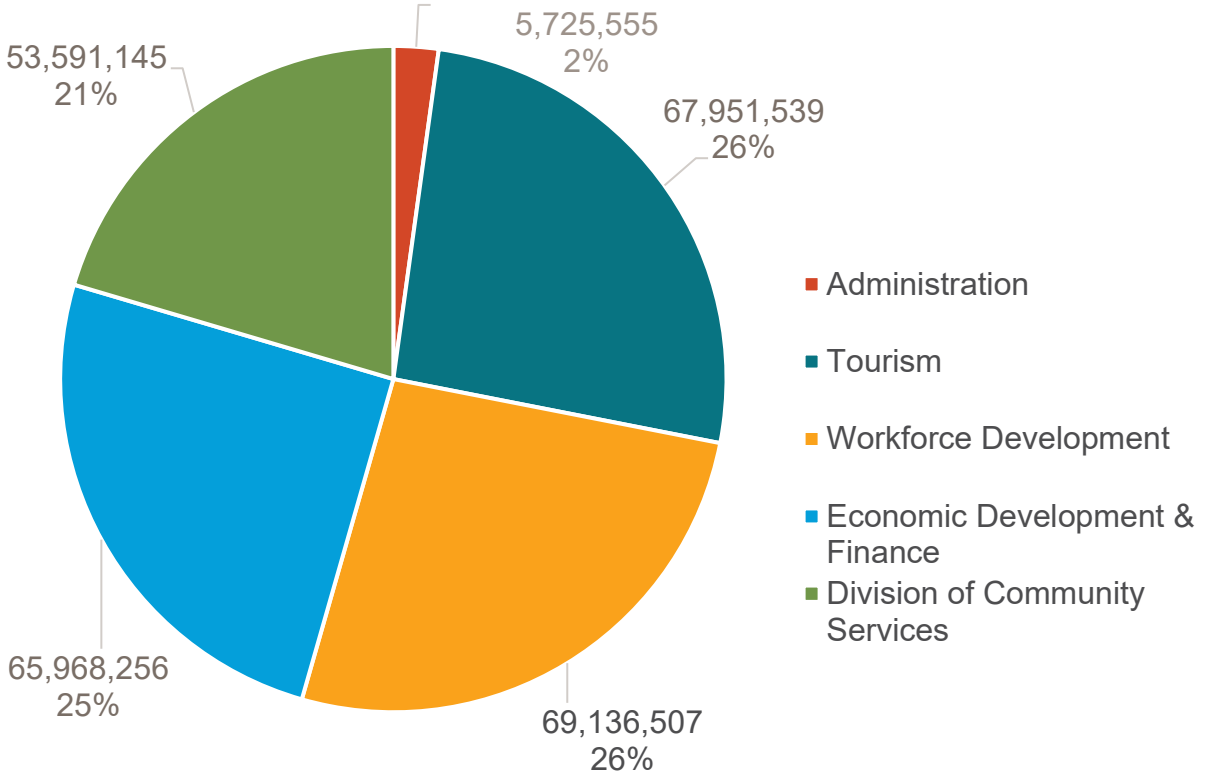
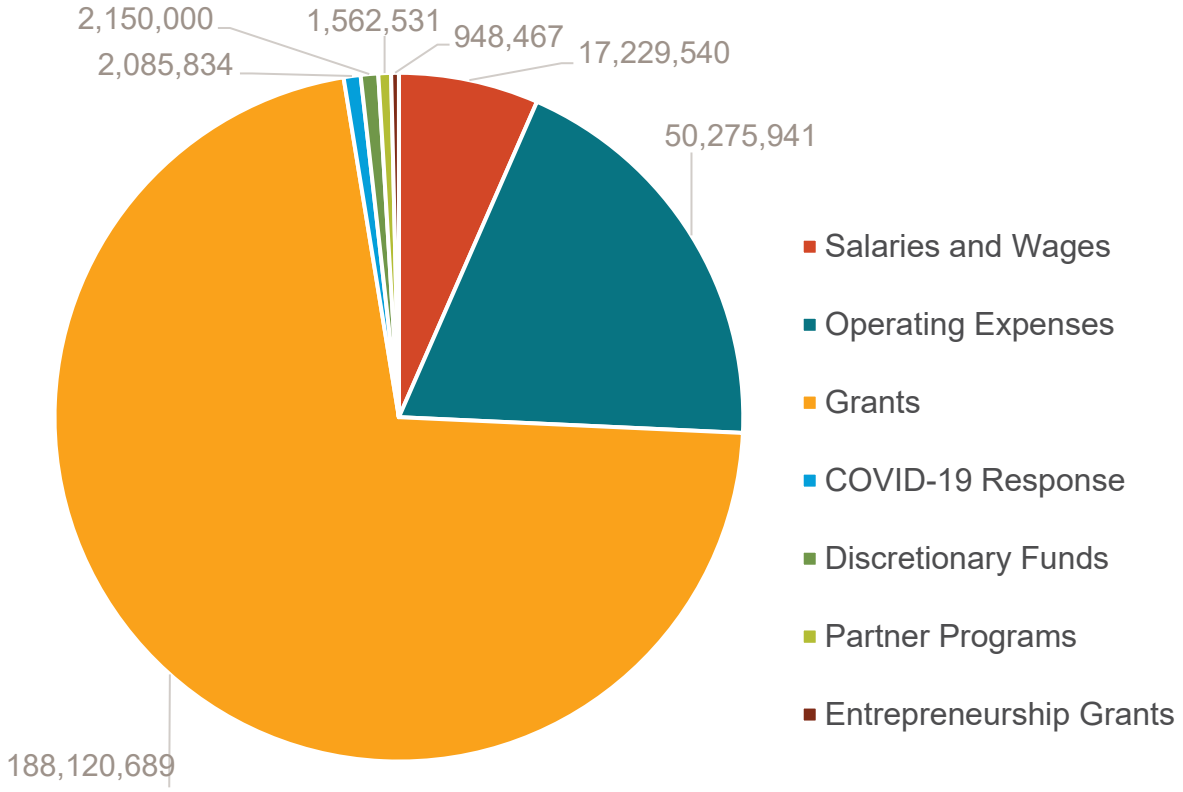
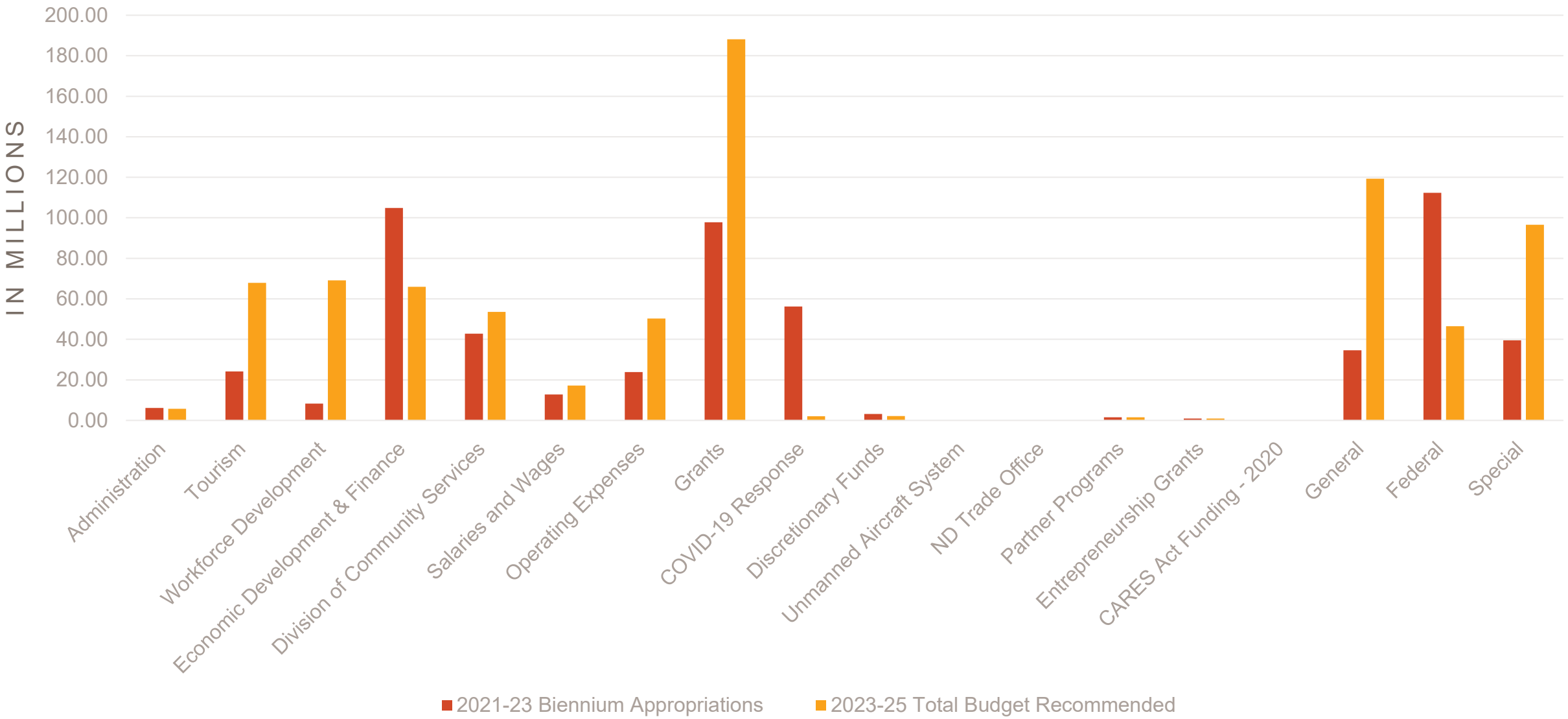
BUDGET – OPERATIONS OVERVIEW





BUDGET COMPARISON



ONE TIME FUNDING – LAST BIENNIUM

- Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant
- COVID 19 Response – State Small Business Initiative
- Discretionary Funds – Tourism Planning Grants
- Job Development and Economic Growth Grant
- Motion Picture Production and Recruitment Grant
- Technical Skills Training Grant
- Tourism Marketing
- Tourism Transportation Improvement Grants
- Travel Agency and Tour Operator Emergency Resiliency Grants
- Event Center Emergency Resiliency Grants
- Unmanned Aircraft System
- Workforce Grants to Tribally Controlled Community Colleges Workforce Safety Grant

ONE TIME FUNDING – PROPOSED 23-25

One Time Funding	
Workforce	
Workforce Investment Funding	$ 20,000,000.00
Talent Attraction	$ 24,797,060.00
Automation Workforce Transition Training Program	$ 5,000,000.00
Workforce Enhancement Grant	$ 2,000,000.00
Volunteer Generation Fund	$ 878,571.00
Tourism	
Destination North Dakota	$ 5,000,000.00
Destination Development Fund	$50,000,000
Community Development	
Rural Renewal Workforce Housing	$ 5,500,000.00
Community Development Grants	$ 800,000.00
Rural Revitalization and Redevelopment Grant Program	$ 10,000,000.00
Economic Development and Finance	
Northern Plains Unmanned Aircraft Systems	$ 30,000,000.00
Enhanced Use Lease - Grand Sky	$ 7,000,000.00
Automation Grant	$ 10,000,000.00
Transfers	
Workforce	
Internship Fund	$ 1,000,000.00
Economic Development and Finance	
North Dakota Development Fund	$ 30,000,000.00
Innovation Loan Fund	$ 20,000,000.00

21-23 SPECIAL SESSION FUNDS

	SB 2345 (60180)	Amount	Nov-22
North Dakota Development Fund	Section 35	$5,000,000.00	Transfer is pending
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$20,413.31
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$191,406.95
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$116,089.26
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

ANTICIPATED FORMULA ALLOCATION FEDERAL FUNDS '23-'25

The following was provided to legislative council in September 2022 regarding anticipated federal formula funds Commerce is anticipating to receive.

Program Name / Description	Estimated Federal Funds to be Received
Community Development Block Grant/State's Program	$8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000
Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135
Americorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	$ 54,018,402.50

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WORKFORCE DEVELOPMENT

The North Dakota Department of Commerce Workforce Development Division partners with other state agencies and public sector industry to deliver specialized programs and services to assist in enhancing the workforce of North Dakota.

It monitors and delivers workforce strategies for North Dakota such as:

- Ensuring employers have access to a skilled talent pool
- Growing opportunities for youth in careers and civic engagement
- Expanding volunteerism

Katie Ralston Howe, Director

WORKFORCE DEVELOPMENT

REGIONAL WORKFORCE IMPACT PROGRAM Current Biennium

Accomplishments

- Awarded 59 projects to date
  - Areas of focus: infrastructure investments, talent attraction, affordable housing, career exploration, career and technical education, workforce training, and child care.
- Supported expansion of 33 child care facilities; 1,590 new slots statewide

Challenges

- Limitations within federal funding source
- Modifying program during application window to accommodate applicant concerns
- Timeline to review and approve applications took longer than expected due to gaps and ineligibilities in proposals
- Program end date is causing concern for recipients

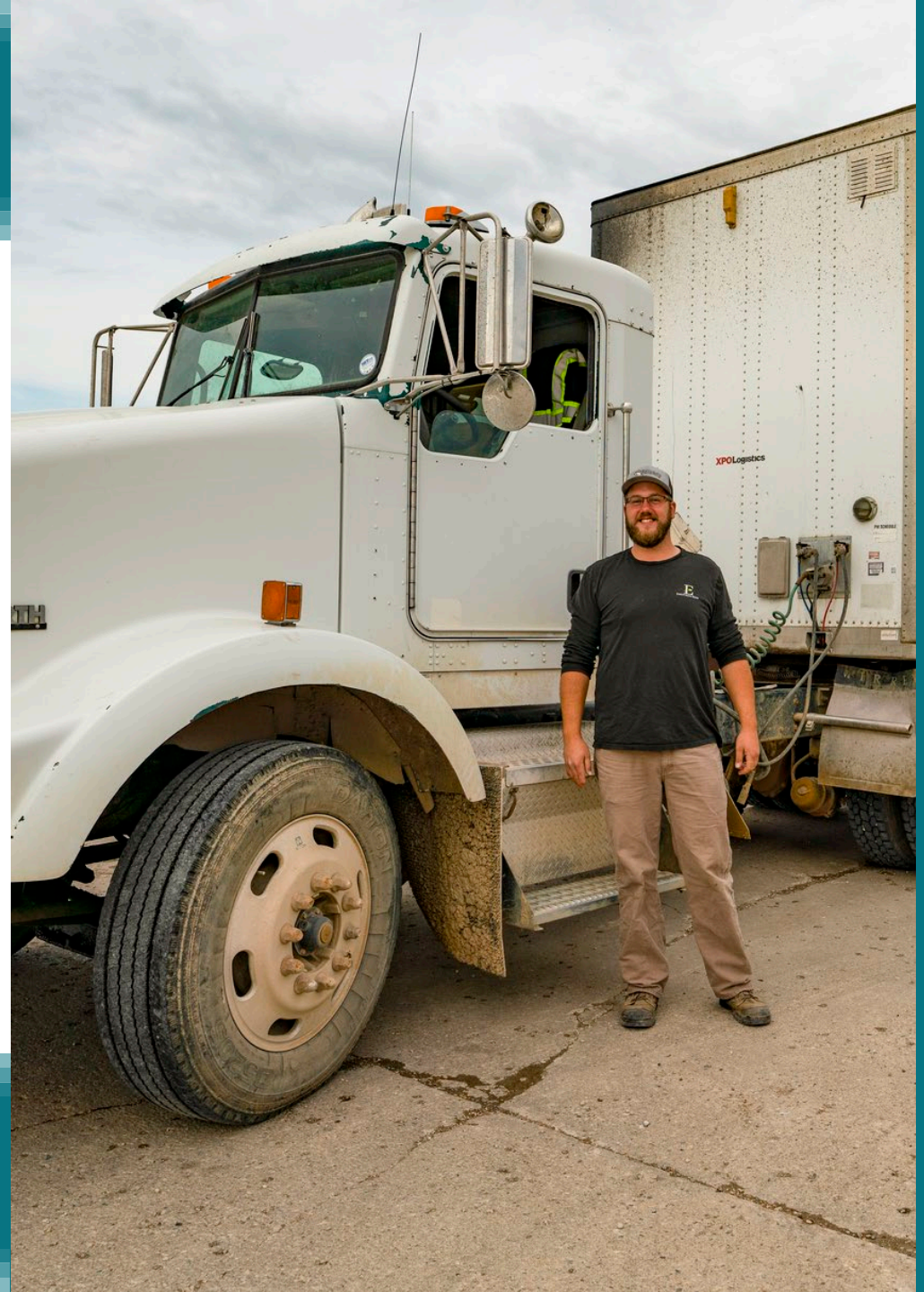
Funding

- 2021-2023: $15 million (ARPA); $14,218,377.14 awarded to date

WORKFORCE DEVELOPMENT

TECHNICAL SKILLS TRAINING GRANT CURRENT BIENNIUM

- Accomplishments
  - Expanded program to include incumbent worker training
  - 20 programs supported this biennium
  - Examples: welding, CNA, CDL, software development and cyber security, UAS, and more.
  - Training providers include businesses, community colleges, area career and technology centers
- Funding
  - 2021 Regular Session: $1M (CRF); $509,171 expended
  - 2021 Special Session: $3M (ARPA); $626,705 awarded



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WORKFORCE DEVELOPMENT

WORKFORCE INNOVATION GRANT Current Biennium

Accomplishments

- Working to identify most innovative opportunities within ARPA guidelines

Challenges

- Administrative burden and challenges with RWIP caused Workforce Innovation Grant to stall
- Initial vision for grant is not allowable under ARPA guidelines
- Challenges in hiring a temporary employee to administer ARPA grant programs

Funding

- 2021-2023: $2M (ARPA); requesting carryover authority

WORKFORCE DEVELOPMENT

OPERATION INTERN, AMERICORPS – Current Biennium

OPERATION INTERN

Accomplishments

- 148 businesses
- 470 interns

Challenges

- Demand was higher than available funding
- $824,358

Funding

- 2021-2023: $755,000

AMERICORPS

Accomplishments

- Increased number of projects; now at six
- Recruited 150+ AmeriCorps members
- 62 service locations

Funding

- Federal: $3.8M
- State match: $108,302

WORKFORCE DEVELOPMENT

FIND THE GOOD LIFE IN ND Current Biennium

Accomplishments

- Have 1,106 leads in the pipeline in six months
  - 29% to move immediately
  - 66% within 0-6 months
  - 78% new to ND
  - 9 relocated participants
  - 308 resumes
- Built a network of 60 community champions to assist job seekers
- 316 leads connected to champions

Challenges

- Establishing direct connections between job seekers and employers

Funding

- $410,000 discretionary funds

FIND THE goodlife in North Dakota

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WORKFORCE DEVELOPMENT

NEXT BIENNIUM GOALS AND PLANS

- Build on FTGL to expedite conversion timeline and increase number of job seekers/families who relocate to ND
- Create more flexibility and opportunities for innovation in RWIP
- Lean into skilled workforce training and try to be more proactive in pursuing new programs

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WORKFORCE DEVELOPMENT

Budget

- Operating Budget: $1M
- Regional Workforce Impact Program: $20M
  - Carryover Authority + 1 FTE
- Technical Skills Training Grant: $2M
  - Carryover Authority
- Workforce Innovation Grant: Carryover Authority ONLY
- Find the Good Life: $12M (additional $12M in Tourism & Marketing Budget)
- Automation Enhancement Workforce Training Grant: $5M

TOURISM & MARKETING

We build a positive public image of North Dakota as a dynamic place to live and work. By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.

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

Sara Otte Coleman, Director

TOURISM & MARKETING

Current biennium accomplishments, challenges

- Media outreach resulted in 4,019 instances - up 821% - reaching 20.2B
- Tourism advertising reached 333 million resulting in 285,000 click-throughs and 15.2M video completions
- Domestic road trips tracked 7.9M trips
- Hotel occupancy was up 11.9%, RevPAR up 23.9%. Lodging tax up 37%
- Global tours up 9.6%
- NDtourism.com – updated and improved, welcomed more than 2M visits

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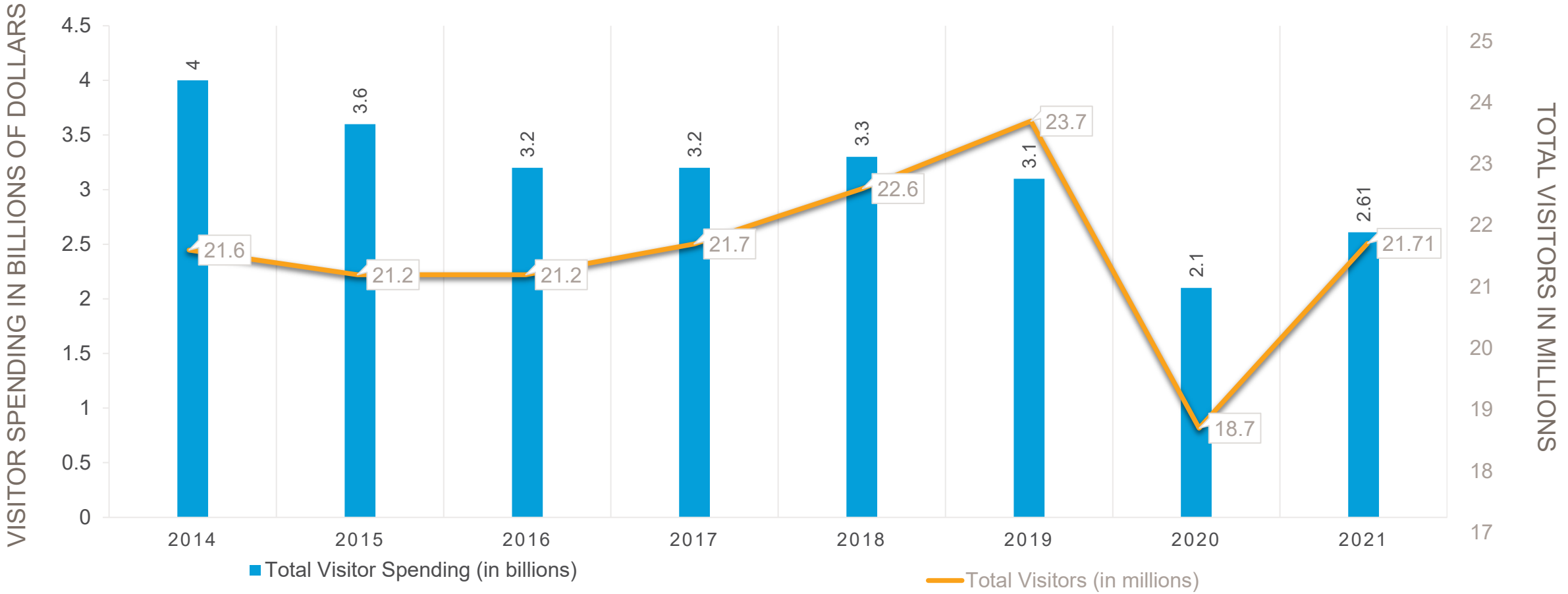
VISITOR SPENDING IN NORTH DAKOTA



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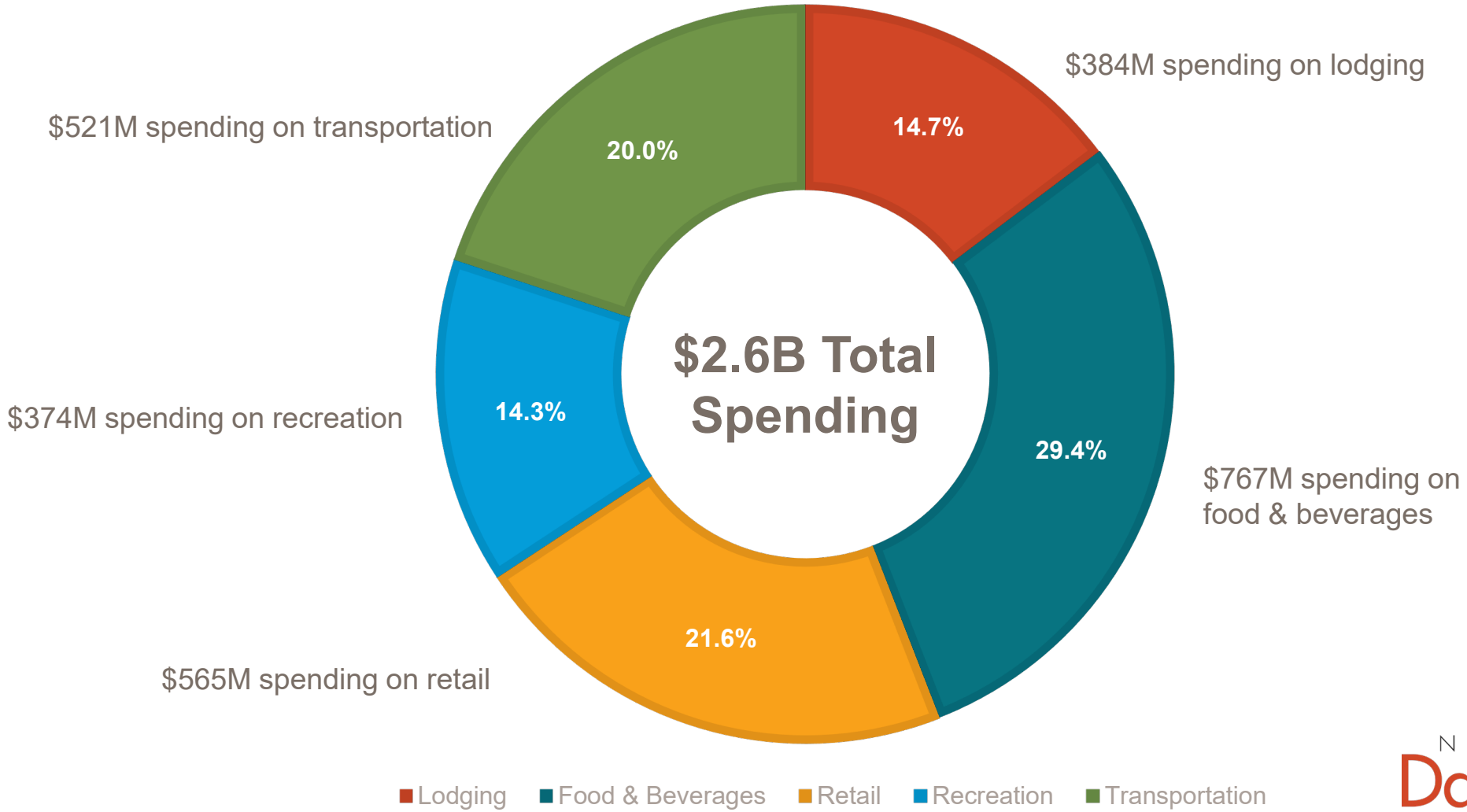
VISITOR SPENDING TOUCHES VARIOUS SECTORS

TOURISM INDUSTRY SALES IN NORTH DAKOTA, 2021



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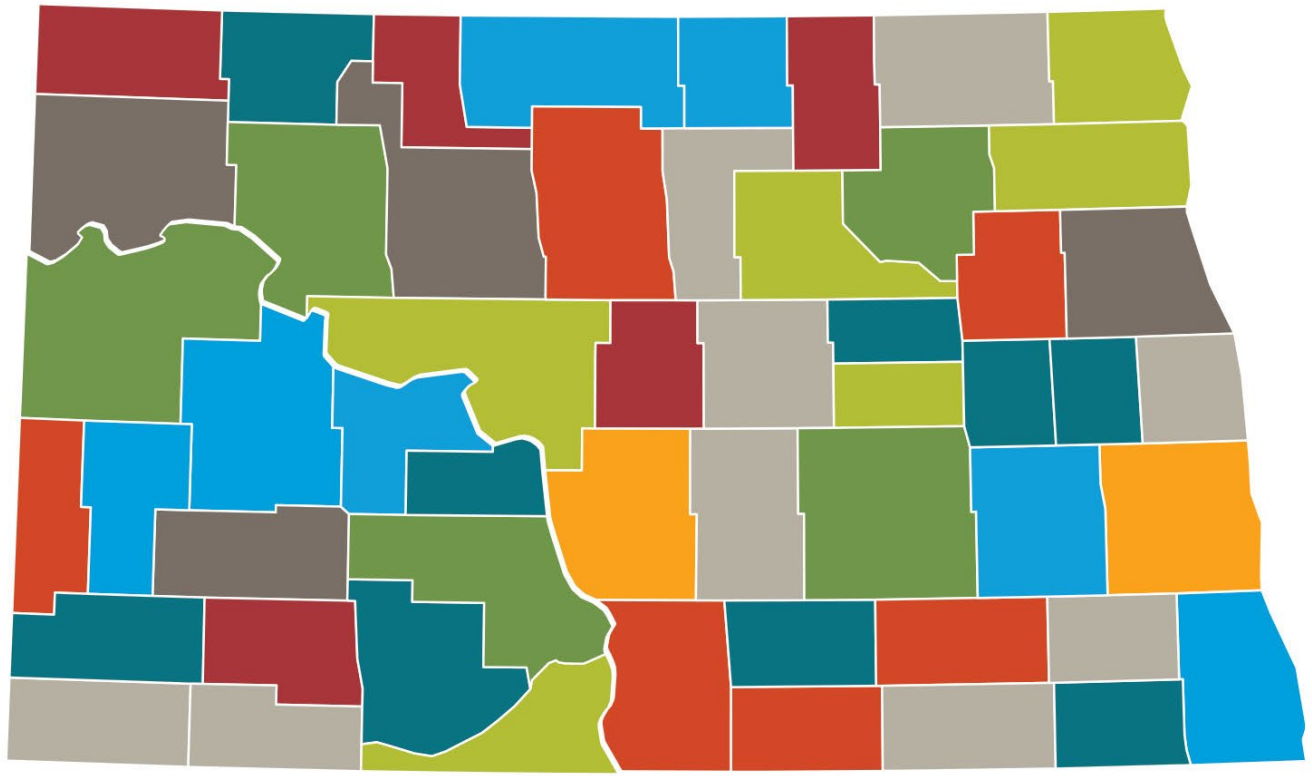
VISITOR SPENDING BY COUNTY

- Under $2M
- $2-4M
- $4-8M
- $8-16M
- $16-30M
- $36-100M
- $100-400M
- $400-850M



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

NORTH Dakota Be Legendary.

TOURISM & MARKETING

CURRENT BIENNIUM ACCOMPLISHMENTS, CHALLENGES

- Halo effect of seeing tourism advertising improves North Dakota's image
  - 12.5% advertising seen
  - 26.2% advertising seen + visit to ND

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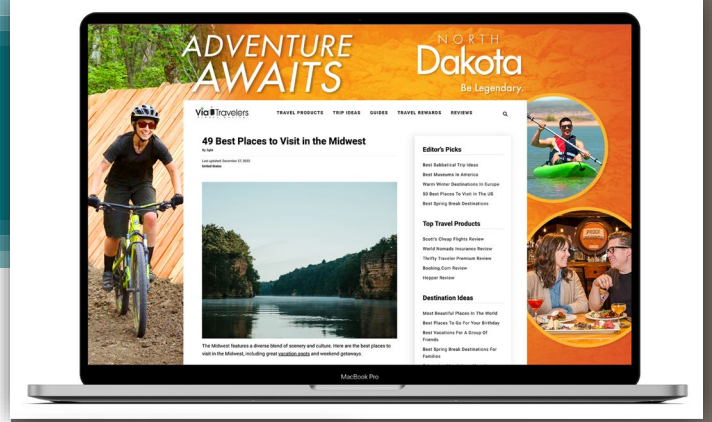
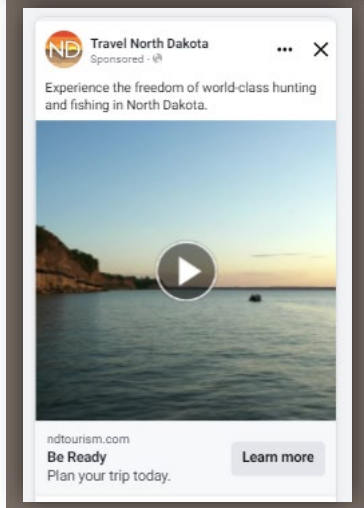
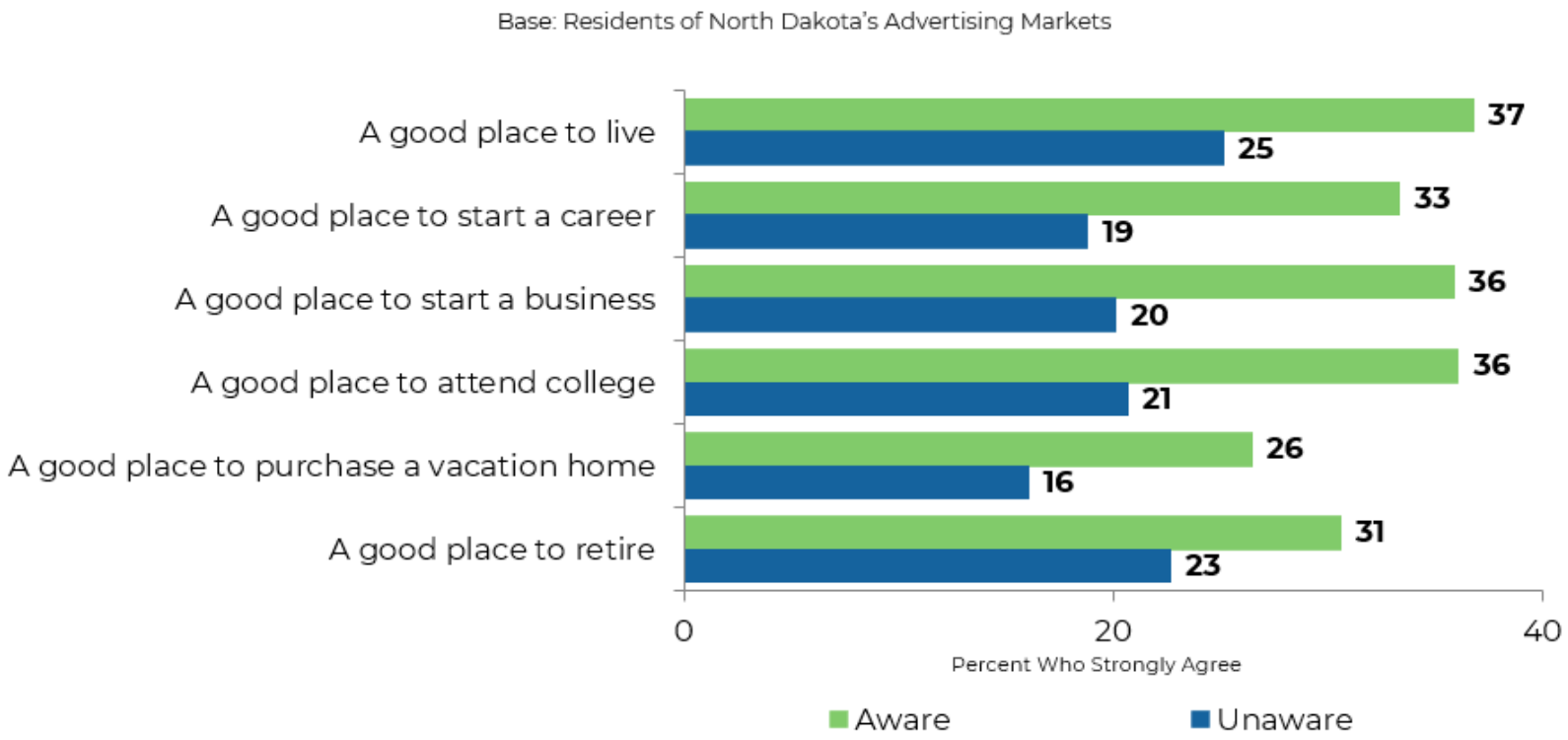




Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Advertising Impact

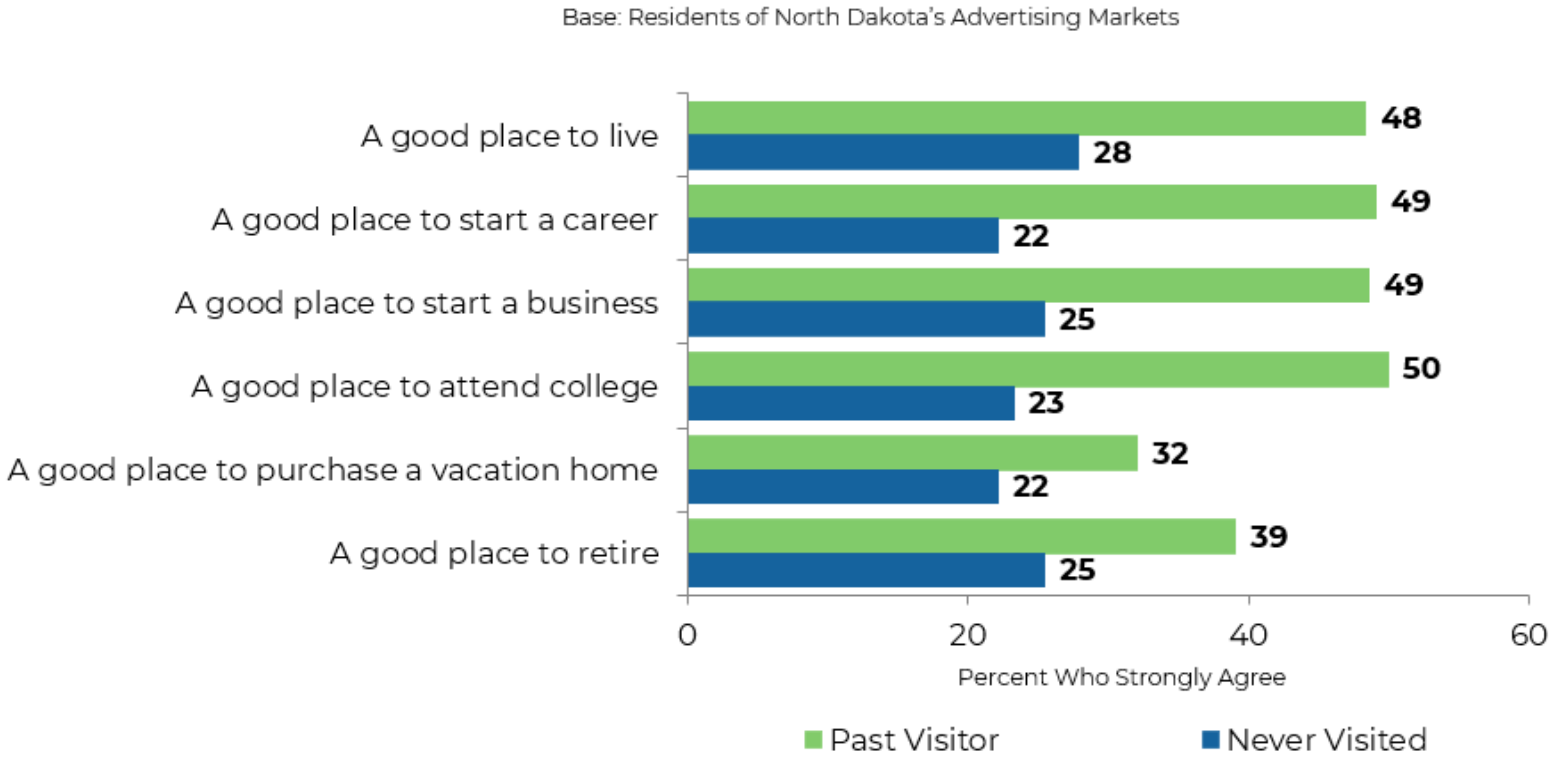


2019 North Dakota Image & Halo Effect Study

TOURISM & MARKETING

Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Visitation Impact



TOURISM & MARKETING

Current biennium accomplishments, challenges

Find the Good Life

- Updated logo, website and targeting
- Campaign drives interested relocators into pipeline
  - $438,000 resulted in 11M impressions, 55,000 visitors and 5,150 conversions
- Synergies between tourism, talent attraction and economic development

Tourism business development

- Focus on recruiting and attracting new tourism businesses and offerings

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TOURISM & MARKETING

Next Biennium Goals and Plans

Marketing to address – Lack of Awareness for North Dakota

- $5M (one-time) addition to tourism marketing
- $12-$15M – Find the Good Life marketing
- Break-through creative
- Synergy between tourism and workforce
  - 76% of new residents visited North Dakota prior to moving
  - Cross-sell to both audiences
  - Using best from 2022, to grow conversions and visitation
  - Potential new channels and longer campaigns

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TOURISM & MARKETING

NEXT BIENNIUM GOALS AND PLANS

Destination Development

- Dedicated staff person and plan
- Value-added recreation and tourism
- Destination development fund - $50M
  - Encourage non-state investments (1:1 match) in new and expanded attractions
  - New visitors, revenue, new residents, quality of life
  - Destination Development Council – goal legacy projects

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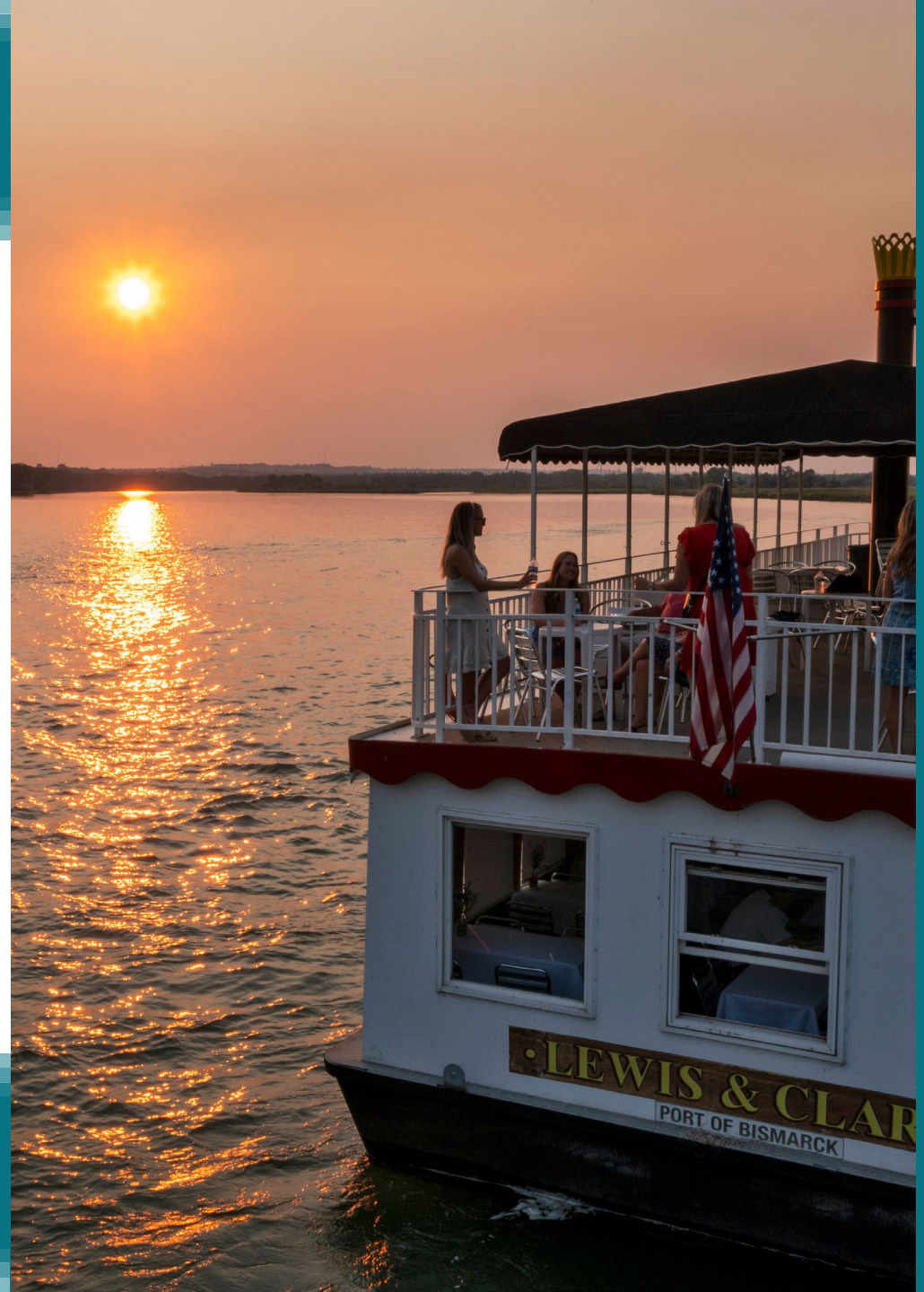

TOURISM & MARKETING

BUDGET

- $100,000 to cover operating expenses
- $5M addition to tourism base budget for destination marketing
- $50M for Destination Development Fund grants
- $12M for workforce recruitment marketing – Find the Good Life in North Dakota

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TOURISM & MARKETING

One-Time Funding

2021-2023

- Film and theater production grant – The full $100,000 has been expended.
- Tourism marketing – $7M Cares Act dollars to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
- Travel agent and tour operator grants – $1.4M of $2M awarded to 24 applicants
- Events and support service grants – $2M awarded to 28 applicants
- Tourism Transportation Improvement Grant – $565,432 awarded to accessibility project
- Tourism Planning Grants – $1M transferred from 1015 supported 5 tourism planning grants to support future tourism development

2023-2025

- $5M tourism marketing

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TOURISM & MARKETING

FEDERAL FUNDING

- EDA Non-competitive Grant North Dakota for Tourism and Outdoor Recreation
  - $1.3M state marketing targeting outdoor enthusiasts and leisure travelers will allow 2023 spring/summer campaign
  - $250,000 to support digital information compilation and distribution
    - Pilot program to enhance Apple Creek Rest area to better sell North Dakota

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COMMUNITY SERVICES

Provides the people of North Dakota with effective, efficient and customer-oriented administration of federal and state programs for:

- Community Development
- Energy Efficiency
- Housing
- Self Sufficiency

Maria Effertz, Director

COMMUNITY SERVICES

CDBG and CSGB - Current Biennium Accomplishments, Challenges

Community Development Block Grant (CDBG)

- Provide grants to local governments with public facilities, economic development, housing and public services. Primary beneficiaries must be low to moderate income.
  - 2020 Award from HUD $3,961,967
  - 2021 Award from HUD $4,023,769
- CDBG CARES Funding - DCS received an additional $6.1M

Community Services Block Grant (CSGB)

- Locally designed to promote self-sufficiency, family stability and community revitalization.
  - Impacted 35,246 low-income individuals
    - 13,000 children; 5,605 persons with disabilities; 5,379 people who lacked health insurance
  - CSGB CARES Funding - DCS received additional $4,209,178.50
    - Community Action Agencies assisted 4,984 low-income clients in 2020 and 2021

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COMMUNITY SERVICES

Weatherization Assistance Program - Current Biennium Accomplishments

Weatherization/LIHEAP goals are to increase energy efficiency in homes for low-income persons across the state

- 1,200 homes have been weatherized since January 1, 2020, including 623 families with children.
- Weatherization program shows an ROI of $2.78 in non-energy benefits for every $1 invested in the program.

Request authority to receive and spend with Emergency Clause

- $15,131,495 in federal funds from Infrastructure Investment and Jobs Act (IIJA)
- Two FTEs to support and administer additional funding

COMMUNITY SERVICES

Emergency Shelter Grants (ESG) and ND Homeless Grant (NDHG) current biennium accomplishments

The ESG and NDHG provide financial assistance to facilities and programs across the state.

- 10,471 persons served by Homeless grants
- CARES ESG - An additional $5,142,580 was received and distributed to provide support to the ESG grant.

Request transfer to North Dakota Housing Finance Agency (NDHFA)

- $1,387,341 in federal funds for ESG
- $1,330,212 in state Homeless grant funds.

COMMUNITY SERVICES

STATE ENERGY PROGRAM, CURRENT BIENNIUM ACCOMPLISHMENTS, CHALLENGES

- Promoting energy conservation and efficiency with a variety of grant resources including energy education, installation of energy efficient features and new and expanding energy technology.
  - $1.34M in project funding to 42 projects across the state
- Request ability to receive and expend federal funds with an emergency clause:
  - $20M IIJA SEP
  - $90M IRA SEP
  - 1 FTE

COMMUNITY SERVICES

Main Street Initiative, current biennium accomplishments, challenges

- 99 communities engaged through the Main Street program
- Partners in Planning Grants
  - 20 communities in the amounts of $169,587.
  - ROI 25:1 - The total state and local investment for these grants totaled over $10M
- Vibrancy Grants
  - 59 grants totaling $73,528
  - ROI 10:1
- Youth involvement
  - Launching leadership, youth participation in community meetings, active engagement in tribal areas
- EDA funded six communities with $506,000 in Placemaking grants

COMMUNITY SERVICES

ONE-TIME FUNDING

- Community Planning and Community workforce enhancement
  - $800,000 community development/comprehensive planning and community vibrancy grants
  - Partnership/collaboration with EDA on implementation of placemaking projects

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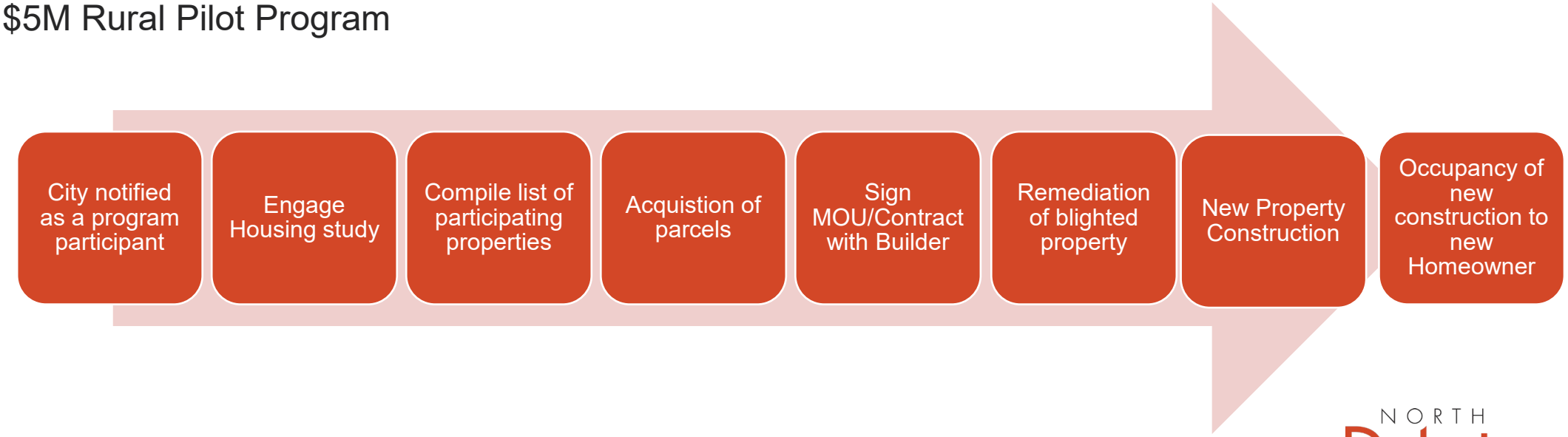
COMMUNITY SERVICES

One-time Funding

Rural Workforce Housing Pilot Program

- Effectively re-use existing infrastructure while engaging the private sector.
- Targets workforce housing for the displaced, blight and unsafe properties and the effective reuse of existing infrastructure for in-fill housing development.
- $5M Rural Pilot Program



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COMMUNITY SERVICES

One-time Funding

Rural Revitalization and Redevelopment Pilot Program *(removal of slum and blight)*

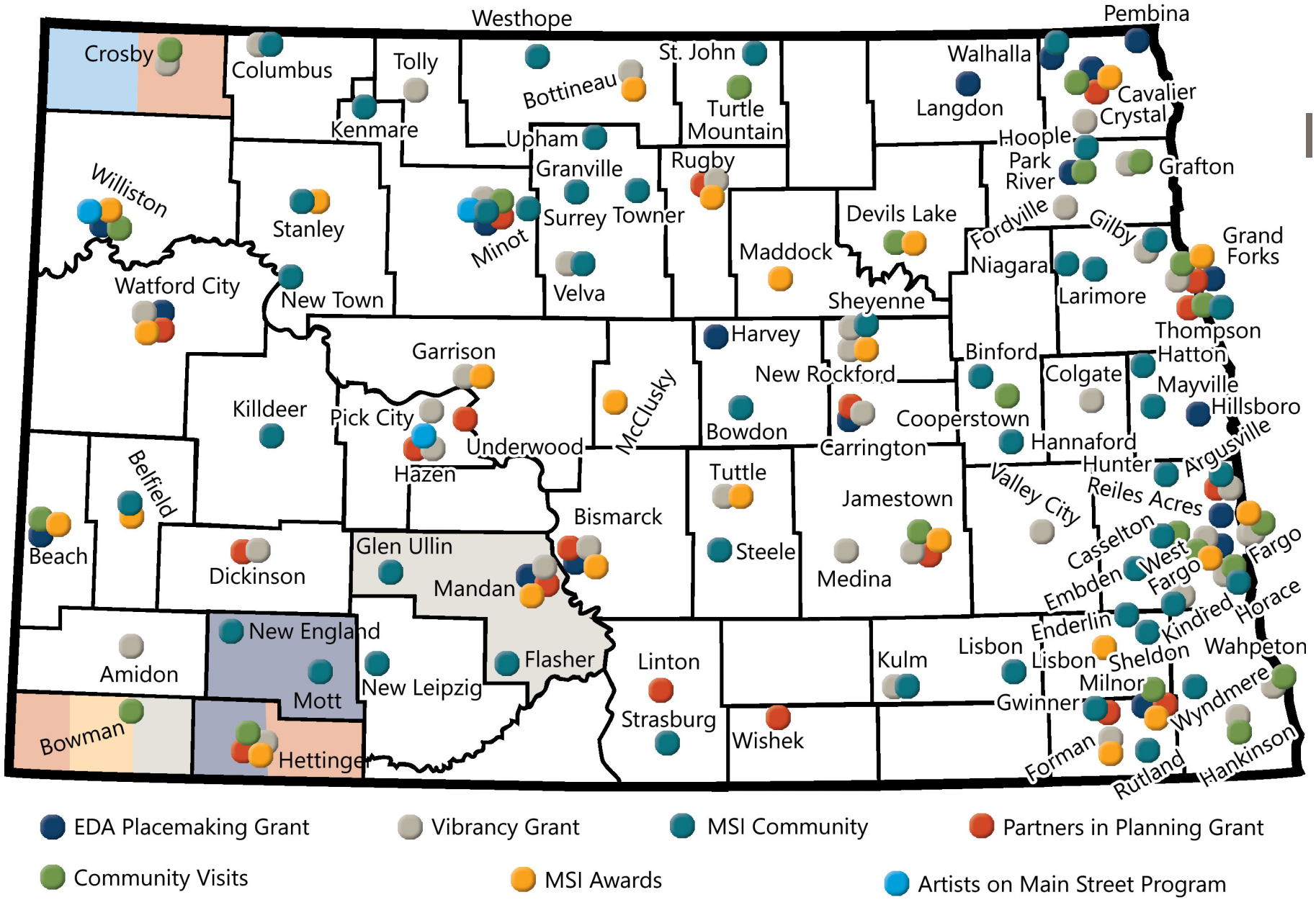
Reinvesting in public properties increases local tax bases, facilitates job growth, utilizes existing infrastructure, takes development pressures off undeveloped, open land, and both improves and protects the environment.

- $10M pilot program available to publicly owned buildings/areas
- Work jointly with DEQ and other state/local agencies
- Funding provided to assist but requires redevelopment plan and local participation

Community Planning and Community Workforce Enhancement

- $800,000 Community Development/Comprehensive Planning and Community Vibrancy grants
- Partnership/collaboration with EDA on implementation of placemaking projects

MSI Impact


Westhope
Pembina
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Columbus
Tolly
Bottineau
St. John
Walhalla
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Crystal
Kenmare
Turtle Mountain
Langdon
Upham
Hoople
Park River
Grafton
Granville
Rugby
Williston
Stanley
Surrey
Towner
Devils Lake
Fordville
Gilby
Grand Forks
Minot
Maddock
Niagara
Larimore
Watford City
Velva
Sheyenne
New Town
Harvey
Thompson
Hatton
Garrison
Binford
Colgate
Mayville
New Rockford
Killdeer
McClusky
Hillsboro
Pick City
Bowdon
Cooperstown
Hannaford
Underwood
Carrington
Argusville
Hunter
Tuttle
Belfield
Reiles Acres
Jamestown
Valley City
Bismarck
Casselton
Beach
Glen Ullin
Steele
West Fargo
Fargo
Dickinson
Medina
Embden
Mandan
Enderlin
Kindred
Horace
New England
Lisbon
Wahpeton
Amidon
Flasher
Linton
Kulm
Lisbon
Sheldon
New Leipzig
Milnor
Mott
Gwinner
Wyndmere
Strasburg
Wishek
Bowman
Hettinger
Forman
Rutland
Hankinson
EDA Placemaking Grant
Vibrancy Grant
MSI Community
Partners in Planning Grant
Community Visits
MSI Awards
Artists on Main Street Program

COMMERCE OFFICES

- Energy & Economic Coordination Office
- Global Engagement Office

Shawn Kessel

GLOBAL ENGAGEMENT OFFICE

Foreign Direct Investment (FDI)

The North Dakota Global Engagement Office offers customized services to help international companies looking to:

-locate *-expand* *-invest in* *-and/or acquire*

businesses in North Dakota to grow and diversify the state's economy.

The office is an *advocate* and *liaison* between foreign investors and federal, state, and local governments in North Dakota.

Connecting foreign businesses with ND companies/opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

Example: Doosan/Bobcat - South Korea

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COUNTRIES FORMALLY ENGAGED SINCE 2020

Consulate Relationship

Governor led mission

Business Activity in ND

GLOBAL ENGAGEMENT OFFICE

MISSION GOALS

1. Hold a Governor led investment mission once every two years
2. Hold a Commissioner led mission annually
   - Economic Development
   - Workforce
   - Tourism
3. Engage at least five countries annually (Consulates/Embassies)

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ECONOMIC DEVELOPMENT & FINANCE

Strategic economic development is important to communities across North Dakota. This proactive work to support economic diversification, community building and workforce development keeps North Dakota growing.

Business incentives, government accessibility, and workforce performance, combined with North Dakota's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in North Dakota.

Rich Garman, Director

ECONOMIC DEVELOPMENT & FINANCE

Current biennium accomplishments, challenges

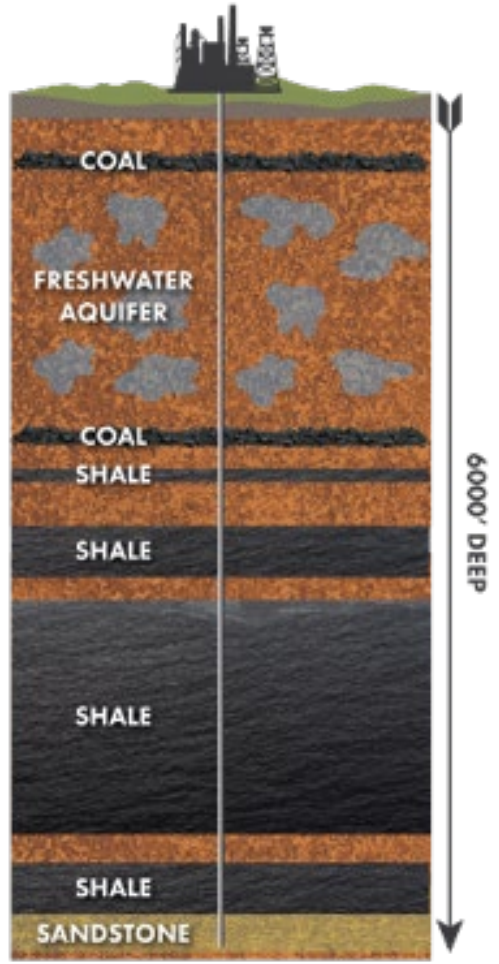
- Gas to liquids project
- Sustainable plastics project
- Soy processing plants X 4
- Grand Farm
- Grand Sky
- Produced water processing
- Nickel processing facility
- Produced water processing

- Growing portfolio
- Local resistance to development
- Misinformation on projects
- Incentive values
- Compensation

ECONOMIC DEVELOPMENT & FINANCE

Next Biennium Goals & Plans

- Carbon capture, sequestration and use projects
- Develop several hubs (parks)
- Establish fertilizer producer
- Develop natural gas pipeline to east
- Support hydrogen hub
- Continue to bring in various projects seeking more business-friendly environment
- Support the existing incentives and help mature the portfolio of incentives to match the current project load
- UAS/Autonomy
- Energy & Economic Coordination Office



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ECONOMIC DEVELOPMENT & FINANCE

BUDGET

- $300K increase for operating expenses
- $10M Automation Budget Grant
- $22M Grants budget for Grand Sky
- $30M for Northern Plains Test Site

- 1 FTE – Office of Autonomy

ECONOMIC DEVELOPMENT & FINANCE

ONE-TIME FUNDING

- ND Investment Fund - $30M
- LIFT - $20M
- Innovate ND - $948K

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ECONOMIC DEVELOPMENT & FINANCE

FEDERAL FUNDING

- Hydrogen Hub
- CHIPS For America
- State Energy Program
- Inflation Reduction Act

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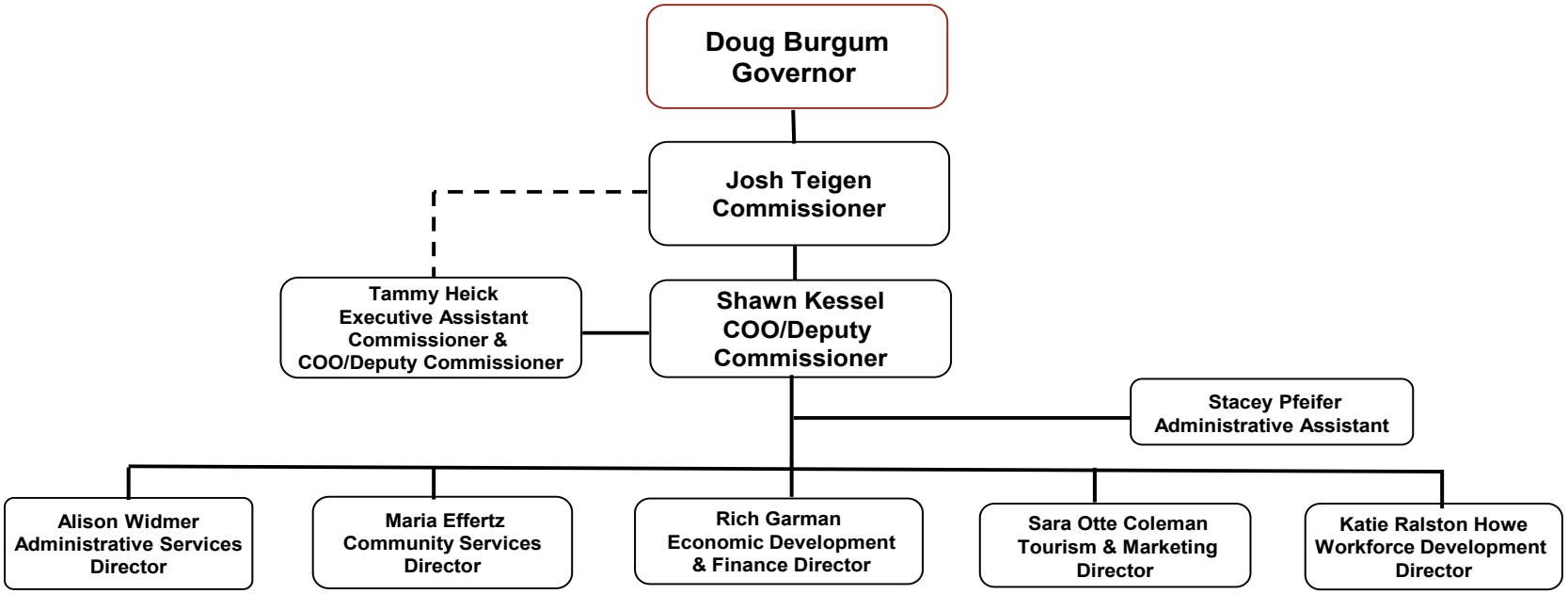
Department of Commerce Organizational Chart



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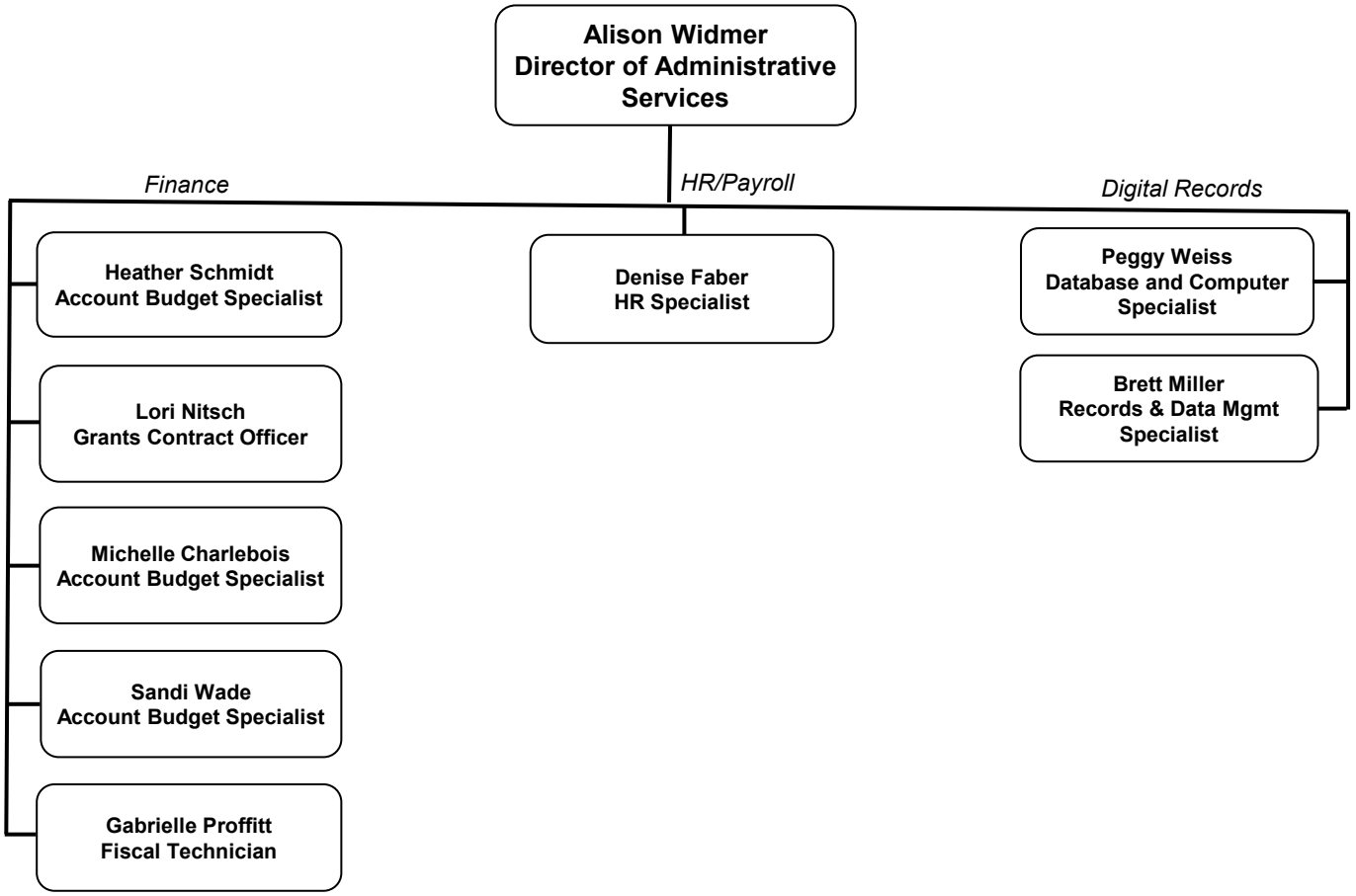
Administrative Services Organizational Chart



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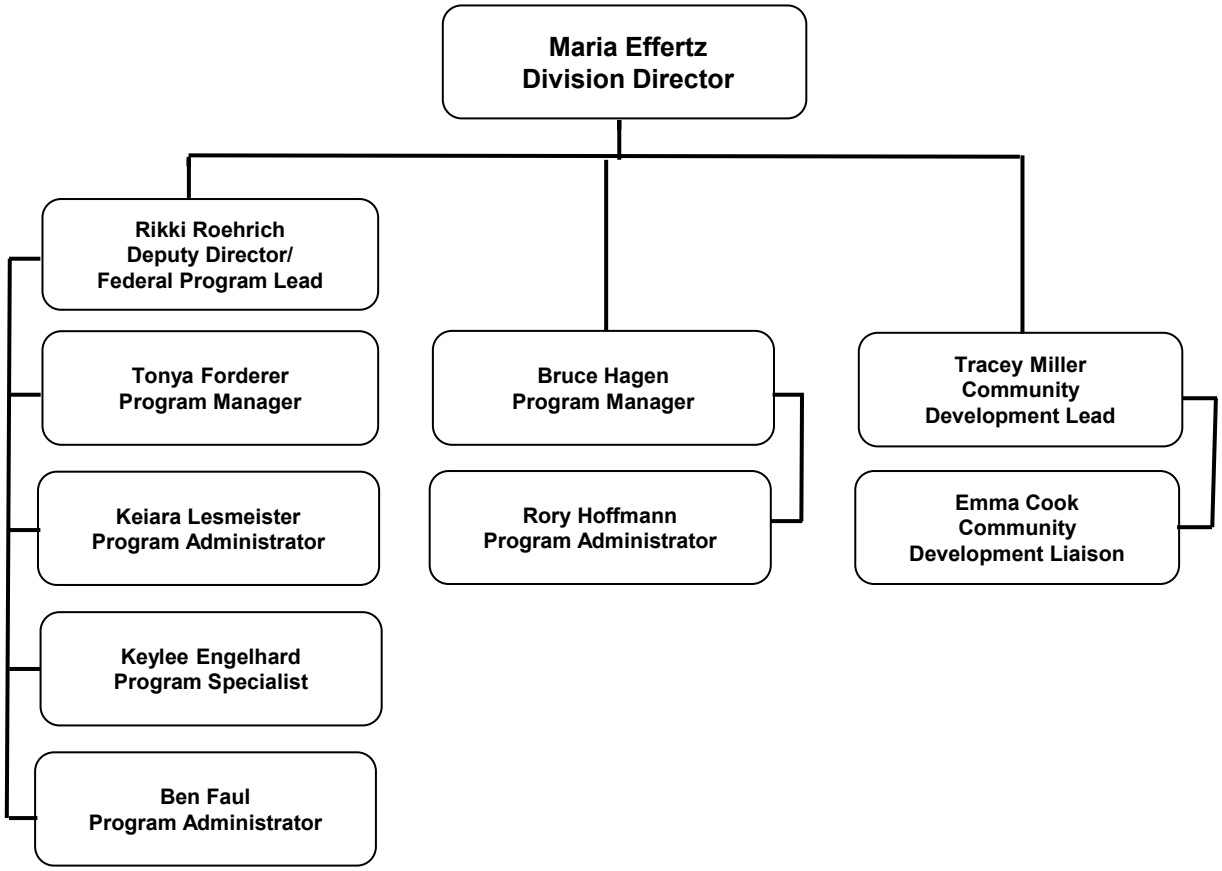
Division of Community Services Organizational Chart



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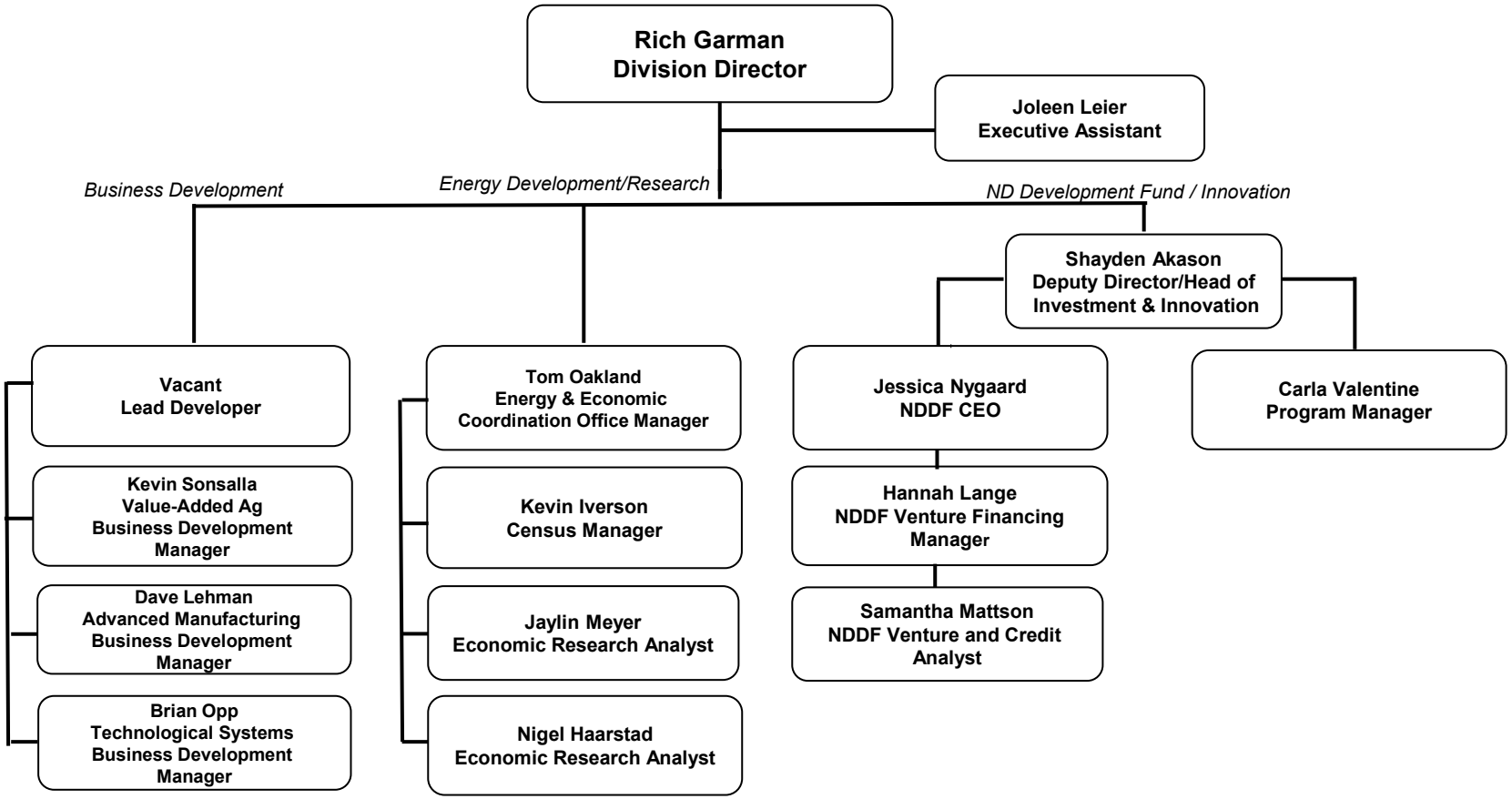
Division of Economic Development & Finance Organizational Chart



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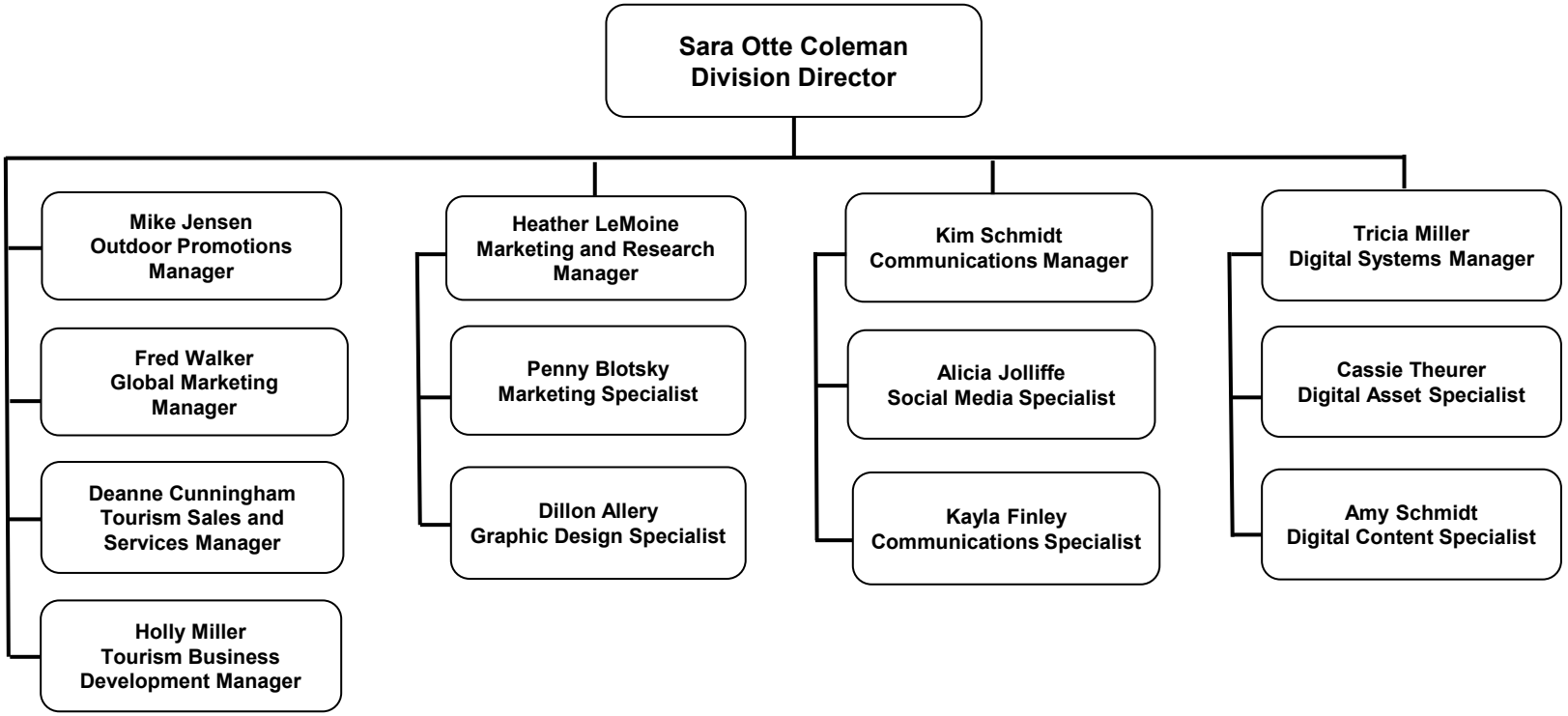
Division of Tourism and Marketing Organizational Chart



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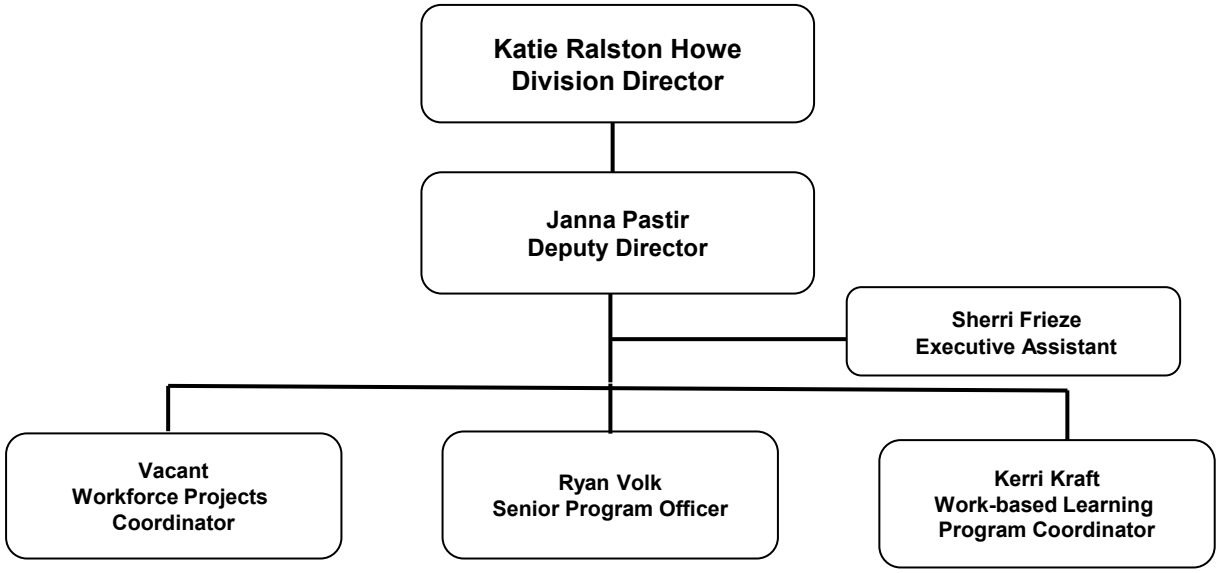
Division of Workforce Development Organizational Chart



Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1018
(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 amend session laws; 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, 2023, and ending June 30, 2025 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	$12,835,431	$4,394,109	$17,229,540
Operating Expenses	16,883,192	33,392,749	50,275,941
Grants	50,666,898	137,453,791	188,120,689
COVID – 19 Response	0	2,085,834	2,085,834
Discretionary Funds	2,150,000	0	2,150,000
Partner Programs	1,562,531	0	1,562,531
Entrepreneurship Grants and Vouchers	948,467	0	948,467
Total All Funds	$85,046,519	$177,326,483	$262,373,002
Less Estimated Income	53,544,379	89,554,512	143,098,891
Total General Fund	$31,502,140	$87,771,971	$119,274,111
Full-Time Equivalent Positions	58.80	5.00	63.80

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. EXEMPTION – DISCRETIONARY FUNDS. The amount of $2,150,000 appropriated from the general fund in the discretionary funds line item in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 4. EXEMPTION – DISCRETIONARY FUNDS. The amount of $1,000,000 appropriated from the general fund in the discretionary funds line item in section 10 of chapter 15 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 5. EXEMPTION – BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM . The amount of $19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft systems program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 6. EXEMPTION – ENHANCED USE LEASE GRANT PROGRAM. The amount of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 7. EXEMPTION – NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM. The amount of $500,000 appropriated from the general fund for the nonresident nurse employment recruitment program in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 8. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $3,000,000 appropriated from the general fund for the unmanned aircraft systems operating expense in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT. The amount of $1,000,000 appropriated from the general fund for grants to organizations dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry in section 9 of chapter 46 of the

2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. EXEMPTION – WORKFORCE COMMUNITY SERVICES PROGRAM. The amount of $1,074,888 appropriated to the department of commerce for the purpose of workforce community services program in section 19 of chapter 549 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. EXEMPTION – COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. The amount of $1,000,000 appropriated to the department of commerce for the purpose of a community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 12. EXEMPTION – WORKFORCE INNOVATION NETWORK GRANT PROGRAM. The amount of $100,000 appropriated to the department of commerce for the purpose of workforce innovation network grant program in section 21 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 13. EXEMPTION – HOMELESS GRANT PROGRAM. The amount of $1,330,212 appropriated from the general fund to the department of commerce for the purpose of homeless grants in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 14. EXEMPTION – AUTONOMOUS AGRICULTURE MATCHING GRANTS. The amount of $10,000,000 appropriated to the department of commerce for the purpose of autonomous agriculture matching grants in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 15. EXEMPTION – WORKFORCE DEVELOPMENT INCENTIVE GRANT PROGRAM. The amount of $15,000,000 appropriated to the department of commerce for the purpose of adding or expanding a local workforce development incentive grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 16. EXEMPTION – TECHNICAL SKILLS TRAINING GRANT PROGRAM. The amount of $5,000,000 appropriated to the department of commerce for the purpose of adding or expanding technical skills training grant program and a workforce innovation grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 17. EXEMPTION – AMERICORPS PROGRAM. The amount of $1,200,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of funding AmeriCorps programs in communities statewide is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 18. EXEMPTION – PARKS AND RECREATION GRANT. The amount of $1,550,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of projects that support travel, tourism, and outdoor sectors with marketing and technical support is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 19. EXEMPTION – ENERGY CONSERVATION PROGRAM. The amount of $14,222,975 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of developing energy conservation policies and programs related to prudent and

efficient use of energy is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 20. EXEMPTION – HEATING AND COOLING GRANT. The amount of $1,306,112 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing grants to Community Action Agencies to support furnace repair and cooling contracts is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 21. EXEMPTION – AGRICULTURE RURAL PLACEMAKING CHALLENGE. The amount of $250,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing support, assistance and training to foster placemaking activities in rural communities is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 22. EXEMPTION – STATE SMALL BUSINESS CREDIT INITIATIVE. The amount of $56,234,176 appropriated to the department of commerce for the purpose of state small business credit initiative in section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 23. EXEMPTION – CARES ACT FUNDING. The amount of $11,393,078 appropriated to the department of commerce for the purpose of CARES Act funding in section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 24. EXEMPTION – CORONAVIRUS RELIEF FUNDING. The amount of $82,179,000 appropriated to the department of commerce for the purpose of defraying the expense related to the COVID-19 pandemic in section 1 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,000,000 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, 2023 and ending June 30, 2025.

SECTION 26. TRANSFER – LEGACY EARNINGS FUND TO INNOVATION LOAN FUND TO SUPPORT TECHNOLOGY ADVANCEMENT. The office of management and budget shall transfer $20,000,000 from the legacy earnings fund to the innovation loan fund to support technology advancement for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 27. TRANSFER – LEGACY EARNINGS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer $30,000,000 from the legacy earnings fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 28. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of $37,000,000 from the legacy earnings fund, of which $30,000,000 is for beyond visual line of sight unmanned aircraft system grants and $7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 29. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of $50,000,000 from the legacy earnings fund, of which is for destination development grant program. This funding is considered a one-time funding item.

SECTION 30. 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, 2023 and ending June 30, 2025.

SECTION 31. ENTREPRENEURSHIP GRANTS PROGRAM. Section 1 of this Act includes the sum of $948,467, of which $740,956 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, 2023 and ending June 30, 2025. The department shall establish guidelines to award an organization 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, 2025 and ending June 30, 2027.

SECTION 32. AMENDMENT. Section 1 of chapter 550 of the 2021 Special Session Law is amended and reenacted as follows:

SECTION 1. APPROPRIATION - TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING - REPORT - EXEMPTION.

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund <u>for purposes of a grant program</u> under chapter 10-30.5 during the period beginning with the effective date of this Act, and ending June 30, 2023.

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VALUE-ADDED AGRICULTURE

INDUSTRY FACTS

$4.3 BILLION
AGRICULTURE EXPORTS ABROAD

26,000
FARMS AND RANCHES ACROSS 39.3 MILLION ACRES

40
FARMERS MARKETS

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 8 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.

NORTH DAKOTA LEADS THE NATION

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

- dry beans, all
- pinto beans
- canola
- flaxseed
- honey
- peas, dry edible
- wheat, durum
- wheat, spring

1

(USDA 2022 report on 2021 production)

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.

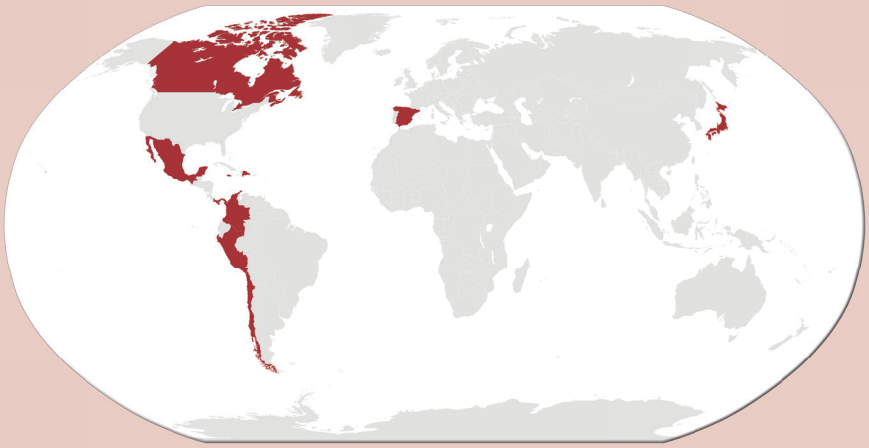
Beef cattle are raised in every North Dakota county with about 945K beef cattle and calves across the state. That's more than **1.2 cattle for every person** in North Dakota.

The state has 55 dairy farms that produce nearly **40 million gallons of milk** each year.

There are approximately **12,127 head of bison** in North Dakota. They are raised for meat and hides.

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

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

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

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

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AMERICORPS

FACTS

$850K
ANNUAL FUNDING

2,400
AMERICORPS MEMBERS IN ND

2.7 MILLION
HOURS OF SERVICE

$6.2 MILLION
IN EDUCATION AWARDS

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 $3.4 million in federal 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

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**

UPDATED 01/04/2023

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

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, more than 2,400 North Dakota residents have served approximately 2.7 million hours and earned education awards totaling more than $6.2 million.

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

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Service & Program Guide

(Commerce.nd.gov)

Economic Development & Finance

Services:
- State Data Center
- Incentives Reports for New or Expanding Businesses
- Requests for Proposal (RFP/RFI)
- General Economic Development Assistance
- Project Funding
- Connect Companies with Communities, Developers, Academia, Other Businesses, Etc.

Programs:
- Angel Match Program
- Automation Tax Credit
- ND Development Fund
- Regional Rural Revolving Loan Fund
- Childcare Loan Program
- Innovative Technology Program Fund (LIFT)
- Innovate ND
- Rural Growth Incentive Program

commerce.nd.gov/economic-development-finance

Workforce Development

Services:
- Recruiter Network
- Relocation Help Desk

Programs:
- AmeriCorps
- Operation Intern
- Find the Good Life in ND
- Technical Skills Training Grant
- Regional Workforce Impact Program
- Tribal College Grants
- Non-Resident Nursing Employment Recruitment
- Apprenticeship

commerce.nd.gov/workforce

Community Services

Services:
- Technical Assistance with Federal and State Grant Applications
- Community and Economic Development Project Funding
- Training and Technical Assistance for Compliance with Federal and State Regulations
- Monitoring of HUD Projects and Programs
- Community Development (Nonprimary Sector) Planning, Resources and Technical Assistance

Programs:
- Community Development Block Grant (CDBG)
- Community Development Loan Fund (CDLF)
- Weatherization/LIHEAP
- Renaissance Zone Program
- Manufactured Home Installation Program
- Renewable Energy Programs
- Main Street/Community Development
- Building Codes
- Community Services Block Grant (CSBG)
- State Energy Program
- Vibrancy Grants
- Partners in Planning Grants

commerce.nd.gov/community-services

Tourism & Marketing

Services:
- State Marketing (Tourism and Workforce)
- Public and Media Relations
- Visitor Services
- Tourism Development
- Tribal Tourism
- Global Tourism Marketing
- Group Travel
- Outdoor Promotions
- Photo and Video Sharing
- Free Website Listings
- Social Media
- Research

Programs:
- Tourism Development Grant
- Cooperative Programs for Partners
- Agritourism

commerce.nd.gov/tourism-marketing

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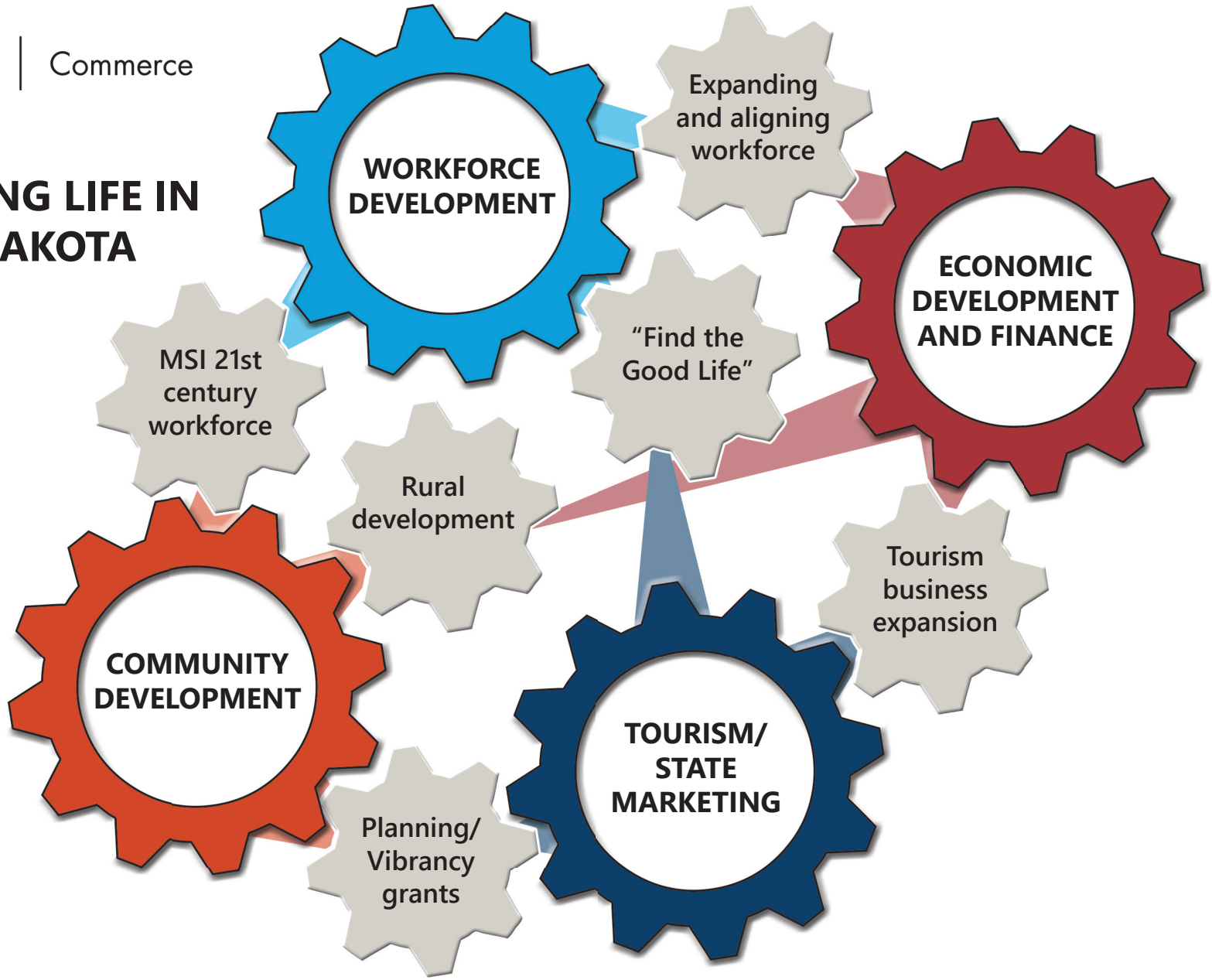
IMPROVING LIFE IN NORTH DAKOTA



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COMMUNITY SERVICES

FACTS

53,193
PEOPLE IMPACTED BY CDBG AND CSBG

10,471
PERSONS SERVED BY HOMELESS GRANTS

CDBG AND HOME FUNDS REHABBED **132** HOMES

42
PROJECTS COMPLETED THROUGH THE STATE ENERGY PROGRAM

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 provides a range of grant resources for energy conservation-related opportunities, including energy education, installation of energy efficient features, and new and expanding energy technologies. The program's state energy plan is supported by financial and technical assistance through the U.S. Department of Energy (DOE) and funds political subdivisions, nonprofits and education centers. More than $1.34 M in project funding was granted for 42 projects in 2020–2022.

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.

EMERGENCY SOLUTIONS AND NORTH DAKOTA HOMELESS GRANT — Working to End Homelessness

The Emergency Solutions Grant (ESG) is a program of the U.S. Department of Housing and Urban Development.

The Emergency Solutions Grant and ND Homeless Grant (NDHG) provides financial assistance to facilities and programs to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide services to help them quickly regain stability in permanent housing after experiencing homelessness. The North Dakota Department of Commerce currently awards grant funds directly to emergency/homeless shelters and agencies throughout the state for activities like operational expenses (utilities, insurance, furnishings, appliances, etc.) and essential services (case management, medical, laundry, transportation, etc.), homeless prevention, rapid rehousing and the Homeless Management Information System.

It has been proposed that the ESG and NDHG programs move to the North Dakota Housing and Finance Agency in 2023.

UPDATED 01/04/2023

DID YOU KNOW?

Since 2001, **10,000 homes** equipped with energy saving measures.

Community Services Block Grant **impacted 35,246 low-income individuals**, including 13,000 children, 5,605 persons with disabilities, and 5,379 people who lacked health insurance.

Community Development Block Grant assisted **six businesses** as part of economic development.

More than 1,200 homes have weatherized since January 1, 2020, including 623 families with children.

In the last 2 years **542 manufactured homes** installed.

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.

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. From July 1, 2020, through June 30, 2022, we had 542 manufactured homes installed.

COMMUNITY SERVICES BLOCK GRANT — Fighting Poverty in North Dakota

The Community Services Block Grant (CSBG) Program assists communities 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

CARES FUNDING — Relieving the Effects of the Pandemic

DCS received additional federal funds for the ESG and CSBG programs to assist with the challenges of the pandemic. CSBG received an additional $4,209,178.50 and from these funds, the Community Action Agencies have assisted 4,984 low-income clients in 2020 and 2021. An additional $5,142,580 was received to provide support to the ESG grant.

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

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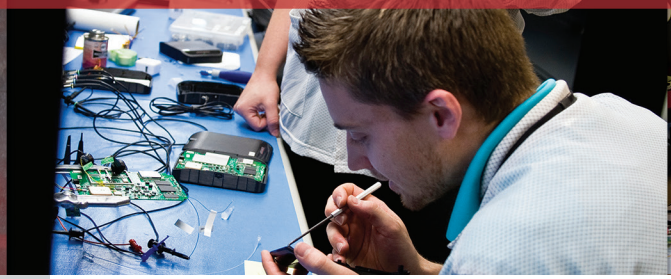
DEVELOPMENT FUND



DEVELOPMENT FUND FACTS

9,182
JOBS CREATED

878
PROJECTS FUNDED

PRIMARY SECTOR
ECONOMIC DEVELOPMENT TOOL

UPDATED 01/03/2023

ECONOMIC DEVELOPMENT TOOL

The North Dakota Development Fund 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 entrepreneur must have a realistic financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Refinancing of debt is not eligible.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- Financing is available to any North Dakota primary sector business project with the exception of production 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.
- Primary sector includes tourism and specific types of investor-owned agriculture, and is typically businesses such as manufacturers, food processors or export service companies. Investor-owned agriculture includes livestock feeding or milking operations or other value-added agriculture located apart from an individual farm operation that is professionally managed and has employees.
- Financing is available to any North Dakota licensed child care operator up to $100,000.

"The Development Fund offers the financing resources needed to help support business startups and expansion projects that create jobs while also providing taxpayers with a strong return on investment. Businesses in need of equity financing can look to the Development Fund as a possible solution. The North Dakota Development Fund is a valuable tool in developing strategies for business growth."

North Dakota Governor Doug Burgum

For more information, contact Jessica Nygaard at jnygaard@nd.gov

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ENERGY AND NATURAL RESOURCES

INDUSTRY FACTS

ND RANKS 3RD IN NATIONAL OIL PRODUCTION

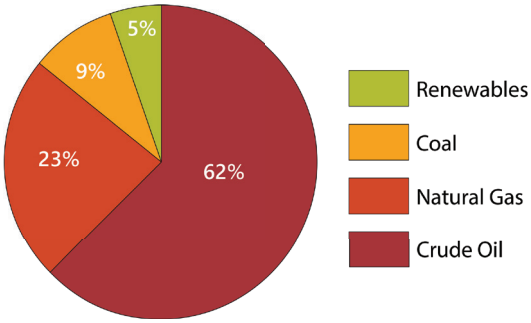
42.2 MILLION MEGAWATT HOURS OF ELECTRICITY GENERATED

5th IN SHARE OF WIND GENERATED ELECTRICITY

2nd LARGEST KNOWN LIGNITE DEPOSIT IN THE WORLD

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.

NORTH DAKOTA TOTAL ENERGY PRODUCTION



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 05/13/2022

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.**

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

Electric vehicle charging stations have doubled across North Dakota with plans for more.

In 2021, North Dakota had over **4,000 MW of installed wind capacity**, with interest in an additional 6,200 MW. Ranked **7th in the nation** for installed capacity share with 31% of total electric generation coming from wind.

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

29,655 Miles of Pipeline

- 17 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.

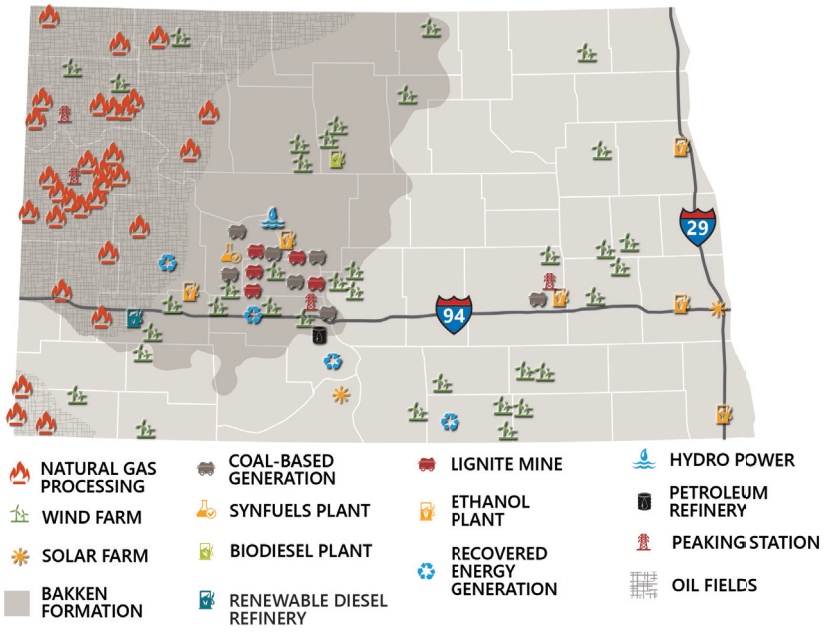
North Dakota Port Services Inc. Serviced by BNSF

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

Electrical Capacity

- More than 42 million megawatt hours of electricity generated annually.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES



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For more information, contact Rich Garman at rgarman@nd.gov
or Tom Oakland at thomas.oakland@nd.gov

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FIND THE goodlife in North Dakota

FACTS

35K
OPEN JOBS IN NORTH DAKOTA

ONLY **22%** OF U.S. RESIDENTS SURVEYED ARE FAMILIAR WITH ND

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

UPDATED 01/06/2023

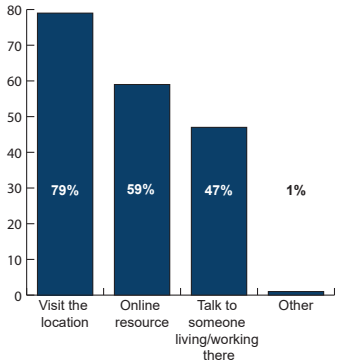
FIND THE GOOD LIFE — STRATEGIC MARKETING AND RECRUITMENT CAMPAIGN

The North Dakota Department of Commerce Workforce and Tourism and Marketing divisions have partnered with national talent attraction agency RoleCall to develop a comprehensive talent attraction marketing campaign built around the established Find the Good Life brand. The purpose of this initiative it to change perceptions of our state, improve awareness and showcase the best of life in North Dakota.

Advertising that targets four personas: boomerangs, young families, recent college graduates, and veterans, aims to drive traffic to the refreshed findthegoodlife.com website. The website includes a relocation help desk that provides a personalized relocation assistance service for prospective residents. The personalized service begins with a series of questions that includes basic information pertaining to relocation such as career goals, hobbies, and interest in specific areas of North Dakota. This information is used to connect potential new workers to more than 60 community champions who assist with details on their community.

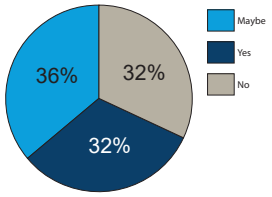
This first-of-its-kind state program ushers potential workers through the sales funnel and connects them to communities and employers that fit their long-term needs.

MOST USEFUL TOOLS WHEN CONSIDERING RELOCATION



INTEREST IN RELOCATING TO NORTH DAKOTA

Q: If a job opportunity that matched your skill and salary requirements were offered to you in North Dakota, would you be willing to relocate?



24% of respondents report that they would not be willing to relocate to North Dakota because of the climate. Other top reasons preventing relocation: too far from family/friends and unknown.*

*Based on a 2022 national consumer perception study on ND

EARLY RESULTS

Top States:
- FL
- CA
- TX
- OH
- GA

Top Industries:
- Health Care
- Skilled Trades
- Sales and Marketing
- Manufacturing
- Social Services
- Transportation

$438,000 marketing campaign has delivered

- More than 10 million impressions
- Nearly 2 million video completions
- 5,000 conversions
- 53,000 clicks to website

For more information, contact Janna Pastir at jalpastir@nd.gov

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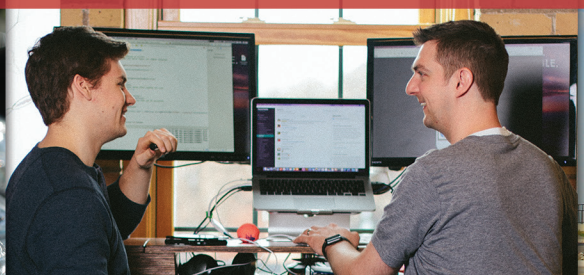
INNOVATE NORTH DAKOTA



INNOVATE FACTS (2021-23 BIENNIUM)

72 TOTAL PARTICIPANTS

23 BUSINESSES CURRENTLY ENROLLED

12 PROGRAM GRADUATES

92% GRADUATES STILL IN BUSINESS

FUNDING THE ENTREPRENEURIAL ECOSYSTEM IN NORTH DAKOTA

Innovate ND provides entrepreneurs access to venture tools, resources and mentorship. Some of the benefits include:

- Access to a certified entrepreneurial center
- Assistance on the Business Model Canvas, including value proposition and customer identification
- Business planning tools
- Prototype development
- Access to the statewide entrepreneurial ecosystem

ENTREPRENEUR CENTERS

These centers have dedicated staff to support and mentor entrepreneurs through the Business Model Canvas:

CTB (Bismarck)	Jamestown Regional Entrepreneur Center (Jamestown)
NDSU Research and Technology Park (Fargo)	UND Center for Innovation (Grand Forks)

PROGRAM PHASES
EFFECTIVE JULY 1, 2019

PHASES	ENTRY FEE	DOLLAR AWARD	MATCH CASH OR IN-KIND	PHASE LENGTH
1 - Voucher	$250	$2,000	Equal to 25% of award dollars reimbursed. Minimum of $5,000 by end of Phase 3	3 Months
2 - Voucher		$6,000		6 Months
3 - Voucher		$12,000		6 Months
4 - Voucher		$20,000	$5,000	12 Months
TOTAL	**$250**	**$40,000**	**$10,000**	**27 Months**

UPDATED 01/04/2023

EXAMPLES OF SUCCESSFUL PROGRAM ENTREPRENEURS

Be More Colorful (BMC) — a Fargo-based tech startup that develops digitally immersive virtual reality experiences. CareerViewXR is a recently-launched community education product that focuses on providing virtual career exploration to students and career-seekers. CareerViewXR is set to launch more than 12 virtual experiences in 2021, including an exciting prototype project with the Fargo Police Department. "We're so excited about CareerViewXR, which wouldn't have been possible without funding and support from Innovate North Dakota," CEO Matt Chaussee said. "This product is the future of our company and has amazing potential to help North Dakota students and job seekers see a bright and shining future for themselves in our state, too."

PushSave® — a customized mobile coupon book designed to support high school sports teams and sports sports clubs across the U.S. with a simple, EASY to promote and manage fundraiser! Our mission is to be THE MOST uniquely designed fundraising solution that brings obvious value to consumers, organizations, and merchants.

Healthy Oilseeds LLC — a Carrington processor providing quality flaxseed and hempseed products from North Dakota growers. The company exports to 23 countries and does business in 49 states. Healthy Oilseeds was featured on the North Dakota Trade Office website on Dec. 3, 2020, on LinkedIn and was named the North Dakota Exporter of the Year in 2012.

In the Potter's Hand — a Pride of Dakota member located in North Dakota. In the Potter's Hand is a family-owned, farm-based business that offers unique, allergen specific products, including skin care, bath, baby and spa products while providing full disclosure on all ingredients used, providing a sense of confidence for those with allergies, multiple-chemical sensitivities or sensitive skin.

Rising Tide Software — a purpose Driven Fargo-based software development startup dedicated to improving the world by delivering innovative technology solutions. Rising Tide Software's first product, Major Incident Command Assist (MICA), is a communications and workflow platform that helps law enforcement manage major incident responses more safely, efficiently, and effectively. MICA supports the coordination of the collaborative efforts of numerous law enforcement agencies in response to major incidents such as child abductions and active shooter situations.

Thaea — a Fargo-based software development company specializing in router management software. Thaea has created RemoteWinBox and Admiral to help Internet Service Providers automate their network operations and provide management tools to their subscribers. InnovateND opened doors to global growth and helped Thaea define, reach, and educate its market. With thousands of customers around the world using the platform to simplify operations of providing internet, Thaea has allowed small operators to offer greater internet in rural areas. What began as a crucial, small role in creating a better internet network locally is now growing to connect everyone across the entire globe.

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

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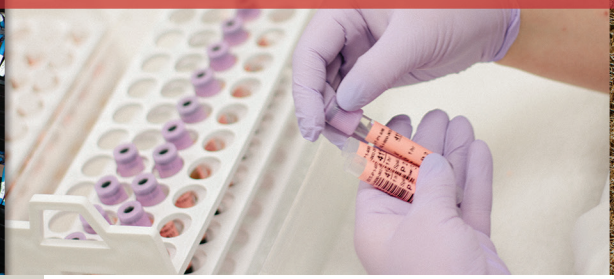
INNOVATION TECHNOLOGY LOAN FUND



FUND FACTS

42
PARTICIPANTS

MORE THAN $29 MILLION
IN LOANS AWARDED

3
COMPANY EXITS

The Innovation Technology Loan Fund (LIFT) is an innovation loan fund that supports technology advancement by providing financing for commercialization of intellectual property within the state of North Dakota. The following industries qualify for these funds:

- Advanced computing and data management
- Agriculture technology
- Autonomous and unmanned vehicles and related technologies
- Energy
- Health care
- Value-added agriculture
- Value-added energy
- Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy

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.

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 or companies making investments in North Dakota.
2. Lead to the commercialization or patent of an innovation 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.

More info can be found by visiting NDCC Chapter 6-09.18 or contacting Carla Valentine at crvalentine@nd.gov.

INDUSTRIES REPRESENTED

- ADVANCED COMPUTING AND DATA MANAGEMENT
- AGRICULTURE TECHNOLOGY
- ENERGY AND VALUE-ADDED ENERGY
- HEALTH CARE
- VALUE-ADDED AGRICULTURE
- UAS

UPDATED 01/03/2023

LIFT SUCCESS EXAMPLES

Access Point Technologies EP Inc. — A global supplier of innovative medical devices focused on meeting the needs of the large and fast-growing electrophysiology (EP) market, estimated at $5 billion today with an 11% compound annual growth rate. APT EP designs and develops new catheters and systems for treating cardiac arrhythmias. It is building a new research and development center in Horace which will be ready in Q1 2021 and plans to develop both catheters and systems in this new facility. In addition, the company plans to hire and train local engineering talent and partner with ND physicians to develop significant bioscience intellectual property.

Checkable Medical Corp. — Developing an at-home strep test to be manufactured in North Dakota and launching an at-home rapid COVID-19 antibody test. LIFT support allowed it to move the founding team to the state and partner with a North Dakota clinical research partner to execute its trial. The company plans to create high-paying jobs in the bioscience industry in the next couple years.

First-I LLC (KSI Video) — Currently contracting its software services from a North Dakota company and recently established an office in Grand Forks as base for the development and manufacture of a new UAS product designed to assist first responders and emergency management personnel. The company is applying for matching funding from other sources and plans to have a commercially viable prototype available later in 2021. To date it has created one job in Grand Forks with plans for additional hires once it reaches commercialization.

Three Farm Daughters — A value-added ag start-up creating high-fiber, low gluten food products utilizing GoodWheat varieties grown in the USA and milled at the North Dakota State Mill. Three Farm Daughters has launched three pasta products and a 100% wheat flour for sale online and in stores in North Dakota and Minnesota. In doing so, Three Farm Daughters utilizes three North Dakota logistics companies, a North Dakota food-grade warehouse facility and collaborates with a Grand Forks local chef for recipe development.

TracFrac Inc. — A Bismarck-based company developing a patent pending scheduling platform that coordinates activities between operators and service companies in the oil and gas industry. Currently working with two major energy companies in North Dakota, TracFrac adds reliability and automation to the oil and gas monitoring and notification system.

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

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ECONOMIC IMPACTS FROM LIFT

FUND FACTS

$158 MILLION
PROJECTED ANNUAL GDP INCREASE

$265 MILLION
PROJECTED ANNUAL ECONOMIC OUTPUT INCREASE

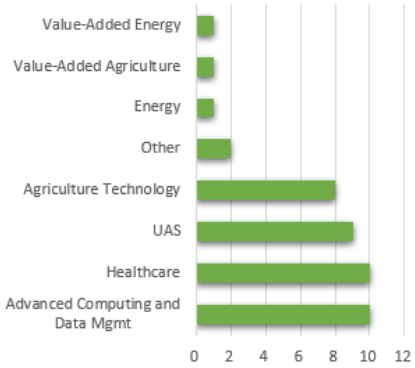
$51.7 MILLION
ESTIMATED INCREASE IN PERSONAL INCOME

1,163
AVERAGE EXPECTED JOB CREATION ACROSS ALL INDUSTRIES

The LIFT initiative approved $29.14 million (97%) of the appropriated funds ($30 Million) as of August 2022, since the inception of the program in the 2019-21 biennium. The program has provided funding to 35 North Dakota businesses in specific sectors outlined in N.D.C.C 6-09.18-01. The North Dakota Department of Commerce utilized the Regional Economic Model Tax Policy Insight (REMI Tax PI) to forecast the state level's economic impacts of the LIFT funds over 2020-2024. The projected economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); wealth creation (as measured by personal income); and new jobs created (as measured by employment). There are three categories of employment: direct employment, indirect employment, and induced employment. Direct jobs are those created by the LIFT awardees. Indirect jobs are those created by related industries, such as suppliers and manufacturers. Induced jobs are local industries that increase due to the additional increase in direct or indirect employment, such as local restaurants, retail and entertainment. From 2020 to 2024, the LIFT program is expected to have impacted North Dakota's economy by the following measures. All dollars are inflation-adjusted to 2021 dollars.

- Increase of North Dakota's Output by $265 million, and an increase of North Dakota's GDP by $158 million by 2024. Output measures the value of all goods and services, including business-to-business sales. GDP measures only value-added goods and services, or the value of the final product sold.
- Increase of North Dakotan's yearly Personal Income by a collective $51.7 million, an average of $57,480 per resident by 2024.
- Across all industries, there is an expected impact of 1,163 new jobs int he state, with businesses participating in the LIFT program expected to have created 702 new jobs by 2024. Over 430 of these jobs are projected to be in the Advanced Computing and Agriculture Technology industries. These 1,163 jobs include direct and indirect employment.

LIFT RECIPIENTS BY INDUSTRY



METHODOLOGY

The main idea behind economic impact analysis is that one more (or less) dollar spent in a local or regional economy results in a greater than one dollar change in economic activity in the area. The most common and widely respected method of examining such changes involves using economic models called input-output models. A key feature of input-output models is that they are ideally suited to capture the interdependence among different industries. Commerce utilized version 2.5 of the REMI Tax-PI model. Briefly, the REMI Tax-PI model is a sophisticated regional economic model that dynamically simulates the year-by-year economic effects of public policy initiatives and is widely used by state agencies and legislatures, universities and other organizations and experts. The REMI model is tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration and other reliable data sources.

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

UPDATED 01/03/2023

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MAIN STREET ND
INITIATIVE

MAIN STREET FACTS

99
MAIN STREET COMMUNITIES

MORE THAN
$1.1 MILLION
IN GRANT FUNDING AWARDED

81
COLLABORATING PARTNERS

BRINGS ADDITIONAL FEDERAL FUNDS INCLUDING
$1M EDA GRANT

UPDATED 01/06/2023

MAIN STREET NORTH DAKOTA

Every community has unique opportunities and challenges. The Main Street Initiative gives local leaders direct access to a variety of resources, building on community strengths to make sound decisions. These efforts will help create vibrant cities that are poised to attract and retain a 21st century workforce, helping North Dakota compete and succeed in a global economy through diversification of industries.

Communities engaged in this initiative receive direct and focused assistance with community planning and development, tailored support from participating state agencies, streamlined access to resources and learning opportunities and enhanced access to select state resources, helping create a planned pathway to a future of their design.

THE FOUR PILLARS OF THE MAIN STREET INITIATIVE

- HEALTHY, VIBRANT COMMUNITIES
- 21ST CENTURY WORKFORCE
- SMART, EFFICIENT INFRASTRUCTURE
- ECONOMIC DIVERSIFICATION

MAIN STREET INITIATIVE SUCCESSES

BUILDING PRIDE AND PROMOTING VIBRANCY
The Hettinger Chamber of Commerce started "Tuesday Night Lights" every Tuesday in September, 2021, as a way to get people out of their homes during the pandemic and down to Hettinger's Main Street to enjoy socializing, eating and purchasing products from local home businesses, food trucks, produce marketers and Main Street businesses.

ATTRACTING AND RETAINING WORKFORCE
Jamestown Stutsman County Intern Reimbursement Program - JSDC reimburses local employers up to $3,500 in payroll costs for college students hired through this program.

INFILL DEVELOPMENT
Gilby Grind and Community Center - The community received a generous donation of an old grocery store and embraced the challenge of finding a way to turn it into a coffee shop and community center.

ECONOMIC DIVERSIFICATION
Destination Red River - These recipients came together to create a robust economic diversification and tourism plan that will take the Rendezvous Region of northeast North Dakota into the future.

MAIN STREET INITIATIVE HIGHLIGHTS

The state team has led meetings in 32 communities over the last 12 months.

The 2022 Main Street ND Summit had 4,580 livestreams, 942 registrations, 558 check-ins, 423 first time attendees.

ROI for the Partners in Planning (PIP) grant is 25:1 and Main Street Vibrancy grant is 10:1.

The Main Street Initiative connects with more than 4,476 community leaders, volunteers and advocates from around the region, engages in regular webinars and regional workshops to promote learning and connections.

The Main Street Initiative continues to expand its Partnership Network with partners like EDND, ND Council on the Arts, AARP, StrengthenND, ND League of Cities, USDA Rural Development, NDSU Extension and more!

WHY BECOME A MAIN STREET COMMUNITY?

Joining the Main Street Initiative provides communities the resources, technical assistance, educational opportunities and network connections that **empower communities** to proactively plan their futures and **build local capacity** to improve quality of life for their current and future citizens. Plus, engaged communities receive extra benefits on some state grant applications.

LEVELS OF ENGAGEMENT

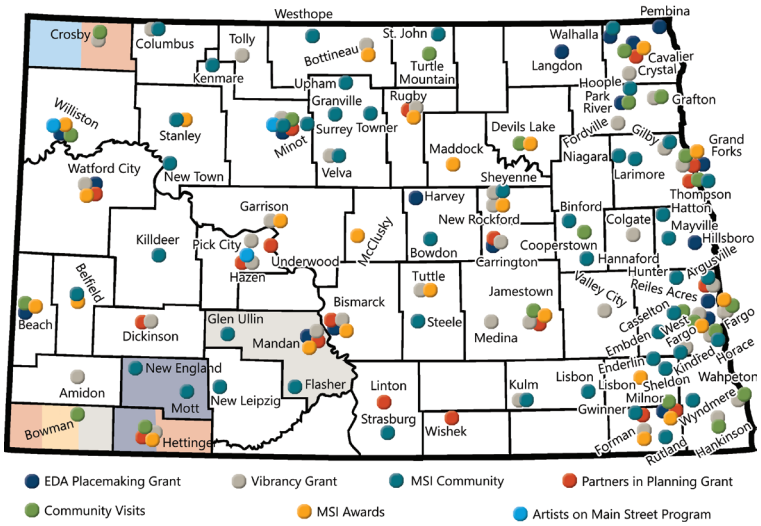
Main Street COMMUNITY

- Sign up through the online portal
- Community Visit by MSI Team
- Share success stories

Main Street CHAMPION

- All above requirements plus:
- Sign a Main Street Initiative proclamation
- Complete Main Street Initiative Action Plan
- Identify top 3-5 priorities, assign champions and establish timelines

MSI IMPACT



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For more information contact Tracey Miller at tracmiller@nd.gov

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MANUFACTURING

INDUSTRY FACTS

$4.63 BILLION
INDUSTRY OUTPUT 2021

71% GROWTH
TOTAL OUTPUT 2011–2021

82%
OF ND EXPORTERS ARE SMALL BUSINESS

7.31%
INDUSTRY OUTPUT 2021

MANUFACTURING OPPORTUNITIES

Strong market growth, both domestically and internationally, have contributed to a healthy manufacturing economy in the state. 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 a combination of a manufacturing surveys and personal visits with manufacturing leaders across the state, that future expansion of our manufacturing sector will come not from 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 2018, North Dakota led the nation in export growth, with a 35% 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 the North Dakota delivery organization of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network. Its staff of experts provide specialized business consulting services to North Dakota-based manufacturing and ag-processing companies. Impact Dakota supports North Dakota manufacturers by conducting detailed needs assessments, outlines potential solutions and provides technical assistance to solve problems that deliver positive financial impacts. In 2021, clients reported $30.1 million in gained and retained sales, $2.9 million in cost savings, $4.4 million in investments made, and 219 jobs created and retained as direct result of projects delivered by Impact Dakota.

UPDATED 06/08/2022

TRADE AND TRANSPORT BY THE NUMBERS

Two **Foreign Trade Zones**

Two Canada-Mexico **Trade Corridors**

Top Five Export Markets — Canada, Mexico, Australia, Germany, Brazil

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 **7.3% of the total output** in the state, employing 7.7% of the workforce

Areas of service include, but are not limited to:

- Process Improvement
- Business Operations Optimization — Strategy, Structure, People, Methods, Communications, Metrics and Rewards
- Compliance and/or Certifications — Cybersecurity/CMMC, Food Safety, ISO, etc.
- Quality Management Systems
- Workforce Development
- Automation
- Performance Improvement: Growth Strategies and Innovation

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

- North Dakota Development Fund — 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%
- Financial Investment for Technology (LIFT) — 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

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For more information, contact David Lehman at dlehman@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

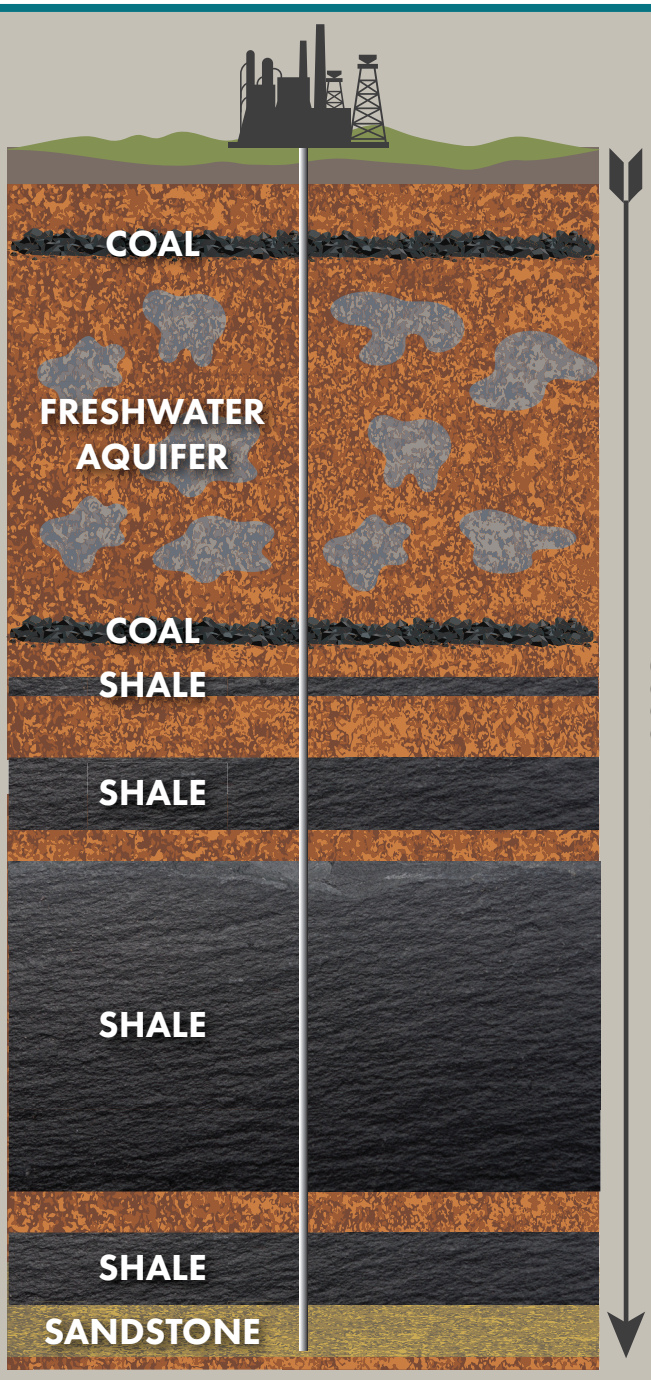
Proactive actions are already underway to fulfill this commitment. For example, Project Tundra in Oliver County, North Dakota, aims to build the largest carbon capture, utilization and storage (CCUS) facility in the world. Also, Red Trail Energy in Richardton is studying the economic feasibility of integrating CCUS with ethanol production. Research is underway at the University of North Dakota's Energy and Environmental Research Center (EERC) to bring this initiative 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!

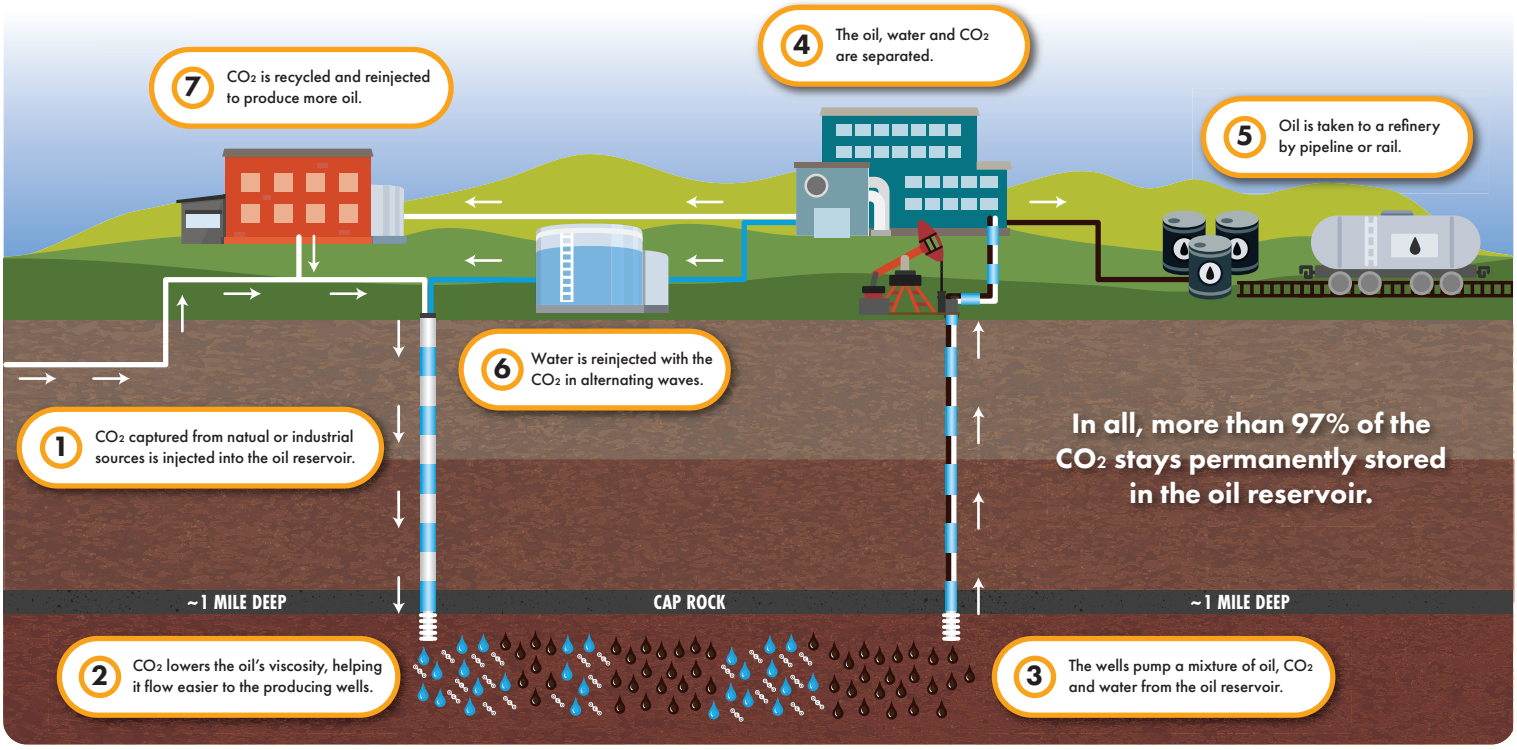
North Dakota's Bakken (unconventional) oil fields: When the technology is ready, CO_2 EOR can be applied to declining Bakken oil wells to improve production, unlocking up to 7 billion additional barrels from the Bakken and Three Forks shale!



9/22/2022

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 oilfields, 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.



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 Rich Garman or Tom Oakland at 701-328-5300.

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

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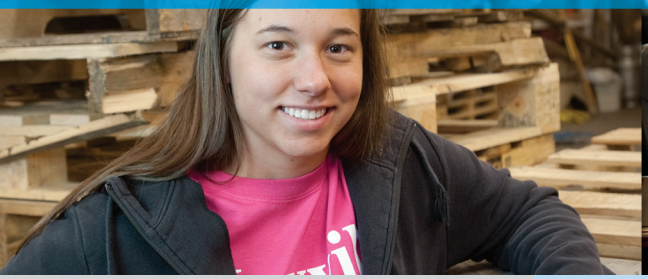
OPERATION INTERN



FACTS

3,780
INTERNSHIP POSITIONS ASSISTED

481
BUSINESSES PARTICIPATING SINCE 2007

$4,000
MATCHING FUNDS AVAILABLE

"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

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. 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-profits do not qualify for the program, with the exception of the tourism and health care industries.

North Dakota businesses receive up to $4,000 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 01/04/2023

"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

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STATE ENERGY PROGRAM

STATE ENERGY PROGRAM APPLICATIONS

- State Energy Security Planning
- Lighting retro fits
- "Spotlight on Energy"
- Energy audits
- Electric vehicle (EV) charging stations
- Electric vehicle (EV) training programs

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

- Construction costs are ineligible.
- 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.

REIMBURSEMENT

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

- 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.

UPDATED 09/13/2022

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

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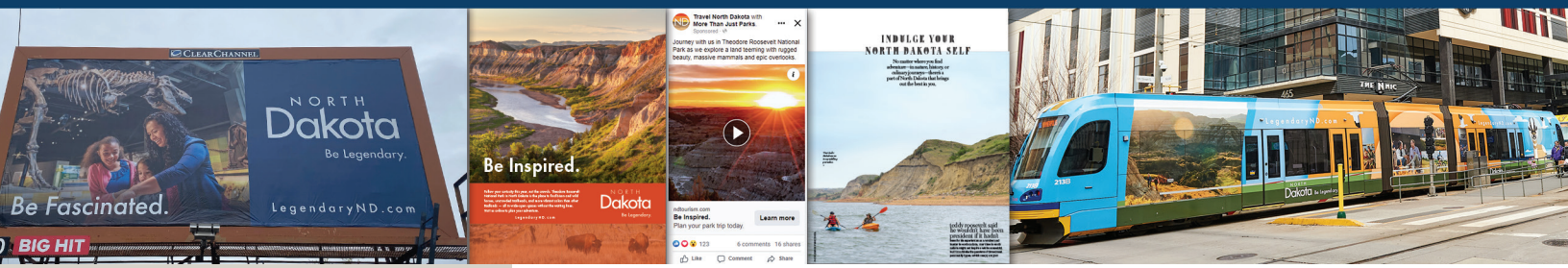
ELEVATING IMAGE



AD EFFECTIVENESS

13%
AVERAGE IMAGE LIFT FROM ADVERTISING AWARENESS

MORE THAN **2 MILLION** VISITS TO NDTOURISM.COM IN 2022

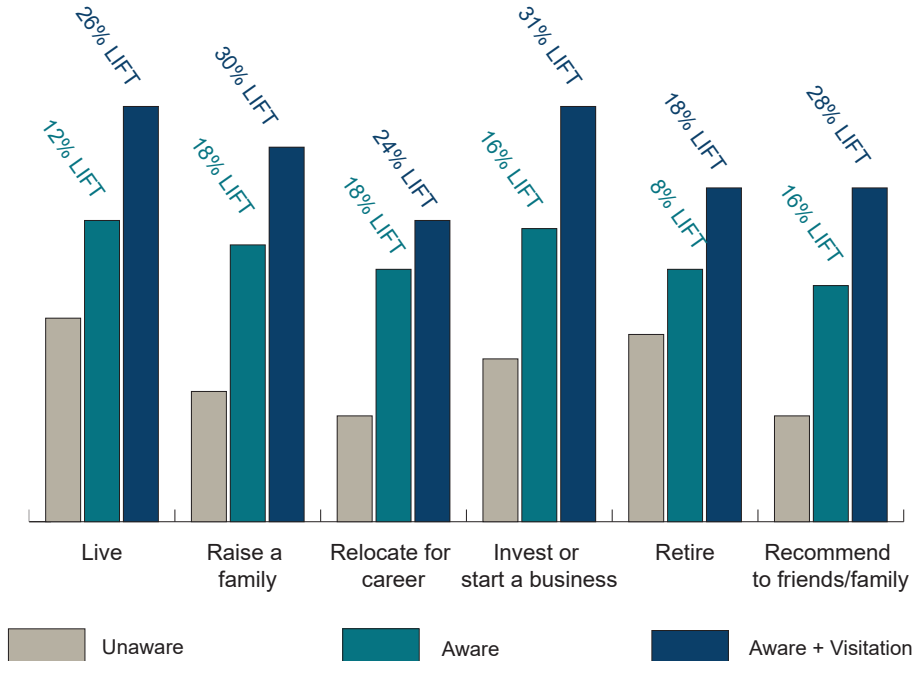
DIGITAL CAMPAIGN HAD **15 MILLION** VIDEO COMPLETIONS

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



A recent 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.

UPDATED 01/06/2023

WHY INVEST IN MARKETING?

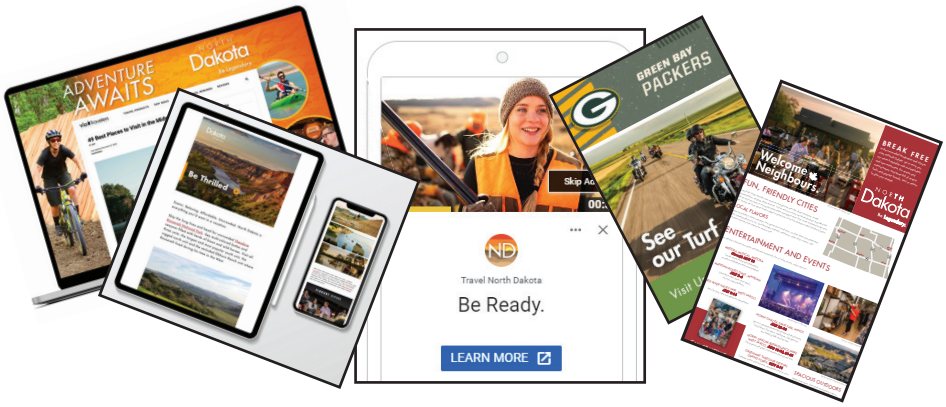
Tourism marketing **supports North Dakota entrepreneurs and businesses** by raising awareness of North Dakota.

Every dollar invested in the 2021 tourism advertising campaign **generated $34** in direct visitor spending.

Every dollar invested in North Dakota Tourism paid media returns $3 in tax revenue resulting in **$23.5 million in visitor-paid taxes**.

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

There are more than **41K visitor-supported jobs** and 2,968 tourism-related businesses in North Dakota.



SOLID ADVERTISING OUTREACH

Research on the effectiveness of the 2021 paid advertising campaign showed that 1.4 million additional trips were motivated due to advertising. Visitors reported spending a total of $241.9 million in incremental spending, of which $23.5 million was state and local taxes paid. Here is how far the North Dakota Tourism campaign has reached over the last couple of years.

TV/RADIO
202 MILLION (2021)
83 MILLION (2020)

PRINT
12 MILLION (2021)
12 MILLION (2020)

DIGITAL
314 MILLION (2021)
233 MILLION (2020)

SOCIAL MEDIA
17 MILLION (2021)
23 MILLION (2020)

OUT-OF-HOME
255 MILLION (2021)
85 MILLION (2020)

EARNED MEDIA TELLS THE NORTH DAKOTA STORY

Proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firm and targeted efforts created additional media opportunities and reach on North Dakota's stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This coverage improves awareness of our state and elevates our image across all Commerce focus areas.

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

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TRAVEL AND TOURISM

INDUSTRY FACTS

21.7 MILLION
ANNUAL VISITORS

$2.6 BILLION
IN VISITOR SPENDING

MORE THAN 2,900
RELATED BUSINESSES AND ORGANIZATIONS

MORE THAN 41K
JOBS

TOURISM DIVERSIFIES NORTH DAKOTA'S ECONOMY

Tourism links communities, supports main streets, sparks economic diversification and defines our image – how we see ourselves and how others see us. It is a significant economic driver.

Residents in every community, large and small, rural and urban, 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 interact more with 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 $2.61 billion in direct visitor spending and $237 million in visitor paid taxes to the state's economy in 2021.

SUPPORTS 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 2021, there were more than 21.7 million visitors to and through North Dakota.

ECONOMIC DRIVER
There are more than 2,900 businesses and organizations offering countless attractions, events and tourism-related activity in the state.

UPDATED 01/03/2023

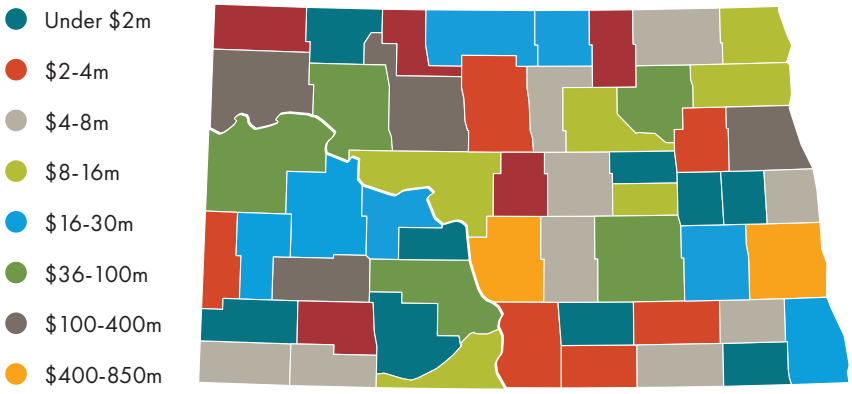
TOURISM IS A GATEWAY GATEWAY TO ECONOMIC AND WORKFORCE DEVELOPMENT

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.

15.22 million video completions

Research on the 2021 paid advertising campaign showed that 1.4 million trips were motivated due to advertising. Visitors reported spending $241.9 million in incremental spending. Every dollar invested in the 2021 ND advertising campaign generated $34 in direct visitor spending and $3 in tax contributions.

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.

$384 MILLION IN LODGING

$767 MILLION IN FOOD AND BEVERAGE

$521 MILLION IN TRANSPORTATION

$374 MILLION IN RECREATION

$565 MILLION IN RETAIL

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

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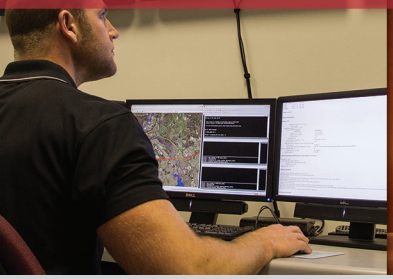
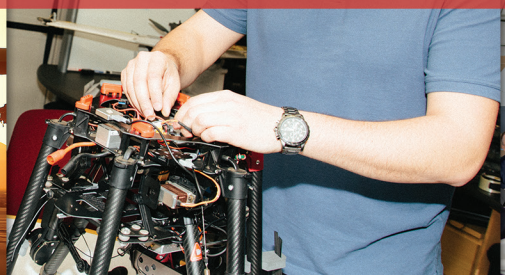
UAS (UNCREWED AIRCRAFT SYSTEMS)





INDUSTRY FACTS

STATE COMMITMENT FOR NEW INFRASTRUCTURE
$33 MILLION

$78 MILLION
TOTAL INVESTMENT BY THE STATE OF NORTH DAKOTA

THE NATION'S FIRST
BVLOS SYSTEM
VANTIS

1 ST
UAV TRANSATLANTIC FLIGHT

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 01/03/2023

KEY NORTH DAKOTA GROWTH

$400 million in private sector investment.

Almost 50 UAS companies call North Dakota home.

Over 1,000 people employed by the industry.

Federal partners include DoD, CBP and FAA.

INDUSTRY CLUSTERS

The North Dakota UAS entrepreneur cluster is larger than any other accelerator, incubator or entrepreneur center in the nation.

Almost all UAS companies operate in North Dakota, including:

- Northrop Grumman
- General Atomics
- Collins Aerospace
- Thales USA
- SkySkopes
- ISight RPV Services
- Botlink
- Thread
- Airial Robotics

SUCCESSES

- Participation in the FAA's BEYOND program which continues the partnership that was started through the UAS Integration Pilot Program
- Northrup Grumman endurance testing
- Department of Homeland Security Northern Border Airspace Domain Awareness Test Bed
- Four contracts awarded to support the United States Air Force Agility Prime program

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 through UND Research Institute for Autonomous Systems
- History and culture of aviation safety
- Uncongested airspace
- Climate diversity
- Unique testing locations and scenarios

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

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WORKFORCE DEVELOPMENT COUNCIL

FACTS

78%
ND HIGH SCHOOL STUDENTS IN CTE COURSES

1,350
RELEASED ANNUALLY FROM ND CORRECTIONAL FACILITIES

620
WIOA PARTICIPANTS

20+
PROGRAMS SUPPORTED BY TECHNICAL SKILLS GRANT IN 2020

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 state workforce partners and local and state elected officials.

LETTER FROM THE CHAIR

As chair of the North Dakota Workforce Development Council, I am pleased to forward 10 recommendations and four endorsements that the council believes can help address the greatest workforce challenges faced by the state of North Dakota today and in the coming years. These recommendations fall under four 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.

David E. Farnsworth

WDC MEMBER LOCATIONS

Council members represent large and small communities across the state.

UPDATED: 01/04/2023

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DIVISION OF COMMUNITY SERVICES

Community Services Block Grant Public Hearing

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COMMUNITY SERVICES BLOCK GRANT (CSBG) PROGRAM

- Assists communities through Community Action Agencies in implementing anti-poverty programs.
  - Funded from the U.S. Department of Health and Human Services through the state's seven Community Action Agencies
  - Funds are managed and distributed by Division of Community Services (DCS)

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COMMUNITY ACTION AGENCY (CAA)

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

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CSBG Funds

- Impacted 35,246 low-income individuals
  - 13,000 children
  - 5,605 persons with disabilities
  - 5,379 people who lacked health insurance.

CARES FUNDING

- DCS received additional federal funds for the ESG and CSBG programs to assist with the challenges of the pandemic.
  - CSBG received an additional $4,209,178.50 and from these funds
    - Community Action Agencies have assisted 4,984 low-income clients in 2020 and 2021.
    - An additional $5,142,580 was received to provide support to the ESG grant.

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Emergency Solutions Grant and North Dakota Homeless Grant Programs

- 10,471 persons served
- Request transfer to NDHF to support Continuum of Care

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Division of Community Services

Maria Effertz

701-328-5319

dcs@nd.gov

GRANDSKY
GRAND FORKS COUNTY, ND

GrandSKY Budget Request
2023-2025 Biennium

GrandSKY respectfully requests $22M from the State of North Dakota, in the upcoming biennium, for investment in infrastructure at the business park located on Grand Forks AFB, Grand Forks County, ND.

The State of North Dakota has invested $28 million in GrandSKY since 2013. Those funds have gone towards infrastructure at the park. Specifically, the funds have been used for new roads, stormwater and wetlands management, electric distribution, natural gas, potable water, sanitary sewer, security, fire suppression water systems, fire trucks, fire station, security gatehouse, micro-weather forecasting tools and the development of small UAS capabilities for infrastructure, building, perimeter and natural resource assessment and mapping at the park.

Previous funding efforts have been through the Department of Commerce and labeled "EUL Grant." The "EUL Grant" label is used because the land is leased from the US Air Force using a tool called Enhanced Use Leasing (EUL), which allows the Department of Defense to grant long-term land leases to public and private organizations for terms of up to 50-years. The land that GrandSKY is built on is leased by the Air Force to Grand Forks County and then sub-leased to Grand Sky Development Company LLC. GrandSKY is in year eight of its fifty-year lease.

An economic impact report was commissioned in 2022 for the 2023-2025 biennium so that the State could measure the return on its investment. More detailed information, including the full report is available upon request. To date, the state's $28M investment has yielded development at the park which supports the following key metrics:

- GrandSKY's economic impact includes 330.5 direct, indirect, and induced jobs in 2021-2022. This number represents a reduction in indirect and induced jobs due to Covid impacts over that time period. However, Direct jobs, those working directly for GrandSKY and our tenants, grew from 192 to 231.7.
- GrandSKY's state and local tax payments from annual operations grew from $1.309 to $2.106M over the past 2 years.
- GrandSKY also contributed $952,127 in taxes from construction activities in the last two years.
- The private sector has invested over $100M in facilities because of the State's $28M investment.
- Total wages attributable to GrandSKY grew from $29.18M to $40.78M (Direct, Indirect, Induced wages) with an average salary for Direct employees at GrandSKY growing from $90,586.05 to $123,422.70.

Since the commissioning of the previous economic impact report, GrandSKY has enjoyed significant growth and new mission announcements. Specifically, General Atomics, an anchor tenant at GrandSKY has begun, and as of 1/1/2023, close to completing construction on a new, larger hangar. General Atomics has listed 22 more positions within their GrandSKY operation. Northrop Grumman has been awarded a contract to repurpose and modernize 24 former US Air Force Global Hawk aircraft and turn them into Range Hawks to support a crucial national defense mission. Northrop Grumman has posted 18 new positions for employment at GrandSKY as they work to increase the size of their operations to support this new contract. Between all the GrandSKY tenants, we expect to open and fill over 100 new positions in the coming 36 months.

In furtherance of the Northrop Grumman contract, a Department of Defense organization, the Test Resource Management Center (TRMC) has announced that GrandSKY will be the future home of its "Sky Range" operation. Northrop Grumman and General Atomics both provide support to this effort as well as Kellogg Brown and Root, Blue Halo, Honeywell, Stratolaunch, and a variety of other companies. TRMC has already moved 24 former Air Force Global Hawks to GrandSKY at record speed. These aircraft are conservatively valued at just over $1.5B and without the generous investment from the State of North Dakota for infrastructure, the Air Force, Northrop and GrandSKY would not have been able to ensure delivery of those aircraft to GrandSKY instead of other locations around the country thus securing the Sky Range mission in North Dakota. TRMC has begun negotiations with GrandSKY for the development of hangars to house the 24 aircraft once they are modernized. These hangars will be used for storage as well as ongoing maintenance, sustainment and integration of new sensors and communication equipment. TRMC also plans a new operations center at GrandSKY that will support Sky Range operations around the world on a 24/7 basis. There are numerous smaller projects that will result from TRMC and Sky Range being located at GrandSKY but current estimates are for approximately $80 million in operations facilities and hangars. All of these new facilities will be developed with private sector capital and leased on a long-term basis to TRMC.

Photo of RQ-4 Global Hawks at GrandSKY. GrandSKY is the largest Global Hawk base in the world..

GrandSKY's future looks very bright. The announcements made by TRMC to establish the Sky Range program at GrandSKY represents a significant financial commitment to North Dakota. Sky Range will require roughly $80M in new facilities that will begin construction in 2023. These facilities include a state-of-the-art operations center that will facilitate mission management anywhere in the world. TRMC is currently negotiating with GrandSKY to secure private financing for the construction of these facilities. GrandSKY is prepared to provide the private capital needed to develop these facilities and is working with local banks and the Bank of North Dakota to execute the transaction. The Sky Range program will grow GrandSKY's economic impact in the following ways:

- Construction tax revenue (during construction period) over $3M
- Increase in taxes from ongoing operations from $2.1M per year to over $3.5M
- An additional 100 or more Direct employees at an annual salary of $100,000 or more

These economic impacts suggest full payback of the $22M requested in less than seven years.

Photo of Grand Sky and its connection to the Grand Forks AFB runway with inset detail of the Grand Sky ramp.

GrandSKY requests $22 million to support specific investment at the park:

- $12M for the construction of a new taxiway that will extend to the west, on existing GrandSKY property and offer multiple new hangar locations. This project includes the design and construction of the taxiway, supporting aprons, diversion of a stormwater drainage ditch, a new perimeter road around the new taxiway, new stormwater culverts, relocation of wetlands, and a new security perimeter compliant with US Air Force and FAA security requirements.
    - This project is a true "one-time" investment.
    - The land and environmental permits are already in place and the project will begin construction as soon as funding is secured.
    - The taxiway is needed to support the new TRMC missions coming to GrandSKY.

- $10M for the construction of additional infrastructure around the park which includes new utilities (natural gas, electric, sewer, water, roads, security, fire support, weather support, snow plowing, etc.). This sum also includes new flight operations support structures like antenna towers at the north end of the park and elevated command and control towers for safe flight observation and support.
    - When GrandSKY was originally proposed, total infrastructure requirements were estimated to be about $43.5M total. Inflation and changes in types and size of facilities required at GrandSKY may change that original estimate but the $10M requested would bring the total State investment to $38M for infrastructure.
    - This investment will allow GrandSKY the flexibility to meet tenant requests for flight support infrastructure (that all tenants can use) as well as utility infrastructure. GrandSKY anticipates the need for significantly more power and fiber optics for communications to support the headquarters operation center for a worldwide, 24/7 mission like Sky Range.

Some key points about how State infrastructure investments are used:

1. No state funds are used for GrandSKY or GrandSKY tenant sustainment or salaries. GrandSKY is self-sufficient for its and its tenant's operations. However, infrastructure is a difficult cost to recover through traditional tenant rents which is why GrandSKY requests funding support specifically for infrastructure.
2. GrandSKY does not provide infrastructure to tenants on their leased property. GrandSKY brings infrastructure to a property line and then it is the financial responsibility of the tenant through their lease or use of their own funds to connect their facilities to the infrastructure.
3. All infrastructure is available for use by ALL tenants. A key proponent of our philosophy on how best to use state funds is that they should go toward projects that all tenants can benefit from. For example, aircraft pavement improvements benefit all apron accessible tenants. The weather system under development allows all tenants to make flight decisions with highly accurate information.

GrandSKY looks forward to continuing the growth trend the park and overall UAS ecosystem has been on. The $22M in continued support will help accelerate the ability of GrandSKY to bring more, high quality jobs to North Dakota as well as provide deeper links into DoD activities that cement North Dakota as a premier location for UAS related support.

GrandSKY 2023-2024 funding request

One-time ask for Taxiway extension

1900 LF of 75' wide 12" Concrete taxiway	4,023,117.00
1900 LF of 100' wide 7" Asphalt Taxiway Shoulder	3,343,655.00
Stormwater Culverts East End	639,000.00
Stormwater conveyence relocation west end	533,000.00
Perimeter Access Road	2,062,260.00
Utility Extensions	1,400,000.00
	12,001,032.00

Ongoing infrastructure investments

Concrete Apron Repair	1,500,000.00
Lady Hawk extension south	1,750,000.00
Utility extensions south and west	900,000.00
Alert Road Gate Replacement	450,000.00
Secure communications install	400,000.00
Site Security system upgates	550,000.00
C2 antenna and operations tower support system	600,000.00
Advanced Air Mobility Test Center	1,950,000.00
2 acre Drone pad expansion	1,900,000.00
	10,000,000.00

* - GrandSKY will take any risk of overrun over $12M for taxiway extension

Additional information and News clips:

https://www.msn.com/en-us/news/technology/global-hawk-has-left-beale-air-force-base-for-good/ar-AA10xk3a?ocid=msedgdhp&pc=U531&cvid=26db0728d5d147499cbf52569b2e90e7

https://www.defensenews.com/unmanned/2022/09/16/skyrange-uncrewed-aircraft-to-speed-hypersonic-testing-by-2024/

https://www.washingtonpost.com/climate-environment/2022/09/17/first-drone-collect-weather-data-us-launches-this-fall/

https://uasmagazine.com/articles/2586/creating-a-powerful-ecosystem-to-support-advancements-in-new-technology

https://news.northropgrumman.com/news/releases/northrop-grummans-rq-4-rangehawks-embark-on-new-mission

Frequently Asked Questions:

How much is GrandSKY asking for in 2023 and how will the funds be used?
GrandSKY is asking for $22M from the legislature. $10M will be used for continued infrastructure investment (roads, aircraft operating areas, support systems like weather and security, and utilities). grandSKY is also asking for $12M in "one-time" funding for extension of a taxiway to create more developable property with access to the Air Force Base runway.

How much has the State invested so far?
North Dakota has invested $28M to date. This investment has been leveraged with over $100M in private sector investment to date. Investment requested in the current legislative session will be used for additional utilities and infrastructure to leverage $80M in expected investment over the next 24 months.

How much private sector investment is in the project?
Northrop Grumman, General Atomics, and Grand Sky MT1 LLC have all invested in facilities with a total value of approximately $100M at Grand Sky. These investments represent facilities, parking lots, physical plant and associated costs. The companies have another $100M in equipment like simulators, aircraft, ground equipment and other capabilities that allow them to conduct work at GrandSKY. Finally, the US Government has entrusted the GrandSKY team with managing over $1.5B in aircraft that will be retrofitted and upgraded for new missions beginning in 2023.

How much money does the developer have in the project?
Grand Sky Development Company LLC and our affiliated companies, Grand Sky Airfield Operations and Grand Sky MT1 LLC have invested over $10M in facilities and infrastructure at Grand Sky. The bulk of the private investment at GrandSKY currently is from General Atomics and Northrop Grumman. Grand Sky Development Company is currently arranging financing for the new tenant

facilities to support TRMC in the future and expect to invest the $80M needed to construct those facilities.

Testimony to the House Appropriations Committee
Chairman Michael Nathe
Frank Matus on behalf of the Northern Plains UAS Test Site and Vantis Program
Frank.matus.e@thalesdigital.io
315-664-9510

HOUSE BILL 1018

Mr. Chairman and members of the committee, my name is Frank Matus and I represent Thales USA, Inc, the State's systems integrator partner for the Vantis Beyond Visual Line of Site drone program. As many of you are aware, the Vantis program represents the first of its kind infrastructure program supporting unmanned aircraft systems or UAS integration into the national airspace system. Vantis is developing and implementing a commercially operational UAS BVLOS flight system to serve our communities. North Dakota continues to lead industry in the development of UAS aviation infrastructure and operations with the support of our State and Federal partners.

The 2023-2025 North Dakota Governor's budget request is for $30,000,000 in new funding for Vantis that will drive our vision to the next level. This funding enables program management oversite, sustains the Mission and Network Operations Center (MNOC) in Grand Forks, supports operations and maintenance of Vantis infrastructure, design and deployment of new operational sites and services across the State, and on-boarding of commercial/public UAS operators with appropriate Federal Aviation Administration (FAA)/government approvals.

Other states and countries from around the world, have approached us in hopes of emulating the approach we are taking on this monumental program. This replication means that each time we deploy Vantis services, a portion of the sale of a similar system, is returned to the State as a royalty to recover its initial investment. To date, two other States have become early adopters and as such, a minimum of 3% of fees collected are returned to North Dakota.

However, this is just a start. To eliminate unnecessary red tape and to increase efficiency, we are recommending changes to the Commerce Century Code to ensure that the Northern Plains UAS Test Site be given the authority to act independently under the Department of Commerce. This will reduce many layers of unnecessary bureaucracy that were not envisioned originally but are stifling the efficiency of the North Dakota State government and Thales alike. I urge you to support those changes.

Finally, on a personal note, this program was so important to not only me, but Thales, that my family and I have relocated to the State so that I can personally ensure the mission and vision of the Vantis program is realized and to increase the number of jobs that will unlock the potential of UAS.

Recommended Revisions:

54-60-28. Unmanned aircraft systems program - Report to legislative management.
The department shall provide support to operate and manage an Uncrewed Systems Test Site Authority which has been designated and recognized by the Federal Aviation Administration and overseen by a board of advisors appointed by the Governor. The Authority shall enable a Test Site Organization that operates on behalf of the Authority and has the authority to administer the organization, charge fees, and enter into contracts with public or private entities. The Test Site Organization shall have the intent to provide expertise, management, coordination, participation, research, development, and operations of uncrewed systems in cooperation with public and private entities in the State of North Dakota and may enter into agreements to provide similar services to entities outside the State if deemed advantageous. The Authority may authorize the Test Site Organization to enter into partnership agreements with other Public and/or Private entities, subject to future appropriations, and also to expand its mission and coordinate with other state, federal or private entities. The department shall report semiannually to legislative management on the status of the program.

54-60-29. Unmanned aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which may be used to defray the expenses and support of the:
    a. Operations of an unmanned aircraft systems test site officially designated by the federal aviation administration;
    b. Beyond visual line of sight unmanned aircraft system program; and
    c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, other generated revenues collected from the administration of the test site and other funds appropriated by the legislative assembly, federal funds, or other governmental entities. 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 and reinvesting into building the North Dakota UAS Industry. Interest earned on moneys in the fund must be credited to the fund.

54-60-29.1. Beyond visual line of sight unmanned aircraft system program -Requirements - Report to legislative management.

The department may establish and administer a program for the design, purchase, implementation and operation of a beyond visual line of sight unmanned aircraft system. This program should establish government and industry partnerships consistent with North Dakota Century Code. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight unmanned aircraft system to provide quarterly payments to the state treasurer equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements. The state treasurer shall deposit any funds received under this section in the state general fund, and any additional funds into the UAS program fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight unmanned aircraft system program and the total amount deposited by the state treasurer in the state general fund.

Recommendations from the Executive Director of the Northern Plains UAS Test Site:

As the Executive Director of the Northern Plains UAS Test Site, I am writing to respectfully recommend the following revisions to House Bill 1018. These revisions are intended to enhance the approach and provide necessary funding for our test site, which plays a crucial role in the advancement and commercialization of our government-related activities.

The test site is an important governmental function recognized by the FAA as a trusted entity to facilitate UAS integration by conducting safety panels, recommending regulations and policy, and engaging with several federal agencies at a government-to-government level. I am strongly advocating for the signatory authority to allow for improved control and a more collaborative partnership with industry stakeholders and partners to deliver an enduring capability that is transformative to the global aviation community. Additionally, I recommend allocating funding for the continued development of regulations and policy, industry standards development, and supporting reauthorization.

Given the pressing nature of integrating UAS into our national airspace, it is vital that we establish an organization that will continue to facilitate close collaboration with the FAA. To this end, it is essential that we possess the flexibility to act on recommendations in a timely manner and reduce bureaucratic barriers in order to maintain our position as a leader in UAS integration. Reducing the current levels of bureaucracy that exist in contracting and financial management of all test site projects not only hinders progress in UAS integration, but it also slows down ongoing program management processes, causing delays and resulting in additional costs for our State.

By eliminating red tape and streamlining decision-making, we can not only maintain our position as a pioneer in UAS integration but also improve efficiencies in conducting business with our industry partners and stakeholders. I strongly recommend that the Legislature move towards the establishment of the test site as an authorized authority or public corporation allowing us the necessary flexibility to act on recommendations more effectively and to advance the state of innovation that we have enjoyed as a leader in the advancement of unmanned systems in the US and the world.

Goals of Recommendation

1. Allow the Northern Plains UAS Test Site (NPUASTS) to operate and act on its own behalf as an entity of the State. There will still be governance, oversight, and audit capabilities. Today, Commerce must sign off on every decision as the legally responsible entity. Given the maturity of this industry, the ability to maintain a government component is critical.
2. Authorize ability to enter into contracts or agreements with federal, state, private, and nonprofit organizations to carryout partnerships, joint ventures, or other appropriate legal business relationships with industry. This ability to enter into Public-Private Partnerships will diversify funding opportunities and increase revenue stream potential to sustain growth in the marketplace. Industry needs the public sector to lead inherently

governmental conversations at Federal and State levels, and North Dakota needs industry ability to invest and capitalize.

3. Authorize ability to explore and develop in adjacent and related opportunities of autonomy and uncrewed systems. Industry and other states are already exploring Advanced Air Mobility and eVTOL opportunities. This builds on the foundation already in existence with uncrewed aircraft systems.

Recommended Revisions:

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Other Comments to Consider

- Small, incremental changes vs an overhaul.
- Consider seeking Attorney General opinion based on past interpretations from the 2014 letter.
- NDCC 19-0739-050000 SERC Senate Bill No. 2249 Thursday, January 3, 2019
    - NDCC example language that may be more aligned with what we are trying to do. This code relates to establishing the State Energy Research Center of North Dakota, under EERC.

Notes for appropriated funds to the Test Site program

- Supports development and capability building activities to continue bringing federal and private funding and programs to the State.
- Upcoming program with DoD – multi year program being funded annually for at least 5 years.
- Regulatory and policy development favorable to industry in North Dakota.
- Development of Advanced Air Mobility and eVTOL activities. Partnerships building with other States and clusters to evolve supply and logistics chains for both good and services, and for people transportation.
- Funding opportunities that come through this program translate to jobs and economic activity of industry partners who ultimately perform the work.
- Maintain leadership position in this space.

North Dakota Tourism · Five-year key metric comparison

	2018	2019	2020	2021	2022
Total visitors	23.2 million	23.7 million	18.2 million	21.71 million	
Total spending	$2.97 billion	$3.10 billion	$2.11 million	$2.61 billion	
Jobs supported by travel industry	45,640	45,825	38,700	41,681	
Travel & tourism businesses/establishments	2,977	2,978	2,950	2,968	
Hotel properties	316	316	310	328	336
GDP – Arts, entertainment, recreation, accommodation & food services	$2.90 billion	$3.22 billion	$2.41 billion	$3.03 billion	
Taxable sales & purchases – Arts, entertainment, recreation, accommodation & food services	$1.89 billion	$1.96 billion	$1.57 billion	$1.97 billion	
Visitors to NDtourism.com	1,238,092	1,131,711	1,716,372	2,155,110	2,070,760
Social media audience	135,584	143,301	151,714	153,962	164,519
Earned media Instances	323	830	732	231	2,124
Earned media audience reached	730 million	2.09 billion	1.35 billion	1.34 billion	13 billion
Paid media advertising reach	246 million	227 million	352 million	842 million	423 million

Amendment to HB 1018- Tourism Development Grant Program

Added to Section 29

The grants will provide financial support to develop new or expanded tourism experiences and attractions resulting in economic growth and diversification. Also, to increase unique experiences for workforce recruitment and retention, and enhance North Dakota residents' quality of life. This grant is intended to fund the actual building of infrastructure or expansion of an attraction and service that create anchor tourism attractions that will assist in spurring and supporting secondary attractions within the state.

Funds are intended to move a project toward completion rather than for preliminary planning and development. Types of usage that would be allowed include, but are not limited to, costs associated with the purchase or construction of new and/or existing tourism and recreation attractions, historic sites, and equipment purchased for specific tourism project operations.

1. **Accommodations** - Lodging options that are distinct from traditional hotels/motels or short-term homestays. This can include historic restorations, boutique hotels, bed and breakfasts, outdoor (glamping) or cultural-themed lodging, hunting lodges or resorts and other types of accommodations that provide services and amenities and offer a unique and memorable experience for visitors. Unique accommodations that can help to enhance the tourism experience by providing visitors with a more personalized and immersive experience and can also help diversify the range of lodging options available in a destination.

2. **Culinary experiences** - Restaurants, cafes, breweries, and wineries
    a. Breweries or wineries that offer tours and/or event space
    b. Themed restaurant destination built in conjunction with a larger tourism project
    c. Cultural or regional cuisine attractions that highlight that area's culture (Native American cuisine, Scandinavian, German-Russian heritage)

3. **Themed education and entertainment attractions**

4. **Recreation**
    a. Value-added equipment rentals
    b. Guide and outfitter services
    c. Complete experience packages

5. **AgriTourism attractions**
    a. Farm stays to include tours, activities, or events
    b. Full-service guest ranches

6. **Focused niche activities that provide value-added services**
    a. Historical or cultural
    b. National Park/monument visitors
    c. Scenic beauty or natural distinctions
    d. Unique community amenities

Eligible entities include for-profit or non-profit organization or business involved in tourism.

State and federal government entities are not eligible.

These funds shall require a matching requirement from non-state sources of $1 to $1. Matching requirements may be altered based on the size of the project and geography (urban/rural), but no project will receive funding without non-state sources utilized.

The North Dakota Department of Commerce shall provide recommendations to the designated Destination Development Council on the distribution of destination development grants. Commerce, in collaboration with the technical advisors, will provide a recommendation for matching requirements to the destination development council.

DESTINATION DEVELOPMENT COUNCIL

1. The Destination Development Council will consist of seven voting members and five non-voting technical advisors.
2. The seven voting members consist of:
   a. The commissioner of Commerce or the commissioner's designee to serve as chairman.
   b. One representative from the Greater North Dakota Chamber appointed by the governor.
   c. Three representatives from the business community appointed by the governor.
   d. Two at-large representatives with a passion for advancing community development, tourism, and/or recreation appointed by the governor.
3. The three non-voting technical advisors consist of:
   a. The director of the North Dakota Parks and Recreation Department or designee.
   b. The director of the State Historical Society of North Dakota or designee.
   c. The director of tourism or designee, if not appointed as the Commerce. commissioner's designee.
   d. One representative from the Economic Development Association of North Dakota.
   e. One representative from the Destination Marketing Association of North Dakota.

The term of office for the voting members is four years and each voting member is limited to two consecutive terms. The terms of office for the voting member commence July 1. The initial terms for the voting members of the council must be staffed following a method determined by the council and if the initial terms are less than three years, they will not count towards the two-term limit.

Greater North Dakota Chamber

GREATER NORTH DAKOTA CHAMBER
HB 1018
House Appropriations Committee
Education and Environment Division
Chairman Mike Nathe
January 19, 2023

Mr. Chairman and members of the Committee, my name is Andrea Pfennig with 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 House Bill 1018.

Workforce is a critical challenge facing businesses in North Dakota. Our members support comprehensive efforts led by the State to attract workforce. We also feel it is important to augment strategic resources for automation, recognizing it is an important tool to address workforce challenges.

From a business climate perspective, our members feel it is important to advance automation, innovation, and entrepreneurship through targeted incentives and economic development policies that position North Dakota to be globally competitive. This is important to all industries, including burgeoning industries such as UAS.

Because of this, we would like to offer general support for those aspects of HB 1018. Thank you for your consideration. I'd be happy to answer any questions.

701.222.0929 ndchamber@ndchamber.com ndchamber.com PO Box 2639 • Bismarck, ND 58502

23.0247.01001
Title.

Prepared by the Legislative Council staff for
Representative Monson
January 13, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 2, after line 24, insert:

"**SECTION 3. APPROPRIATION - REGIONAL COUNCIL GRANT PROGRAM.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $8,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants to regional councils in the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department shall award funding appropriated in this section equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with chapter 54-40.1."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment appropriates $8 million from the general fund to the Department of Commerce to provide grants to regional councils to support rural community projects and initiatives.

North Dakota Legislative Council

Prepared for Representative Monson
LC# 23.9449.01000
January 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018 (2023)

The following is a summary of proposed amendments to House Bill No.1018 (2023) regarding a cold war historic center tourism grant program:

SECTION 3. APPROPRIATION - DEPARTMENT OF COMMERCE - COLD WAR HISTORIC CENTER TOURISM GRANT PROGRAM - ONE-TIME FUNDING.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $4,600,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing a cold war historic center tourism grant to an organization dedicated to building a cold war historic center and other cold war historical sites, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this section must be used for:
   a. Construction, addition, maintenance, and equipment for new and existing North Dakota cold war historic sites;
   b. Providing educational resources regarding North Dakota's role in the cold war; and
   c. Promoting tourism to North Dakota cold war historic sites.
2. The funding provided under this section is considered a one-time funding item.

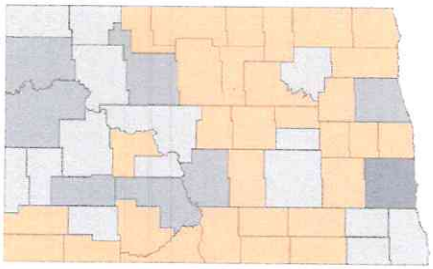
Eight Regional Councils supporting communities statewide

January 18, 2023

NDCC 54-40.1

Created by the state in 1973 to establish consistent statewide policy for planning, economic development program, operations, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions - **but did not include a funding mechanism.**

The State's economic prosperity is focused where there has been population growth



30 counties (in orange) have continued an 80-year trend of population loss between 2010 and 2020. The loss trend has begun to stabilize.

These counties have 50% of the state's land mass. 70% of rural residents live in small towns of less than 1,000 people.

70% of the state's population growth the past decade was concentrated in three counties - Cass (Fargo), Burleigh (Bismarck) , and Williams.

Seeking the state's investment in rural development capacity

CURRENT SYSTEMS DO NOT SUPPORT SOLVING COMPLEX RURAL ISSUES

Small towns require ongoing technical support to develop and implement development strategies, plans and projects related to **community infrastructure, entrepreneurship, housing, childcare, workforce development/attraction, housing, tourism, philanthropy and more.**

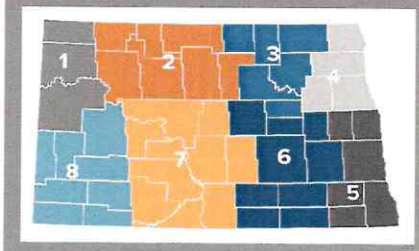
What would the funding do?

- Implement existing and recent comprehensive economic development strategies developed every five years by regional leaders - by increasing staff capacity to an estimated 4+ new staff and/or contracted capacity per region.
- Create regional partnerships to address shared issues
- Provide technical assistance to develop plans, projects, secure funding, and implement
- Seek professional development to enhance skills and capacity to create innovative solutions.
- Create rural/urban alliances.
- Maximize the state's prosperous times to rise all areas of the state.

Often rural strategies stretch multiple counties, many miles, and with limited budgets. The local governments are already heavily invested in local development - investing both time and resources. Seeking the state to partner in the creation of rural development hubs as part of the rural ecosystem.

$8M in people power

EIGHT REGIONAL COUNCILS POSITIONED TO ASSIST



Regional Councils are led by professional staff, mayors, county commissioners, Job Service, hub city representatives, and more.

There is an existing network of long-term, trusted relationships with local and regional leadership to be leveraged for statewide growth.

Invest in proven, long-standing organizations led by local leaders to support community growth statewide

$52M

Funds secured for communities, businesses and development in 2021 & 2022 alone.

32 Staff

Staff levels vary from 1.8 to 7 people (most have 3) per region. Regions range in size from 3 to 12 counties.

$148M in Loan Programs

Regional Councils have established loan programs to support business growth.

2023 DESTINATION DEVELOPMENT GRANT

PROGRAM OBJECTIVE

To provide financial support to develop new or expanded tourism experiences and attractions resulting in economic growth and diversification. Also, to increase unique experiences for workforce recruitment and retention, and enhance North Dakota residents' quality of life. This grant is intended to fund the actual building of infrastructure or expansion of an attraction and service that create anchor tourism attractions that will assist in spurring and supporting secondary attractions within the state.

ELIGIBLE PROJECTS

Implementation of the planning process needs to begin within 90 days of receipt of the funds. Funds are intended to move a project toward completion rather than for preliminary planning and development. Types of usage that would be allowed include, but are not limited to, costs associated with the purchase or construction of new and/or existing tourism and recreation attractions, historic sites, and equipment purchased for specific tourism project operations.

1. **Accommodations** - Lodging options that are distinct from traditional hotels/motels or short-term homestays. This can include historic restorations, boutique hotels, bed and breakfasts, outdoor (glamping) or cultural-themed lodging, hunting lodges or resorts and other types of accommodations that provide services and amenities and offer a unique and memorable experience for visitors. Unique accommodations that can help to enhance the tourism experience by providing visitors with a more personalized and immersive experience and can also help diversify the range of lodging options available in a destination.
    a. Rehabilitation of a historic structure unique to the area (ex: downtown boutique hotel)
    b. Unique offering representative of the area's offerings and culture (ex: ski lodge, glamping site, hunting/fishing lodge)
    c. Built with a tourism attraction where the tourism attraction costs more than the lodging facility
    d. Construction, restoration, or renovation of a full-service lodging facility that is or will be a part of a major attraction, convention or sports facility offering unique experiences that tie directly to the attraction or venue
2. **Culinary experiences** - Restaurants, cafes, breweries, and wineries
    a. Breweries or wineries that offer tours and/or event space
    b. Themed restaurant destination built in conjunction with a larger tourism project
    c. Cultural or regional cuisine attractions that highlight that area's culture (Native American cuisine, Scandinavian, German-Russian heritage)
3. **Themed education and entertainment attractions**

4. **Recreation**
    a. Value-added equipment rentals
    b. Guide and outfitter services
    c. Complete experience packages
5. **AgriTourism attractions**
    a. Farm stays to include tours, activities, or events
    b. Full-service guest ranches
6. **Focused niche activities that provide value-added services**
    a. Historical or cultural
    b. National Park/monument visitors
    c. Scenic beauty or natural distinctions
    d. Unique community amenities

INELIGIBLE PROJECTS

Projects that would not qualify include planning or hosting a new event. A tourism attraction shall not be primarily devoted to the retail sale of goods, shopping centers, restaurants, or movie theaters. State and government-owned facilities are not eligible. Projects that intend to use grant dollars for staffing positions, strategic planning, marketing, and ongoing expenses are not eligible.

ELIGIBLE ENTITIES

A for-profit or non-profit organization or business involved in tourism. Private and non-profit tourism entities or concessionaires using government buildings or public property are eligible if the grant dollars are used only to improve items belonging to the business or non-profit.

INELIGIBLE ENTITIES

State and federal government entities are not eligible.

HOW MUCH FUNDING IS AVAILABLE?

There is appropriated sum of $50 million from the legacy earnings fund.

MATCHING REQUIREMENTS

These funds shall require a matching requirement from non-state sources of $1 to $1. Matching requirements may be altered based on the size of the project and geography (urban/rural), but no project will receive funding without non-state sources utilized.

TIMELINE & PROJECTS AWARDED ANNOUNCEMENT

The North Dakota Department of Commerce shall provide recommendations to the Destination Development Council on the distribution of destination development grants. Commerce, in collaboration with the technical advisors, will provide a recommendation for matching requirements to the destination development council.

WHAT MAKES FOR A STRONG APPLICATION?

- Projects that clearly demonstrate how the attraction will motivate a trip to North Dakota.
- Projects that clearly demonstrate their role as a tourism and recreation attraction in their community and region, and the benefits the project will provide through the development of the new visitor attraction.
- The demand for the tourism-related project is clearly demonstrated through research and analysis.
- The project is unique and offers an experience that is relevant to North Dakota's history, culture, or natural resources.
- Projects that align with gaps identified in tourism development plans, offer unique or in-demand experiences and could attract and retain out-of-state visitors for at least four to six hours or overnight.
- Projects that leverage funding from various public or private sources.
- Projects that demonstrate responsible management of tourism activities to preserve and enhance the natural, cultural, or social resources that make a destination attractive to visitors. (Ex: minimizing environmental impacts through sustainable practices, promoting cultural understanding and respect by providing information or training about local culture and customs, supporting local cultural initiatives, supporting the local economy by using local suppliers, protecting public safety by conducting activities in a safe and responsible manner.)

GRANTEE REQUIREMENTS

The grantee must provide a breakdown of projected visitation and revenue by origin: local (within 50 miles), regional (50-150 miles), out-of-state (50 + miles)
The grantee must meet all zoning, licensing, and permitting requirements for the specific project and agrees to return all grant payments if these regulations are not met.
As a condition of receiving this grant, the grantee is required to disclose any defaults on loans or grants in their history. This includes any instances where the grantee failed to make required payments or fulfill other obligations under a loan or grant agreement.
This grant is not a reimbursement program. Grantees will receive funds as they raise matching funds, rather than being required to raise the entire match before receiving any grant funds. Grantees are required to provide documentation showing they have raised the matching funds before they can receive the corresponding grant funds.

DESTINATION DEVELOPMENT COUNCIL

1. The Destination Development Council consists of seven voting members and five non-voting technical advisors.
2. The seven voting members consist of:
    a. The commissioner of Commerce or the commissioner's designee to serve as chairman.
    b. One representative from the Greater North Dakota Chamber appointed by the governor.
    c. Three representatives from the business community appointed by the governor.

d. Two at-large representatives with a passion for advancing community development, tourism, and/or recreation appointed by the governor.

3. The three non-voting technical advisors consist of:
   a. The director of the North Dakota Parks and Recreation Department or designee.
   b. The director of the State Historical Society of North Dakota or designee.
   c. The director of tourism or designee, if not appointed as the Commerce. commissioner's designee.
   d. One representative from the Economic Development Association of North Dakota.
   e. One representative from the Destination Marketing Association of North Dakota.

   The term of office for the voting members is four years and each voting member is limited to two consecutive terms. The terms of office for the voting member commence July 1. The initial terms for the voting members of the council must be staffed following a method determined by the council and if the initial terms are less than three years, they will not count towards the two-term limit.

23.0247.01003
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
January 23, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, replace lines 10 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,835,431	$0	$12,835,431
Operating expenses	17,317,760	0	17,317,760
Grants	50,232,330	194,000	50,426,330
COVID-19 response	0	0	0
Discretionary funds	2,150,000	0	2,150,000
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$194,000	$85,240,519
Less estimated income	53,544,379	0	53,544,379
Total general fund	$31,502,140	$194,000	$31,696,140
Full-time equivalent positions	58.80	0	58.80"

Page 2, line 30, replace "$250,000" with "$444,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment increases the general fund appropriation for the rural health care grant program from $250,000 to $444,000.

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

Prepared for: 2/6/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		863,384	157,900	1,021,284		643,838	118,204	762,042		($219,546)	($39,696)	(259,242)
Health insurance increase		247,062	56,730	303,792		252,745	58,035	310,780		5,683	1,305	6,988
Adds funding for salary equity increases		100,000		100,000				0		(100,000)		(100,000)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0	(1.00)	(226,922)		(226,922)
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834			2,085,834	2,085,834				0
Adds funding for the rural health care grant program				0		194,000		194,000		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852	4.00	$4,049,555	$1,916,121	$5,965,676	(1.00)	($346,785)	($38,391)	($385,176)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000		$5,500,000		$5,500,000				$0
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060		4,000,000		4,000,000		($20,797,060)		(20,797,060)
Adds funding for workforce investment program grants		20,000,000		20,000,000		5,000,000		5,000,000		(15,000,000)		(15,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for automation grants		10,000,000		10,000,000		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 funding for tourism awareness marketing		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000			15,000,000	15,000,000			($35,000,000)	(35,000,000)
Adds funding for Main Street Initiative community development grants		800,000		800,000		400,000		400,000		(400,000)		(400,000)
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000		2,000,000		2,000,000		(8,000,000)		(8,000,000)
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0		(278,571)	(600,000)	(878,571)
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000			30,000,000	30,000,000				0
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000			28,000,000	28,000,000			21,000,000	21,000,000
Adds funding for new Americans workforce development and training grants				0		2,000,000		2,000,000		2,000,000		2,000,000
Adds funding for workforce grants to tribally controlled community colleges				0		500,000		500,000		500,000		500,000
Adds federal funding for the Americorps workforce community services program				0			785,000	785,000			785,000	785,000
Adds federal funding for the parks and recreation program				0			1,550,000	1,550,000			1,550,000	1,550,000
Adds federal funding for the energy conservation program				0			14,081,719	14,081,719			14,081,719	14,081,719
Adds federal funding for the heating and cooling grant program				0			1,172,250	1,172,250			1,172,250	1,172,250
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631	0.00	$36,400,000	$90,588,969	$126,988,969	0.00	($46,975,631)	$2,988,969	($43,986,662)
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483	4.00	$40,449,555	$92,505,090	$132,954,645	(1.00)	($47,322,416)	$2,950,578	($44,371,838)
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002	62.80	$71,951,695	$146,049,469	$218,001,164	(1.00)	($47,322,416)	$2,950,578	($44,371,838)
Federal funds included in other funds			*$46,555,556*				*$63,519,581*				*$16,964,025*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*	*6.8%*	*12.9%*	*3.6%*	*7.0%*				
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*	*6.8%*	*128.4%*	*172.8%*	*156.3%*				

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Transfer - General fund to internship fund	Section 25 would require OMB to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to innovation loan fund to support technology advancement	Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.	
Estimated income - Strategic investment and improvements fund - One-time funding		Section 5 identifies $73 million of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for the tourism destination development initiative ($15 million), BVLOS UAS grants ($30 million), and enhanced use lease grants ($28 million).
Rural workforce housing grant program - One-time funding		Section 6 identifies $5.5 million one one-time funding appropriated in Section 1 from the general fund is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Discretionary funds - State magazine		Section 7 identifies of the funding appropriated from the general fund for discretionary funds in Section 1, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
Amendment - Workforce enhancement council		Section 8 amends North Dakota Century Code Section 54-60-22 to expands recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - UAS program and fund		Sections 9 and 10 amend Sections 54-60-28 and 54-60-29 related to administration of the UAS program and fund
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 11 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 12 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 12 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	Subsection 5 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding may be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports		Section 13 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of $100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend $1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.	
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend $1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend $14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend $1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend $250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.	
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify $37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million) and enhanced use lease grants ($7 million).	
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify $50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.	
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.	
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.	

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

Prepared for: 1/17/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512				$0		($444,238)	($283,274)	($727,512)
Adds funding for the cost to continue salary increases		80,150	20,345	100,495				0		(80,150)	(20,345)	(100,495)
Salary increase		863,384	157,900	1,021,284				0		(863,384)	(157,900)	(1,021,284)
Health insurance increase		247,062	56,730	303,792				0		(247,062)	(56,730)	(303,792)
Adds funding for salary equity increases		100,000		100,000				0		(100,000)		(100,000)
Restores underfunded salaries		140,000		140,000				0		(140,000)		(140,000)
Adds funding for temporary salaries		91,000	500,000	591,000				0		(91,000)	(500,000)	(591,000)
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940				0	(1.00)	(202,940)		(202,940)
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940				0	(1.00)	(202,940)		(202,940)
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0	(1.00)	(226,922)		(226,922)
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000				0	(1.00)	(1,000,000)		(1,000,000)
Adds funding for a Global Engagement Office	1.00	619,404		619,404				0	(1.00)	(619,404)		(619,404)
Adds funding for travel		490,534		490,534				0		(490,534)		(490,534)
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666				0		(1,006,896)	2,230	(1,004,666)
Adds funding for the Operation Intern program		251,082		251,082				0		(251,082)		(251,082)
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834				0			(2,085,834)	(2,085,834)
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)				0		1,330,212		1,330,212
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)				0		240,000	1,147,341	1,387,341
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852	0.00	$0	$0	$0	(5.00)	($4,396,340)	($1,954,512)	($6,350,852)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000				$0		($5,500,000)		($5,500,000)
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060				0		(24,797,060)		(24,797,060)
Adds funding for workforce investment program grants		20,000,000		20,000,000				0		(20,000,000)		(20,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000				0		(5,000,000)		(5,000,000)
Adds funding for automation grants		10,000,000		10,000,000				0		(10,000,000)		(10,000,000)
Adds funding for technical skills training grants		2,000,000		2,000,000				0		(2,000,000)		(2,000,000)
Adds funding for tourism awareness marketing		5,000,000		5,000,000				0		(5,000,000)		(5,000,000)
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding for Main Street Initiative community development grants		800,000		800,000				0		(800,000)		(800,000)
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000				0		(10,000,000)		(10,000,000)
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0		(278,571)	(600,000)	(878,571)
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000				0			(30,000,000)	(30,000,000)
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000				0			(7,000,000)	(7,000,000)
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631	0.00	$0	$0	$0	0.00	($83,375,631)	($87,600,000)	($170,975,631)
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483	0.00	$0	$0	$0	(5.00)	($87,771,971)	($89,554,512)	($177,326,483)
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002	58.80	$31,502,140	$53,544,379	$85,046,519	(5.00)	($87,771,971)	($89,554,512)	($177,326,483)
Federal funds included in other funds			*$46,555,556*				*$44,086,094*				*($2,469,462)*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*				
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*				

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of $100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend $1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.	
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend $1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend $14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend $1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend $250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.	
Transfer - General fund to internship fund	Section 25 would require OMB to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	
Transfer - Legacy earnings fund to innovation loan fund to support technology advancement	Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.	
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.	
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify $37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million) and enhanced use lease grants ($7 million).	
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify $50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.	
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.	
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	

Prepared for the House Appropriations Committee

Department 601 - Department of Commerce
House Bill No. 1018

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	$119,274,111	$143,098,891	$262,373,002
2023-25 Base Level	31,502,140	53,544,379	85,046,519
Increase (Decrease)	$87,771,971	$89,554,512	$177,326,483

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments	$444,238	$283,274	$727,512
2. Adds funding for salary equity increases ($100,000), restores funding for salaries underfunded during the 2021-23 biennium ($140,000), and adds funding for temporary salaries ($591,000), of which $91,000 is from the general fund and $500,000 is from federal funds, to provide total funding of $900,000 for temporary salaries	$331,000	$500,000	$831,000
3. Adds funding for 3 FTE positions for the workforce talent attraction initiative ($202,940), workforce investment grant program ($202,940), and Main Street Initiative community development program ($226,922)	$632,802	$0	$632,802
4. Adds funding for an Office of Automation, of which $310,858 is for salaries and wages of 1 FTE position and $689,142 is for operating fees and services	$1,000,000	$0	$1,000,000
5. Adds funding for a Global Engagement Office, of which $250,904 is for salaries and wages of 1 FTE position and $368,500 is for travel, data processing, postage, printing, and professional development costs	$619,404	$0	$619,404
6. Adds funding for the Operation Intern program to provide a total of $1,006,082	$251,082	$0	$251,082
7. Transfers $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)	($1,147,341)	($2,717,553)
8. Adds **one-time funding** for the rural workforce housing grant program, of which $300,000 is for temporary salaries, $200,000 is for travel, information technology (IT) equipment, and operating and professional fees, and $5 million is for grants	$5,500,000	$0	$5,500,000
9. Adds **one-time funding** for the workforce talent attraction initiative, including $97,060 for travel and $24.7 million for professional fees	$24,797,060	$0	$24,797,060
10. Adds **one-time funding** for workforce investment program grants ($20 million), automation workforce transition training grants ($5 million), automation grants ($10 million), and technical skills training grants ($2 million)	$37,000,000	$0	$37,000,000
11. Adds **one-time funding** for tourism awareness marketing from the general fund ($5 million) and a tourism destination development initiative from the legacy earnings fund ($50 million)	$5,000,000	$50,000,000	$55,000,000
12. Adds **one-time funding** for Main Street Initiative community development grants ($800,000), rural revitalization and redevelopment grants ($10 million), and an AmeriCorps volunteer generation fund grant program ($878,571) of which $278,571 is from the general fund and $600,000 is from federal funds	$11,078,571	$600,000	$11,678,571
13. Adds **one-time funding** for the beyond visual line of sight (BVLOS) unmanned aircraft system (UAS) grant program ($30 million) and enhanced use lease grant program ($7 million)	$37,000,000	$0	$37,000,000

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

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Exemptions - Sections 3 through 24 would provide the Department of Commerce exemptions to continue $235.5 million of funding authorized for the 2021-23 biennium into the 2023-25 biennium for the following programs: discretionary funds, BVLOS UAS, enhanced use lease grants, nonresident nurse employment recruitment program, UAS, workforce community services, community development planning grants, workforce innovation network grants, homeless shelter grants, autonomous agriculture matching grants, workforce development incentive grants, technical skills training grants, AmeriCorps workforce community services, parks and recreation grants, energy conservation, heating and cooling grants, agriculture rural placemaking challenge, state small business credit initiative, federal Coronavirus Aid, Relief, and Economic Security Act funding, and funding from the federal Coronavirus Relief Fund.

Transfer - Internship fund - Section 25 would require the Office of Management and Budget (OMB) to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Operation Intern program.

Transfer - Legacy earnings fund to innovation loan fund to support technology advancement - Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.

Transfer - Legacy earnings fund to North Dakota Development Fund - Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.

Legacy earnings fund - Sections 28 and 29 would identify $87 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million), enhanced use lease grants ($7 million), and a tourism destination development grant program ($50 million).

Additional appropriation authority - Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the Department of Commerce during the 2023-25 biennium.

Exemption - Entrepreneurship grants and vouchers program - Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.

North Dakota Development Fund transfer - Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Continuing Appropriations

Innovation loan fund to support technology advancement - North Dakota Century Code Section 6-09.18-05 - Provided for the purpose of providing innovation technology loans and for administrative expenses. The Department of Commerce 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.

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

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

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

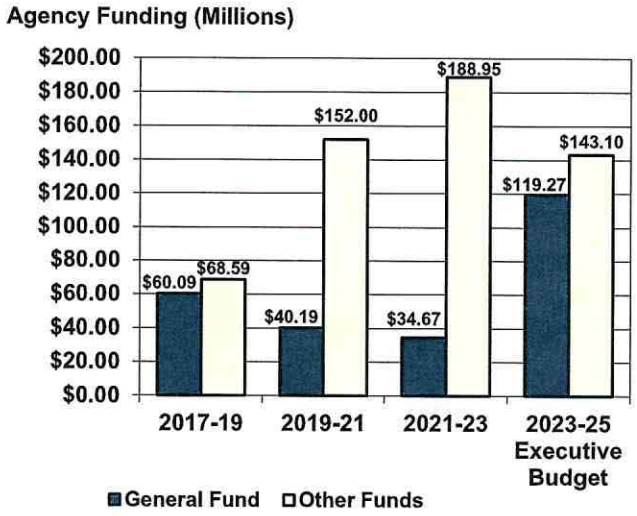
Major Related Legislation

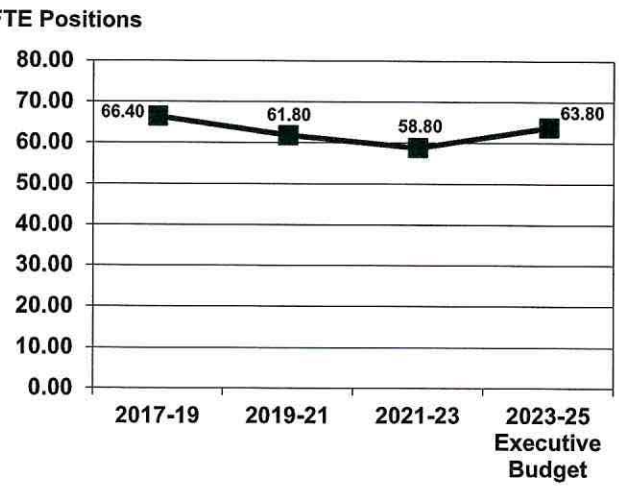
House Concurrent Resolution No. 3001 - Authorizes the Budget Section to hold the required legislative hearings on state plans for the receipt and expenditures of new or revised block grants passed by Congress. The Department of Commerce appropriation bill contains directions regarding the use of community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

Senate Bill No. 2142 - This bill establishes an Office of Health Care Immigration in the Department of Commerce, provides a one-time appropriation of $536,257 from the general fund and an ongoing appropriation of $536,257 from the economic development fund, and authorizes the department 5 FTE positions for the program.

Historical Appropriations Information

Agency Appropriations and FTE Positions





Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading	$200,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519
2023-25 Ongoing Funding Changes				
Base payroll changes		$444,238	$283,274	$727,512
Adds funding for the cost to continue salary increases		80,150	20,345	100,495
Salary increase		863,384	157,900	1,021,284
Health insurance increase		247,062	56,730	303,792
Adds funding for salary equity increases		100,000		100,000
Restores underfunded salaries		140,000		140,000
Adds funding for temporary salaries		91,000	500,000	591,000
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000
Adds funding for a Global Engagement Office	1.00	619,404		619,404
Adds funding for travel		490,534		490,534
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program		251,082		251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852
One-time funding items				
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060
Adds funding for workforce investment program grants		20,000,000		20,000,000
Adds funding for automation workforce transition training grants		5,000,000		5,000,000
Adds funding for automation grants		10,000,000		10,000,000
Adds funding for technical skills training grants		2,000,000		2,000,000
Adds funding for tourism awareness marketing		5,000,000		5,000,000
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000
Adds funding for Main Street Initiative community development grants		800,000		800,000
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002
Federal funds included in other funds			*$46,555,556*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of $100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend $1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend $1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend $14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend $1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend $250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.
Transfer - General fund to internship fund	Section 25 would require OMB to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to innovation loan fund to support technology advancement	Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify $37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million) and enhanced use lease grants ($7 million).
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify $50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1018
(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 amend session laws; 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, 2023, and ending June 30, 2025 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	$12,835,431	$4,394,109	$17,229,540
Operating Expenses	16,883,192	33,392,749	50,275,941
Grants	50,666,898	137,453,791	188,120,689
COVID – 19 Response	0	2,085,834	2,085,834
Discretionary Funds	2,150,000	0	2,150,000
Partner Programs	1,562,531	0	1,562,531
Entrepreneurship Grants and Vouchers	948,467	0	948,467
Total All Funds	$85,046,519	$177,326,483	$262,373,002
Less Estimated Income	53,544,379	89,554,512	143,098,891
Total General Fund	$31,502,140	$87,771,971	$119,274,111
Full-Time Equivalent Positions	58.80	5.00	63.80

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned Aircraft System	$1,000,000	$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	0	2,000,000
Total All Funds	$101,399,608	$170,975,631
Total Special Funds	98,234,176	87,600,000
Total General Fund	$3,165,432	$83,375,631

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. EXEMPTION – DISCRETIONARY FUNDS. The amount of $2,150,000 appropriated from the general fund in the discretionary funds line item in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 4. EXEMPTION – DISCRETIONARY FUNDS. The amount of $1,000,000 appropriated from the general fund in the discretionary funds line item in section 10 of chapter 15 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 5. EXEMPTION – BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM . The amount of $19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft systems program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 6. EXEMPTION – ENHANCED USE LEASE GRANT PROGRAM. The amount of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease program in section 7 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 7. EXEMPTION – NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM. The amount of $500,000 appropriated from the general fund for the nonresident nurse employment recruitment program in section 1 of chapter 46 of the 2021 Session Laws 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, 2023 and ending June 30, 2025.

SECTION 8. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $3,000,000 appropriated from the general fund for the unmanned aircraft systems operating expense in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT. The amount of $1,000,000 appropriated from the general fund for grants to organizations dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry in section 9 of chapter 46 of the

2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. EXEMPTION – WORKFORCE COMMUNITY SERVICES PROGRAM. The amount of $1,074,888 appropriated to the department of commerce for the purpose of workforce community services program in section 19 of chapter 549 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. EXEMPTION – COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM. The amount of $1,000,000 appropriated to the department of commerce for the purpose of a community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 12. EXEMPTION – WORKFORCE INNOVATION NETWORK GRANT PROGRAM. The amount of $100,000 appropriated to the department of commerce for the purpose of workforce innovation network grant program in section 21 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 13. EXEMPTION – HOMELESS GRANT PROGRAM. The amount of $1,330,212 appropriated from the general fund to the department of commerce for the purpose of homeless grants in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 14. EXEMPTION – AUTONOMOUS AGRICULTURE MATCHING GRANTS. The amount of $10,000,000 appropriated to the department of commerce for the purpose of autonomous agriculture matching grants in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 15. EXEMPTION – WORKFORCE DEVELOPMENT INCENTIVE GRANT PROGRAM. The amount of $15,000,000 appropriated to the department of commerce for the purpose of adding or expanding a local workforce development incentive grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 16. EXEMPTION – TECHNICAL SKILLS TRAINING GRANT PROGRAM. The amount of $5,000,000 appropriated to the department of commerce for the purpose of adding or expanding technical skills training grant program and a workforce innovation grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 17. EXEMPTION – AMERICORPS PROGRAM. The amount of $1,200,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of funding AmeriCorps programs in communities statewide is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 18. EXEMPTION – PARKS AND RECREATION GRANT. The amount of $1,550,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of projects that support travel, tourism, and outdoor sectors with marketing and technical support is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 19. EXEMPTION – ENERGY CONSERVATION PROGRAM. The amount of $14,222,975 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of developing energy conservation policies and programs related to prudent and

efficient use of energy is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 20. EXEMPTION – HEATING AND COOLING GRANT. The amount of $1,306,112 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing grants to Community Action Agencies to support furnace repair and cooling contracts is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 21. EXEMPTION – AGRICULTURE RURAL PLACEMAKING CHALLENGE. The amount of $250,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing support, assistance and training to foster placemaking activities in rural communities is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 22. EXEMPTION – STATE SMALL BUSINESS CREDIT INITIATIVE. The amount of $56,234,176 appropriated to the department of commerce for the purpose of state small business credit initiative in section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 23. EXEMPTION – CARES ACT FUNDING. The amount of $11,393,078 appropriated to the department of commerce for the purpose of CARES Act funding in section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 24. EXEMPTION – CORONAVIRUS RELIEF FUNDING. The amount of $82,179,000 appropriated to the department of commerce for the purpose of defraying the expense related to the COVID-19 pandemic in section 1 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,000,000 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, 2023 and ending June 30, 2025.

SECTION 26. TRANSFER – LEGACY EARNINGS FUND TO INNOVATION LOAN FUND TO SUPPORT TECHNOLOGY ADVANCEMENT. The office of management and budget shall transfer $20,000,000 from the legacy earnings fund to the innovation loan fund to support technology advancement for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 27. TRANSFER – LEGACY EARNINGS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer $30,000,000 from the legacy earnings fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 28. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of $37,000,000 from the legacy earnings fund, of which $30,000,000 is for beyond visual line of sight unmanned aircraft system grants and $7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 29. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of $50,000,000 from the legacy earnings fund, of which is for destination development grant program. This funding is considered a one-time funding item.

SECTION 30. 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, 2023 and ending June 30, 2025.

SECTION 31. ENTREPRENEURSHIP GRANTS PROGRAM. Section 1 of this Act includes the sum of $948,467, of which $740,956 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, 2023 and ending June 30, 2025. The department shall establish guidelines to award an organization 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, 2025 and ending June 30, 2027.

SECTION 32. AMENDMENT. Section 1 of chapter 550 of the 2021 Special Session Law is amended and reenacted as follows:

SECTION 1. APPROPRIATION - TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING - REPORT - EXEMPTION.

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund <u>for purposes of a grant program</u> under chapter 10-30.5 during the period beginning with the effective date of this Act, and ending June 30, 2023.

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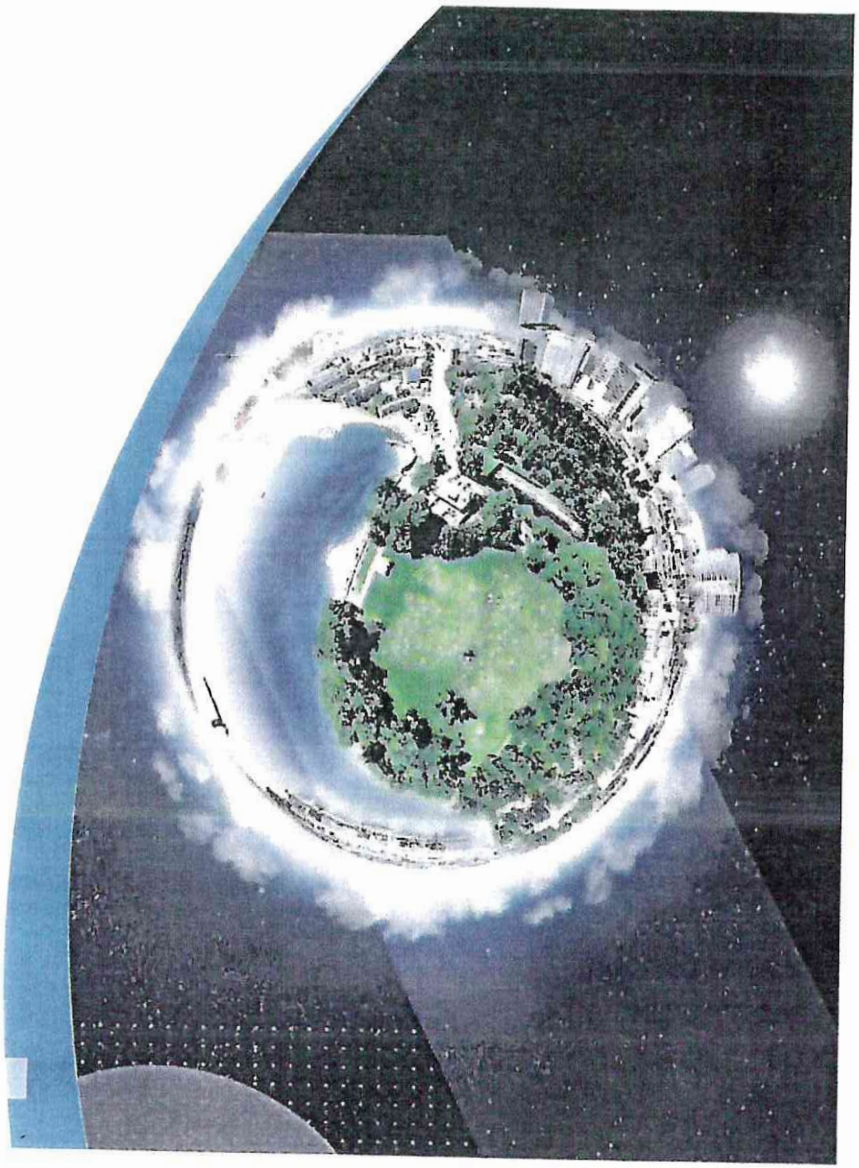
VANTIS PPP
Business Opportunity & ROI

March 2022



DISCLOSURE STATEMENT

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Vantis – Return on Investment to North Dakota

Thales tasked to create business plan for ND in December 2020

- Comprehensive look at the UAS Market
- Revenue model assumptions based on demand

Intermediate revenue share today

- General fund + Royalties in place

New business model = more revenue

- Additional return on investment comes with FAA validation and approvals
- Partnership between Thales - ND
- A PPP structure with 25% stake results in $22M/yr over 9 years

Goal → Commercial partnership with State of North Dakota

Executive Summary | Recommendations

Business Model & Governance Structures

- Leverage new and existing relationships for innovative partnerships with federal, state, and academic entities
- Develop a UTM test for BVLOS[1] operations
  - Leverage FAA Test Agreement and LOI for partnership
  - Participate in ongoing partnership such as NASA's AAM National Campaign and FAA's UAS Test Site Program

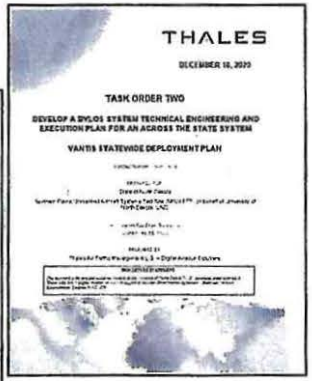
Value Pool & Monetization

- Develop market aspirations for internal and external business strategies
- Pilot market aspirations in ND leveraging tools such as:
  - Use strategic choice cascade, business model canvas
  - PMO, change management, strategic communications
  - Strategic planning, legal/policy
  - Business process implementation and continuous improvement
- Consider other UAS-friendly states (e.g., Texas, California, Ohio, Nevada, New York, New Mexico, and Maryland)

Regulatory Consideration

- Shape the vision of the UAM industry to drive consensus for regulators
- Implement Industry-led UTM coalition and Research and Development efforts
- Develop executable plan to shape favorable legislation
  - Monitor UAS/UTM legislation
  - Leverage test site participation
  - Provide comment/shape industry, NASA, Homeland Security, and FAA
  - Augment current lobby/agressuces to engage federal and state legislative bodies for favorable UAS/UTM policies

Thales has an opportunity to succeed in the UTM market by solidifying itself as a first mover, collaborator, and influencer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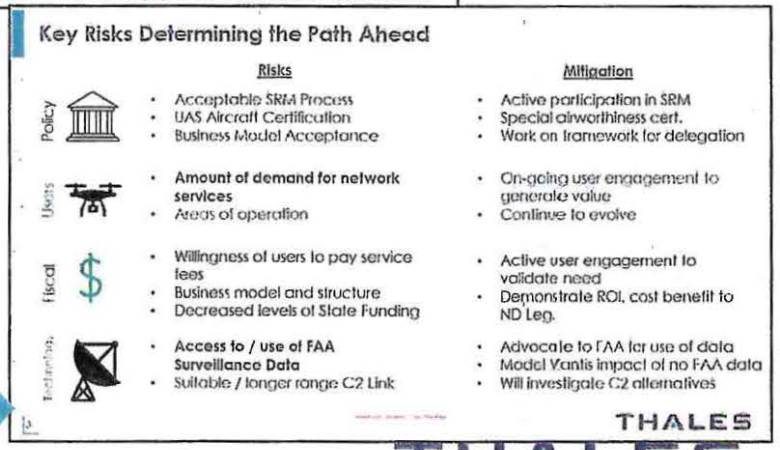
DECEMBER 18, 2020

TASK ORDER TWO

DEVELOP A BVLOS SYSTEM TECHNICAL ENGINEERING AND EXECUTION PLAN FOR AN ACROSS THE STATE SYSTEM

VANTIS STATEWIDE DEPLOYMENT PLAN


Key Risks Determining the Path Ahead

	Risks	Mitigation
Policy	• Acceptable SRM Process • UAS Aircraft Certification • Business Model Acceptance	• Active participation in SRM • Special airworthiness cert. • Work on framework for delegation
Users	• Amount of demand for network services • Areas of operation	• On-going user engagement to generate value • Continue to evolve
Fiscal	• Willingness of users to pay service fees • Business model and structure • Decreased levels of State Funding	• Active user engagement to validate need • Demonstrate ROI, cost benefit to ND Leg.
Technology	• Access to / use of FAA Surveillance Data • Suitable / longer range C2 Link	• Advocate to FAA for use of data • Model Vantis impact of no FAA data • Will investigate C2 alternatives

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Vantis Return on Investment – Current Construct

Vantis is close to commercialization but requires additional FAA approvals

- Economic development driving the major returns to the State today
  - Over 100 direct jobs attributable to Vantis today with $8.5M in tax revenue collected over 10 years
- Tech platform & partnership strengthening
  - Thales & Partner Companies establishing sustainable presence in ND

Current Agreements on Payback to the State

- Century Code Requirement
  - 3% return to General Fund
- Thales made additional commitments to the State
  - Software component royalty payments for Vantis components sold outside ND
  - 5% up to 200% of initial investment
  - 3% until end of Master Agreement with Thales
- Subcontracts from Thales
  - Leverage State's UAS experts outside the State
  - Michigan, Texas, DoD
  - International Opportunities

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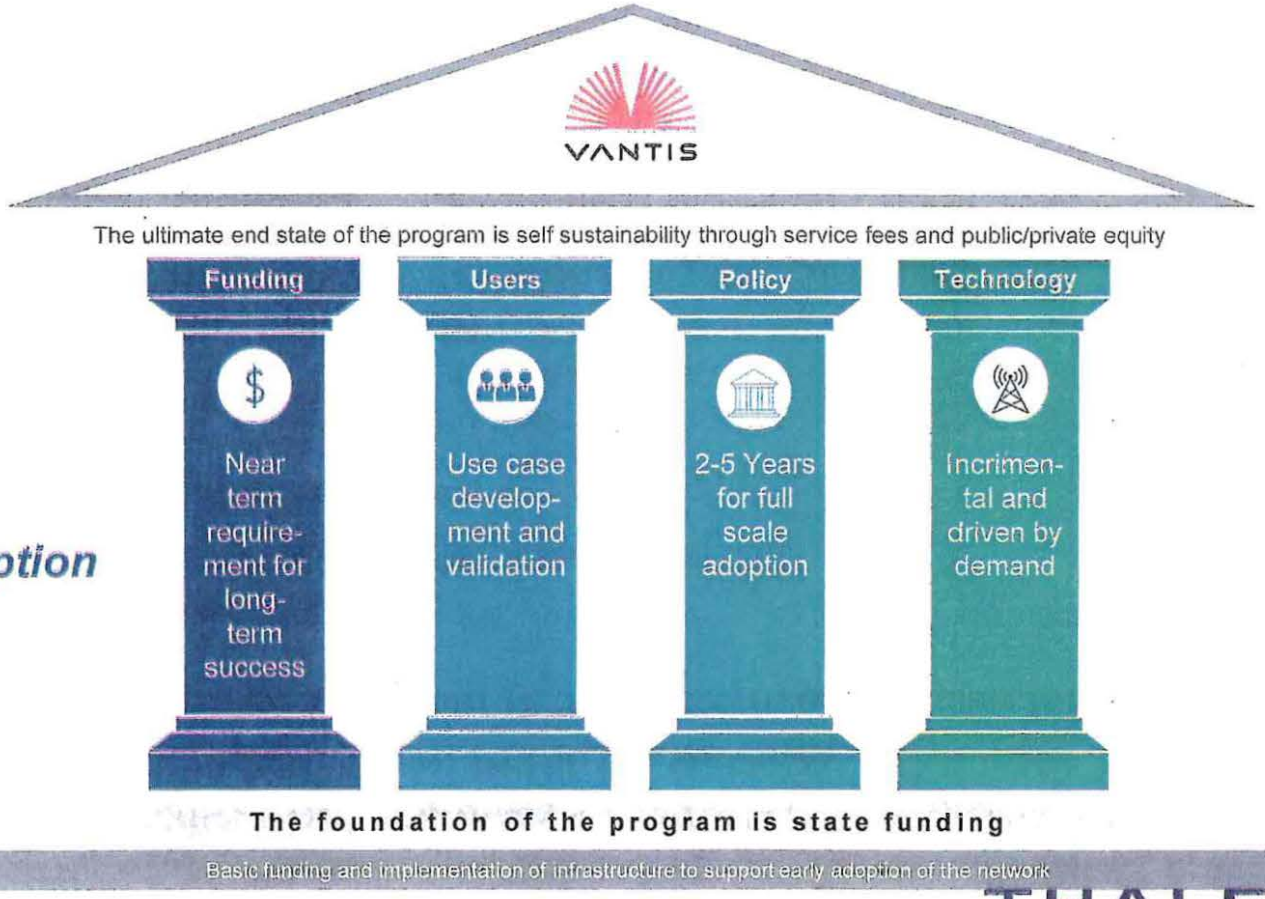
Pillars for Vantis Network Sustainability in ND and Beyond

- ***Strategic Investment***
- ***Vantis Sustainment***
- ***Regulatory/Policy Adoption***
- ***Scalable Operations***



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UAS Operations Market Demand & Vantis Offerings

Market Demand Across:

- Recreational Use (not included)
- Commercial Delivery
- Agriculture
- Inspection (Linear & Structure)
- Emergency Response

Market Structure

- Cities (grouping by - SM, MD, LG)
- Rural (by area)

Market Offering:

- Infrastructure Asset Manager
- Airspace Manager
- Emergency Services Manager
- UAS Fleet Management Platform
- Local Community Manager
- Supplemental Services Provider

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Market Demand Exists

Use Case	Use Case Description
Recreational Use	• Based upon population and UAS adoption statistics / trends • Average 4 flights per month / UAS • Estimate adoption / penetration (1-5%)
Commercial Delivery	• Estimate retail portion of commercial delivery (15%) • Estimate of portion suitable for delivery by UAS (5%) • Estimate adoption / penetration (1-5%)
Agriculture Use	• Estimate number of agriculture locations across the state • Assume 4 flights per location per year • Estimate adoption penetration (5-50%)
Linear Inspection	• Estimate amount of linear infrastructure • Inspections per year (infrastructure type dependent) • Estimate adoption penetration (25-50%)
Structure Inspection	• Estimate structures and construction sites • Inspections per year (structure type dependent) • Estimate adoption penetration (5-50%)
Emergency Response	• Covers search & rescue and other emergency responses • Estimates based on emergency frequency and land area • Estimate adoption penetration (5-50%)

Flights

	2022	2027	2032
Low	0.4 K	73 K	156 K
High	0.9 K	178 K	379 K
Low	3.3 K	658 K	1,399 K
High	16.5 K	3,292 K	6,996 K
Low	0.1 K	13 K	27 K
High	0.6 K	125 K	267 K
Low	0.0 K	6.8 K	15 K
High	0.1 K	14 K	29 K
Low	0.2 K	31 K	65 K
High	1.5 K	305 K	648 K
Low	0.0 K	8.4 K	18 K
High	0.4 K	84 K	178 K
Low	3.9 K	791 K	1,680 K
High	20 K	4,002 K	8,505 K

Fleet

	2022	2027	2032
Low	8	1.5 K	3.2 K
High	19	3.7 K	7.9 K
Low	2	0.5 K	1.0 K
High	11	2.3 K	4.9 K
Low	8	1.6 K	3.5 K
High	0.1 K	16 K	35 K
Low	1	0.2 K	0.3 K
High	2	0.3 K	0.6 K
Low	1	0.1 K	0.1 K
High	3	0.6 K	1.2 K
Low	1	41	86
High	2	0.4 K	0.9 K
Low	21	3.9 K	8.2 K
High	0.1 K	24 K	50 K

Notes:

- Low, High refer to the assumed adoption penetration rate for each scenario
- Detailed breakout of the use case growth methodology and data sources will be completed during the next phase of the study

TOTALS

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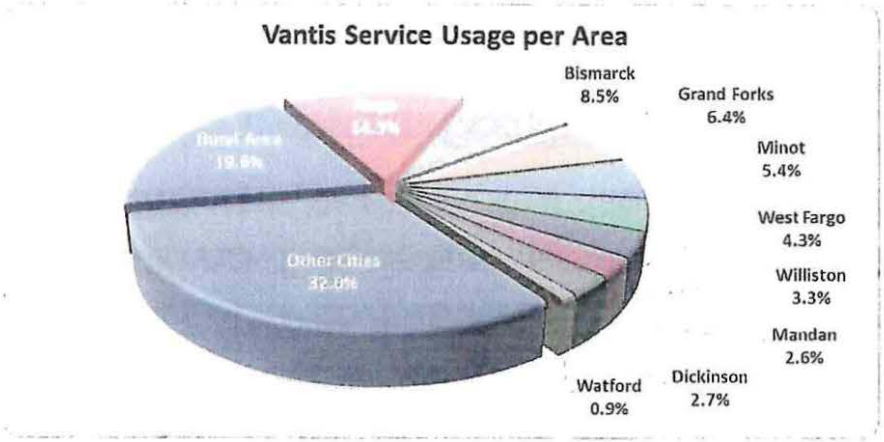
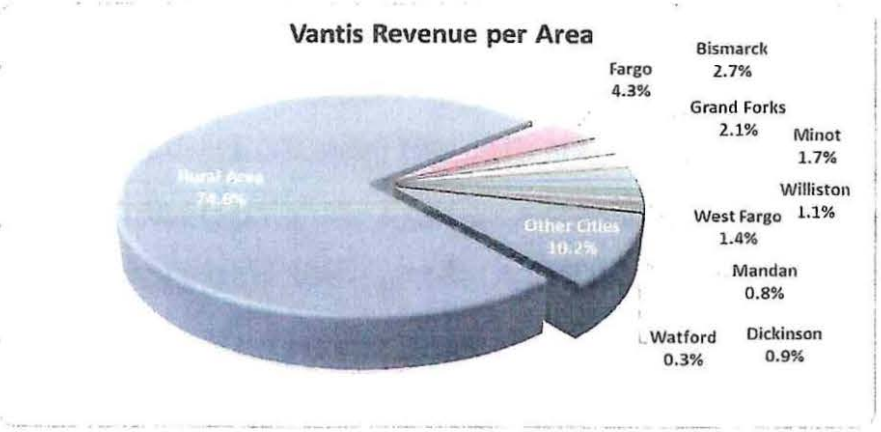
Market Demand Forecast & Revenue Potential



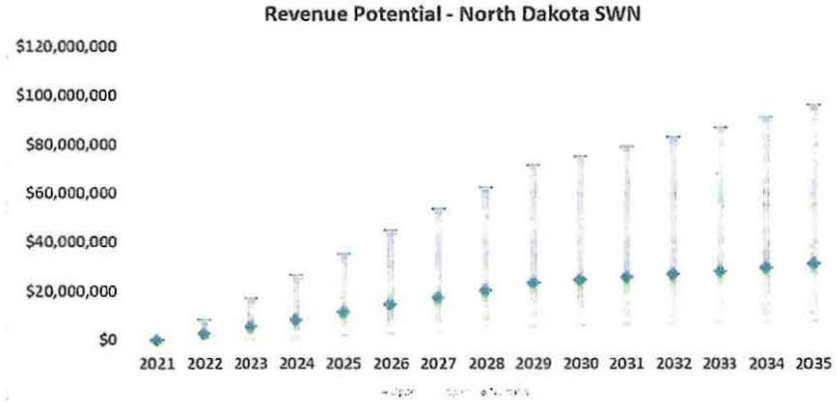


Demand translates into revenue

1. Core services pricing
2. Value-added services

ND Service Fees Conservatively Estimated to be ~$30M/year

**Does not include C-UAS & Emergency Services*



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Thales Supports Creation of PPP with ND to Serve the Full US Market

Notional Structure (basis of financial forecast)

- "VANTIS, Inc." – a JV with Thales and ND as partners (and potentially others) set up to operate the Vantis network and deliver UAS integration services to UAS operators.
  - The focus will be ND first
  - This company will be established to pursue all the US market
  - This may include "white-labeling" services for other States
- "BVLOS Infrastructure, Inc." – a Infrastructure-as-a-service business to be established with a) value added partners and b) external financing sources
  - High CAPEX business – could/should be structured so off balance sheet
  - ND not likely interested in investing in Infrastructure in other States
  - Different partners may be needed vs VANTIS, Inc.

Should provide flexible platform to address US market which is estimated to be 40-50% of global market – multi-billion per year opportunity

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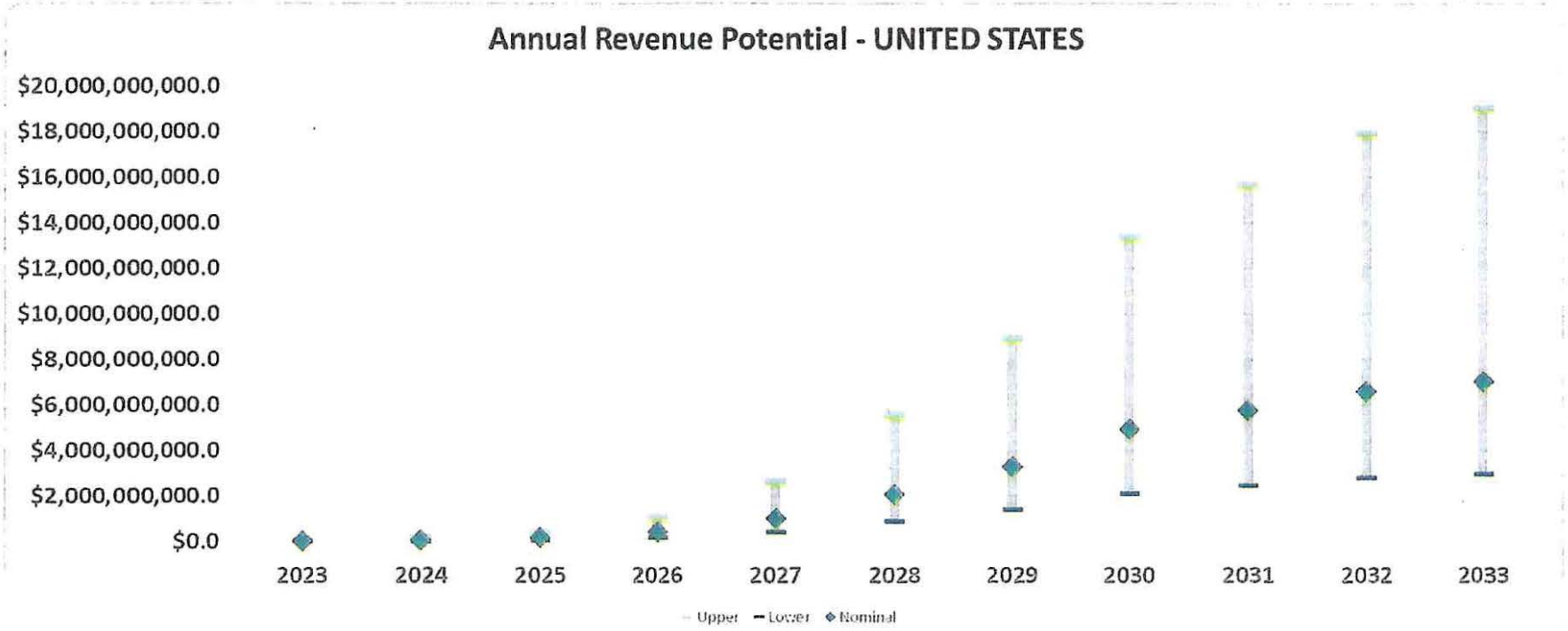
US Nationwide UAS Integration Service Potential is Substantial



Applied same methodology used for North Dakota forecast during Business Case Development

Net Result: Multi-Billion $ Annual Service Fee Business

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Strong ROI for ND Assuming Success in Just Currently Active Markets

Leverage Ongoing Efforts

- North Dakota
- Logical Neighbors (MN, SD)
- States with Thales Contracts (MI, NY, TX)

Key Takeaways

- Grows to $1-2B/year business
- Assuming ND takes 25% of profit - $200M returned to ND in first 10 years
- And ND retains 25% (assumption) ownership of a business generating $200M+ in profit per year

$M	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Cumm
Nominal Revenue	$ 3.5	$ 17.3	$ 36.0	$ 90.1	$ 216.2	$ 450.4	$ 720.7	$ 1,081.0	$ 1,261.1	$ 1,441.3	$ 5,317.6
Nominal Profit (15%)	$ 0.5	$ 2.6	$ 5.4	$ 13.5	$ 32.4	$ 67.6	$ 108.1	$ 162.1	$ 189.2	$ 216.2	$ 797.6
ND Share (25%)	$ 0.1	$ 0.7	$ 1.4	$ 3.4	$ 8.1	$ 16.9	$ 27.0	$ 40.5	$ 47.3	$ 54.0	$ 199.4

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Thank You

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

Prepared for: 2/13/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		863,384	157,900	1,021,284		632,902	118,204	751,106		($230,482)	($39,696)	(270,178)
Health insurance increase		247,062	56,730	303,792		247,483	58,035	305,518		421	1,305	1,726
Adds funding for salary equity increases		100,000		100,000				0		(100,000)		(100,000)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0	(1.00)	(226,922)		(226,922)
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834			2,085,834	2,085,834				0
Adds funding for the rural health care grant program				0		194,000		194,000		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852	4.00	$4,033,357	$1,916,121	$5,949,478	(1.00)	($362,983)	($38,391)	($401,374)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000			$7,000,000	$7,000,000		($5,500,000)	$7,000,000	$1,500,000
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060		$8,000,000		8,000,000		(16,797,060)		(16,797,060)
Adds funding for workforce investment program grants		20,000,000		20,000,000		15,000,000		15,000,000		(5,000,000)		(5,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for automation workforce equipment grants		10,000,000		10,000,000		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 funding for tourism awareness marketing		5,000,000		5,000,000			5,000,000	5,000,000		(5,000,000)	5,000,000	0
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000			25,000,000	25,000,000			(25,000,000)	(25,000,000)
Adds funding for Main Street Initiative community development grants		800,000		800,000		400,000		400,000		(400,000)		(400,000)
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000				0		(10,000,000)		(10,000,000)
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0		(278,571)	(600,000)	(878,571)
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000			30,000,000	30,000,000				0
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000			28,000,000	28,000,000			21,000,000	21,000,000
Adds funding for new Americans workforce development and training grants				0			2,000,000	2,000,000			2,000,000	2,000,000
Adds funding for workforce grants to tribally controlled community colleges				0		500,000		500,000		500,000		500,000
Adds federal funding for the AmeriCorps workforce community services program				0			785,000	785,000			785,000	785,000
Adds federal funding for the parks and recreation grant program				0			1,550,000	1,550,000			1,550,000	1,550,000
Adds federal funding for the energy conservation grant program				0			14,081,719	14,081,719			14,081,719	14,081,719
Adds federal funding for the heating and cooling grant program				0			1,172,250	1,172,250			1,172,250	1,172,250
Adds funding for a workforce safety grant				0			1,500,000	1,500,000			1,500,000	1,500,000
Adds funding for discretionary funds				0		350,000		350,000		350,000		350,000
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631	0.00	$36,250,000	$116,088,969	$152,338,969	0.00	($47,125,631)	$28,488,969	($18,636,662)
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483	4.00	$40,283,357	$118,005,090	$158,288,447	(1.00)	($47,488,614)	$28,450,578	($19,038,036)
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002	62.80	$71,785,497	$171,549,469	$243,334,966	(1.00)	($47,488,614)	$28,450,578	($19,038,036)
Federal funds included in other funds			*$46,555,556*				*$63,519,581*				*$16,964,025*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*	*6.8%*	*12.8%*	*3.6%*	*7.0%*				
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*	*6.8%*	*127.9%*	*220.4%*	*186.1%*				

Other Sections in Department of Commerce - Budget No. 601

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Transfer - General fund to internship fund	Section 25 would require OMB to transfer $1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 26 would require OMB to transfer $20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the legacy investment for technology fund for providing innovation technology loans.
Transfer - Strategic investment and improvements fund to North Dakota Development Fund		Section 5 requires OMB to transfer $150 million from the strategic investment and improvements fund to the North Dakota Development Fund.
Estimated income - Strategic investment and improvements fund - One-time funding - Legislative intent		Section 6 identifies $98.5 million of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS grants ($30 million), enhanced use lease grants ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
Rural workforce housing grant program - One-time funding		Section 7 identifies $6.5 million one one-time funding appropriated from the general fund in the grants line item in Section 1 is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Rural health care grant program - Matching funds requirement		Section 8 identifies $444,000 appropriated from the general fund in Section 1 is for the rural health care grant program. The Department of Commerce may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.
Discretionary funds - State magazine		Section 9 identifies of the funding appropriated from the general fund for discretionary funds in Section 1, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund		Sections 10 through 16 amend North Dakota Century Code Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology fund.
Amendment - Workforce Enhancement Council		Section 17 amends North Dakota Century Code Section 54-60-22 to expands recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - UAS program and fund		Sections 18 through 20 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS related programs.
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 21 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 22 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 22 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	Subsection 5 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 21 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 21 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 22 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports		Section 23 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of $100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend $1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend $1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend $14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend $1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend $250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.	
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer $30 million from the legacy earnings fund to the North Dakota Development Fund.	
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify $37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants ($30 million) and enhanced use lease grants ($7 million).	
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify $50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.	
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.	
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify $948,467 appropriated in Section 1 is from the general fund ($740,956) and special funds ($207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.	

2/14/23

23.0247.01006
Title.

Fiscal No. 1

Prepared by the Legislative Council staff for
the House Appropriations - Education and
Environment Division Committee
February 14, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "commerce" insert "; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, 6-09.18-07, 54-60-22, 54-60-28, 54-60-29, and 54-60-29.1 and subsection 4 of section 21-10-13 of the North Dakota Century Code, relating to the legacy investment for technology program, the workforce enhancement council, and the administration of uncrewed aircraft system programs; to amend and reenact subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws relating to a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report"

Page 1, replace lines 10 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	121,615,351	171,847,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response	0	16,167,553	16,167,553
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$158,288,447	$243,334,966
Less estimated income	53,544,379	118,005,090	171,549,469
Total general fund	$31,502,140	$40,283,357	$71,785,497
Full-time equivalent positions	58.80	4.00	62.80"

Page 1, line 23, after the boldfaced period insert "**ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 24 with:

"Unmanned aircraft system	$1,000,000	$0
Beyond visual line of sight uncrewed aircraft system	20,000,000	30,000,000
Enhanced use lease grant	7,000,000	28,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Workforce safety grant	1,500,000	1,500,000
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	0
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
Discretionary funds	1,000,000	350,000
Small business credit initiative	56,234,176	0

Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0
Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
Rural workforce housing grant program	0	7,000,000
Workforce talent attraction initiative	0	8,000,000
Workforce investment grant program	0	15,000,000
Automation workforce training grants	0	5,000,000
Automation workforce equipment grants	0	5,000,000
Main street initiative community development grants	0	400,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
Heating and cooling grant program	0	1,172,250
Total all funds	$138,574,496	$152,338,969
Less estimated income	135,409,064	116,088,969
Total general fund	$3,165,432	$36,250,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 26, replace "$755,000" with "$1,006,896"

Page 2, after line 28, insert:

"SECTION 4. TRANSFER - LEGACY EARNINGS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS. Pursuant to the designation of funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13, the office of management and budget shall transfer the sum of $20,000,000 from the legacy earnings fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. 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 strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY COUNCIL - EXEMPTION.

1. The office of management and budget shall transfer the sum of $120,000,000 from strategic investment and improvements fund to the North Dakota development fund under chapter 10-30.5 for the purpose of a fertilizer development grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall distribute grant funding to entities to support the

development of fertilizer plants in the state based on recommendations from the fertilizer development advisory board. In consultation with the advisory board, the board of directors shall develop program guidelines including eligibility criteria.

3. To be eligible for a grant, a fertilizer development project must be located within the state, and the owner of the fertilizer development project must be an entity domiciled in the United States or Canada. Fifty percent of the grant awards must be designated for one or more fertilizer development projects that use hydrogen produced by the electrolysis of water, and fifty percent of the grant awards must be designated for one or more fertilizer development projects that use natural gas or lignite resources.

4. The fertilizer development advisory board consists of the following members:

   a. The commissioner of commerce or the commissioner's designee to serve as chairman;

   b. The agriculture commissioner or the commissioner's designee;

   c. A representative of the soybean industry appointed by the agriculture commissioner;

   d. A representative of the corn industry appointed by the agriculture commissioner;

   e. A representative of the hydrogen or wind industry appointed by the agriculture commissioner;

   f. A representative of the ethanol industry appointed by the agriculture commissioner;

   g. A representative of the grain growers industry appointed by the agriculture commissioner;

   h. A representative of the petroleum industry appointed by the governor; and

   i. A representative of the lignite industry appointed by the governor.

5. a. To the extent the board of directors, fertilizer development advisory board, or department of commerce determines any materials or data consist of trade secrets or commercial, financial, or proprietary information of entities applying for a fertilizer development grant, materials and data submitted to, made by, or received by the board of directors, fertilizer development advisory board, or department of commerce, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, but are subject to section 44-04-18.4.

   b. A person may file a request with the board of directors, fertilizer development advisory board, or department of commerce to have material designated as confidential under subdivision a. The request must contain any information required by the board of directors, fertilizer development advisory board, or department of commerce and must include at least the following:

(1) A general description of the nature of the information sought to be protected.

(2) An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.

(3) An explanation of why the information is not readily ascertainable by proper means of other persons.

(4) A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.

(5) A description of the efforts used to maintain the secrecy of the information.

c. Any request under subdivision b is confidential. The board of directors, fertilizer development advisory board, or department of commerce shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If the board of directors, fertilizer development advisory board, or department of commerce determines the information is either not relevant or not a trade secret, the board of directors, fertilizer development advisory board, or department of commerce shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are open records.

6. A fertilizer development grant is not a business incentive under chapter 54-60.1.

SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT. The estimated income line item in section 1 of this Act includes the sum of $98,500,000 from the strategic investment and improvements fund, of which $7,000,000 is for the rural workforce housing grant program, $5,000,000 is for the tourism marketing awareness initiative, $25,000,000 is for the tourism destination development initiative grant program, $30,000,000 is for the beyond visual line of sight uncrewed aircraft system program, $28,000,000 is for the enhanced use lease grant program, $2,000,000 is for new Americans workforce development and training grants, and $1,500,000 is for a workforce safety grant to an organization that provides workforce safety. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.

SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of $6,500,000 from the general fund for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

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; and

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

Page 2, line 30, replace "$250,000" with "$444,000"

Page 3, after line 4, insert:

"**SECTION 10. DISCRETIONARY FUNDS - STATE MAGAZINE.** Of the amount appropriated from the general fund in the discretionary funds line item in section 1 of this Act, $150,000 is designated for supporting the continuation of the North Dakota state magazine.

SECTION 11. AMENDMENT. Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.

2. "Committee" means the ~~innovation loan fund to support technology advancement~~legacy investment for technology committee.

3. "Diversification sectors" means the following industries:

   a. Advanced computing and data management;

   b. Agriculture technology;

   c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;

   d. Energy;

   e. Health care;

   f. Value-added agriculture;

   g. Value-added energy; and

   h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

SECTION 12. AMENDMENT. Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-02. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology committee - Membership - Meetings.

1. The ~~innovation loan fund to support technology advancement~~legacy investment for technology committee consists of:

   a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;

   b. Three members representing active venture capital firms, private entities, or angel capital funds;

   c. One member with finance-related experience, knowledge, or education; and

   d. Three members from the private sector with expertise in the diversification sectors.

2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner, in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.

3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.

4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

SECTION 13. AMENDMENT. Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-03. ~~Innovation loan fund to support technology advancement - Innovation~~Legacy investment technology loan program.

The department of commerce shall administer the ~~innovation~~legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide

administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

SECTION 14. AMENDMENT. Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.

1. The committee shall establish guidelines for entities to qualify for ~~an innovation~~legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.

2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:

   a. 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 or companies making investments in North Dakota;

   b. Lead to the commercialization or patent of an innovation technology solution; or

   c. 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.

3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:

   a. Zero percent interest for the first three years of the loan;

   b. Two percent interest for the next two years of the loan; and

   c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

SECTION 15. AMENDMENT. Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

SECTION 16. AMENDMENT. Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-06. Use of loan funds.

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

SECTION 17. AMENDMENT. Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-07. ~~Innovation loan fund to support technology advancement -~~ Postaward monitoring.

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.

2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.

3. How the work performed has led to or may lead to a patent or research that is commercially viable.

SECTION 18. AMENDMENT. Subsection 4 of section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:

   a. The first one hundred fifty million dollars to the legacy sinking and interest fund under section 6-09.4-10.1.

   b. The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.

   c. Any remaining funds for other purposes as designated by the legislative assembly, including:

      (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;

      (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and

      (3) Up to thirty million dollars for university research programs, the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.

SECTION 19. AMENDMENT. Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

54-60-22. Workforce enhancement council - Grants.

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and

2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 20. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. ~~Unmanned~~Uncrewed aircraft systems program - Report to legislative management.

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private ~~parties appointed by the governor~~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 ~~establishment~~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.

SECTION 21. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. ~~Unmanned~~Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:

   a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;

   b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and

   c. Enhanced use lease grant program.

2. The fund consists of fees collected for the administration of the test site 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 22. 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 ~~unmanned~~uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial~~

~~statements~~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 ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 23. AMENDMENT. Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 24. 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, 2023, and ending June 30, 2025:

1. The sum of $320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;

2. The sum of $11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which $3,000,000 was for the community development block grant program, $7,393,078 was for the community services block grant program, and $1,000,000 was for the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;

3. The sum of $56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;

4. The sum of $2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;

5. The sum of $1,000,000 appropriated from the general fund for discretionary funds in section 10 of chapter 15 of the 2021 Session Laws;

6. The sum of $3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

7. The sum of $19,000,000 appropriated from the general fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

8. The sum of $1,000,000 appropriated from the strategic investment and improvements fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the

2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;

9. The sum of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;

10. The sum of $1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;

11. The sum of $1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;

12. The sum of $1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;

13. The sum of $10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in subsection 37 of section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be awarded without any matching fund requirements;

14. The sum of $15,000,000 appropriated from federal funds derived from the 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

15. The sum of $5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

SECTION 25. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS. During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program administered by the department during the 2023-25 biennium, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, a detailed listing of how the funding has been used, current and future estimated return on investment statistics and the economic effect on the state's economy as a result of each program, future plans for the use of remaining grant funds, any funding the department anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to the sixty-ninth legislative assembly for additional funding for each program. The department of commerce shall provide information regarding actual and expected revenue received as a result of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	121,615,351	171,847,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$158,288,447	$243,334,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$40,283,357	$71,785,497
FTE	58.80	4.00	62.80

Department 601 - Department of Commerce - Detail of House 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 for FTE Positions[4]	Adjusts Base Level Funding[5]	Transfers Funding to the Housing Finance Agency[6]
Salaries and wages	$727,512	$100,495	$1,056,624	$967,642	$731,000	($84,538)
Operating expenses				1,057,642	1,966,282	(62,803)
Grants					(26,000)	(2,570,212)
Discretionary funds						
COVID-19 response					2,085,834	
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$727,512	$100,495	$1,056,624	$2,025,284	$4,757,116	($2,717,553)
Less estimated income	283,274	20,345	176,239	0	2,583,604	(1,147,341)
General fund	$444,238	$80,150	$880,385	$2,025,284	$2,173,512	($1,570,212)
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds One-Time Funding for Community and Workforce Initiatives[7]	Adds One-Time Funding for Tourism Initiatives[8]	Adds One-Time Funding for UAS Programs[9]	Adds One-Time Funding for Federal Community Service Programs[10]	Adds One-Time Funding for Discretionary Funds[11]	Total House Changes
Salaries and wages	$300,000			$130,368		$3,929,103
Operating expenses	8,200,000	$5,000,000		65,319		16,226,440
Grants	37,900,000	25,000,000	$58,000,000	3,311,563		121,615,351
Discretionary funds					$350,000	350,000
COVID-19 response				14,081,719		16,167,553
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$46,400,000	$30,000,000	$58,000,000	$17,588,969	$350,000	$158,288,447
Less estimated income	10,500,000	30,000,000	58,000,000	17,588,969	0	118,005,090
General fund	$35,900,000	$0	$0	$0	$350,000	$40,283,357
FTE	0.00	0.00	0.00	0.00	0.00	.4.00

[1] Funding is adjusted for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$632,902	$118,204	$751,106
Health insurance increase	247,483	58,035	305,518
Total	$880,385	$176,239	$1,056,624

[4] Funding of $2,025,284 is added from the general fund for 4 FTE positions as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Workforce talent attraction initiative	$202,940	$0	$202,940
FTE Position - Workforce investment grant program	202,940	0	202,940
FTE position - Office of Automation	310,858	689,142	1,000,000
FTE position - Global Engagement Office	250,904	368,500	619,404
Total	$967,642	$1,057,642	$2,025,284

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Restores funding for salaries underfunded during the 2021-23 biennium	$140,000	$0	$140,000
Adds funding for temporary salaries, including $500,000 from federal funds, to provide a total of $900,000 for temporary salaries	91,000	500,000	591,000
Adds funding for travel to provide a total of $1,606,976 in the operating expenses line item	490,534	0	490,534
Adjusts funding for operating expenses, including a decrease from the community service fund, primarily related to professional development, services, and fees	1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program to provide a total of $1,006,082	251,082	0	251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from the grants line item to the operating expenses line item	0	0	0
Adds federal funding in the COVID-19 response line item for weatherization and furnace cooling assistance programs	0	2,085,834	2,085,834
Adds funding for the rural health care grant program to provide a total of $444,000 from the general fund	194,000	0	194,000
Total	$2,173,512	$2,583,604	$4,757,116

[6] Funding of $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, is transferred to the Housing Finance Agency.

[7] One-time funding is added for community and workforce initiatives as follows:

	General Fund	Other Funds	Total
Rural workforce housing grant program, including $300,000 for temporary salaries, $200,000 for operating expenses, and $6.5 million for grants. Funding is provided from the strategic investment and improvements fund (SIIF)	$0	$7,000,000	$7,000,000
Workforce talent attraction initiative operating expenses	8,000,000	0	8,000,000
Workforce investment program grants	15,000,000	0	15,000,000
Automation workforce transition training grants	5,000,000	0	5,000,000
Automation workforce equipment grants	5,000,000	0	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Main Street Initiative community development grants	400,000	0	400,000
New Americans workforce development and training grants (SIIF)	0	2,000,000	2,000,000
Workforce grants to tribally controlled community colleges	500,000	0	500,000
Workforce safety grant (SIIF)	0	1,500,000	1,500,000
Total	$35,900,000	$10,500,000	$46,400,000

[8] One-time funding of $30 million is added from SIIF for tourism initiatives, including $5 million for tourism awareness marketing operating expenses and $25 million for a tourism destination development initiative grant program.

[9] One-time funding from SIIF is added for the beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grant program ($30 million) and the enhanced use lease grant program ($28 million).

[10] One-time funding from federal funds is added for the following programs previously approved by the Emergency Commission and Budget Section during the 2021-22 interim:

	Federal Funds
Americorps workforce community services program	$785,000
Parks and recreation grant program	1,550,000
Energy conservation grant program	14,081,719
Heating and cooling grant program, of which $130,368 is for temporary salaries and wages, $65,319 is for operating expenses, and $976,563 is for grants	1,172,250
Total	$17,588,969

[11] One-time funding of $350,000 is added from the general fund for discretionary funds to provide a total of $2.5 million from the general fund, of which $2.15 million is ongoing funding.

This amendment also:

- Amends a section identifying the transfer of $1,006,896 from the general fund to the internship fund for the Operation Intern program.
- Adds a section to provide a $20 million transfer from the legacy earnings fund to the newly named legacy investment fund for technology for the purpose of providing legacy investment technology loans.
- Adds a section to provide a $30 million transfer from SIIF to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5.
- Adds a section to provide a $120 million transfer from SIIF to the North Dakota Development Fund for the purpose of a fertilizer development grant program.
- Adds a section to identify $98.5 million from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS program ($30 million), enhanced use lease grant program ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant to be awarded to an organization that provides workforce safety ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
- Adds a section to identify $6.5 million appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
- Amends a section to identify $444,000 appropriated from the general fund is for the rural health care grant program, which requires the grant recipient to provide matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to identify of the $2.5 million appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
- Adds eight sections to amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology program.
- Adds a section to amend Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds three sections to amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
- Adds a section to amend the 2021 Special Session Session Laws to allow the transfer of $5 million from the federal State Fiscal Recovery Fund to the North Dakota Development Fund to be used for grant programs.
- Adds a section to provide the Department of Commerce 15 exemptions to continue funding appropriated for programs in previous bienniums into the 2023-25 biennium. The exemptions relate to the nonresident nurse employment recruitment program, Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the state small business credit initiative, discretionary funds, UAS program, BVLOS UAS program, enhanced use lease grant program, homeless shelter grant program, workforce community services program, community development planning grant program, autonomous agriculture matching grant program, workforce development incentive grant program, and technical skills grants program. Subsection 13 of Section 24 provides funding remaining after the 2021-23 biennium for the autonomous agriculture matching grant program may be spent during the 2023-25 biennium without requiring matching funds.

- Adds a section to require the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

23.0247.01006
Title.

Fiscal No. 1

Prepared by the Legislative Council staff for
the House Appropriations - Education and
Environment Division Committee
February 14, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "commerce" insert "; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, 6-09.18-07, 54-60-22, 54-60-28, 54-60-29, and 54-60-29.1 and subsection 4 of section 21-10-13 of the North Dakota Century Code, relating to the legacy investment for technology program, the workforce enhancement council, and the administration of uncrewed aircraft system programs; to amend and reenact subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws relating to a North Dakota development fund grant program; to provide a transfer; to provide an exemption; and to provide for a report"

Page 1, replace lines 10 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	121,615,351	171,847,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response	0	16,167,553	16,167,553
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$158,288,447	$243,334,966
Less estimated income	53,544,379	118,005,090	171,549,469
Total general fund	$31,502,140	$40,283,357	$71,785,497
Full-time equivalent positions	58.80	4.00	62.80"

Page 1, line 23, after the boldfaced period insert "**ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 24 with:

"Unmanned aircraft system	$1,000,000	$0
Beyond visual line of sight uncrewed aircraft system	20,000,000	30,000,000
Enhanced use lease grant	7,000,000	28,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Workforce safety grant	1,500,000	1,500,000
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	0
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
Discretionary funds	1,000,000	350,000
Small business credit initiative	56,234,176	0

Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0
Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
Rural workforce housing grant program	0	7,000,000
Workforce talent attraction initiative	0	8,000,000
Workforce investment grant program	0	15,000,000
Automation workforce training grants	0	5,000,000
Automation workforce equipment grants	0	5,000,000
Main street initiative community development grants	0	400,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
Heating and cooling grant program	0	1,172,250
Total all funds	$138,574,496	$152,338,969
Less estimated income	135,409,064	116,088,969
Total general fund	$3,165,432	$36,250,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 26, replace "$755,000" with "$1,006,896"

Page 2, after line 28, insert:

"**SECTION 4. TRANSFER - LEGACY EARNINGS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS.** Pursuant to the designation of funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13, the office of management and budget shall transfer the sum of $20,000,000 from the legacy earnings fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. 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 strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY COUNCIL - EXEMPTION.

1. The office of management and budget shall transfer the sum of $120,000,000 from strategic investment and improvements fund to the North Dakota development fund under chapter 10-30.5 for the purpose of a fertilizer development grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall distribute grant funding to entities to support the

development of fertilizer plants in the state based on recommendations from the fertilizer development advisory board. In consultation with the advisory board, the board of directors shall develop program guidelines including eligibility criteria.

3. To be eligible for a grant, a fertilizer development project must be located within the state, and the owner of the fertilizer development project must be an entity domiciled in the United States or Canada. Fifty percent of the grant awards must be designated for one or more fertilizer development projects that use hydrogen produced by the electrolysis of water, and fifty percent of the grant awards must be designated for one or more fertilizer development projects that use natural gas or lignite resources.

4. The fertilizer development advisory board consists of the following members:

   a. The commissioner of commerce or the commissioner's designee to serve as chairman;

   b. The agriculture commissioner or the commissioner's designee;

   c. A representative of the soybean industry appointed by the agriculture commissioner;

   d. A representative of the corn industry appointed by the agriculture commissioner;

   e. A representative of the hydrogen or wind industry appointed by the agriculture commissioner;

   f. A representative of the ethanol industry appointed by the agriculture commissioner;

   g. A representative of the grain growers industry appointed by the agriculture commissioner;

   h. A representative of the petroleum industry appointed by the governor; and

   i. A representative of the lignite industry appointed by the governor.

5. a. To the extent the board of directors, fertilizer development advisory board, or department of commerce determines any materials or data consist of trade secrets or commercial, financial, or proprietary information of entities applying for a fertilizer development grant, materials and data submitted to, made by, or received by the board of directors, fertilizer development advisory board, or department of commerce, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, but are subject to section 44-04-18.4.

   b. A person may file a request with the board of directors, fertilizer development advisory board, or department of commerce to have material designated as confidential under subdivision a. The request must contain any information required by the board of directors, fertilizer development advisory board, or department of commerce and must include at least the following:

(1) A general description of the nature of the information sought to be protected.

(2) An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.

(3) An explanation of why the information is not readily ascertainable by proper means of other persons.

(4) A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.

(5) A description of the efforts used to maintain the secrecy of the information.

c. Any request under subdivision b is confidential. The board of directors, fertilizer development advisory board, or department of commerce shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If the board of directors, fertilizer development advisory board, or department of commerce determines the information is either not relevant or not a trade secret, the board of directors, fertilizer development advisory board, or department of commerce shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are open records.

6. A fertilizer development grant is not a business incentive under chapter 54-60.1.

SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT. The estimated income line item in section 1 of this Act includes the sum of $98,500,000 from the strategic investment and improvements fund, of which $7,000,000 is for the rural workforce housing grant program, $5,000,000 is for the tourism marketing awareness initiative, $25,000,000 is for the tourism destination development initiative grant program, $30,000,000 is for the beyond visual line of sight uncrewed aircraft system program, $28,000,000 is for the enhanced use lease grant program, $2,000,000 is for new Americans workforce development and training grants, and $1,500,000 is for a workforce safety grant to an organization that provides workforce safety. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.

SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of $6,500,000 from the general fund for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

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; and

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

Page 2, line 30, replace "$250,000" with "$444,000"

Page 3, after line 4, insert:

"**SECTION 10. DISCRETIONARY FUNDS - STATE MAGAZINE.** Of the amount appropriated from the general fund in the discretionary funds line item in section 1 of this Act, $150,000 is designated for supporting the continuation of the North Dakota state magazine.

SECTION 11. AMENDMENT. Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.

2. "Committee" means the ~~innovation loan fund to support technology advancement~~legacy investment for technology committee.

3. "Diversification sectors" means the following industries:

   a. Advanced computing and data management;

   b. Agriculture technology;

   c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;

   d. Energy;

   e. Health care;

   f. Value-added agriculture;

   g. Value-added energy; and

   h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

SECTION 12. AMENDMENT. Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-02. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology committee - Membership - Meetings.

1. The ~~innovation loan fund to support technology advancement~~legacy investment for technology committee consists of:

   a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;

   b. Three members representing active venture capital firms, private entities, or angel capital funds;

   c. One member with finance-related experience, knowledge, or education; and

   d. Three members from the private sector with expertise in the diversification sectors.

2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner, in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.

3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.

4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

SECTION 13. AMENDMENT. Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-03. ~~Innovation loan fund to support technology advancement - Innovation~~Legacy investment technology loan program.

The department of commerce shall administer the ~~innovation~~legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide

administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

SECTION 14. AMENDMENT. Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.

1. The committee shall establish guidelines for entities to qualify for ~~an innovation~~legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.

2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:

   a. 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 or companies making investments in North Dakota;

   b. Lead to the commercialization or patent of an innovation technology solution; or

   c. 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.

3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:

   a. Zero percent interest for the first three years of the loan;

   b. Two percent interest for the next two years of the loan; and

   c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

SECTION 15. AMENDMENT. Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

SECTION 16. AMENDMENT. Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-06. Use of loan funds.

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

SECTION 17. AMENDMENT. Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-07. ~~Innovation loan fund to support technology advancement -~~ Postaward monitoring.

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.

2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.

3. How the work performed has led to or may lead to a patent or research that is commercially viable.

SECTION 18. AMENDMENT. Subsection 4 of section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:

4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:

   a. The first one hundred fifty million dollars to the legacy sinking and interest fund under section 6-09.4-10.1.

   b. The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.

   c. Any remaining funds for other purposes as designated by the legislative assembly, including:

      (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;

      (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and

      (3) Up to thirty million dollars for university research programs, the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.

SECTION 19. AMENDMENT. Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

54-60-22. Workforce enhancement council - Grants.

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and

2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 20. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. ~~Unmanned~~Uncrewed aircraft systems program - Report to legislative management.

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private ~~parties appointed by the governor~~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 ~~establishment~~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.

SECTION 21. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. ~~Unmanned~~Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:

   a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;

   b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and

   c. Enhanced use lease grant program.

2. The fund consists of fees collected for the administration of the test site 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 22. 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 ~~unmanned~~uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial~~

~~statements~~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 ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 23. AMENDMENT. Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 24. 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, 2023, and ending June 30, 2025:

1. The sum of $320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;

2. The sum of $11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which $3,000,000 was for the community development block grant program, $7,393,078 was for the community services block grant program, and $1,000,000 was for the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;

3. The sum of $56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;

4. The sum of $2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;

5. The sum of $1,000,000 appropriated from the general fund for discretionary funds in section 10 of chapter 15 of the 2021 Session Laws;

6. The sum of $3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

7. The sum of $19,000,000 appropriated from the general fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

8. The sum of $1,000,000 appropriated from the strategic investment and improvements fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the

2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;

9. The sum of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;

10. The sum of $1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;

11. The sum of $1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;

12. The sum of $1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;

13. The sum of $10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in subsection 37 of section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be awarded without any matching fund requirements;

14. The sum of $15,000,000 appropriated from federal funds derived from the 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

15. The sum of $5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

SECTION 25. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS. During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program administered by the department during the 2023-25 biennium, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, a detailed listing of how the funding has been used, current and future estimated return on investment statistics and the economic effect on the state's economy as a result of each program, future plans for the use of remaining grant funds, any funding the department anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to the sixty-ninth legislative assembly for additional funding for each program. The department of commerce shall provide information regarding actual and expected revenue received as a result of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	121,615,351	171,847,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$158,288,447	$243,334,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$40,283,357	$71,785,497
FTE	58.80	4.00	62.80

Department 601 - Department of Commerce - Detail of House 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 for FTE Positions[4]	Adjusts Base Level Funding[5]	Transfers Funding to the Housing Finance Agency[6]
Salaries and wages	$727,512	$100,495	$1,056,624	$967,642	$731,000	($84,538)
Operating expenses				1,057,642	1,966,282	(62,803)
Grants					(26,000)	(2,570,212)
Discretionary funds						
COVID-19 response					2,085,834	
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$727,512	$100,495	$1,056,624	$2,025,284	$4,757,116	($2,717,553)
Less estimated income	283,274	20,345	176,239	0	2,583,604	(1,147,341)
General fund	$444,238	$80,150	$880,385	$2,025,284	$2,173,512	($1,570,212)
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds One-Time Funding for Community and Workforce Initiatives[7]	Adds One-Time Funding for Tourism Initiatives[8]	Adds One-Time Funding for UAS Programs[9]	Adds One-Time Funding for Federal Community Service Programs[10]	Adds One-Time Funding for Discretionary Funds[11]	Total House Changes
Salaries and wages	$300,000			$130,368		$3,929,103
Operating expenses	8,200,000	$5,000,000		65,319		16,226,440
Grants	37,900,000	25,000,000	$58,000,000	3,311,563		121,615,351
Discretionary funds					$350,000	350,000
COVID-19 response				14,081,719		16,167,553
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$46,400,000	$30,000,000	$58,000,000	$17,588,969	$350,000	$158,288,447
Less estimated income	10,500,000	30,000,000	58,000,000	17,588,969	0	118,005,090
General fund	$35,900,000	$0	$0	$0	$350,000	$40,283,357
FTE	0.00	0.00	0.00	0.00	0.00	4.00

[1] Funding is adjusted for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$632,902	$118,204	$751,106
Health insurance increase	247,483	58,035	305,518
Total	$880,385	$176,239	$1,056,624

[4] Funding of $2,025,284 is added from the general fund for 4 FTE positions as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Workforce talent attraction initiative	$202,940	$0	$202,940
FTE Position - Workforce investment grant program	202,940	0	202,940
FTE position - Office of Automation	310,858	689,142	1,000,000
FTE position - Global Engagement Office	250,904	368,500	619,404
Total	$967,642	$1,057,642	$2,025,284

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Restores funding for salaries underfunded during the 2021-23 biennium	$140,000	$0	$140,000
Adds funding for temporary salaries, including $500,000 from federal funds, to provide a total of $900,000 for temporary salaries	91,000	500,000	591,000
Adds funding for travel to provide a total of $1,606,976 in the operating expenses line item	490,534	0	490,534
Adjusts funding for operating expenses, including a decrease from the community service fund, primarily related to professional development, services, and fees	1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program to provide a total of $1,006,082	251,082	0	251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from the grants line item to the operating expenses line item	0	0	0
Adds federal funding in the COVID-19 response line item for weatherization and furnace cooling assistance programs	0	2,085,834	2,085,834
Adds funding for the rural health care grant program to provide a total of $444,000 from the general fund	194,000	0	194,000
Total	$2,173,512	$2,583,604	$4,757,116

[6] Funding of $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, is transferred to the Housing Finance Agency.

[7] One-time funding is added for community and workforce initiatives as follows:

	General Fund	Other Funds	Total
Rural workforce housing grant program, including $300,000 for temporary salaries, $200,000 for operating expenses, and $6.5 million for grants. Funding is provided from the strategic investment and improvements fund (SIIF)	$0	$7,000,000	$7,000,000
Workforce talent attraction initiative operating expenses	8,000,000	0	8,000,000
Workforce investment program grants	15,000,000	0	15,000,000
Automation workforce transition training grants	5,000,000	0	5,000,000
Automation workforce equipment grants	5,000,000	0	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Main Street Initiative community development grants	400,000	0	400,000
New Americans workforce development and training grants (SIIF)	0	2,000,000	2,000,000
Workforce grants to tribally controlled community colleges	500,000	0	500,000
Workforce safety grant (SIIF)	0	1,500,000	1,500,000
Total	$35,900,000	$10,500,000	$46,400,000

[8] One-time funding of $30 million is added from SIIF for tourism initiatives, including $5 million for tourism awareness marketing operating expenses and $25 million for a tourism destination development initiative grant program.

[9] One-time funding from SIIF is added for the beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grant program ($30 million) and the enhanced use lease grant program ($28 million).

[10] One-time funding from federal funds is added for the following programs previously approved by the Emergency Commission and Budget Section during the 2021-22 interim:

	Federal Funds
Americorps workforce community services program	$785,000
Parks and recreation grant program	1,550,000
Energy conservation grant program	14,081,719
Heating and cooling grant program, of which $130,368 is for temporary salaries and wages, $65,319 is for operating expenses, and $976,563 is for grants	1,172,250
Total	$17,588,969

[11] One-time funding of $350,000 is added from the general fund for discretionary funds to provide a total of $2.5 million from the general fund, of which $2.15 million is ongoing funding.

This amendment also:

- Amends a section identifying the transfer of $1,006,896 from the general fund to the internship fund for the Operation Intern program.
- Adds a section to provide a $20 million transfer from the legacy earnings fund to the newly named legacy investment fund for technology for the purpose of providing legacy investment technology loans.
- Adds a section to provide a $30 million transfer from SIIF to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5.
- Adds a section to provide a $120 million transfer from SIIF to the North Dakota Development Fund for the purpose of a fertilizer development grant program.
- Adds a section to identify $98.5 million from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS program ($30 million), enhanced use lease grant program ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant to be awarded to an organization that provides workforce safety ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
- Adds a section to identify $6.5 million appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
- Amends a section to identify $444,000 appropriated from the general fund is for the rural health care grant program, which requires the grant recipient to provide matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to identify of the $2.5 million appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
- Adds eight sections to amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology program.
- Adds a section to amend Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds three sections to amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
- Adds a section to amend the 2021 Special Session Session Laws to allow the transfer of $5 million from the federal State Fiscal Recovery Fund to the North Dakota Development Fund to be used for grant programs.
- Adds a section to provide the Department of Commerce 15 exemptions to continue funding appropriated for programs in previous bienniums into the 2023-25 biennium. The exemptions relate to the nonresident nurse employment recruitment program, Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the state small business credit initiative, discretionary funds, UAS program, BVLOS UAS program, enhanced use lease grant program, homeless shelter grant program, workforce community services program, community development planning grant program, autonomous agriculture matching grant program, workforce development incentive grant program, and technical skills grants program. Subsection 13 of Section 24 provides funding remaining after the 2021-23 biennium for the autonomous agriculture matching grant program may be spent during the 2023-25 biennium without requiring matching funds.

- Adds a section to require the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

23.0247.01010
Title.

Prepared by the Legislative Council staff for
Representative Richter
February 15, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, after "commerce" insert "; and to amend and reenact section 54-60.2-02 of the North Dakota Century Code, relating to workforce development grants to tribally controlled community colleges"

Page 3, after line 4, insert:

"**SECTION 5. AMENDMENT.** Section 54-60.2-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-02. Purpose of grants.

1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the college:

   a. ~~For development or enhancement of~~To develop or enhance programs that assist in providing certificates or degrees to North Dakota students attending the college that qualify the student to obtain jobs for which applicants are being sought within the state, as identified by the department of commerce, job service North Dakota, or any of the federally recognized Indian tribes within North Dakota; ~~or~~

   b. To assist any North Dakota student attending the college to establish, or to assist in establishing, a new business operating within North Dakota that will employ North Dakota citizens; or

   c. To develop or enhance career and technical education programs.

2. Any funds provided to tribally controlled community colleges must be used to supplement, not supplant, ~~any~~an existing program or funding source of the college.

SECTION 6. APPROPRIATION - WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing workforce development grants to tribally controlled community colleges, for the biennium beginning July 1, 2023, and ending June 30, 2025. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Amends North Dakota Century Code Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on career and technical education programs; and

- Provides a one-time appropriation of $5 million from the general fund to the Department of Commerce for workforce development grants to tribally controlled community colleges.

North Dakota

Travel Alliance Partnership

February 27, 2023

Senator Brad Bekkedahl
Senate Appropriations Committee Chairman
ND Senate – ND State Capitol
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Chairman Bekkedahl:

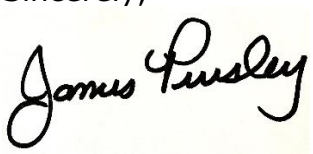
My name is James Pursley and I am the executive director of the North Dakota Travel Alliance Partnership. TAP is a coalition of travel industry stakeholders, including CVBs, state attractions, businesses and other interested stakeholders, in this viable and growing sector of North Dakota's economy.

TAP supported the $50 million Destination Development Fund and $25 million workforce talent attraction initiative proposed in executive budget recommendations for the 2023-25 biennium and opposed the large initial cuts by the House Appropriations Education and Environment Division. TAP requested from Sen. Mike Nathe a restoration of the funding and the House subcommittee came back with $25 million and $8 million that the House ultimately sent to the Senate for consideration.

TAP asks your committee to consider restoring the funding to the full $50 million and $25 million while fully understanding the pressure placed on lawmakers this session. Added partnerships through the Destination Development Fund will help create attractions and activities that motivate out-of-state travel, keep visitors in the state longer and aid in workforce recruitment and retention.

I ask that you reconsider the reductions made to these two vital elements in HB 1018.

Sincerely,



James Pursley
ND Travel Alliance Partnership

Visit DICKINSON
THE WESTERN EDGE of ND

March 1, 2023

Representative Brad Bekkedahl
House Appropriations Chair

Dear Chairman Bekkedahl and members of the Senate Appropriations Committee,

As the Executive Director of the Dickinson Convention & Visitors Bureau, I have been in my position for twenty-five years. During this time, I have been involved with the ND Tourism Division and their marketing efforts, partnerships, and grant opportunities. The ND Tourism Division has tremendous respect from the attractions, hospitality venues, recreational businesses, and local tourism organizations. Be assured that the dollars that are appropriated by the Legislature are well invested.

Currently, our industry has an opportunity to not only increase the ND Tourism Division's marketing budget, which is lagging in comparison to our neighboring states, but to also plant tourism seeds and watch them grow into a variety of travel experiences for North Dakota.

The support for $25 million for strategic marketing and workforce recruitment and $5 million one-time investment in destination awareness marketing provides a step forward to elevate the awareness and image of our state to attract and recruit people to North Dakota for a vitally needed workforce within the hospitality industry.

The investing of $50 million in the proposed Development Fund would be a catalyst for private growth within our industry, bringing forth new experiences, new attractions, and added wealth to our state.

The concept of the Destination Development Fund is not new to the ND Tourism Division. The ND Tourism Division administered the Tourism Infrastructure Grant Program during 2013 – 2017, with the similar objectives that also required criteria of a 1:1 private match. A few samples of projects that were awarded include:

- Sleepy Hollow – Bismarck
- Fargo Moorhead Curling Club – Fargo
- Dakota Territory Air Museum – Minot
- North Valley Arts Council – Grand Forks
- High Plains Cultural Center - Killdeer

The requests for funding were more than the small amount that was available.

Travel and tourism are important to our state. It touches many direct and indirect business sectors that make up this industry, giving back revenue and providing the opportunity to attract visitors that come to experience our state, and who are more likely to relocate to North Dakota.

Please support House Bill 1018.

Sincerely,

Terri Thiel
Executive Director

Dickinson Convention & Visitors Bureau
701-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601
VISITDICKINSON.COM

DMAND | DESTINATION MARKETING ASSOCIATION OF NORTH DAKOTA

March 1, 2023

To: Senator Brad Bekkedahl
Senate Appropriations Committee

Re: HB 1018

Dear Chairman Bekkedahl and members of the Senate Appropriations Committee,

I am writing to you in support of House Bill 1018, the Department of Commerce Bill, which includes the opportunity for enhanced funding for the Tourism Division.

The bill would invest $50 in a Destination Development Fund to assist North Dakota's travel industry by expanding and/or creating unique attractions and experiences. Visitors, current residents, and new potential workforce all look for that fun, exciting experience that creates an outlet of personal satisfaction. Projects through the Destination Development Fund will keep visitors in the state longer and assist in workforce recruitment and retention that our state needs to fulfill the job opportunities in North Dakota. This proposal in the bill is vital to the growth of our visitor industry, the appetite for development has been demonstrated.

Support for $25 million for workforce marketing and recruitment is much needed for our visitor industry. Workforce is a large topic for all industries, including the hospitality industry.

The proposed additional one-time funding of $5 million for destination awareness marketing enhances the image of North Dakota, providing tools to draw additional visitors to the state.

Please support House Bill 1018.

Sincerely,

Julie Obrigewitsch
Destination Marketing Association of North Dakota, President

BISMARCK MANDAN
CHAMBER | EDC

Senate Appropriations Committee – HB 1018

Senator Brad Bekkedahl, Chair

March 2, 2023

Chairman Bekkedahl, Members of the Committee:

My name is Brian Ritter and I am the President & CEO of the Bismarck Mandan Chamber EDC. Please accept the following testimony on behalf of our organization's more than 1,230 business members in support of HB 1018

As Bismarck-Mandan's leader for both business advocacy and economic development, the Chamber EDC is actively involved in many of the same areas, activities, etc. as the North Dakota Department of Commerce. For example:

- HB 1018 contains $8 million for workforce talent attraction initiatives similar to what the Chamber EDC has implemented on a local level via our online, talent attraction campaigns.

- HB 1018 contains more than $1 million for Operation Intern which would help address workforce shortages across the State and is mentioned specifically within our organization's 2023 Legislative Agenda.

These items are in addition to the Department's critical and ongoing work in business attraction, business retention expansion and more. As such, I would respectfully ask that the Committee give a DO PASS recommendation to HB 1018.

2023 House Bill 1018
Senate Appropriations Committee
Senator Brad Bekkedahl, Chairman
March 2, 2023

Chairman Bekkedahl and members of the Senate Appropriations Committee, I am Melissa Hauer, General Counsel/Vice President of the North Dakota Hospital Association (NDHA). We support engrossed House Bill 1018 and ask that you give it a **Do Pass** recommendation.

Hospitals support this bill because it helps with our number one challenge: workforce. The lack of health care workers is challenging for our hospitals in both rural and urban areas. It is difficult to find workers in nearly every health care employee group – not just physicians, advanced practice providers, and nurses but also lab techs, surgical techs, medical imaging techs, housekeeping, dietary, and many others. The health care provider shortage is not just an inconvenience, it is a public health crisis that was building even before the COVID-19 pandemic. To give an idea of how big this challenge is in nursing alone, NDHA conducted a survey that showed there are 1,326 nurse openings throughout the state and hospitals contracted with staffing agencies for another 717 nurses. In total, hospitals have over 2,000 nurse openings.

It is especially encouraging to see additional matching funds to assist in the recruitment, distribution, and supply of rural health care workers. We appreciate this investment in our hospitals and communities. We also appreciate funding for technical skill training grants which helps expand programs to provide worker training such as for Certified Nurse Assistants (CNA), funding for supporting the immigrant workforce, and the carryover of funding for the nonresident nurse employment recruitment program from the 2019 session.

We support any efforts to increase the health care workforce. We do not have the magical answer to fill all these openings but adding state funds in multiple areas as this bill does will be helpful. Please give the bill a **Do Pass** recommendation.

Respectfully Submitted,

Melissa Hauer, General Counsel/VP
North Dakota Hospital Association

HB 1018

(Funding bill)

It is to my understanding that all bills are to only have **one issue** attached to it or is Unconstitutional.

Would someone on this committee please clearly explain to me if it is legal to do this in a funding bill.

GREATER NORTH DAKOTA CHAMBER
HB 1018
Senate Appropriations Committee
Chairman Brad Bekkedahl
February 28, 2023

Mr. Chairman and members of the Committee, my name is Andrea Pfennig with 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 House Bill 1018.

Workforce is a critical challenge facing businesses in North Dakota. Our members support comprehensive efforts led by the State to attract workforce. We also feel it is important to augment strategic resources for automation, recognizing it is an important tool to address workforce challenges.

From a business climate perspective, our members feel it is important to advance automation, innovation, and entrepreneurship through targeted incentives and economic development policies that position North Dakota to be globally competitive. This is important to all industries, including burgeoning industries such as UAS.

Specifically, we feel that the following components of HB 1018 are crucial to meet workforce needs:

- Technical Skills Training Grants
- Workforce Talent Attraction Initiative
- Workforce Investment Grant Program
- Automation Workforce Training
- Automation Workforce Equipment Grants
- New Americans Workforce Training Grants
- Operation Intern

We'd also like to express support for the economic development projects included in HB 1018, such as Development Fund, Legacy Investment Technology Loans, and Beyond Vision Line of Sight.

We hope that you will fund these components of the bill that will improve the business climate in North Dakota. Thank you for your consideration.

ednd
economic development association of north dakota

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

Testimony of Teran Doerr, President
Economic Development Association of North Dakota
In Support of HB 1018
March 2, 2023

Chairman Bekkedahl and members of the Senate Appropriations Committee:

I am Teran Doerr, executive director of Bowman County Economic Development Corporation and current president of the Economic Development Association of North Dakota (EDND). I want to express our support for HB 1018.

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.

While EDND is supportive of the continuation of all Commerce programs, we want to take this opportunity to specifically express our support for a few key initiatives in this bill, including funding for **Automation Workforce Training and Equipment Grants, North Dakota Development Fund, Tourism Destination Development Initiative, Rural Workforce Housing Grants, Operation Intern, and uncrewed aircraft systems**, to list a few.

Because of these critical programs and what Commerce does for communities of all sizes, we would like to support HB 1018. Thank you for your consideration.

devils lake
Tourism

March 1, 2023

Senator Brad Bekkedahl
Senate Appropriations Committee Chairman
ND Senate – ND State Capitol
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Chairman Bekkedahl & Members of the Committee:

I am writing in support of House Bill 1018, which includes the opportunity for enhanced funding for the Tourism Division, workforce marketing and the Destination Development Fund.

HB1018 funding provides the neccesary tools to attract a critical need in our state for workforce and provide for the increased marketing visibility that has been needed for decades. The matching grant fund will support enhancements of exciting facilities and attractions and establish new amenities we need to attract visitors and turn them into residents. The tourism conversation is no longer just about “attractions” or “vacations” but is now about “attracting people to come see what our state has to offer in hopes they will stay.” We need to listen to the cries of our business community and help drive the message that North Dakota is a great place to live, work and play. We need the Destination Development Fund to provide amenities and we need more dollars to help drive the message across the nation about North Dakota.

It has been well-established that tourism marketing lifts the national and international image of our entire state, including the areas of economic and workforce development. People don’t usually just decide to move to a new city or state for a job without seeing it first. We need the amenities and the attractions to help sway their decision to call North Dakota home and help drive individuals into the jobs we are so desperately needing. The team at the Tourism Division of the Department of Commerce does a fantastic job of promoting our image, let’s give them the tools and funding they need to help all of our businesses and communities succeed.

I ask you to consider restoring the funding to the full $50 million and $25 million. Added partnerships through the Destination Development Fund will help create attractions and activities that motivate out-of-state travel, keep visitors in the state longer and aid in workforce recruitment and retention.

Respectfully,

Suzie Kenner

Suzie Kenner
Executive Director

NCPC
NORTH CENTRAL
PLANNING COUNCIL

417 5th St. NE
PO Box 651
Devils Lake, ND 58301-0651
PH: 701-662-8131
Fax: 701-662-8132
www.northcentralplanningcouncil.com

North Central Planning Council
Sandra Shively
PO Box 651
Devils Lake, ND 58301
sandyncpc@gondtc.com

RE: **SUPPORT $8 MILLION FOR REGIONAL DEVELOPMENT CAPACITY**
AMENDMENT TO ND DEPARTMENT OF COMMERCE APPROPRIATIONS BILL 1018

Dear Legislators:

Please accept this letter of support for state appropriations to support Regional Councils statewide. The Regional Councils have been partners in local and regional economic and community development for the past fifty years and are led by local elected officials and key partners.

The Regional Council's provide expertise and leadership in economic and community development. Existing Regional Council budgets support only a fraction of the necessary staff to address regional needs. These budgets come from numerous sources (including every county in the state), rely heavily on short-term grants, and do not provide long-term funding to address long-term needs. A long-term funding mechanism would provide expanded capacity to address regional issues and opportunities that will in turn elevate the entire state.

Please support a long-term funding mechanism for Regional Councils.

Sincerely,

Sandra Shively
Executive Director

WOODLAND
RESORT

Testimony of Kyle Blanchfield

Owner, Woodland Resort, Devils Lake, ND

In Support of HB 1018

March 1, 2023

Senator Brad Bekkendahl, Chairman and Senate Appropriations Committee Members:

My name is Kyle Blanchfield, along with my wife Karin, we own Woodland Resort, a lakeside resort on the shores of Devils Lake, ND. Our family-owned business started in 1988. With the support of our community and the State of ND, we have managed to grow our business from zero to over 5 million dollars in yearly sales attracting visitors from 48 states. We proudly employee over 30 staff and see a bright future in tourism for our community and State.

HB 1018 is the most amazing and ambitious bill regarding the future of tourism for North Dakota that I have witnessed in my 35 years of business. Finally, people are recognizing that tourism is a producer of true economic gains and employment opportunity for North Dakotan's. We are turning an exciting corner for the future of tourism in our State.

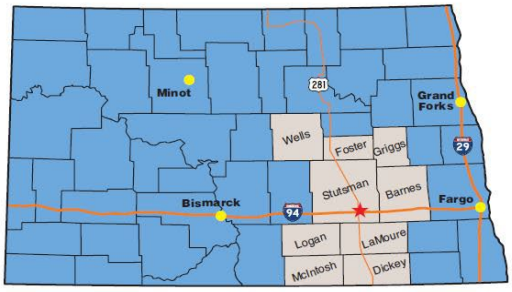
The future of growth of tourism in North Dakota will be in the exciting new developments of attractions and by growing and expanding existing tourism businesses. The future is bright, but we need the full 50 million dollar commitment to make true progress. Build it and they will come! Please support this to it's full 50 Million dollar investment into our great North Dakota tourism potential.

Please support HB1018 and the original $50 Million dollar investment.

Sincerely,

Kyle Blanchfield

Owner, Woodland Resort



South Central Dakota Regional Council

429 2nd St SW, Suite 208 | PO Box 903 | Jamestown, ND 58402-0903 | Phone: 701-952-8050

March 1, 2023

The mission of the South Central Dakota Regional Council is to collaborate to improve the quality of place in the region. The Regional Council serves as a liaison, innovator and facilitator of dialogue and actions among the nine counties, the state of North Dakota, the federal government, the businesses and nonprofit organizations serving the area.

The mission of the Regional Council is to serve as a liaison, innovator, and facilitator of dialogue and actions between the nine counties, the state of North Dakota, the federal government and the businesses and nonprofit organizations serving the area.

Small towns require ongoing technical support to develop and implement development strategies, plans and projects related to community infrastructure, entrepreneurship, housing, childcare, workforce development/attraction, housing, tourism, philanthropy and more.

This funding would:

- Implement existing and recent comprehensive economic development strategies developed every five years by regional leaders – by increasing staff capacity.
- Create regional partnerships to address shared issues.
- Provide technical assistance to develop plans, projects, secure funding, and implement.
- Seek professional development to enhance skills and capacity to create innovative solutions.
- Create rural/urban alliances.
- Maximize the state's prosperous times to rise all areas of the state.

Sincerely,

Traci Redlin
Executive Director

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ASSOCIATION OF REGIONAL COUNCILS

Dawn Mandt, Chairwoman
Brent Ekstrom, Vice Chairman
Sandy Shively, Secretary/Treasurer

Testimony of Dawn Mandt in support of HB 1018 – with an amendment

To Senate Appropriations Committee

March 2, 2023

Chairman Bekkedahl and members of the Committee:

I am Dawn Mandt, Executive Director of the Red River Regional Council and Chairwoman of the ND Association of Regional Councils. I have been a rural development practitioner in North Dakota for the past 30 years.

On behalf of the ND Association of Regional Councils, **I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.**

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.

Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

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ASSOCIATION OF REGIONAL COUNCILS

Dawn Mandt, Chairwoman
Brent Ekstrom, Vice Chairman
Sandy Shively, Secretary/Treasurer

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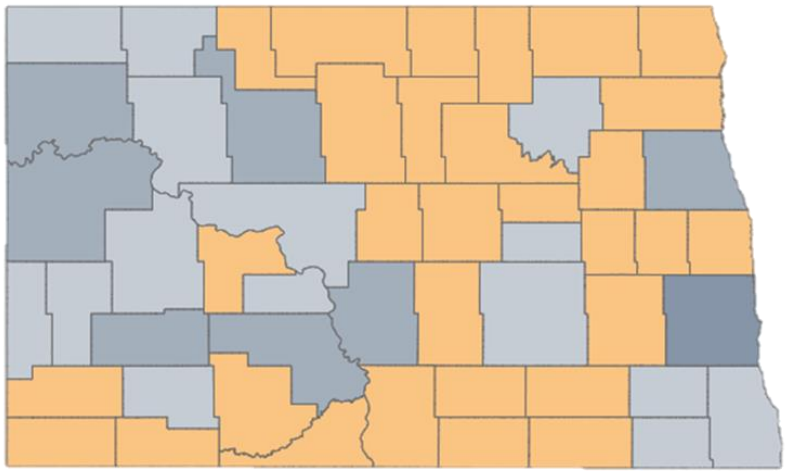

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8 Regional Councils
supporting ND communities

Invest in rural North Dakota

Support HB 1018:
Commerce Dept. Appropriations Bill Amendment

NDCC 54-40.1

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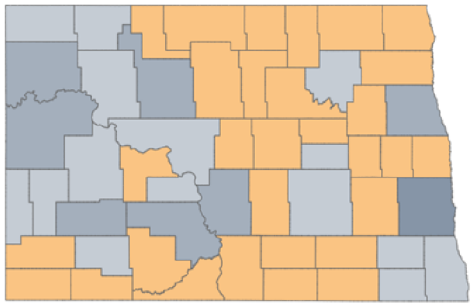

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$8M in people power

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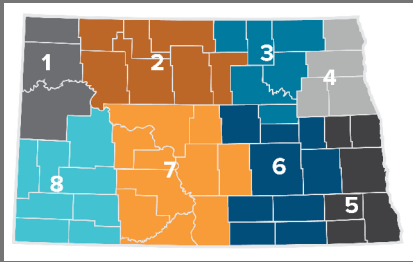

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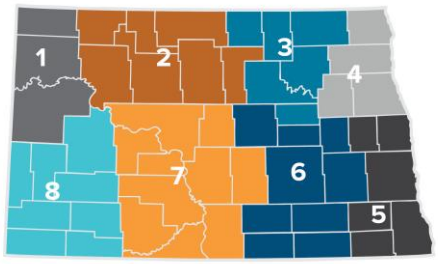

Region 1 - Tri-County Regional Development Council	
Contact Name:	Everette Enno
Physical Address:	113 4th Street East Williston, ND 58801
Mailing Address:	PO Box 697 Williston, ND 58802-0697
Phone:	(701) 577-1358
Fax:	(701) 577-1363
Website:	www.tricountyrdc.com
Email:	everettee@ci.williston.nd.us

Region 2 - Souris Basin Planning Council	
Contact Name:	Briselda Hernandez
Physical Address:	18 2nd St NE, Suite 2 Minot, ND 587013
Mailing Address:	PO Box 2024 Minot, ND 58702-2024
Phone:	(701) 255-1982
Fax:	N/A
Website:	http://www.sourisbasin.org
Email:	briselda@sourisbasin.org

Region 3 - North Central Planning Council	
Contact Name:	Sandra Shively
Physical Address:	417 5th St NE Devils Lake, ND 58301-2539
Mailing Address:	PO Box 651 Devils Lake, ND 58301-0651
Phone:	(701) 662-8131
Fax:	(701) 662-8132
Website:	http://www.northcentralplanningcouncil.com/
Email:	sandyncpc@gondtc.com

Region 4 - Red River Regional Council	
Contact Name:	Dawn Mandt
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Mailing Address:	516 Cooper Ave Ste 101 Grafton, ND 58237-1533
Phone:	(701) 352-3550
Fax:	n/a
Website:	http://redriverrc.com/
Email:	dawn@redriverrc.com

Region 5 - Lake Agassiz Regional Council	
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Mailing Address:	417 Main Ave Fargo, ND 58103-1956
Phone:	(701) 235-1197
Fax:	(701) 235-6706
Website:	http://www.lakeagassiz.com
Email:	amber@lakeagassiz.com

Region 6 - South Central Dakota Regional Council	
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Phone:	(701) 952-8050
Fax:	(701) 952-4930
Website:	http://www.scdrc.org
Email:	tredlin@scdrc.org

Region 7 - Lewis & Clark Development Group	
Contact Name:	Brent Ekstrom
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Mailing Address:	200 1st Ave NW Mandan, ND 58554-3162
Phone:	(701) 667-7600
Fax:	(701) 255-7228
Website:	http://lcdgroup.org
Email:	brent@lcdgroup.org

Region 8 - Roosevelt Custer Regional Council for Dev.	
Contact Name:	Trisha Kelly
Physical Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Mailing Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Phone:	(701) 483-1241
Fax:	n/a
Website:	www.roosevelt-custer.org
Email:	rcrc@ndsupernet.com

ND Region 1
Tri-County Regional Development Council

Serving a collective of 54,491 people
Providing technical and administrative assistance in economic development, community and leadership development, workforce development, strategic planning, public infrastructure and housing, and financial development and packaging

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**501(c)(4)**
FOCUS	**Technical and administrative assistance, leadership development, workforce development, strategic planning, public infrastructure and housing, financial development, and entrepreneurship, expand lending capacity and infrastructure development**
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, government, business, industry, higher education, Tribal government, community organizations**
FUNDING	**EDA, Counties, State, revolving loan fund, grant and project administration and service fees, other**
STAFF	**Executive Director** **Office/Finance Manager** **Economic Recovery Coordinator** **Consultant** **Certified Planner** **Loan Officer (2)**

ND Region 2
Souris Basin Planning Council

SourisBasin
people. ideas. knowledge. resources.

Serving a collective of 99,279 people
Supporting communities, leaders, and entrepreneurs to advance economic progress

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)4	501(c)(3)
FOCUS	Business lending, entrepreneurship, economic development, AmeriCorps, capacity building, funding development, strategic planning, workforce development, community development, expand lending capacity	Community and economic support initiatives in Northwest ND; the Foundation works side-by-side with the regional council
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, Minot Air Force Base, EDCs, JDA's, MSU, Three Affiliated Tribes, Advisory Committees	3-member Board of Directors made up of community members
FUNDING	EDA, Counties, State, JDAs, AmeriCorps, project administration, other	Grant funding
STAFF	Executive Director Shared Program & Finance Manager Program Coordinator Communications & Project Specialist Administrative Assistant Regional Workforce Coordinator Project Development Manager Lending Coordinator	Shared Program & Finance Manager Executive Director

ND Region 3
North Central Planning Council

NCPC
NORTH CENTRAL
PLANNING COUNCIL

Serving a rural collective of 37,800 people
Providing expertise and leadership to facilitate economic and community development

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)
FOCUS	Community and economic development, planning, business lending, grant writing, small business development	Capacity building, innovative ideas for regional development, regional marketing, tourism attraction, housing development, workforce development, entrepreneur development
BOARDS OF DIRECTORS COMPOSITION	Elected officials, financial sector, workforce, Tribal representatives, economic development	JDAs, stakeholders, RC board member(s)
FUNDING	EDA, Counties, project administration, service fees, local, other	EDA, USDA RD, Counties grants, development groups, local
STAFF	Executive Director SBDC Advisor Grant Administrator Financial Officer Loan Officer Special Projects Developer	Executive Director Marketing Manager Housing Developer/Manager

ND Region 4
RED RIVER DEVELOPMENT GROUP

Serving a rural collective of 35,000 people

Providing expertise, leadership, technical assistance, resources, funding development, and grant writing to address community and regional issues/opportunities

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT FOUNDATION	DESTINATION DEVELOPMENT
LEGAL STRUCTURE	Political subdivision and designated economic development district	501(c)(3)	501(c)(6)
FOCUS	Community infrastructure, entrepreneurship, workforce, economic development, business lending, JDAs, strategic planning, grant writing/funding development	Housing and real estate development; philanthropy	Visitor attraction, marketing, product development, implementation of Destination Red River Action Plan
BOARDS OF DIRECTORS COMPOSITION	NDCC - elected officials, Job Service, EDCs, private sector, UND, Advisory Committee(s)	Lenders, NDHFA, developers, lumber stores, Grand Forks Housing Authority	State Parks, hospitality businesses, Chambers, GFCVB, ND Tourism
FUNDING	EDA, Counties, State, JDAs, project administration, USDA RD, Bush Foundation, other	$200,000 seed funding secured, project development fees, HUD, USDA RD, Bremer	Memberships, state funding for pilot project, JDAs, long term funding strategy to be developed
STAFF	Shared CEO Shared Director of Operations Director of Nelson County Director of Pembina County Director of Workforce Director of Community Services	Shared CEO Shared Director of Operations Director of Development	Shared CEO Shared Director of Operations Director of Marketing Director of Product Development

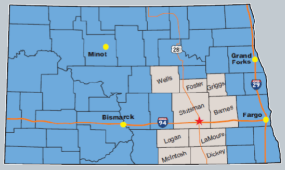
ND Region 5
Lake Agassiz Development Group

Coordinating and facilitating the provision of economic and social opportunities to residents in North Dakota

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT CORPORATION	CERTIFIED DEVELOPMENT COMPANY
LEGAL STRUCTURE	501(c)(4)	501(c)(3)	501(c)(4)
FOCUS	Community infrastructure, business lending, JDAs, strategic planning, grant writing, workforce, tourism, destination development, housing development	Business lending, Senior Housing, shared service office space, entrepreneurship	SBA 504 Lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, private sector	Private sector including lender, business owner, and developer	Lenders, business owners, attorney
FUNDING	EDA, Counties, JDAs, project administration	SBA, USDA, Otto Bremer Foundation, Bush Foundation, fees	SBA Program and servicing fees
STAFF	Shared Executive Director Planner Additional staff provided by RDC Regional Workforce Coordinator Project Development Director Engagement and Communications Director	Shared Executive Director CFO Administrative Assistant Commercial Lenders (3) Loan Servicing	Staff provided by RDC

ND Region 6
South Central Dakota Regional Council



Serving a rural collective of 55,850 people
Providing planning and development services, technical assistance, information coordination, grant writing, and program administration to facilitate the needs of local units of government in the areas of community development, economic development and public infrastructure

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district, 501(c)(3)**
FOCUS	**Capacity building, regional marketing and development, workforce development, housing development, tourism**
BOARDS OF DIRECTORS COMPOSITION	**Elective officials, EDC and private sector**
FUNDING	**EDA, USDA, Counties, Grants, project administration, planning administration**
STAFF	**Executive Director Planner Administrative Staff Grant Writer Loan Specialist Project Specialist**

ND Region 7
Lewis & Clark Development Group

A collaboration of three separate non profit organizations, joined to provide programs and loans to support businesses, local governments, and individuals in expanding affordable housing opportunities and advancing economic and community development across North Dakota

OUR VISION

	REGIONAL COUNCIL	CommunityWorks North Dakota	Lewis & Clark CDC
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)	501(c)(3)
FOCUS	Economic and community development, business lending, community infrastructure	Affordable housing and development opportunities; part of the national NeighborWorks America Network	Administer and facilitate SBA 504 program for small business lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, EDCs, RECs, private sector, Tribal representatives, UTTC	Lenders, Local and State Housing Agency Representatives, Service Agency Representatives, Realtors, and business owners	Financial institutions, Community Development Organizations, business owners, government officials
FUNDING	EDA, Counties, and USDA RD	NeighborWorks America, NDHFA, Wells Fargo Foundation, Dacotah Bank, USDA RD, Rural Development Finance Corporation	Small Business Administration
STAFF	Senior Commercial Lending Director Commercial Lending Director Lender (2) Commercial Closing Officer Commercial Loan Processor Shared Directorof Operations Shared CEO Compliance Officer (2) Loan Servicing Officer	Housing Director Multifamily Housing Director Multifamily Development Director Compliance Director Compliance Processor Property Managers (2) Site Managers (2) Maintenance Managers (3) Shared Director of Operations Shared CEO	Staff provided by RDC

ND Region 8
Roosevelt Custer Regional Council

Roosevelt Custer
REGIONAL COUNCIL

Serving a rural collective of 46,000 people
Providing technical assistance, leadership, business funding and resources, and more traditional regional council services in southwest North Dakota

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district 501(c)(3)**
FOCUS	**Community infrastructure, entrepreneurship, economic development, business lending, JDAs, strategic planning,** technical assistance, grant writing, funding development, workforce development, destination development, visitor attraction
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, Job Service, EDCs, private sector, higher education, Advisory Committees,** ND Tourism Advisory
FUNDING	**EDA, Counties, project administration, USDA RD,** Cities, membership, State, other
STAFF	**Executive Director** **Council Administrator** **Shared Finance & Operations Coordinator** **Shared Marketing & Communications Coordinator** Grant Writer Tourism Director Workforce Director Program Specialist

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Testimony of Dawn Mandt in support of HB 1018 – with an amendment

To Senate Appropriations Committee

March 2, 2023

Chairman Bekkedahl and members of the Committee:

I am Dawn Mandt, Executive Director of the Red River Regional Council and Chairwoman of the ND Association of Regional Councils. I have been a rural development practitioner in North Dakota for the past 30 years.

On behalf of the ND Association of Regional Councils, **I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.**

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.

Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

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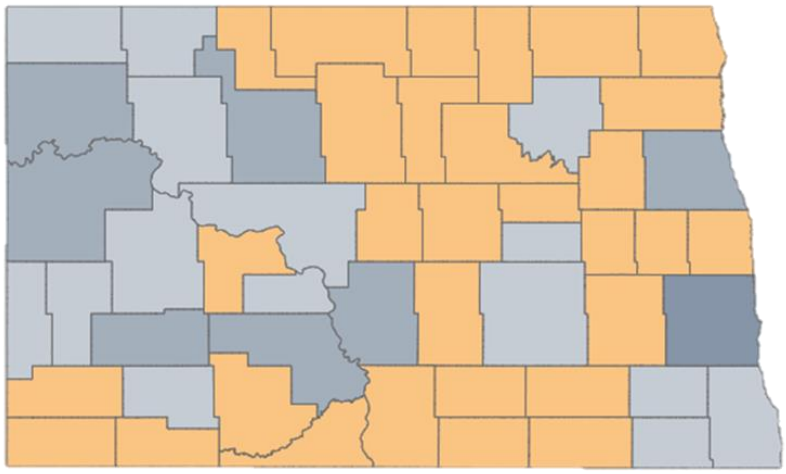

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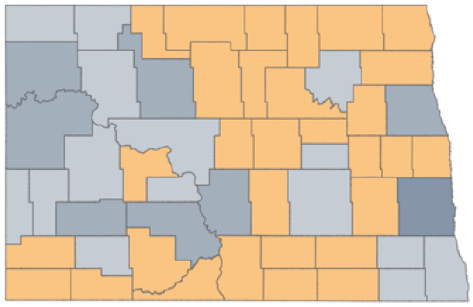

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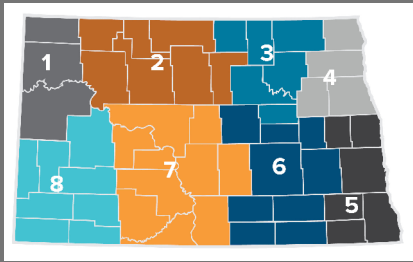

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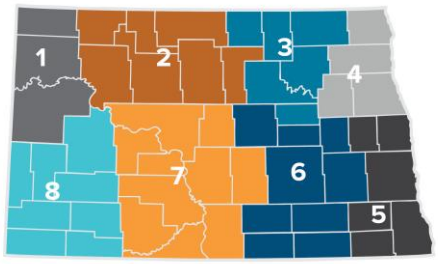

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Website:	http://lcdgroup.org
Email:	brent@lcdgroup.org

Region 8 - Roosevelt Custer Regional Council for Dev.	
Contact Name:	Trisha Kelly
Physical Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Mailing Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Phone:	(701) 483-1241
Fax:	n/a
Website:	www.roosevelt-custer.org
Email:	rcrc@ndsupernet.com

ND Region 1
Tri-County Regional Development Council

Serving a collective of 54,491 people
Providing technical and administrative assistance in economic development, community and leadership development, workforce development, strategic planning, public infrastructure and housing, and financial development and packaging

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**501(c)(4)**
FOCUS	**Technical and administrative assistance, leadership development, workforce development, strategic planning, public infrastructure and housing, financial development, and entrepreneurship, expand lending capacity and infrastructure development**
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, government, business, industry, higher education, Tribal government, community organizations**
FUNDING	**EDA, Counties, State, revolving loan fund, grant and project administration and service fees, other**
STAFF	**Executive Director** **Office/Finance Manager** **Economic Recovery Coordinator** **Consultant** **Certified Planner** **Loan Officer (2)**

ND Region 2
Souris Basin Planning Council

SourisBasin
people. ideas. knowledge. resources.

Serving a collective of 99,279 people
Supporting communities, leaders, and entrepreneurs to advance economic progress

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)4	501(c)(3)
FOCUS	Business lending, entrepreneurship, economic development, AmeriCorps, capacity building, funding development, strategic planning, workforce development, community development, expand lending capacity	Community and economic support initiatives in Northwest ND; the Foundation works side-by-side with the regional council
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, Minot Air Force Base, EDCs, JDA's, MSU, Three Affiliated Tribes, Advisory Committees	3-member Board of Directors made up of community members
FUNDING	EDA, Counties, State, JDAs, AmeriCorps, project administration, other	Grant funding
STAFF	Executive Director Shared Program & Finance Manager Program Coordinator Communications & Project Specialist Administrative Assistant Regional Workforce Coordinator Project Development Manager Lending Coordinator	Shared Program & Finance Manager Executive Director

ND Region 3
North Central Planning Council

NCPC
NORTH CENTRAL
PLANNING COUNCIL

Serving a rural collective of 37,800 people
Providing expertise and leadership to facilitate economic and community development

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)
FOCUS	Community and economic development, planning, business lending, grant writing, small business development	Capacity building, innovative ideas for regional development, regional marketing, tourism attraction, housing development, workforce development, entrepreneur development
BOARDS OF DIRECTORS COMPOSITION	Elected officials, financial sector, workforce, Tribal representatives, economic development	JDAs, stakeholders, RC board member(s)
FUNDING	EDA, Counties, project administration, service fees, local, other	EDA, USDA RD, Counties grants, development groups, local
STAFF	Executive Director SBDC Advisor Grant Administrator Financial Officer Loan Officer Special Projects Developer	Executive Director Marketing Manager Housing Developer/Manager

ND Region 4
RED RIVER DEVELOPMENT GROUP

Serving a rural collective of 35,000 people

Providing expertise, leadership, technical assistance, resources, funding development, and grant writing to address community and regional issues/opportunities

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT FOUNDATION	DESTINATION DEVELOPMENT
LEGAL STRUCTURE	Political subdivision and designated economic development district	501(c)(3)	501(c)(6)
FOCUS	Community infrastructure, entrepreneurship, workforce, economic development, business lending, JDAs, strategic planning, grant writing/funding development	Housing and real estate development; philanthropy	Visitor attraction, marketing, product development, implementation of Destination Red River Action Plan
BOARDS OF DIRECTORS COMPOSITION	NDCC - elected officials, Job Service, EDCs, private sector, UND, Advisory Committee(s)	Lenders, NDHFA, developers, lumber stores, Grand Forks Housing Authority	State Parks, hospitality businesses, Chambers, GFCVB, ND Tourism
FUNDING	EDA, Counties, State, JDAs, project administration, USDA RD, Bush Foundation, other	$200,000 seed funding secured, project development fees, HUD, USDA RD, Bremer	Memberships, state funding for pilot project, JDAs, long term funding strategy to be developed
STAFF	Shared CEO Shared Director of Operations Director of Nelson County Director of Pembina County Director of Workforce Director of Community Services	Shared CEO Shared Director of Operations Director of Development	Shared CEO Shared Director of Operations Director of Marketing Director of Product Development

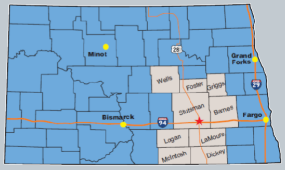
ND Region 5
Lake Agassiz Development Group

Coordinating and facilitating the provision of economic and social opportunities to residents in North Dakota

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT CORPORATION	CERTIFIED DEVELOPMENT COMPANY
LEGAL STRUCTURE	501(c)(4)	501(c)(3)	501(c)(4)
FOCUS	Community infrastructure, business lending, JDAs, strategic planning, grant writing, workforce, tourism, destination development, housing development	Business lending, Senior Housing, shared service office space, entrepreneurship	SBA 504 Lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, private sector	Private sector including lender, business owner, and developer	Lenders, business owners, attorney
FUNDING	EDA, Counties, JDAs, project administration	SBA, USDA, Otto Bremer Foundation, Bush Foundation, fees	SBA Program and servicing fees
STAFF	Shared Executive Director Planner Additional staff provided by RDC Regional Workforce Coordinator Project Development Director Engagement and Communications Director	Shared Executive Director CFO Administrative Assistant Commercial Lenders (3) Loan Servicing	Staff provided by RDC

ND Region 6
South Central Dakota Regional Council



Serving a rural collective of 55,850 people
Providing planning and development services, technical assistance, information coordination, grant writing, and program administration to facilitate the needs of local units of government in the areas of community development, economic development and public infrastructure

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district, 501(c)(3)**
FOCUS	**Capacity building, regional marketing and development, workforce development, housing development, tourism**
BOARDS OF DIRECTORS COMPOSITION	**Elective officials, EDC and private sector**
FUNDING	**EDA, USDA, Counties, Grants, project administration, planning administration**
STAFF	**Executive Director Planner Administrative Staff Grant Writer Loan Specialist Project Specialist**

ND Region 7
Lewis & Clark Development Group

A collaboration of three separate non profit organizations, joined to provide programs and loans to support businesses, local governments, and individuals in expanding affordable housing opportunities and advancing economic and community development across North Dakota

OUR VISION

	REGIONAL COUNCIL	CommunityWorks North Dakota	Lewis & Clark CDC
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)	501(c)(3)
FOCUS	Economic and community development, business lending, community infrastructure	Affordable housing and development opportunities; part of the national NeighborWorks America Network	Administer and facilitate SBA 504 program for small business lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, EDCs, RECs, private sector, Tribal representatives, UTTC	Lenders, Local and State Housing Agency Representatives, Service Agency Representatives, Realtors, and business owners	Financial institutions, Community Development Organizations, business owners, government officials
FUNDING	EDA, Counties, and USDA RD	NeighborWorks America, NDHFA, Wells Fargo Foundation, Dacotah Bank, USDA RD, Rural Development Finance Corporation	Small Business Administration
STAFF	Senior Commercial Lending Director Commercial Lending Director Lender (2) Commercial Closing Officer Commercial Loan Processor Shared Directorof Operations Shared CEO Compliance Officer (2) Loan Servicing Officer	Housing Director Multifamily Housing Director Multifamily Development Director Compliance Director Compliance Processor Property Managers (2) Site Managers (2) Maintenance Managers (3) Shared Director of Operations Shared CEO	Staff provided by RDC

ND Region 8
Roosevelt Custer Regional Council

Roosevelt Custer
REGIONAL COUNCIL

Serving a rural collective of 46,000 people
Providing technical assistance, leadership, business funding and resources, and more traditional regional council services in southwest North Dakota

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district 501(c)(3)**
FOCUS	**Community infrastructure, entrepreneurship, economic development, business lending, JDAs, strategic planning,** technical assistance, grant writing, funding development, workforce development, destination development, visitor attraction
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, Job Service, EDCs, private sector, higher education, Advisory Committees,** ND Tourism Advisory
FUNDING	**EDA, Counties, project administration, USDA RD,** Cities, membership, State, other
STAFF	**Executive Director** **Council Administrator** **Shared Finance & Operations Coordinator** **Shared Marketing & Communications Coordinator** Grant Writer Tourism Director Workforce Director Program Specialist

redriver REGIONAL COUNCIL
MOVING IDEAS TO ACTIONS

Chase Building
516 Cooper Avenue, Suite 101
Grafton, ND 58237
T: 701.352.3550
www.redriverrc.com

Testimony of Dawn Mandt in support of HB 1018 with an amendment
to the Senate Appropriations Committee
March 1, 2023

Senator Bekkedahl and members of the Appropriations Committee

My name is Dawn Mandt. I am the Executive Director of Red River Regional Council in Region 4 – serving Grand Forks, Nelson, Pembina, and Walsh Counties related to economic and community development. Our services are largely focused on supporting small towns and building regional coalitions with a disbursed rural population of 35,000 people spread over four counties (the size of West Fargo).

I am writing to seek your support for an amendment to HB 1018 which would add $8 million to support increased planning and capacity at the eight regional councils ($1 million per region per biennium).

Over the past two years, our office conducted 130 one-on-one business interviews to listen, learn and develop a clear understanding of both their needs and opportunities. **We uncovered a need for a workforce in the rural areas of our region that amounts to 1,500 new employees over the next five years.**

We also revealed that 90% of our companies have projected and planned growth.

Workforce, childcare, and housing are our key barriers to enabling this growth. We have been developing regional collaborative efforts on each of these funds – however, lack adequate resources to fund long-term capacity to make a meaningful difference.

Without adequately tending to the specific growth needs and creating communities where people want to and CAN live, we are beginning to lose ground.

Companies have begun to relocate or expand elsewhere.

Motor Coach Industries, a major commercial coach manufacturer, announced the relocation of its Pembina plant to Crookston, MN, in 2022. This will leave 200 employees and a 209,000 sq ft manufacturing facility. This company has been in Pembina since 1963.
Region 4 is positioned for a rural renaissance. According to the Pew Foundation, twice as many Americans prefer living in a small town rather than a large city. We have people coming home and raising their young families in our small towns. They are bringing renewed energy, spirit, and investment – many of them opening new businesses and enhancing real estate.

We've been making great strides in our region with future-focused investments:

- We are building a $2 million regional business and food incubator on main street Grafton this year in partnership with several local public and private partners.
- North Valley Career and Technology Center is building a 10,000 sq ft expansion in Grafton as well as expansions and enhancements in Park River, Minto, and a new satellite location in Cavalier serving the northern tier of our region along the Canadian border where we have several healthcare, education, and manufacturing employers.
- We've built a regional coalition of private and public partners around workforce attraction with the goal to reach the state's homepage of the Find the Good Life initiative alongside our regional marketing and attraction efforts. The Find the Good Life initiative lacks rural areas to point to due to the lack of regional and locally driven strategies. Systemically, this should be a red flag statewide. Our effort has been enabled only for the short term (currently through June 30, 2023) with a state grant matched by three county job development authorities while our urban centers across the state have had similar campaigns for nearly a decade.
- We are also ready to implement a Destination Red River Action Plan we developed over the past two years with a nationally renowned destination development expert, Roger Brooks, to enhance our communities and destinations for visitors and residents alike. This regional

plan (built after spending a month secret shopping all 42 communities in our region) calls for six full-time staff and a marketing budget. Today, we have only one part-time project manager leading this effort.

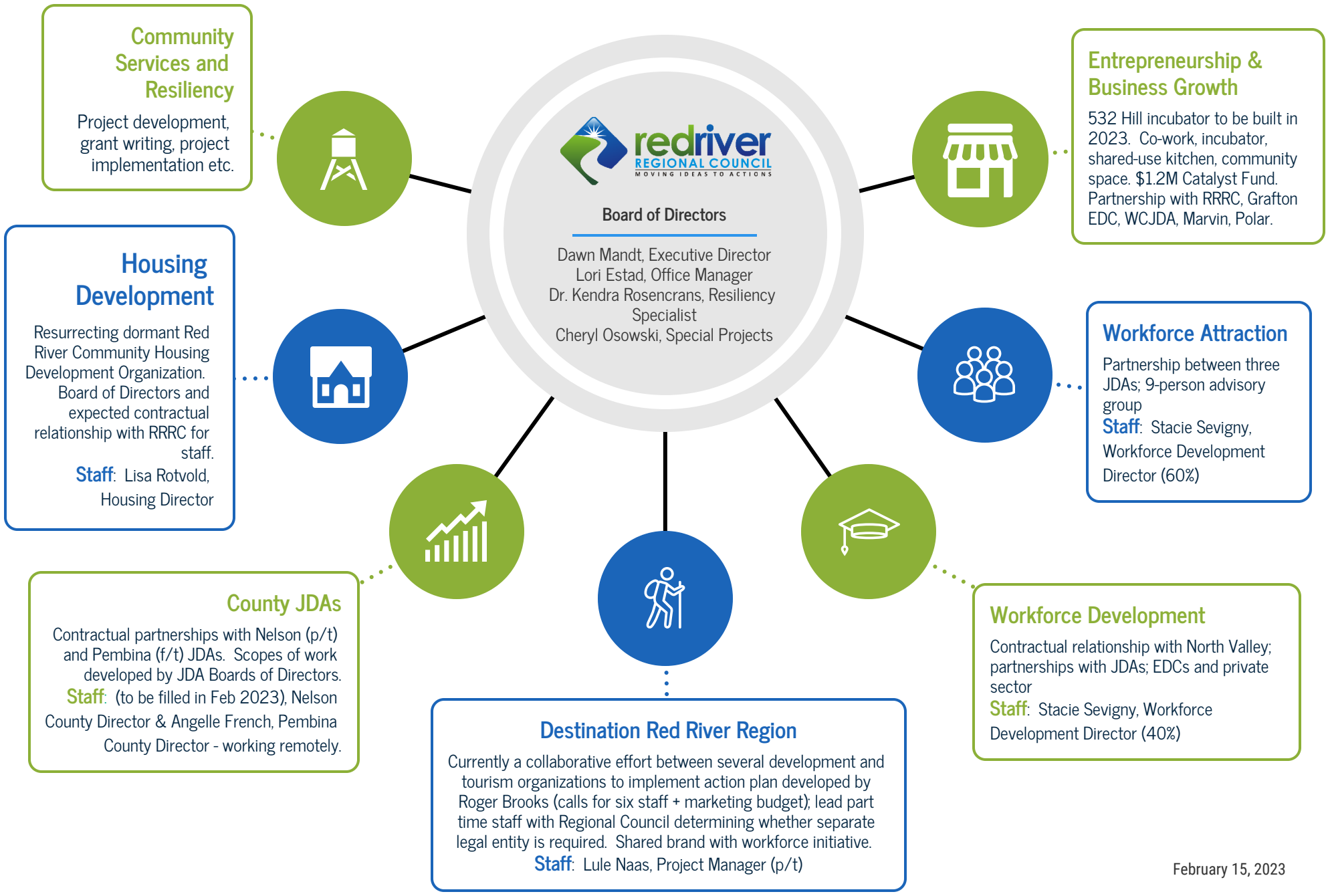
Help us amplify and multiply these efforts to grow our corner of the state – the opportunity is now – let's not miss it.

We are experts in project development and finding funding to implement. We have vast networks of key partners. We have a 95% success rate in securing the funds we seek. Attached to this testimony is a vision of our evolving organization and the roles that we serve in northeastern North Dakota. We have inched towards implementing this vision and yet lack adequate resources to solidify it – this would be the use of the state's funding in Region 4.

Please support this amendment to HB 1018.

Red River Development Group

The Red River Regional Council is currently in a transformative state. Evolving to strongly work to meet the needs of the region through collaborative networked leadership models. This will result in 2-3 entities branded as a collaboration in 2023.



February 15, 2023

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SENATE APPROPRIATIONS

March 2, 2023

NORTH Dakota | Commerce

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The ND Department of Commerce works to improve the quality of life for ND citizens by leading efforts to attract, retain and expand wealth. Commerce serves businesses and communities statewide through committed people and partners who offer valuable programs and dynamic services.

Commerce Video

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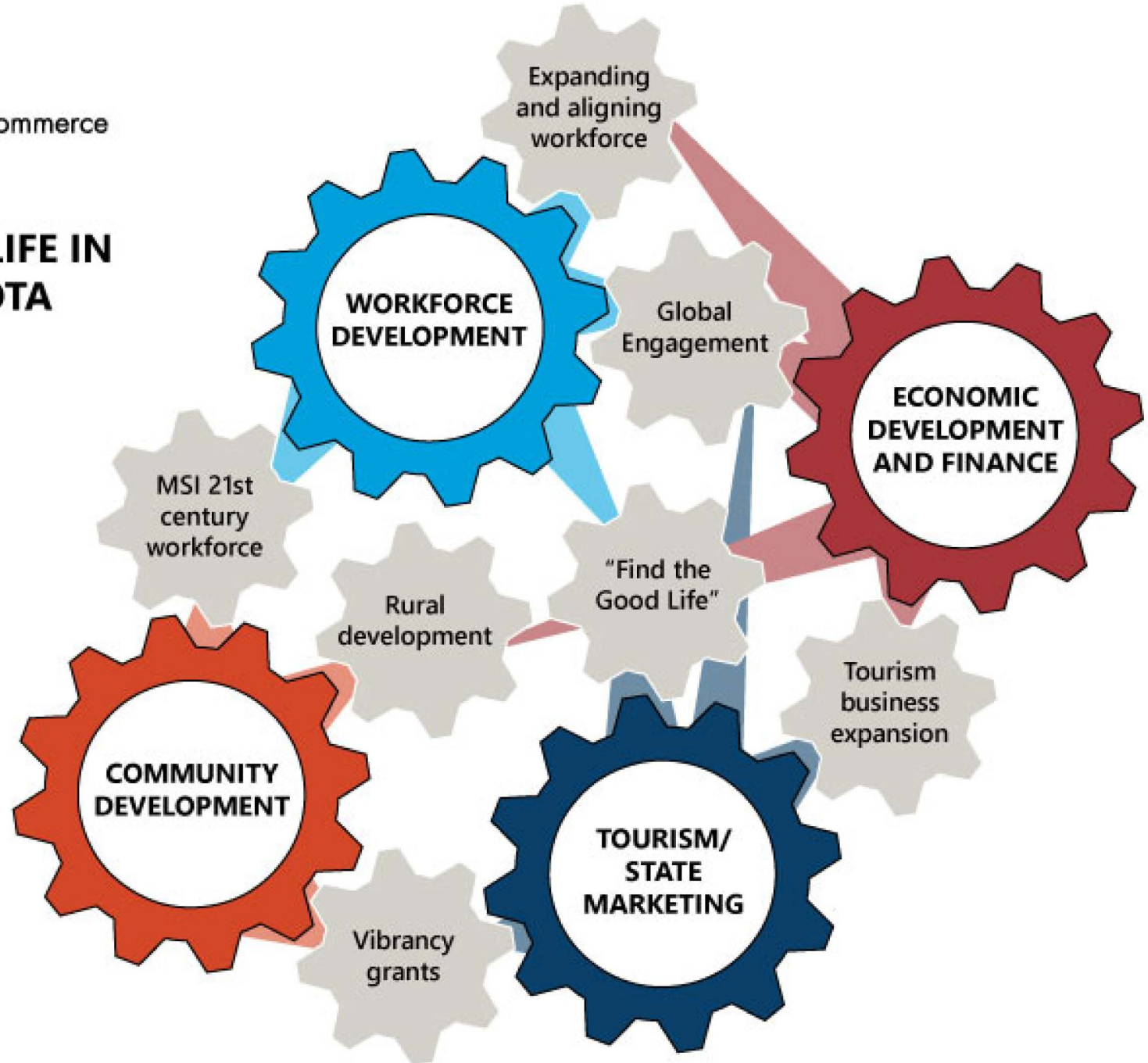
IMPROVING LIFE IN NORTH DAKOTA



THE NRIC
Dakota

COMMERCE FTES

Current

58.8 FTEs – Fully Funded with Benefits

2023-2025

63.8 FTEs – Fully Funded with Benefits

2023-2025 - FTE Request

- Workforce Division (2 FTEs)
- Office of Automation (1 FTE)
- Community Services (4 FTE)
- Global Engagement (1 FTE)

SUPPORT FOR TOTAL REWARDS

$90M equity

- 6% year one
- 4% year two

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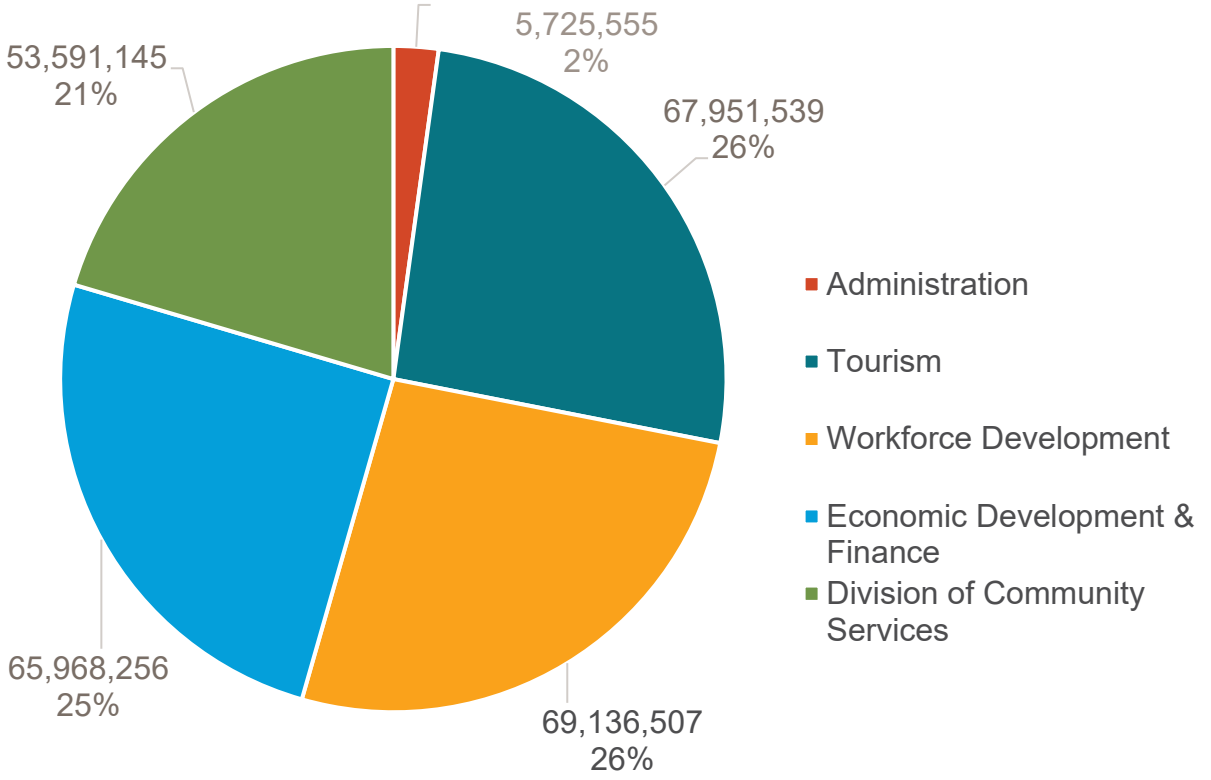
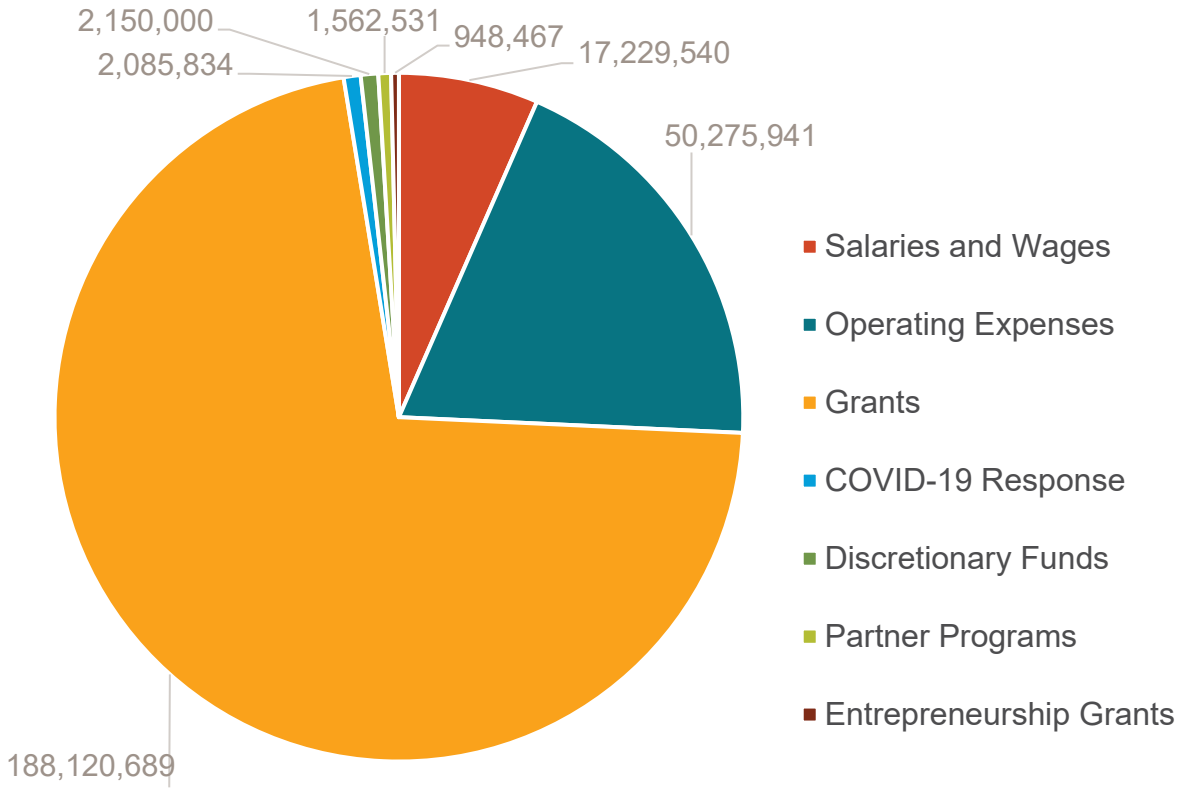
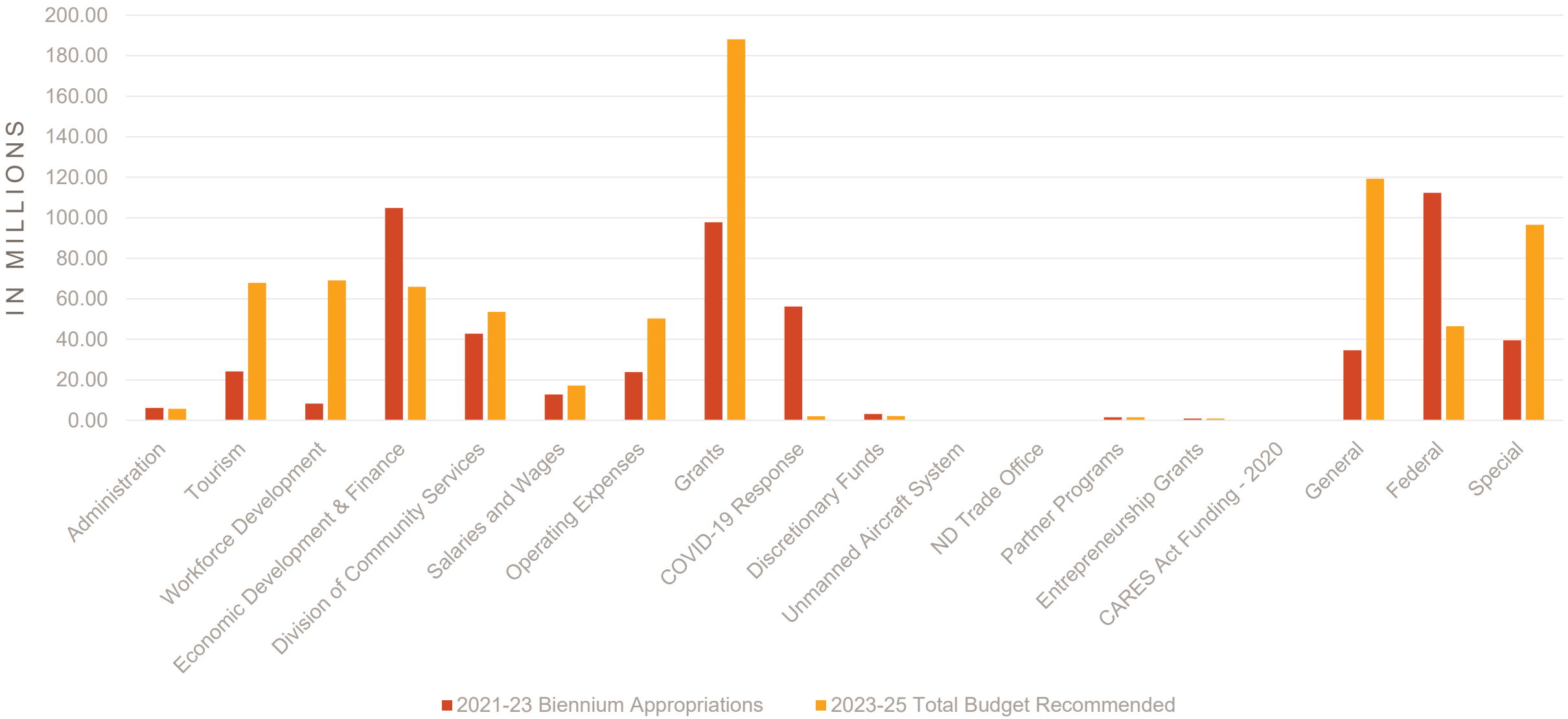
BUDGET – OPERATIONS OVERVIEW





BUDGET COMPARISON



ONE TIME FUNDING – LAST BIENNIUM

- Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant
- COVID 19 Response – State Small Business Initiative
- Discretionary Funds – Tourism Planning Grants
- Job Development and Economic Growth Grant
- Motion Picture Production and Recruitment Grant
- Technical Skills Training Grant
- Tourism Marketing
- Tourism Transportation Improvement Grants
- Travel Agency and Tour Operator Emergency Resiliency Grants
- Event Center Emergency Resiliency Grants
- Uncrewed Aircraft System
- Workforce Grants to Tribally Controlled Community Colleges Workforce Safety Grant

ONE TIME FUNDING – PROPOSED 23-25

One Time Funding	
Workforce	
Workforce Investment Funding	$ 20,000,000.00
Talent Attraction	$ 24,797,060.00
Automation Workforce Transition Training Program	$ 5,000,000.00
Workforce Enhancement Grant	$ 2,000,000.00
Volunteer Generation Fund	$ 878,571.00
Tourism	
Destination North Dakota	$ 5,000,000.00
Destination Development Fund	$50,000,000
Community Development	
Rural Renewal Workforce Housing	$ 5,500,000.00
Community Development Grants	$ 800,000.00
Rural Revitalization and Redevelopment Grant Program	$ 10,000,000.00
Economic Development and Finance	
Northern Plains Unmanned Aircraft Systems	$ 30,000,000.00
Enhanced Use Lease - Grand Sky	$ 7,000,000.00
Automation Grant	$ 10,000,000.00
Transfers	
Workforce	
Internship Fund	$ 1,000,000.00
Economic Development and Finance	
North Dakota Development Fund	$ 30,000,000.00
Innovation Loan Fund	$ 20,000,000.00

21-23 SPECIAL SESSION FUNDS

	SB 2345	Amount	January 2023
North Dakota Development Fund	Section 35	$5,000,000.00	Transferred to the NDDF
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$2,196,692.71
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$233,800.82
	HB 1506		
Workforce Community Services Program	Section 19	$1,074,888.00	
Community Development Planning Grant Program	Section 20	$1,000,000.00	$163,773.95
Workforce Innovation Network Grant Program	Section 21	$100,000.00	$41,257.49

ANTICIPATED FORMULA ALLOCATION FEDERAL FUNDS '23-'25

The following was provided to legislative council in September 2022 regarding anticipated federal formula funds Commerce is anticipating to receive.

Program Name / Description	Estimated Federal Funds to be Received
Community Development Block Grant/State's Program	$8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000
Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135
Americorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	$ 54,018,402.50

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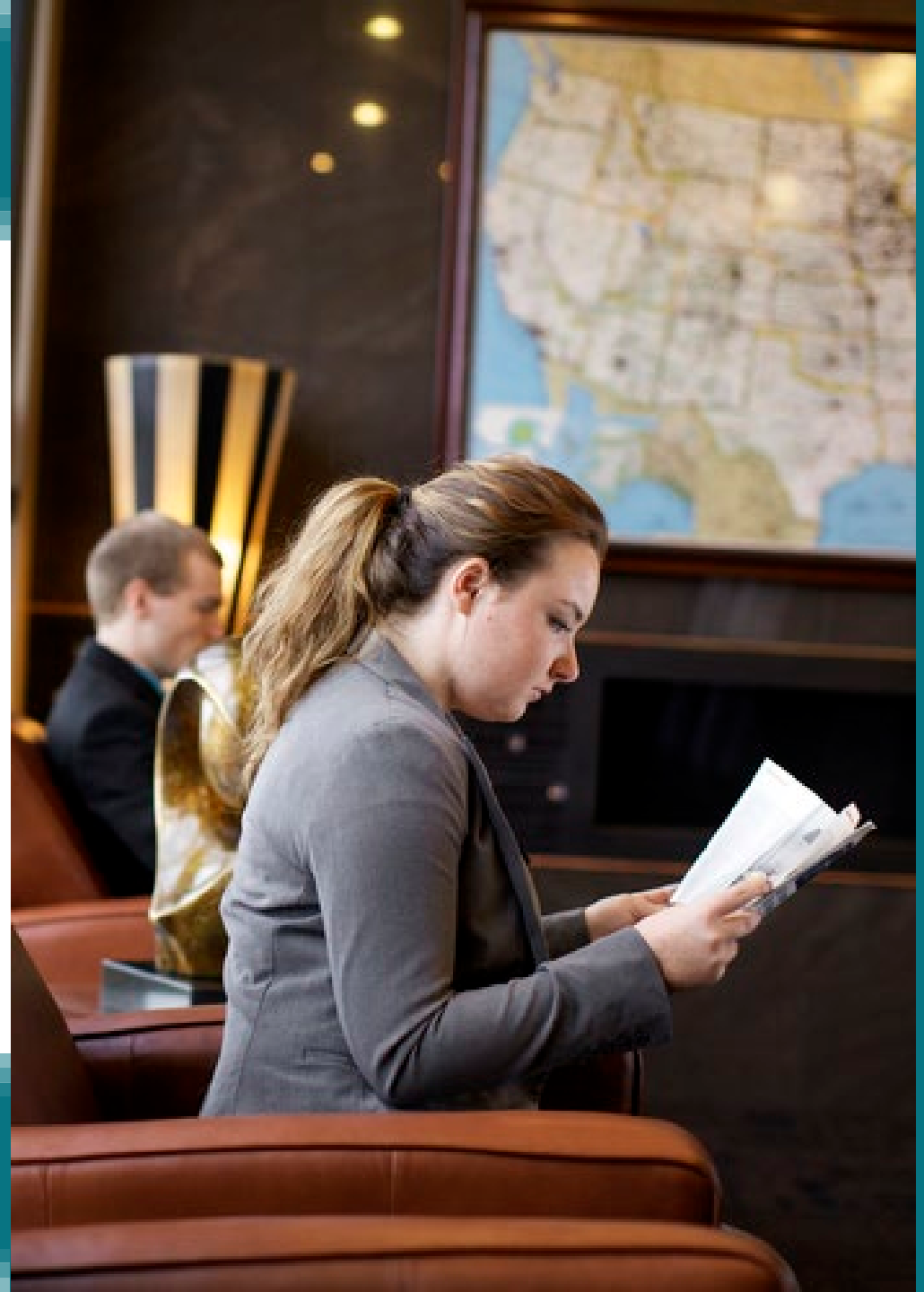
HOUSE APPROPRIATIONS ADJUSTMENTS - DECREASE

- Salaries/equity
- MSI FTE
- Housing funding
- Talent attraction funding
- Tourism Destination Development Fund



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HOUSE APPROPRIATIONS ADJUSTMENTS - INCREASE

- Grand Sky Funding
- ND Development Fund

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COMMUNITY SERVICES

Provides the people of North Dakota with effective, efficient and customer-oriented administration of federal and state programs for:

- Community Development
- Energy Efficiency
- Housing
- Self Sufficiency

Maria Effertz, Director

CDBG AND CSBG

Community Development Block Grant (CDBG): Provide grants to local governments with public facilities, economic development, housing and public services. Primary beneficiaries must be low to moderate income.

Community Services Block Grant (CSBG): Locally designed to promote self-sufficiency, family stability and community revitalization.

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EMERGENCY SHELTER GRANTS (ESG) AND ND HOMELESS GRANT (NDHG)

The ESG and NDHG provide financial assistance to facilities and programs across the state.

Request transfer to ND Housing Finance Agency (NDHFA)

- $1,387,341 in federal funds for ESG
- $1,330,212 in state Homeless grant funds.

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WEATHERIZATION ASSISTANCE PROGRAM

- Weatherization/LIHEAP goals are to increase energy efficiency in homes for low-income persons across the state
- Request authority to receive and allocate:
  - $15,131,495 in federal funds from Infrastructure Investment and Jobs Act (IIJA)
  - Two FTEs to support and administer additional funding

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STATE ENERGY PROGRAM, CURRENT BIENNIUM ACCOMPLISHMENTS, CHALLENGES

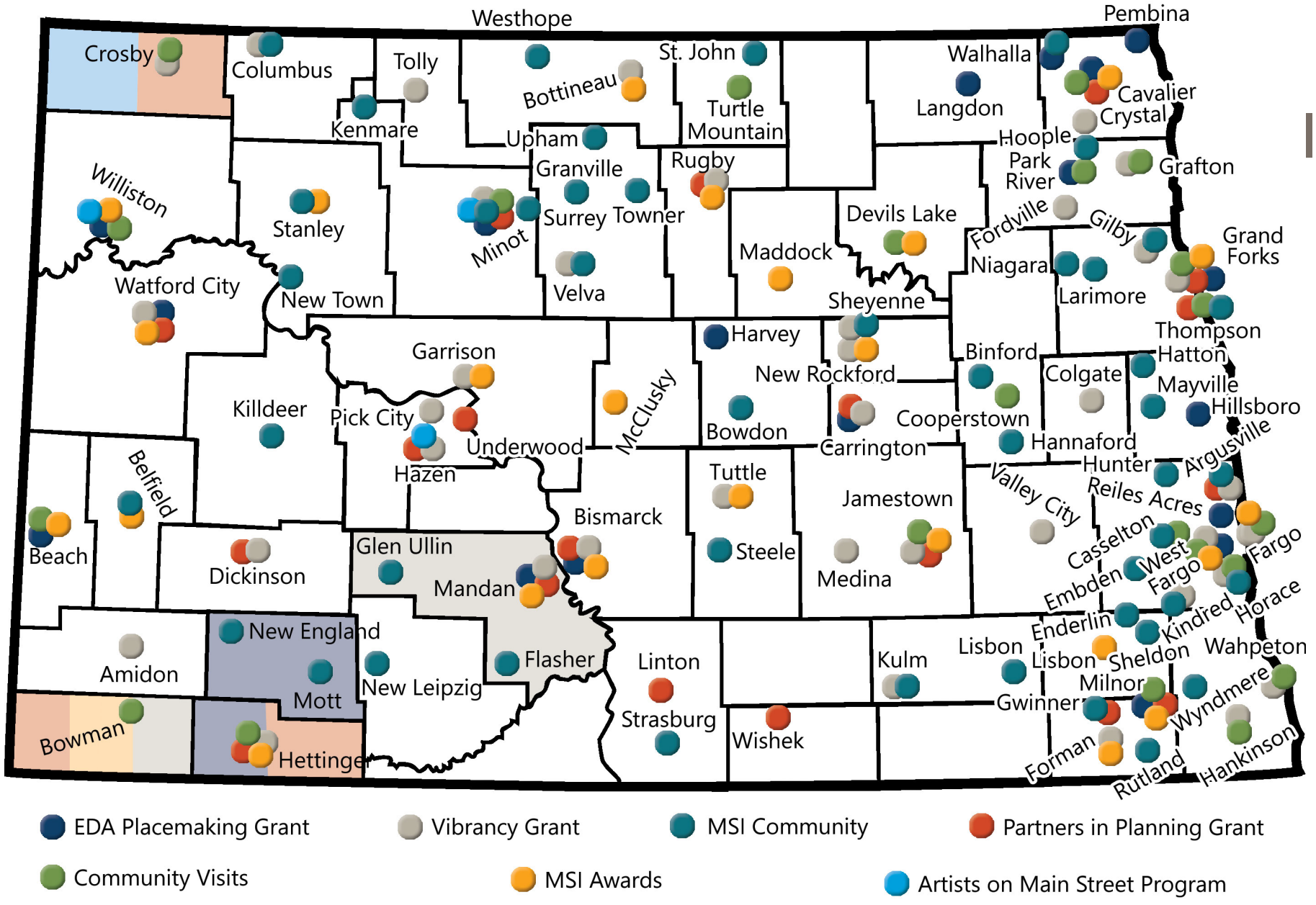
- Promoting energy conservation and efficiency with a variety of grant resources including energy education, installation of energy efficient features and new and expanding energy technology.
- Request ability to receive and expend federal funds:
  - $20M IIJA SEP
  - $90M IRA SEP
  - 1 FTE

COMMUNITY SERVICES

Main Street Initiative, current biennium accomplishments, challenges

- 103 communities engaged through the Main Street program
- Partners in Planning Grants
  - 20 communities in the amounts of $169,587; ROI 25:1
- Vibrancy Grants
  - 59 grants totaling $73,528; ROI 10:1
- Youth Involvement
  - Launching leadership, youth participation in community meetings, active engagement in tribal areas
- EDA funded six communities with $506,000 in Placemaking grants

MSI Impact


Westhope
Pembina
Crosby
Columbus
Tolly
Bottineau
St. John
Walhalla
Cavalier
Crystal
Kenmare
Turtle Mountain
Langdon
Upham
Hoople
Park River
Grafton
Granville
Rugby
Williston
Stanley
Surrey
Towner
Devils Lake
Fordville
Gilby
Grand Forks
Minot
Maddock
Niagara
Larimore
Watford City
Velva
Sheyenne
New Town
Harvey
Thompson
Hatton
Garrison
Binford
Colgate
Mayville
New Rockford
Killdeer
McClusky
Hillsboro
Pick City
Bowdon
Cooperstown
Hannaford
Underwood
Carrington
Argusville
Hunter
Tuttle
Belfield
Reiles Acres
Jamestown
Valley City
Bismarck
Casselton
Beach
Glen Ullin
Steele
West Fargo
Fargo
Dickinson
Medina
Embden
Mandan
Enderlin
Kindred
Horace
New England
Lisbon
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Amidon
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Kulm
Lisbon
Sheldon
New Leipzig
Milnor
Mott
Gwinner
Wyndmere
Strasburg
Wishek
Bowman
Hettinger
Forman
Rutland
Hankinson
EDA Placemaking Grant
Vibrancy Grant
MSI Community
Partners in Planning Grant
Community Visits
MSI Awards
Artists on Main Street Program

COMMUNITY SERVICES

ONE-TIME FUNDING

- Community planning and community workforce enhancement
  - Reinstate funding for $800,000 community development/comprehensive planning and community vibrancy grants
  - Add 1 FTE

COMMUNITY SERVICES

ONE-TIME FUNDING

Rural Workforce Housing and Slum and Blight Pilot Program

- Effectively re-use existing infrastructure while engaging the private sector.
- Targets workforce housing for the displaced, blight and unsafe properties and the effective reuse of existing infrastructure for in-fill housing and community development.
- Reinvesting in public properties increases local tax bases, facilitates job growth, utilizes existing infrastructure, takes development pressures off undeveloped, open land and both improves and protects the environment.
- Work jointly with DEQ and other state/local agencies
- Reinstate full $15M for Rural Pilot Program

ECONOMIC DEVELOPMENT & FINANCE

Strategic economic development is important to communities across ND. This proactive work to support economic diversification, community building and workforce development keeps ND growing.

Business incentives, government accessibility, and workforce performance, combined with ND's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in ND.

Rich Garman, Director

ECONOMIC DEVELOPMENT & FINANCE

Current biennium accomplishments, challenges

- Gas to liquids project
- Sustainable plastics project
- Soy processing plants X 4
- Grand Farm
- Grand Sky
- Produced water processing
- Nickel processing facility

- Growing portfolio
- Local resistance to development
- Misinformation on projects
- Incentive values
- Compensation

INNOVATE ND / LIFT / NDDF

- InnovateND
  - $861K → 72 projects → 23 phase 4
- LIFT (funds exhausted Jan 23)
  - $17M → 24 projects
- NDDF → $21.34 return on every $1 → 878 projects → 9,182 jobs
  - Cerilon → $3M / $3-5B project
  - Wellspring Hydro → $1M → $500M project
  - Checkable Medical → $1M
  - Corvent Medical → $3M

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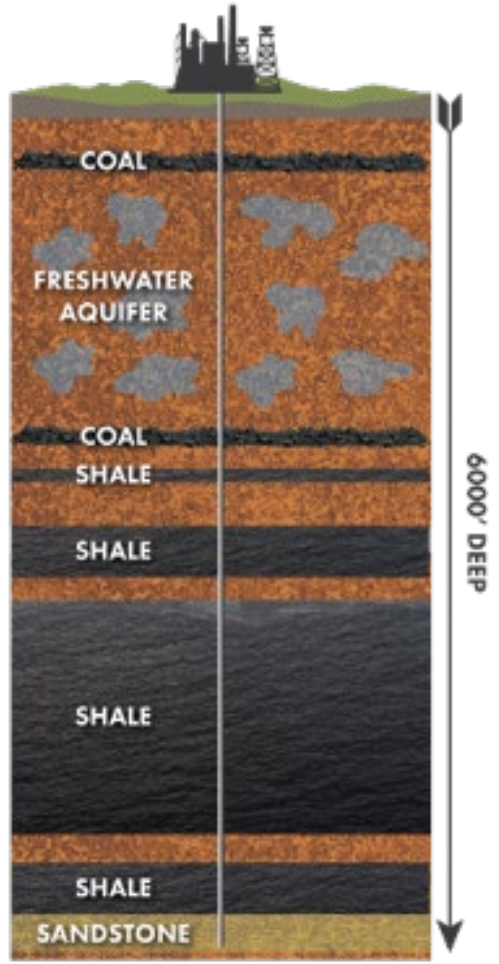
CHALLENGES AND OPPORTUNITIES

- Growing portfolio
- NIMBY
- Incentives

ECONOMIC DEVELOPMENT & FINANCE

Next Biennium Goals & Plans

- Carbon capture, sequestration and use projects
- Develop several hubs (parks)
- Establish fertilizer producer
- Develop natural gas pipeline to east
- Support hydrogen hub
- Continue to bring in various projects seeking more business-friendly environment
- Support the existing incentives and help mature the portfolio of incentives to match the current project load
- UAS/Autonomy
- Energy & Economic Coordination Office



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ECONOMIC DEVELOPMENT & FINANCE

BUDGET

- $300K increase for operating expenses
- $10M Automation Grant
- $7M for Enhanced Used Lease
- $30M for Beyond Visual Line of Sight Uncrewed Aircraft Systems

- 1 FTE – Office of Autonomy

ECONOMIC DEVELOPMENT & FINANCE

ONE-TIME FUNDING

- ND Development Fund - $30M
- LIFT - $20M

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Be Legendary.

ECONOMIC DEVELOPMENT & FINANCE

FEDERAL FUNDING

- Hydrogen Hub
- CHIPS For America
- Inflation Reduction Act

NORTH Dakota | Commerce
Be Legendary.

THE NRIC
Dakota

Global Engagement Office

SHAWN KESSEL – COO/DEPUTY DIRECTOR

GLOBAL ENGAGEMENT OFFICE

Foreign Direct Investment (FDI)

The North Dakota Global Engagement Office offers customized services to help international companies looking to:

-locate *-expand* *-invest in* *-and/or acquire*

businesses in ND to grow and diversify the state's economy.

The office is an *advocate* and *liaison* between foreign investors and federal, state, and local governments in ND.

Connecting foreign businesses with ND companies/opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

Example: Doosan/Bobcat - South Korea

NORTH Dakota Be Legendary.

COUNTRIES FORMALLY ENGAGED SINCE 2020

Consulate Relationship

Governor led mission

Business Activity in ND

GLOBAL ENGAGEMENT OFFICE

MISSION GOALS

1. Governor led investment mission once every two years
2. Commissioner led mission annually
   - Economic Development
   - Capital Development
   - Workforce
   - Tourism
3. Engage at least five countries annually (Consulates/Embassies)

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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.

It monitors and delivers workforce strategies for ND such as:

- Ensuring employers have access to a skilled talent pool
- Growing opportunities for youth in careers and civic engagement
- Expanding volunteerism

Katie Ralston Howe, Director

WORKFORCE DEVELOPMENT

REGIONAL WORKFORCE IMPACT PROGRAM - Current Biennium

Accomplishments

- Awarded 59 projects to date
  - Areas of focus: infrastructure investments, talent attraction, affordable housing, career exploration, career and technical education, workforce training, and child care.
- Supported expansion of 33 child care facilities; 1,590 new slots statewide

Challenges

- Limitations within federal funding source
- Modifying program during application window to accommodate applicant concerns
- Timeline to review and approve applications took longer than expected due to gaps and ineligibilities in proposals
- Program end date is causing concern for recipients

Funding

- 2021-2023: $15M (ARPA); $14,218,377.14 awarded to date
- 2023 Request: $20M

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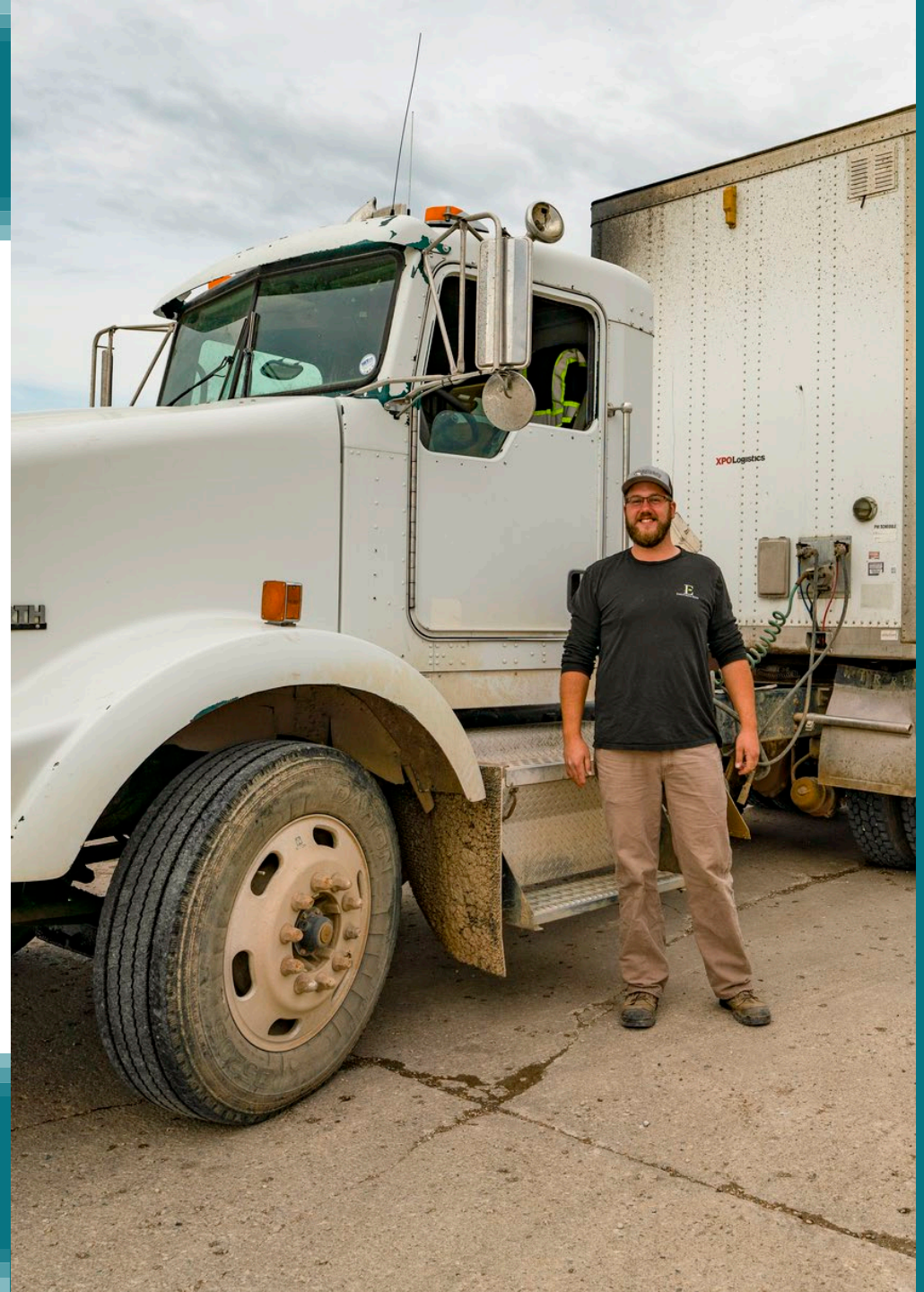
WORKFORCE DEVELOPMENT

TECHNICAL SKILLS TRAINING GRANT CURRENT BIENNIUM

- Accomplishments
  - Expanded program to include incumbent worker training
  - 20 programs supported this biennium
  - Examples: welding, CNA, CDL, software development and cyber security, UAS, and more
  - Training providers include businesses, community colleges, area career and technology centers
- Funding
  - 2021 Regular Session: $1M (CRF); $509,171 expended
  - 2021 Special Session: $3M (ARPA); $626,705 awarded
  - 2023 Request: $2M



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WORKFORCE DEVELOPMENT

WORKFORCE INNOVATION GRANT - Current Biennium

Accomplishments

- Working to identify most innovative opportunities within ARPA guidelines

Challenges

- Administrative burden and challenges with RWIP caused Workforce Innovation Grant to stall
- Initial vision for grant is not allowable under ARPA guidelines
- Challenges in hiring a temporary employee to administer ARPA grant programs

Funding

- 2021-2023: $2M (ARPA); requesting carryover authority

WORKFORCE DEVELOPMENT

OPERATION INTERN, AMERICORPS – Current Biennium

OPERATION INTERN

Accomplishments

- 148 businesses
- 470 interns

Challenges

- Demand was higher than available funding
- $824,358

Funding

- 2021-2023: $755,000
- 2023 Request: $1M

AMERICORPS

Accomplishments

- Increased number of projects; now at six
- Recruited 150+ AmeriCorps members
- 62 service locations

Funding

- Federal: $3.8M
- State match: $108,302

WORKFORCE DEVELOPMENT

FIND THE GOOD LIFE IN ND - Current Biennium

Accomplishments

- Have 1,415 leads in the pipeline in six months
  - 28% to move immediately
  - 66% within 0-6 months
  - 77% new to ND
  - 11 relocated participants
  - 391 resumes
- Built a network of 75 community champions to assist job seekers
- 433 leads connected to champions

Challenges

- Establishing direct connections between job seekers and employers

Funding

- $410,000 discretionary funds
- 2023 Request: $24M + 1 FTE

FIND THE goodlife in North Dakota

NORTH Dakota Be Legendary.

WORKFORCE DEVELOPMENT

NEXT BIENNIUM GOALS AND PLANS

- Build on FTGL to expedite conversion timeline and increase number of job seekers/families who relocate to ND
- Create more flexibility and opportunities for innovation in RWIP
- Lean into skilled workforce training and be more proactive in pursuing new programs

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WORKFORCE DEVELOPMENT

Budget

- Operating Budget: $1.5M
- Regional Workforce Impact Program: $20M + 1 FTE
  - Carryover Authority
- Technical Skills Training Grant: $2M
  - Carryover Authority
- Workforce Innovation Grant: Carryover Authority ONLY
- Automation Enhancement Workforce Training Grant: $5M
- Find the Good Life: $12M + 1 FTE (additional $12M in Tourism & Marketing Budget)

TOURISM AND MARKETING

SARA OTTE COLEMAN, DIRECTOR

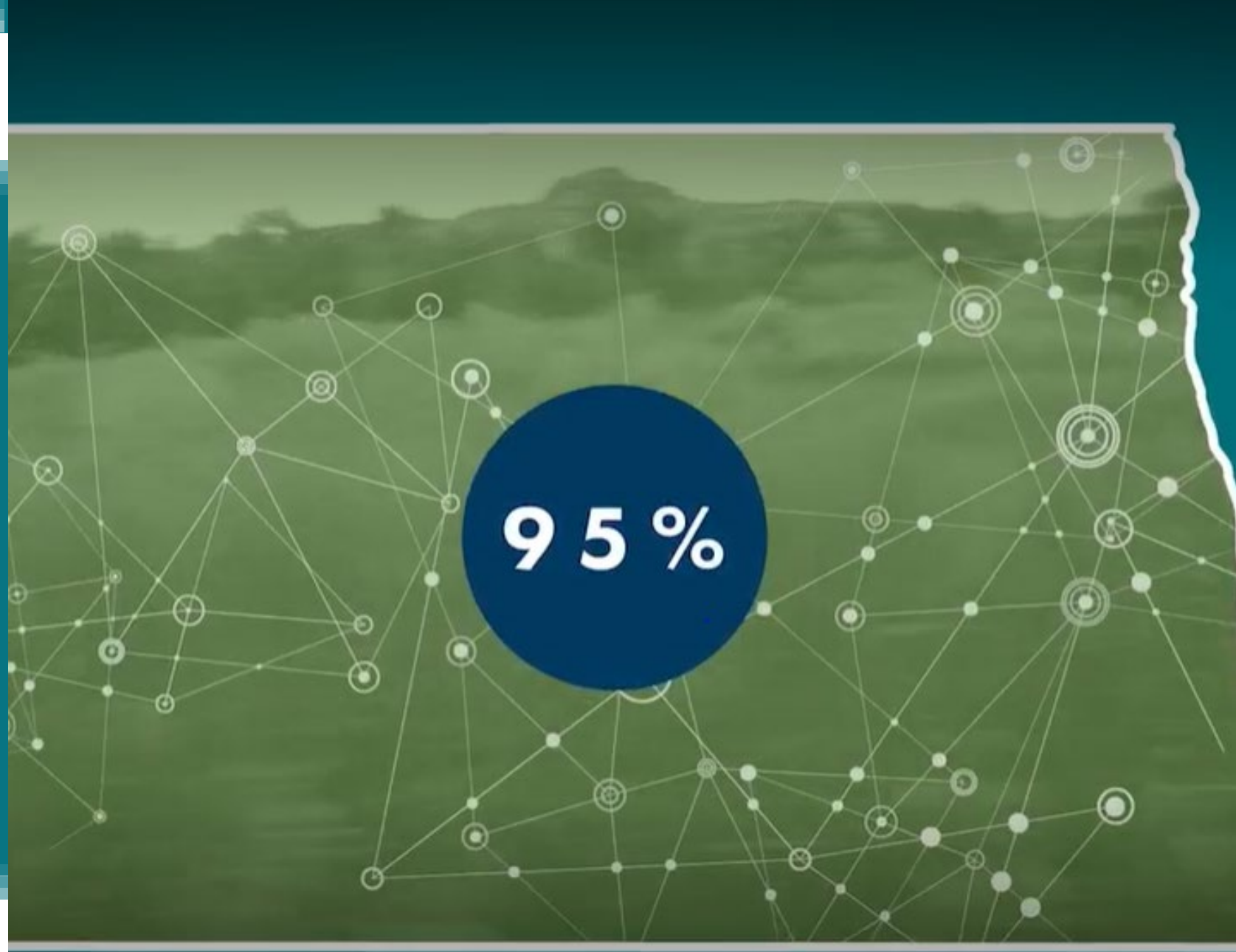
TOURISM AND MARKETING

Marketing efforts support

- Economic Development
- Workforce Attraction
- Community Development
- Global Engagement
- Tourism

Elevate awareness and image of ND

Selling North Dakota Video



https://www.youtube.com/watch?v=gbVMHlegal0

TOURISM & MARKETING

Current biennium accomplishments and challenges

FIND THE goodlife in North Dakota

Workforce Recruitment

- Updated logo, website and targeting
- Campaign drives interested relocators into pipeline
  - $438,000 resulted in 16M impressions, 76,000 visitors and 2.7M video completions
- Synergies between tourism, talent attraction and economic development

NORTH Dakota Be Legendary.

TOURISM & MARKETING

We build a positive public image of ND as a dynamic place to live and work. By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.

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

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TOURISM & MARKETING

Current accomplishments and challenges

- Media outreach resulted in 4,019 instances - up 821% - reaching 20.2B
- Tourism advertising reached 423M resulting in 250,000 click-throughs and 15.2M video completions
- Domestic road trips tracked 7.9M trips
- Hotel occupancy was up 11.9%, RevPAR up 23.9%. Lodging tax up 37%
- Global tours up 9.6%
- NDtourism.com – updated and improved, welcomed more than 2M visits

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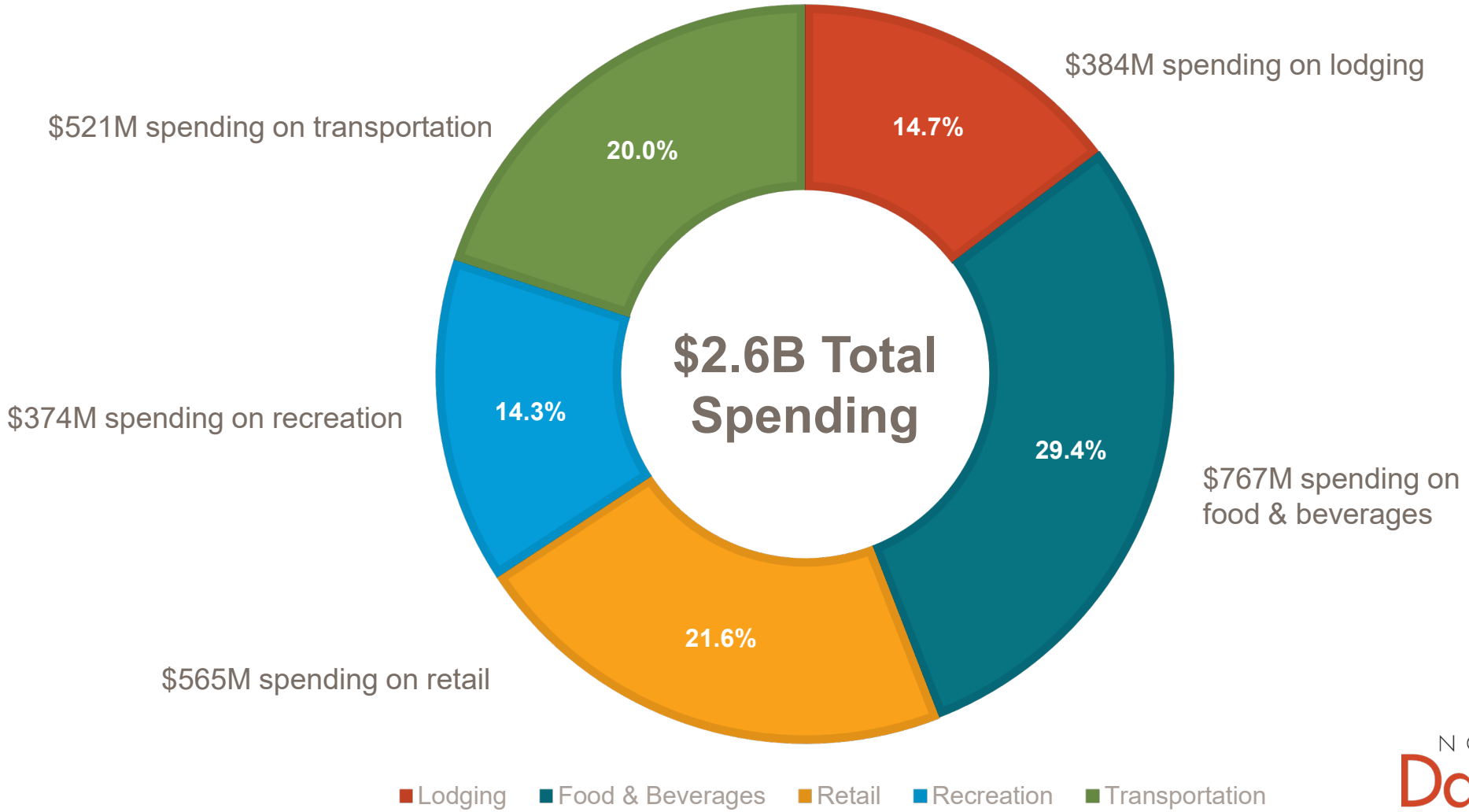
VISITOR SPENDING TOUCHES VARIOUS SECTORS

TOURISM INDUSTRY SALES IN NORTH DAKOTA, 2021



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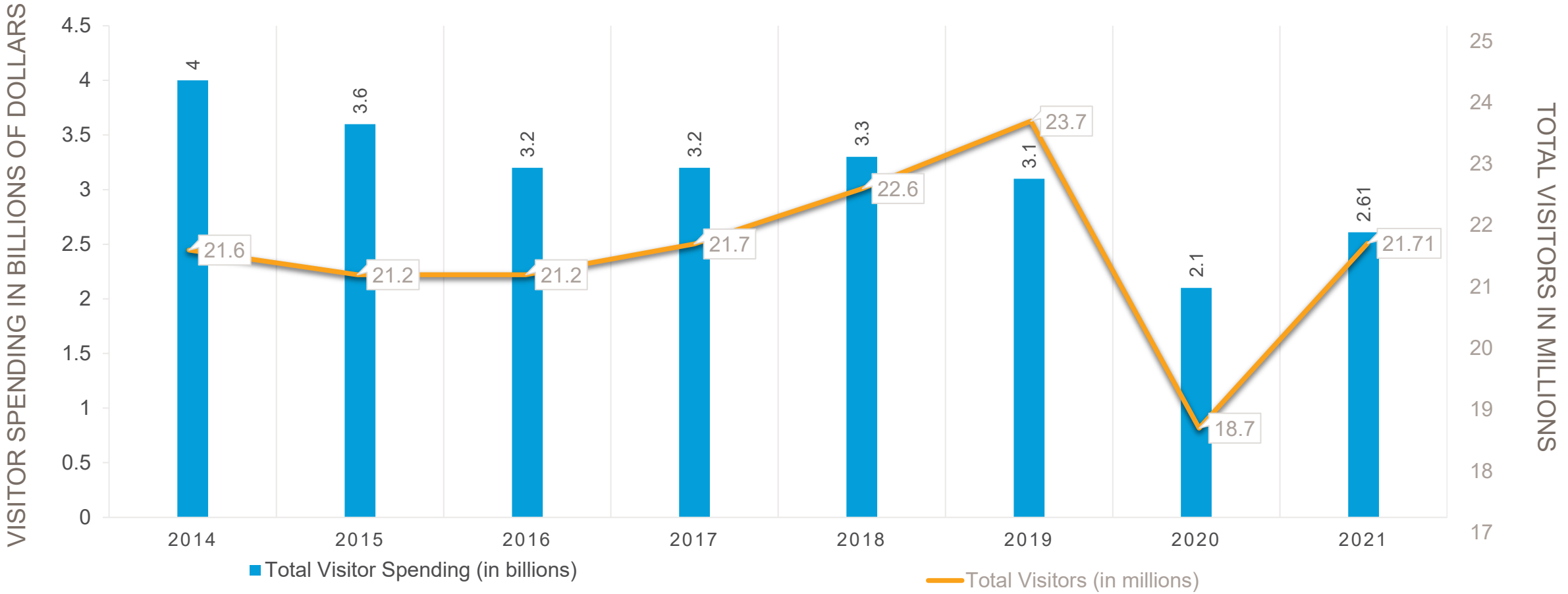
VISITOR SPENDING IN NORTH DAKOTA



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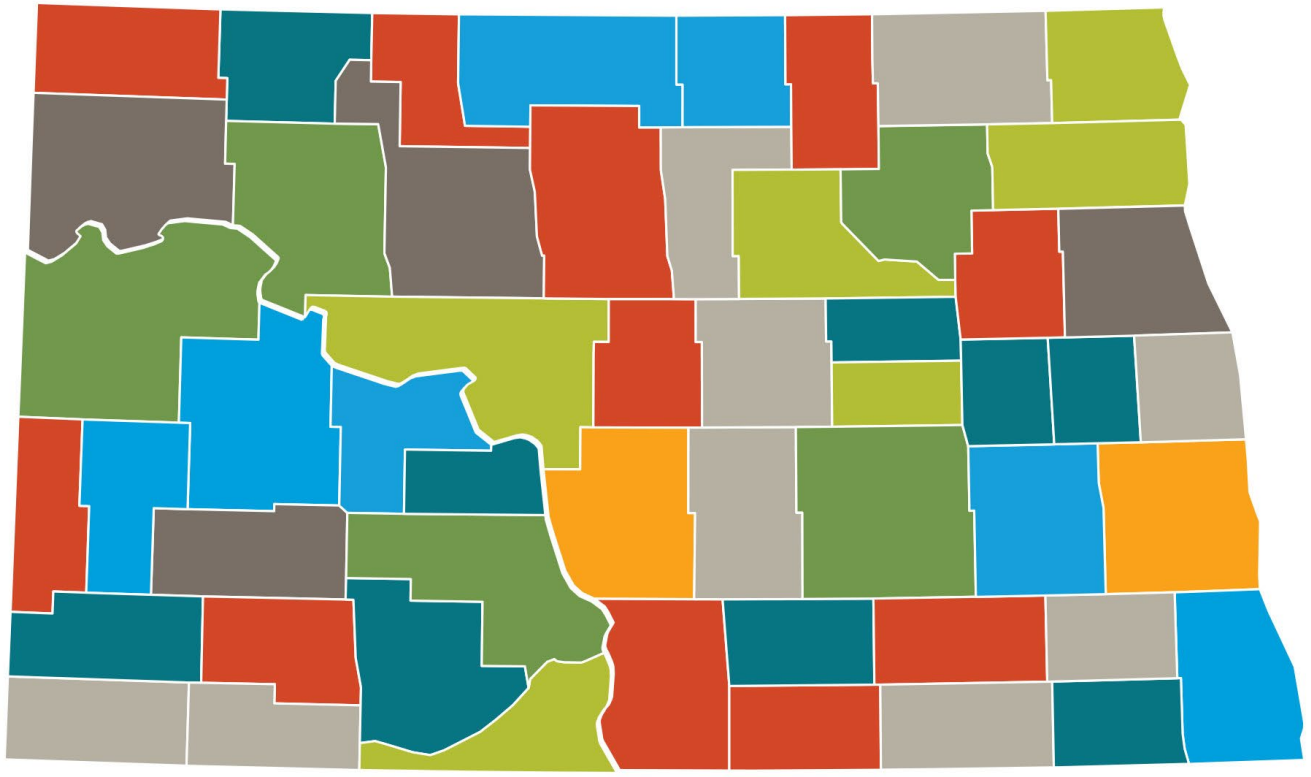
VISITOR SPENDING BY COUNTY

- Under $2M
- $2-4M
- $4-8M
- $8-16M
- $16-36M
- $36-100M
- $100-400M
- $400-850M



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

NORTH Dakota Be Legendary.

DESTINATION TOURISM DEVELOPMENT

Dedicated FTE:

- Building supply
- Defining tourism primary sector
- Recruit new businesses and offerings
- Value – added experiences

Focus:

- In-demand experiences
- Gaps
- Regional clusters
- Legacy Attractions

TOURISM & MARKETING

BUILDING ON…

- Halo effect of seeing tourism advertising improves North Dakota's image
  - 12.5% advertising seen
  - 26.2% advertising seen + visit to ND

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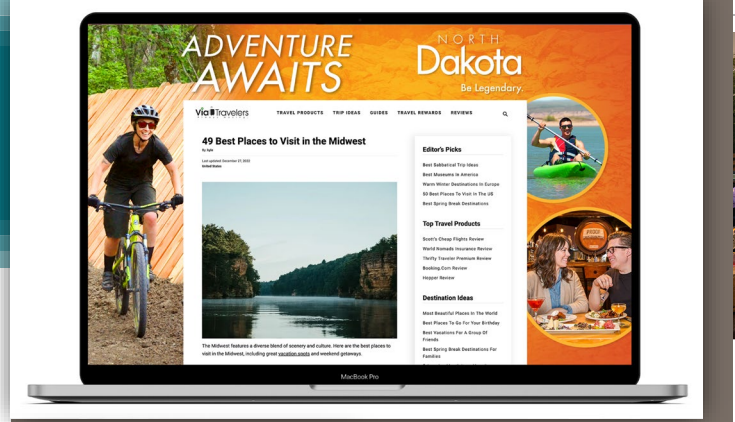
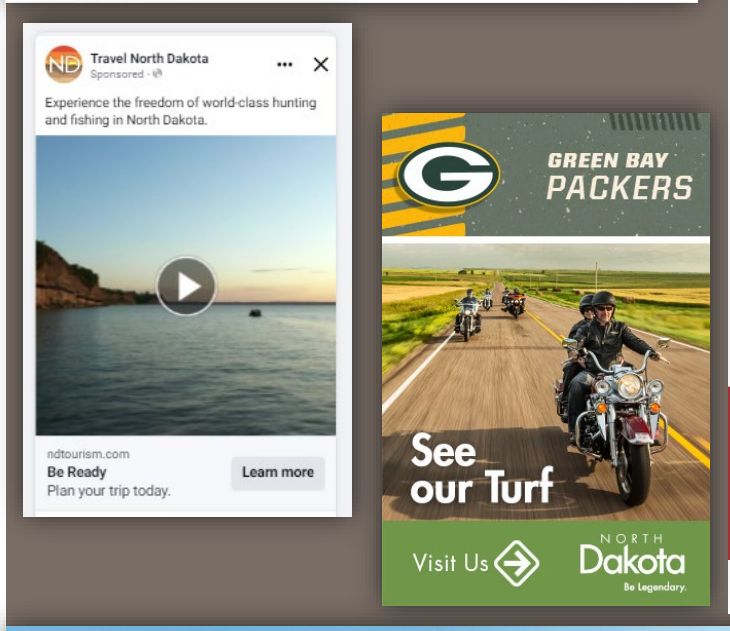
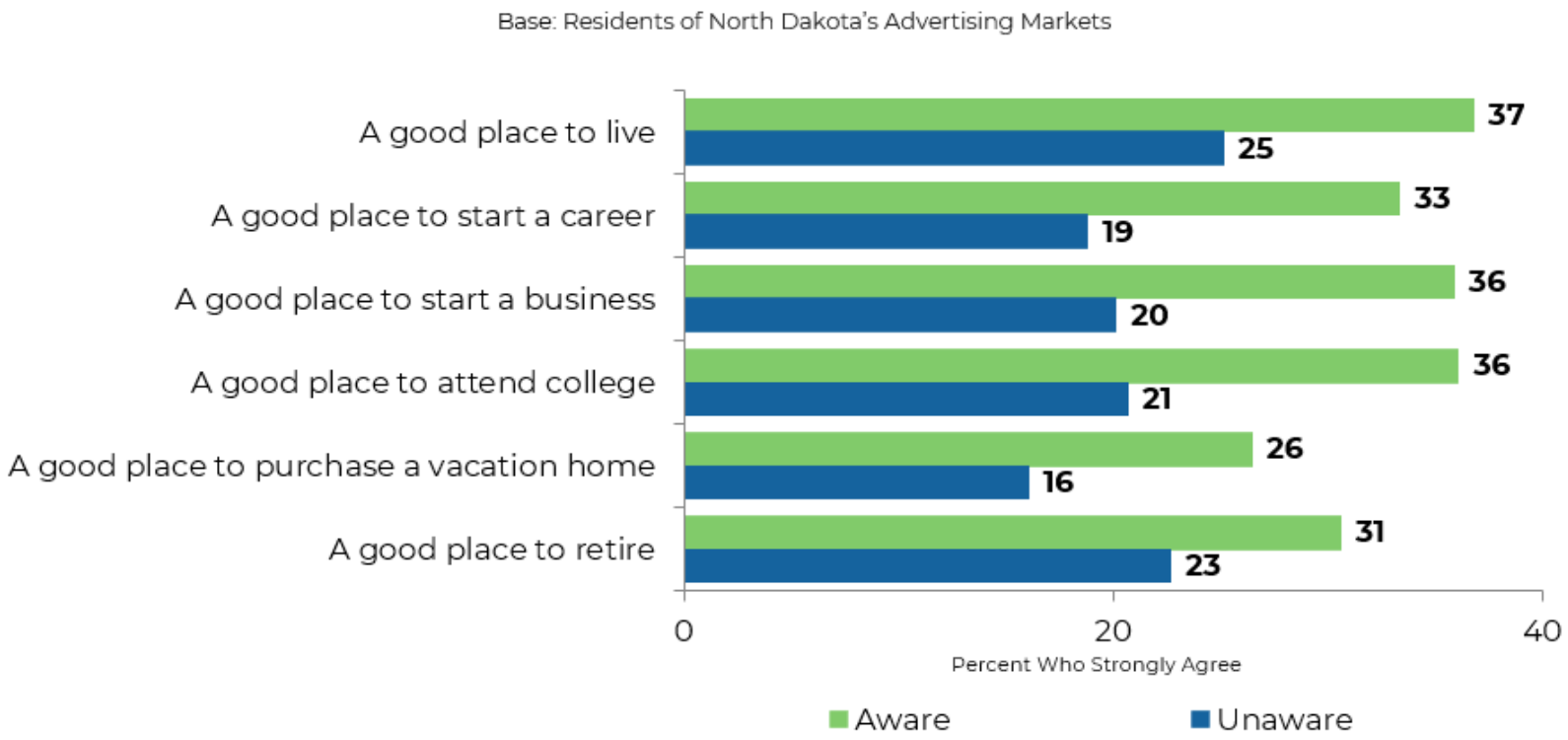




Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Advertising Impact

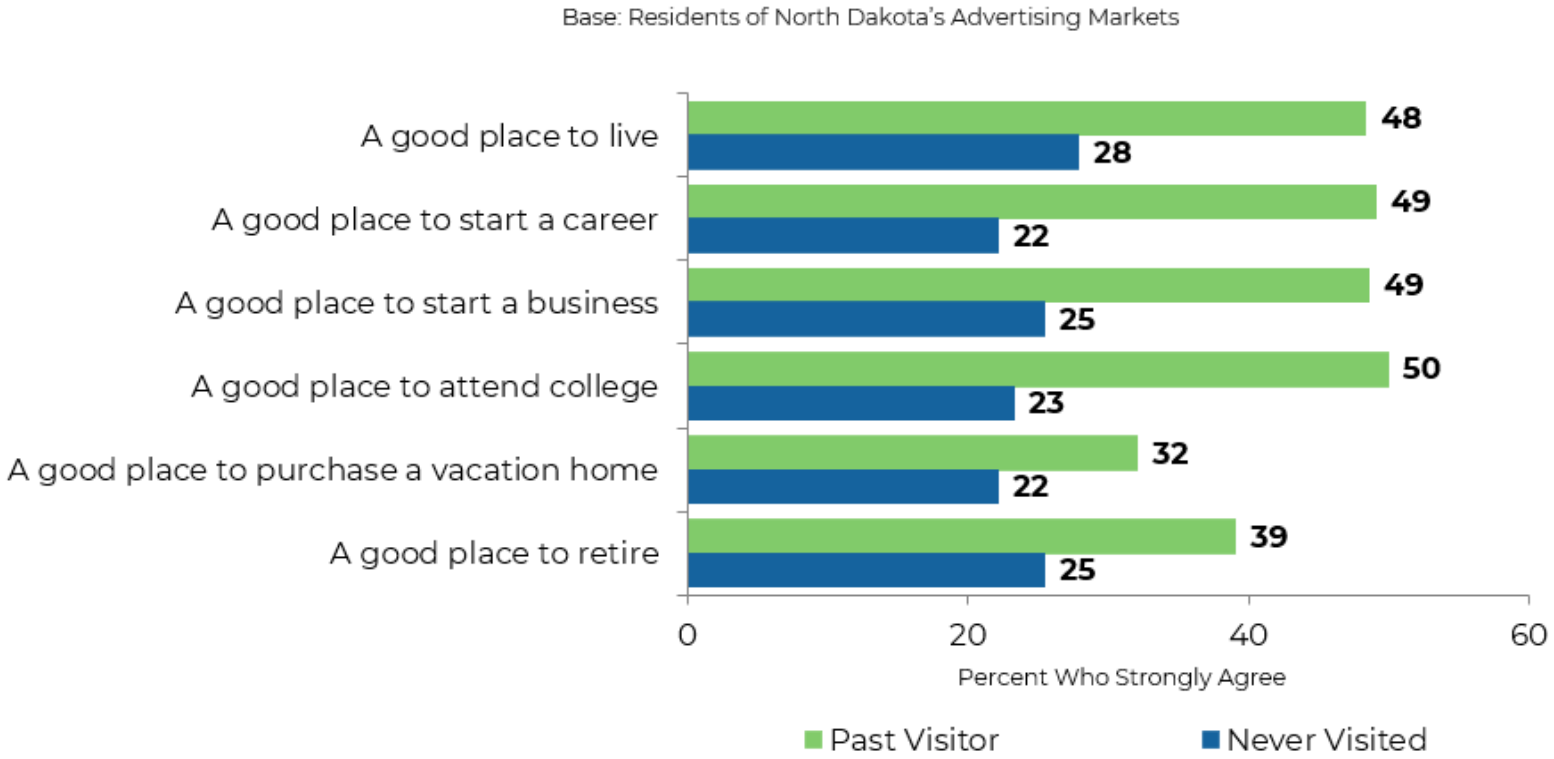


2019 North Dakota Image & Halo Effect Study

TOURISM & MARKETING

Next Biennium Goals and Plans - Improve Awareness

North Dakota Halo Effect: Visitation Impact



TOURISM & MARKETING

Next Biennium Goals and Plans

Marketing to address – Lack of Awareness for ND

- $5M (one-time) addition to tourism marketing
- $12M Find the Good Life marketing (House - $4M)
- Break-through creative
- Synergy between tourism and workforce
  - 76% of new residents visited North Dakota prior to moving
  - Cross-sell to both audiences
  - Using best from 2022, to grow conversions and visitation
  - Potential new channels and longer campaigns

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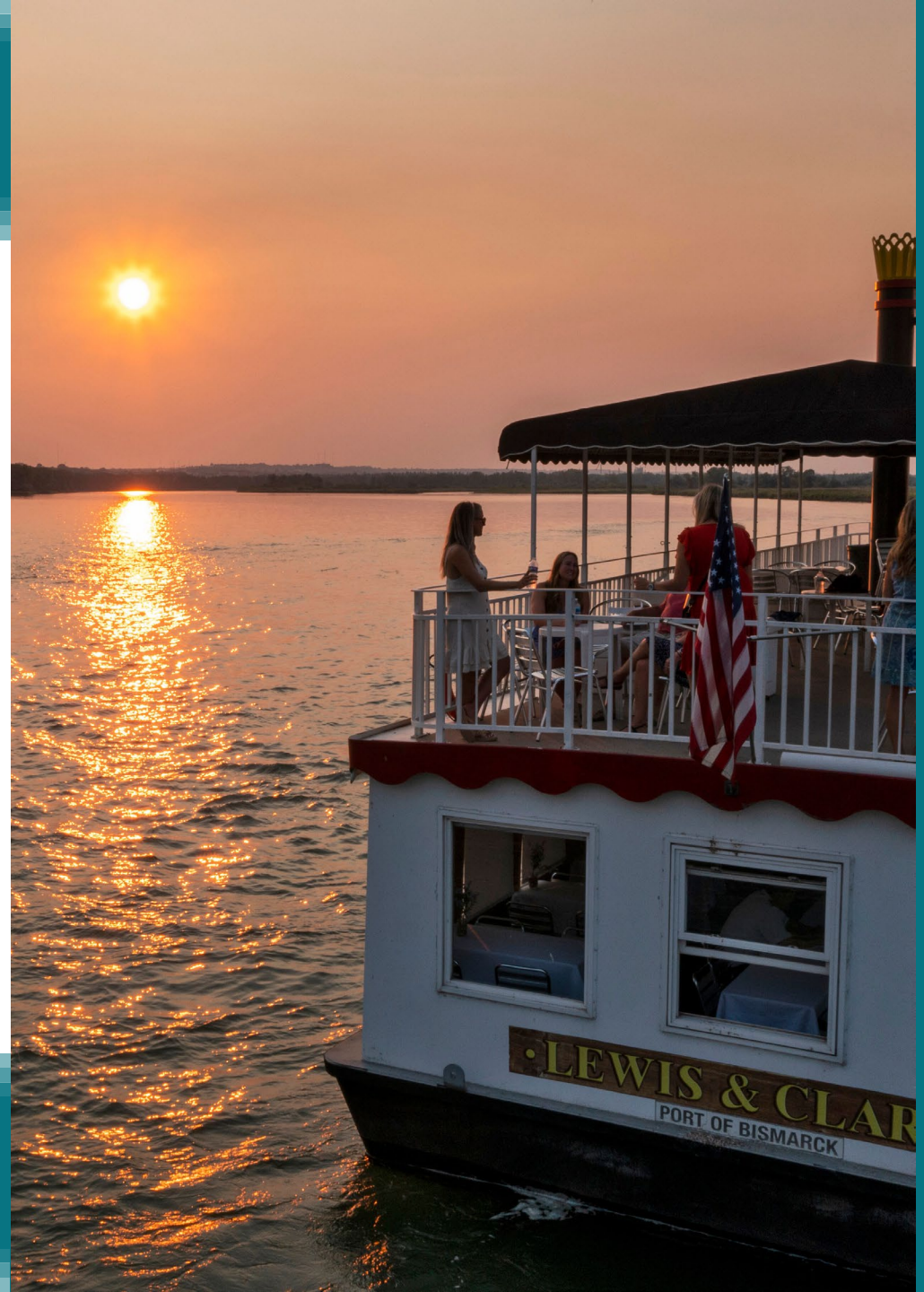
TOURISM & MARKETING

NEXT BIENNIUM GOALS AND PLANS

Destination Development

- Value-added recreation and tourism
- Destination development fund - $50M (House reduced to $25M)
  - Encourage non-state investments (1:1 match) in new and expanded attractions
  - New visitors, revenue, new residents, quality of life
  - Legacy projects



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TOURISM & MARKETING

BUDGET

- $100,000 to cover operating expenses
- $5M addition to tourism base budget for destination marketing
- $50M for Destination Development Fund grants
- $12M for workforce recruitment marketing – Find the Good Life in ND

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Be Legendary.

TOURISM & MARKETING

One-Time Funding

2021-2023

- Film and theater production grant – The full $100,000 has been expended.
- Tourism marketing – $7M Cares Act dollars to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
- Travel agent and tour operator grants – $1.4M of $2M awarded to 24 applicants
- Events and support service grants – $2M awarded to 28 applicants
- Tourism Transportation Improvement Grant – $565,432 awarded to accessibility project
- Tourism Planning Grants – $1M transferred from 1015 supported 5 tourism planning grants to support future tourism development

2023-2025

- $5M Tourism marketing
- $50M Destination grants

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TOURISM & MARKETING

FEDERAL FUNDING

- EDA Non-competitive Grant ND for Tourism and Outdoor Recreation
  - $1.3M state marketing targeting outdoor enthusiasts and leisure travelers will allow 2023 spring/summer campaign
  - $250,000 to support digital information compilation and distribution
    - Pilot program to enhance Apple Creek rest area to better sell ND

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NORTH
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Testimony in Support of
House Bill No. 1018
Senate Appropriations Committee
March 2, 2023

TESTIMONY OF
Joshua Teigen, Commissioner, ND Department of Commerce

Chairman Bekkedahl and members of the Senate Appropriations Committee, my name is Josh Teigen, and I have the privilege to serve as the Commissioner for the ND Department of Commerce.

For those of you who may not know me, I came to Commerce about three and a half years ago. Prior, I had been an entrepreneur my entire life. When the opportunity presented itself to join state government, it was never something I had considered. When I stepped back and looked at the scale of the impact that I could make working in the public sector instead of the private, I became enamored with all the opportunities that would present. I love this state, and my colleagues and I show up every day with nearly 800,000 shareholders to answer to, which is not something we take lightly. I share this with you today because I am proud of the people in this agency, and proud of what we have accomplished. In addition, I don't take lightly the taxpayer dollars we administer daily. The requests in front of you from our office have been carefully thought through and designed for the highest return on investment for taxpayer dollars.

I stand here today honored and proud of what Commerce has accomplished over the past two years. I truly believe that there has never been a biennium where Commerce has accomplished more or delivered on our mission more than this past one. The economic development wins get the headlines, and I am sure that most of you are familiar with them, but we have had incredible success in all areas of what we do.

From a procedural point of view, I would love to 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. I figured we would break up just standing at the podium a little and show you this short video that overviews what we do at Commerce.

At a high level, Commerce exists to attract and retain wealth for the state of ND. What Commerce has been able to do on these fronts since the last time we stood in front of you is nothing short of remarkable. We accomplish our mission primarily through the attraction of capital and talent through four operational divisions: Tourism and Marketing, Workforce Development, Economic Development and Finance, and Community Services. In addition, we also have two offices that reside within our agency. One is the newly created office of Economic and Energy Coordination, which we may refer to as the EECO. The other is the Global Engagement Office. As you may recall from the 2019 session when the ND Trade Office moved to the Department of Ag, Commerce retained the foreign direct investment strategy, which we

have now branded the Global Engagement Office. The most recent outcome that you have likely heard about from that office is the governor-led trade mission to Japan late last year. There will be more to come and a deeper dive and report out on that office this afternoon. Beyond those operational elements of our agency, we also have our Administrative Services Division which makes everything possible. The final office is the Office of Autonomy which was introduced in the Executive Budget. This office will own the strategy for autonomy and automation statewide, and bring together various agencies such as NDDOT, NDIT, Commerce, along with the Northern Plains UAS Test Site, Vantis, Grand Sky, and industry partners to cement ND at the forefront of autonomy in the future.

There has never been a biennium where Commerce has accomplished more or delivered on our mission more than this past one. From landing three soybean crushing facilities that will take 75% of our state's annual production, to the Cerilon gas-to-liquids project which is over $5 billion and will take half a billion cubic feet per day of natural gas, to helping put together the multi-state hydrogen hub application. Last session I stood at this podium and spoke about the $2 billion in deal flow that we had worked on over the '19-'21 biennium. Today our deal flow stands at over $46 billion. We are in unprecedented times for capital attraction in our state and I am incredibly proud of our team and their role in delivering those results.

The biggest challenge we face as a state is undoubtedly workforce. Commerce houses the Workforce Development Division and leads the state's strategy as chair of the Workforce Development Council as well. However, workforce is not something that exists within its own silo. Everything we do at Commerce is synergistic in nature which enables us to execute our mission to attract talent and capital to improve the quality of life and prosperity for our state.

The tip of the spear for us is our Marketing and Tourism Division, which brings eyes to the state and encourages people to visit. We know that people are far more likely to move here if they have visited first. This is a great first step in attracting workforce. Once people have visited, it is crucial that they have healthy, vibrant communities to engage with and ultimately move to. This is where our community development team within our Community Services Division comes in. In today's digital age, people get to choose where they live first, and where they work second. As a state, healthy and vibrant communities are at the core of our value proposition. We are in an era where the quality of life is economic development. In addition to great communities and recreation opportunities, we need to provide positive job opportunities. This is where our economic development and finance efforts come into play and where the wins over the past two years have helped craft a remarkably bright future for our economy. Our workforce team is then the concierge that helps people complete the process of locating in our state.

You can clearly see the synergistic nature of what we do and the objectives that we are looking to accomplish. We ask for your continued support to appropriately resource us to execute the mission of improving lives for all North Dakotans.

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 have 58.8 FTEs – fully funded with benefits, four temporary staff members, and one intern. In addition, we have five requested FTEs for this upcoming biennium which you will hear more about later.

I stand here today as a fiscal conservative who never thought he would end up in state government. I have started and ran businesses my entire career prior to joining Team ND. I believe that government should operate as lean as possible and I will be the first one to admit when there are areas that can be improved or trimmed, but I promise you that these FTE requests are paramount for our ability to deliver on our mission moving forward. I would be the last person up here advocating for additional spending and resources unless there is a direct tie back to taxpayer return on investment. Whether it is private sector business or government, there is lean, and there is too lean. Right now, Commerce is too lean. Given what we have accomplished over the past two years, one could think we would be up here asking for a pile of FTEs to keep this momentum going. That is not how my brain operates. These five requests have been carefully thought out and brought forth with only the highest ROI in mind.

The FTE requests break down as follows:

Workforce Development Division (2 FTEs)

Office of Automation (1 FTE)

Community Services Division (4 FTE)

Global Engagement Office (1 FTE)

In addition to these requests, we wholeheartedly support the Total Rewards Package outlined in the executive budget proposal. We are very concerned with our ability to attract and retain talent in the current and anticipated future without significant increases in salaries (10% over the biennium). Our applicant pool per position listed has dropped from an average of approximately 40 applications two years ago to five. We have had multiple instances where we received no applications and others where the person didn't accept the position because the salary was too low. We compete directly with the private sector, and they have caught up regarding the benefits package and we are behind in salaries.

Next, you will see on the screen as well as your written materials a high-level overview of our budget. As you can see, we are just over a $260 million budget for each biennium, with $119 million dollars being general funds, $47 million of federal funds, and $96 million of special funds.

You will see on the screens, and in the written materials provided to you, a high-level overview of our budget. As mentioned, we will do a deeper dive into each division as we go forward.

Object/Revenue Description	2023-25 Total Budget Recommended
Administration	5,725,555
Tourism & Marketing	67,951,539
Workforce Development	69,136,507
Economic Development & Finance	65,968,256
Community Services	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 262,373,002**
Salaries and Wages	17,229,540
Operating Expenses	50,275,941
Grants	188,120,689
COVID-19 Response	2,085,834
Discretionary Funds	2,150,000
Uncrewed Aircraft System	-
ND Trade Office	-
Partner Programs	1,562,531
Entrepreneurship Grants	948,467
CARES Act Funding - 2020	-
TOTAL BY OBJECT SERIES	**$ 262,373,002**
General	119,274,111
Federal	46,555,556
Special	96,543,335
TOTAL BY FUNDS	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**63.80**

We have also provided a comparison of the last biennium's funding and the funding proposed for this biennium for your reference.

Object/Revenue Description	2021-23 Biennium Appropriations	2023-25 Total Budget Recommended
Administration	6,112,340	5,725,555
Tourism & Marketing	24,222,308	67,951,539
Workforce Development	8,351,003	69,136,507
Economic Development & Finance	104,946,354	65,968,256
Community Services	42,814,122	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 186,446,127**	**$ 262,373,002**
Salaries and Wages	12,835,431	17,229,540
Operating Expenses	23,883,192	50,275,941
Grants	87,832,330	188,120,689
COVID-19 Response	56,234,176	2,085,834
Discretionary Funds	3,150,000	2,150,000
Uncrewed Aircraft System	-	-
ND Trade Office	-	-
Partner Programs	1,562,531	1,562,531
Entrepreneurship Grants	948,467	948,467
CARES Act Funding - 2020	-	-
TOTAL BY OBJECT SERIES	**$ 186,446,127**	**$ 262,373,002**
General	34,667,572	119,274,111
Federal	112,320,270	46,555,556
Special	39,458,285	96,543,335
TOTAL BY FUNDS	**$ 186,446,127**	**$ 262,373,002**

TOTAL AUTHORIZED EMPLOYEES	**58.80**	**63.80**

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

1. Beyond Visual Line of Sight Uncrewed Aircraft System Enhanced Use Lease Grant - $19 million was appropriated from the Strategic Investment and Improvements Fund for beyond visual line of sight unmanned aircraft system grants.
2. COVID-19 Response – State Small Business Credit Initiative - $56 million of federal funding authority was appropriated in HB 1395 for purposes of funding state small business investment programs.
3. Discretionary Funds – Tourism Planning Grants - $1 million supported five Tourism Planning grants to support tourism development.
4. Job Development and Economic Growth Grant – $1.5 million of specialized investment funds to the Cavalier County Job Development Authority, $900,000 to the Frost Fire Park, and $600,000 for the redevelopment of the Stanley Mickelson Safeguard Complex (SRMSC) at Nekoma (purchased by Bitzero). At the SRMSC site, they removed asbestos $386,336.30, performed electrical upgrades $52,738.29, did ice blasting$48,717.76, detailed plat prepared $28,455.25 and created a concept building design & hazardous material specification $71,140.42.
5. Motion Picture Production and Recruitment Grant - $100,000 has been expended
6. Technical Skills Training Grant - $1 million to support the launch and expansion of accelerated skilled workforce training programs. This program requires a 1:1 match.
7. Tourism Marketing - $6,565,432 of CARES Act dollars utilized to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website).
8. Tourism Transportation Improvement Grant - $1 million grant made up of $565,432 of general funds and $434,568 of Coronavirus Relief Funds to an organization dedicated to preserving and promoting a historic tourism destination in a ND city for the purpose of offsetting the costs for tourism transportation improvement related costs. The Theodore Roosevelt Medora Foundation (TRMF) was the only response to the RFP. The TRMF used the funds to build a high-capacity elevator and improve existing escalators. See slide for additional funding.
9. Travel Agency and Tour Operator Emergency Resiliency Grants - $1.4 million of $2 million awarded to 24 applicants.
10. Event Center Emergency Resiliency Grants - $2 million awarded to 28 applicants.
11. Unmanned Aircraft System Grant –$1 million grant was awarded to TrainND NW for the purpose of expanding workforce opportunities, training and education related to the beyond the visual line of sight aircraft system industry.

12. Workforce Grants to Tribally Controlled Community Colleges - $500,000 allows for the development and enhancement of programs in high-demand occupations. This was awarded to Turtle Mountain Community College.
13. Workforce Safety Grant - This $1.5 million grant was provided to the ND Safety Council The grant was used to prevent injuries and save lives by supporting community and workplace safety training and advocacy throughout ND primarily through four focus areas: 1. Workforce Safety 2. Community Safety 3. Driver Safety 4. First Aid/Emergency Response.

In our budget request, we also have numerous one-time funding requests. These are on the screens as well as your written materials. These items will be covered more in-depth in our divisional reports, but at a high level you will see $52 million across four different workforce programs. These are programs that we stood up largely using one-time federal funds or discretionary dollars to test the waters and refine our thesis on how we make progress towards attracting workforce. These programs are working, and we are asking you to consider bold investments to continue the momentum that we have built thus far. You will also see bold investments for tourism and marketing, including $5 million for destination marketing, and $50 million for the Destination Development Fund. This is a new and innovative idea, and much needed for our state. We have so many beautiful attractions in the state, but we need to catalyze investment to bring ancillary businesses such as lodging, dining, service providers and more to help solidify these attractions and drive more visitors. Visitors not only drive spending, but they also drive workforce as people are far more likely to move to our state if they visit first. We can leverage quality of life as a competitive advantage and these investments are a great place to start. Next, you will see needed investments for our community development efforts. We must have healthy, vibrant communities for people to live in if we want to not only retain our current talent, but also attract new talent. Finally, we have investments for UAS and automation, which you will hear more about in the economic development and finance report.

Moving on, you will see an overview of the funds that were provided to us during the special session and where those funds stand today.

	SB 2345	Amount	January 2023
ND Development Fund	Section 35	$5,000,000.00	Transfer Completed
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$2,196,692.71
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$233,800.82
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$163,773.95
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

Lastly, please see an overview of the federal funds that we anticipate receiving in this biennium.

Program Name/Description	**Estimated Federal Funds to be Received**
Community Development Block Grant/State's Program	8,200,000
Emergency Shelter Grants Program	1,000,000
Shelter Plus Care (Special Needs Assistance)	500,000
State Energy Program	881,360
Weatherization Assistance for Low-Income Persons	6,000,000
LIHEAP	10,000,000

Community Services Block Grant	7,000,000
SHOPP	5,000
State Commission	269,135
AmeriCorps	2,000,000
Commission Investment Fund (CIF)	250,000
Apprenticeship Grants	347,160
National Aeronautics and Space Administration	10,000,000
Total	**$ 54,018,402.50**

In closing, I would like to address some items that we requested but were removed or amended by the House. You will hear more detail from the division directors on each of these items, but I wanted to provide you with a high-level overview.

- The House cut $270,178 for salary increases and $100,000 for salary equity increases. We would request this be reinstated as we are fiercely competing with the private sector for talent. We have tremendous people working at Commerce and we must remain competitive on pay to retain them.
- We requested an FTE for the Main Street Initiative, which was cut, but we feel this is critically important to maintain healthy, vibrant communities in the state and this position is crucial for the ability to execute that mission. Additionally, the House cut the community development grants from $800,000 to $400,000.
- In rural communities, we know there is a need for housing and the removal of slum and blight, so we proposed two new programs to address those needs. The House proposed combining those programs into one program, which we agree with, but the funding was cut from $15.5 million to $7 million, and we would request that be reinstated to $15.5 million.
- Regarding workforce, our talent attraction program was cut from $24.8 million to $8 million and we believe this is one of the most critically important issues and we request that it be resourced properly to the amount requested. Additionally, our workforce investment grant programs were cut from $20 million to $15 million.
- Lastly, our Tourism Destination Development Fund was cut from $50 million to $25 million and we request that it be reinstated at the $50 million level.

Two of the major items that were increased from our request by the House are:

- Funding for Grand Sky was increased to $28 million, and the executive budget contained $7 million.
- The ND Development Fund had a request for $30 million. This was increased to $150 million by the House in response to a separate bill introduced for $500 million by Rep.

Brandenburg regarding attracting a fertilizer plant to the state. It was determined that $120 million was adequate to accomplish that mission and the NDDF was the best place to administer those investment dollars.

Mr. Chairman and members of the committee, this concludes my testimony and I urge you to support HB 1018, I will be happy to stand for any questions that you may have before I turn the podium over to Maria.

TESTIMONY OF

Maria Effertz, Division of Community Service Director

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

My name is Maria Effertz, and I am the Division of Community Services director at Commerce. The Division of Community Services supports ND residents and communities through the administration of federal block grant funds delivered from the U.S. Department of Housing and Urban Development (HUD), the Office of Community Services, and the Department of Energy. Additionally, we are proud to support small and large communities across the state with the Main Streets and nonprimary sector businesses development and growth. Without a strong Main Street, we do not have the ability to recruit and retain workforce, visitors, or businesses.

Today, you can read in my testimony the work we do in a variety of critical areas in community, but I would like to take most of this time to share the work we do regarding future needs and how we can support and implement federal funds to benefit multiple areas of our state.

Many of the programs we administer support low- to moderate-income communities and households. Some of the programs are direct funding but several of our programs work closely with community action agencies, nonprofits, and regional councils.

Community Services manages the Community Development Block Grant (CDBG) funding from HUD. Our funds continue to decline from the federal government for this program, while the regulatory requirements grow and truly constrain the ability to meet the emergency and small project needs in our rural communities. We only receive 3% in federal funding for administration and this past year, our small CDBG team has strengthened our ability to meet these federal demands and ensure program compliance. These changes have resulted in adjustments to the local management and delivery of the funds. While these changes have created short-term modifications, in the long term this will allow the state to stay compliant with federal requirements and distribute the funds to areas of need across the state.

The low-income assistance activities within Community Services centers around the Community Services Block Grant (CSBG) program. The CSBG program is administered statewide with direct client services being provided through the state's seven Community Action Agencies (CAAs) and the ND Community Action Partnership (NDCAP). In 2022, Community Services supported the delivery of $4.8 million to CAP Agencies, which has served

thousands of ND residents in need, including elderly populations, children in poverty, and disabled individuals.

CSBG programs and services are locally designed to promote self-sufficiency, family stability and community revitalization. The CAAs deliver various services, including emergency assistance, money management and housing counseling, self-sufficiency services, case management and outreach and referral services to low-income households and persons within their respective regions. The CSBG program is also closely integrated with the low-income weatherization assistance program which Community Services also manages.

Community Services administers the Emergency Shelter Grant (ESG) and the ND Homeless Grant programs. These programs distribute operational funds from federal and state funding to homeless shelters. In this bill, we are requesting the federal and state funding of these programs be transferred to the ND Housing Finance Agency to support the ultimate recipients through a continuum of care from homelessness to homeowner. This transfer request of appropriation is $1,387,341 in federal funds for ESG and $1,330,212 in state Homeless Grant funds.

Community Services houses many of the development programs that help keep communities going. We are assigned the responsibility of updating and amending the ND State Building Code. While not involved in the enforcement of the State Building Code, the state supports research and federal/state directives. Community Services also manages the HUD program for manufactured home installer licensing and training. This self-sufficient program provides homeowners and families the assurance the manufactured home was installed correctly and safely.

The administration of the Renaissance Zones is also housed in Community Services. Renaissance Zones are tools to help cities revitalize their communities. This legislative body will hear separate bills proposed to enhance and adjust the Renaissance Zone timeframes and incentives.

The U.S. Department of Energy's Low-Income Weatherization Assistance Program works to increase the energy efficiency of homes owned or occupied by low-income persons, reducing their total residential energy expenditures, and improving their health and safety. This program is also managed locally and hires local teams to accomplish the work in each region. Through the federal Infrastructure Investment and Jobs Act (IIJA), the ND Weatherization program received an additional $15 million to distribute and meet the needs of low-income households. These funds, allocated over the next five years, will allow community action partners to confidentially hire the workforce needed to meet the needs in many areas of the state. As heating and cooling costs increase, a more efficient, weatherized home will return multi-fold for the homeowner and renter.

Commerce has several programs dedicated to energy development, conservation, and production. The Community Services team supports multiple programs that deliver energy and conservation measures to increase efficiencies for homes and communities.

The Energy Conservation Grant, administered by Community Services, assists ND political subdivisions in making energy efficiency improvements to public buildings. Energy conservation projects in nonfederal public buildings owned by political subdivisions may qualify for consideration. Awards are available up to $100,000 and a 50% cash match is required. Projects that meet the qualifications will be awarded on a first come, first served basis and are subject to funding availability. We are asking for a continued appropriation for this heavily used program.

We are requesting an amendment to accept and administer $15,131,495 funding along with the ability to hire two full-time employees to support both the fiscal and program administration. The federal government provides 100% funding for projects and employees. We would like to have this funding on its own line item called Infrastructure Investment and Jobs Act (IIJA) Weatherization

The amendment request is:

- To accept and administer $15,131,495 funding for the weatherization program
- 2 FTE's for fiscal and program administration

The State Energy Program (SEP) promotes energy efficiencies and conservation through funding from the U.S. Department of Energy. Every year, the SEP receives an annual allocation to fund a variety of energy-related activities including energy education, installation of energy efficient measures (building audits, lighting retrofits, HVAC upgrades, etc.), transportation initiatives (alternative fuel vehicles and fueling systems) and renewable energy technologies (small scale wind turbines and solar technologies). In the last biennium, the SEP was awarded more than $1.34 million in project funding to 42 projects across the state.

Through the federal IIJA, this program will receive an additional $3,905,130, which can be expended over four years, to accomplish the above goals along with developing a state energy plan to support Community Services and other state agencies' efforts to deliver federal funding and efficiencies. Additionally, federal legislation has authorized over $4 million for a revolving loan program, $78 million in energy efficiency rebates and training, and nearly $10 million in Energy Efficiency and Conservation Block grants.

We are asking for an amendment to accept and administer up to $120 million of funding along with the authority to hire one full-time employee to support the coordination and grant distribution of these dollars. The amount requested is higher than our known dollars as several states have indicated they will be turning back their dollars which will result in larger projected funds for the states which have plans for using the funds. The regular allocation requires a 20% match from state and local, but the additional federal funds allocated under the IIJA will not require a match or state funds.

The amendment request is:

- $20 million IIJA SEP
- $90 million IRA SEP rebate program
- 1 FTE

The Community Development team works closely with leadership and volunteers across the state to improve their vibrancy, support planning efforts and provide sustenance to develop our main streets and nonprimary sector businesses.

At the end of 2022, we have awarded Partners in Planning grants to 20 communities in the amount of $169,587. The total state and local investment for these grants totaled over $10 million with a 25:1 ROI. These planning grants were awarded to a variety of rural and urban communities and are helping communities build plans to attract workforce, create community spaces for all generations, and develop recreational options. Additionally, Commerce was able to award nearly $73,528 in Vibrancy grants that also equaled nearly a 10:1 return on investment in local match funds to create communities where new and existing workforce and families want to call home.

In conversations with communities, there was a repeated concern about citizens being willing to take on the responsibility of community leadership. The Community Development team worked with a Minot area nonprofit and Minot State University to pilot the Launching Leadership program supporting 15 youth to develop leadership skills with the intent of exposing and encouraging youth to take active roles in elected positions. We intend to continue and grow this program regionally and hopefully statewide.

Community Development has also been charged with administering and providing results of a $1 million grant from the federal economic development administration. The state has awarded six grants totaling $506,000 grants to communities across the state to create in-depth placemaking plans that attract and retain workforce and families. Additionally, with this grant funding, five communities received technical assistance and direct grants to understand and expand their artists' involvement and activities on their Main Streets.

Our approach to supporting communities is a whole of government, both federal and state, approach. In the last year the small but mighty community liaison staff of one has visited 42 communities. Our outreach has been immensely well received and we learned that **fourteen** of these communities had **NEVER HAD SOMEONE FROM THE STATE VISIT**. These programs and deliverables do not work without the people who can support this important work. We ask that you reinstate the one FTE to support planning and education and reinstate the $400,000 that was cut from the granting budget.

No matter how much work we do to plan there are certain elements of a community that need to be in place to attract and retain workforce. One of those is housing. Rural communities face multiple unique workforce housing challenges. The lack of housing options, age of housing

stock, construction costs, lack of builders and contractors, limited financing capabilities, and lower appraisal values negatively impact local economies.

Communities also expressed grave concerns about the "gaps in their smiles" and slum and blighted properties which have created areas of the community where the development of existing infrastructure becomes very difficult. Working jointly with the Division of Environmental Quality (DEQ), Commerce is proposing the community pilot program to support publicly owned buildings, which have development plans to remove identified hazardous materials and support the redevelopment of buildings and Main Streets. This pilot program can only be used if the community has identified a reuse of the budling/area and can prove matching funds.

We are requesting the Senate reestablish both the housing budget to $5 million pilot grant to target displaced, blighted and unsafe properties to effectible infill housing units and the slum and blight pilot program to $10 million to allow this fund to be a total of $15 million. Putting the housing and Main Street Slum and Blight Removal Program together as one program is workable, but to make an impact and provide solid results, we ask that the total be re-established to the original request.

Main Streets and rural communities are critical to the success of our state. We need to maintain our grocery stores, gas stations, drugstores, and boutiques. To maintain these critical parts of a community, it takes smart planning and support to the local elected people and volunteers. For this reason, we have asked to employ a rural community development planner who can support the local developers and community leaders create and deliver economic, community and comprehensive plans which do not increase tax burdens while growing the community's base.

We need to utilize the federal funds according to the regulations and guidelines provided. The Community Services Division is small but mighty. With only 10 full-time employees, they have successfully distributed millions in eleven state and federal programs meeting the needs and providing resources to nearly every corner of the state. With your support, we know we can do even more to transform our state and move the needle to support our families and workforce for **every** part of the state.

Chairman and committee members, this concludes my testimony and ask for your support for House Bill 1018 with amendments. I would be happy to answer any questions.

TESTIMONY OF

Rich Garman, Economic Development & Finance, Director

Chairman Bekkedahl and members of the Senate Appropriations Committee, my name is Rich Garman and I am the director of the Division of Economic Development and Finance (ED&F). I've been with Commerce for one and a half years. I was in the energy industry for 30+ years. The last 15 were spent at Great River Energy as a project manager and economic developer. While at Great River Energy, I saw the completion of several major projects: Spiritwood Station, Dakota Spirit Ethanol, Spiritwood Energy Park, and the decommissioning/demolition of the Stanton Station. Thanks to your good work, I never finished my final project. That project was the decommissioning/demolition of the Coal Creek Station. I did not want to complete that project. You did the impossible. When a power plant is marked for demolition, they don't make a comeback. Only in ND could this have been accomplished. You saved an industry, the livelihoods of 1000's of North Dakotans (many of my former co-workers and friends) and several ND communities.

Overview

I want to give you a snapshot of the current project portfolio. We have over 100 projects in the portfolio with a value exceeding $45 billion. These projects range from ag, to energy, autonomy, technology, and manufacturing. We are taking a proactive approach and seeking out these opportunities.

The Bakken oil play is moving from an oil to a gas play. The pipeline capacity moving natural gas from the Bakken is essentially full and produced gas will double in the next decade. Developing projects that add value to natural gas at the source is essential. This allows increased gas production thus maintaining tax revenue. Several of those large gas-consuming projects are proposed or underway.

Gas to Liquids: A $3-$5 billion being built by Cerilon in Williams County. Gas-to-liquids (GTL) is a process that converts natural gas to renewable diesel fuel (14,000 barrels per day). This will be the first of its kind in North America and will have the lowest carbon footprint of any GTL plant when utilizing CO2 sequestration.

Sustainable Plastics: Newlight utilizes methane and ocean-based microorganisms to produce a biodegradable material that is an alternative to single-use plastic (AirCarbon). They currently have a facility operating in Huntington Beach, CA, and market their products retail and wholesale.

Produced Water Processing: Two separate entities are developing projects that will take produced water from oil production and process it to remove the salts from the water. These salts have commercial value as bases for producing several industrial chemicals. The most valuable salt that can be extracted is Lithium. Demand for battery production will make ND a major player in lithium markets. It will also be one of the cleanest methods of producing lithium in the world.

Metal Ore Processing: A huge win for ND came with Talon Metals announcing they will be locating a nickel processing plant in Mercer County. This facility will bring nickel mined in Northern MN to be processed in ND. The nickel processed will be sold to battery manufacturers (Tesla). The capital construction budget is $400 million. Talon Metals also received a $114 million Department of Energy grant. Projects like this and lithium production will help us attract potential battery manufacturers.

Autonomous Farming: Autonomous farming brings agricultural technology collaboration. It fosters and a collaborative environment bringing together researchers, growers, industry, startups, and government to solve some of the world's largest challenges in agriculture. It will provide acreage for the deployment of agricultural technology projects, rapid prototyping capabilities, and increased research and educational capacity. In 2022, Grand Farm was awarded an RFP that consisted of a $10 million matching grant by the ND Legislature and Commerce to be used towards the building of the Innovation Facility.

Soy processing: Two years ago, there were no soybean processing facilities in the state, there will soon be four. Green Bison (ADM/Marathon) in Spiritwood, CGB/Minnesota Soy in Casselton, Epitome Energy in Grand Forks, and AIC Energy in Trenton. These facilities will shift the soy markets in ND by keeping those beans here and adding value in ND. Oil will be processed into renewable diesel and sustainable aviation fuel. The soy meal will open new markets in animal feed in ND. To maximize this value chain of soy meal, we need to work towards attracting more animal agriculture to the state.

CCSU: Red Trail Energy is currently sequestering all its biogenic CO2 generated. They are on schedule to sequester 180,000 tons/year of CO2. This is the first project in the U.S. to become permitted under a State Class 6 Primacy.

Finance Update

InnovateND

InnovateND is a grant program for scalable, North Dakota startups. Entrepreneurs accepted into the program have an opportunity to make it through four phases to receive a total of $40,000 in grant funding to advance their business. The InnovateND program is in the midst of another successful biennium. Possibly too successful, as demand for the program outpaced the program's budget and Commerce was forced to put a pause on accepting new applicants halfway through the biennium. The program awarded 72 ND startups $861,687 to assist the companies with their business idea. Of the 72 participants, 23 of them are in phase four or successfully graduated from the program.

Commerce has assisted in the administration of the InnovateND program through a partnership with four entrepreneur centers:

- Center for Technology and Business in Bismarck
- Jamestown Regional Entrepreneur Center
- NDSU Research & Technology Park
- UND Center for Innovation

LIFT

The Innovation Technology Loan Fund (LIFT) is a revolving loan fund to support technology advancement in North Dakota. LIFT was established by the 2019 legislative session for the purpose of providing financing for the commercialization of intellectual property within the State of ND. The fund offers five-year, low-interest loans and is jointly administered by the Bank of North Dakota.

The LIFT program received high-quality applications throughout the biennium and awarded loans to 24 companies, totaling $17,148,790. LIFT funding was exhausted in January of 2023. The LIFT program was able to award funding beyond the $15 million appropriation it received for the 2021-2023 biennium as a result of loans it awarded during the 2019-2021 biennium into two companies (Appareo Systems and Infinite Leap) which underwent successful acquisitions. It's anticipated that the acquisition of these two companies will come with additional investment and continued expansion and employee count within North Dakota. The top four industries that are represented by companies that have received LIFT funding include health care, agriculture technology, advanced computing and data management, and uncrewed aerial systems.

LIFT has been a tremendous tool to keep talented entrepreneurs and promising companies in North Dakota as well as recruit companies from outside of the state. Given the current rate environment and the relative difficulty, companies are having in raising venture funds, we only see the volume and strength of applications for LIFT will increase next biennium.

NDDF

The ND Development Fund 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 to new or expanding businesses in ND or relocating businesses to ND. The NDDF was established in 1991 and since that time it has been able to achieve a return on investment of $21.34 to every $1 invested, fund 878 projects, and assist in the creation of 9,182 jobs.

The NDDF staff takes a disciplined approach toward making informed credit and investment recommendations to its board. As a flexible gap financer, the NDDF fills a critical gap in the financing continuum. The NDDF's unique ability to provide capital through debt and equity vehicles helps fill gaps left by the private sector in a wide range of transactions.

The NDDF has provided capital to several transformational projects during this biennium:

1. Cerilon GTL
    a. Building a gas-to-liquid facility in Trenton, ND
    b. NDDF $'s invested: $3,000,000
    c. Estimated project cost: $3-5 billion
2. Wellspring Hydro
    a. Building a produced water processing plant that will extract minerals from water that can be marketed and sold
    b. NDDF $'s invested: $1 million
3. Checkable Medical
    a. Rapid diagnostic + digital health company, starting with the development of an at-home strep test
    b. NDDF $'s invested: $1 million

4. Corvent Medical
    a. Company designs and manufactures ventilators for the post-ICU market
    b. NDDF $'s invested: $3 million

The NDDF also contains the Child Care Loan Program and has invested in a number of child care facilities this biennium and continues to see an increase in demand for additional child care capacity statewide.

Challenges and Opportunities

With this growth, we have a few growing pains as well. We see these as opportunities to grow and learn.

Growing portfolio

We have an increasing portfolio of projects we are managing ($2 billion to over $40 billion in a few years). We are working diligently to implement several project management and efficiency tools to work smarter. We are working to streamline our work and seek out the value-added steps while trimming out the non-value-added steps. This is a delicate procedure since we absolutely want to maintain our reputation of outstanding customer service, while streamlining our processes.

NIMBY

The "Not in my backyard" problem comes to the table in some discussions. The best solution for this issue is excellent preparation of projects so that we understand as much as possible about project impacts before moving forward. The next thing is the simplest and yet the trickiest. Solid, constant, effective communication with local leadership is critical. We need to flood all the communication channels with positive, truthful information to reduce the false information that makes it out to the public. Commerce is making sure it happens on a regular cadence. To facilitate this, Commerce will be working on a media relations kit to share with our local development partners.

Incentives

ND offers generous incentives for projects. The value of these incentives is becoming less effective as the net value of projects is going up. A decade ago, a project in the high $100 million was a rare item. Today, those are common and now projects over $1 billion are becoming common. Our incentives packages need the ability to grow with the size of the projects we have in the portfolio now.

OUR FUTURE IS BRIGHT

Value Added

Our mission at Commerce is to bring wealth into the state. ND has a long history of producing a steady stream of commodity products. Our first commodity products were in the agricultural sector beginning even before we became a state. We have typically shipped these commodities out of state for others to add value to them. We are working diligently to site projects in the

state that add that value right here in ND. You will hear about several of these projects in the next few minutes that add value to our state's valuable resources.

CCSU

The latest prize that ND has lying beneath our feet is simply empty space (pore space) which is strategically placed between layers of non-porous rock. Several years ago, our leadership had the foresight to obtain Class 6 primacy from the EPA. Primacy allows ND to permit its own CO2 injection wells. This is a valuable asset with the passage of the Inflation Reduction Act which sets the pricing of sequestered CO2 at $85 per ton. ND has the capacity to store 250 billion tons of CO2 under its vast landscape. Preparation and planning now allow us to take full advantage of this bringing wealth into ND.

We have a goal of carbon neutrality by 2030. The key to making this goal is the geology of Western ND. Importation of CO2 from ethanol plants from neighboring states and Southeast ND is part of the solution. The Summit Carbon Pipeline will open opportunities in Western ND for carbon sequestration. ND is also poised to take advantage of the sequestration funding of IRA with the implementation of Project Tundra, Rainbow Energy Center, Blue Flint Biorefinery, and the development near Trenton.

Current federal incentives promote sequestration overuse. In a world where we are worried about excess CO2 in the atmosphere, we are desperately seeking CO2 for industrial and municipal use. CO2 has many uses – beverage carbonation, nutrient feedstock in greenhouses, metal fabrication, cooling systems, fire suppression, feedstock for treating wastewater and as a curing agent for concrete.

Many projects cite their driving factor is lowering their Carbon Intensity Score. This is possible with viable carbon sequestration in the state. It is a goal of Commerce to develop CO2 sequestration as a utility as accessible as power, gas or water supply. We are working on scenarios to develop several carbon sequestration sites to be able to offer this service to companies considering locating to ND.

Synergy

The most logical way to make the best and most efficient use of the resources and land we have available is to work to develop these entities in hubs or parks. The grouping of complementary facilities next to each other makes economic and synergistic sense.

Working on a hub concept where single larger solutions are presented for logistics needs (roads and rail) and infrastructure needs (power, gas, water, waste processing, data, sequestration, etc.).

We are promoting several of these hubs across the state. Several already exist or are planned (Minot Intermodal Site, Spiritwood Energy Park, Rainbow Energy Center, Trenton Eco Park). Commerce will work to find synergies between companies wanting to locate to ND. We will

work to place them in the area that best suits their utility, logistics and synergistic needs. We will also work to understand where the State can lend support to these projects.

Fertilizer Projects

Several projects proposed are currently proposed in various locations across the state. ND imports 80% of its fertilizer products. The balance is imported (nationally and internationally). This is problematic as supply chain issues continue to disrupt markets. A single facility proposed would produce approximately 20-30% of the need in the state. Our farmers pay the highest prices in the country for fertilizer. Establishing an effective fertilizer production industry is a top priority for us in the next biennium.

Hydrogen Hub

The EERC submitted a concept paper to the Department of Energy. This paper has resulted in an invitation to submit a full application by April 2023. 79 papers were submitted, with 33 being encouraged to submit a full application of which six will be selected to receive a share of the $7 billion in grants to establish regional hydrogen hubs. These will create a network of producers, consumers, and local connective infrastructure to accelerate the use of hydrogen as a clean fuel source. ND's hydrogen hub is a combination of green and blue hydrogen.

UAS/Autonomy

The commercial drone market is $24.39 billion and is forecasted to reach $504.5 billion by 2030. Industry growth is expected to be driven by regulatory advancements and technological innovations. ND is home to a strong UAS ecosystem having unique expertise, capabilities, and amenities that appeal to industry, academia, and federal agencies. Our Northern Plains UAS Test Site is one of only seven FAA-approved UAS test sites in the nation. Grand Sky, the nation's first UAS-focused business park, is poised to build upon its successes to date as its anchor tenants experience considerable growth. Vantis is a major project of the Northern Plains UAS Test Site and is designed to enable safe beyond visual line of sight (BVLOS) UAS operations across ND. The ND UAS ecosystem already features prominent companies such as Northrop Grumman and General Atomics; successful service providers such as ISight Drone Services, Frontier Precision, and SkySkopes; and rapidly scaling businesses such as Thread and Packet Digital.

Promoting the State

ED&F is in an enviable position right now that we get to guide the development of projects that are the most economically beneficial, most environmentally conscious, and the best fit for the citizens of ND. We evaluate these potential projects, help them identify the needs they have and pair them with the best locations in the state. The key here is that we can bring the best-suited projects to ND. We will do so by working hand in hand with both workforce development and community development growing in a controlled, organized manner. Economic development without consideration of workforce or community results in chaotic boom/bust cycles. Economic development with consideration of these two key elements results in strong, vibrant, economically stable communities.

Energy & Economic Coordination Office (EECO)

With the incredible amount of project potential and volume of federal funding, we have organized an Energy and Economic Coordination Office (EECO) within ED&F. This office will coordinate the economic development efforts for the state in the energy sector. They will coordinate with all the various entities having expertise in various energy areas (ND Pipeline Authority, the ND Transmission Authority, the ND Department of Mineral Resources, ND University System, the EERC, EmPower ND, the Lignite Energy Council, and the ND Petroleum Council.)

Office of Autonomy

We are requesting one FTE for this next biennium to stand up the Office of Autonomy. Its mission would be like the EECO in bringing together all the state's entities that work with autonomy or automation to work for a common economic development goal.

Budget Requests

$300K increase for operating expenses
$10M Automation Grant
$7M for Enhanced Use Lease
$30M for Beyond Visual Line of Sight – Uncrewed Systems

Summary

ND has been doing amazing things. We have never feared hard work. Challenges have been a way of life here from the beginning, but so have opportunities. It is when we pair those challenges, hard work and opportunities, we make our own good fortune for the citizens of ND.

Chairman Bekkedahl and committee members, this concludes my testimony and ask for your support for House Bill 1018 with amendments. I would be happy to answer any questions.

TESTIMONY OF

Shawn Kessel, COO/Deputy Commissioner, Global Engagement

Chairman Bekkendahl and members of the Senate Appropriations Committee, my name is Shawn Kessel and I have the privilege of serving as the chief operating officer and deputy commissioner at Commerce. For the first four and a half years at Commerce, my focus has been inside the borders of the state working primarily on community development, but recently my focus has changed to outside the borders of the state by promoting ND and the advantages of foreign direct investment (FDI) in ND.

A very brief history lesson – the ND Trade Office (NDTO), which started in the Agriculture Department, was moved to Commerce and then back to the Agriculture Department last session. In the last move, Commerce retained the FDI strategy. We continue to work closely with the NDTO in their pursuit of trade and in our promotion of FDI.

Some of you may be asking what's the difference between trade and FDI? Trade is the buying and selling of goods. The NDTO is excellent at this and has been active for decades. FDI is an ownership stake by a foreign company or project made by an investor, company or government from another country. Examples of FDI that you may be familiar with are the purchase of Bobcat by Doosan, a South Korean company; the purchase of Cirrus by Arcipata Group out of Bahrain in 2001 and then sold to Aviation Industry Corporation out of China in 2011; Cerilon, a Canadian-based company; and Equinor, a company owned by the Norwegian government.

We began the FDI effort last session under the acronym COIN but evolved into the ND Global Engagement Office (GEO). GEO offers customized services:

- Identification and engagement of compatible foreign markets and expansion-ready foreign business.
- Act as a liaison between foreign businesses and ND.
- Perform foreign market research.
- Foreign investment mission planning and execution (Japan).

These services help international companies looking to locate, expand or invest/acquire businesses in ND that will ultimately grow and diversify our economy. The GEO is an advocate and liaison between foreign investors and federal, state, and local governments in ND. Connecting foreign businesses with ND companies and/or ND opportunities to create mutually beneficial partnerships while eliminating barriers so they can invest, expand, and operate their business in ND.

Opportunity

If there are foreign companies already doing business in ND, how big is the opportunity if we invest more? According to the Bureau of Economic Analysis, Foreign Direct Investment (FDI) in the U.S. in 2020 to acquire, establish or expand U.S. businesses totaled $120.7 billion and that was a significant reduction due to COVID. The latest data available from the Organization for Economic Co-operation and Development (OECD) shows that in the first semester of 2021, FDI inflows to the U.S. totaled $149 billion, tripling the level reached during the same time period in 2020.

How do we identify who we work with?

Earlier I mentioned some familiar businesses in ND that are owned by foreign companies and some of you may wonder how we intend to identify additional opportunities. We are in the process of developing a rubric to identify priorities when selecting which countries we should engage with that have the highest potential for success. That rubric asks questions like:

- Are they a friendly nation with the US?
- Is the government politically stable?
- Is there alignment between the company's interest and expertise and current ND industries/resources?
- What is the country's gross domestic product (GDP)?
- What is the country's five-year foreign direct investment trend?

- Do businesses in the country have a current relationship with NDTO, ND companies or ND political entities?

Challenge

FDI in ND, according to the federal Bureau of Economic Statistics, has been non-existent since 2018 and was on life support in 2016 and 2017.

New Foreign Direct Investment in ND by Type

	2014	2015	2016	2017	***2018***	***2019***	***2020***	***2021***
Businesses Acquired	0	32	0	0	***0***	***0***	***0***	***0***
Businesses Established	0	0	3	6	***0***	***0***	***0***	***0***
Businesses Expanded	4	13	0	0	***0***	***0***	***0***	***0***

Goals

- Governor-led investment mission once every two years
    - In partnership with NDTO, GEO held the first governor-led trade and investment mission to Japan in October of 2022.
    - Positive outcomes include:
        - Total Japanese companies/organizations engaged: 157
        - Private meetings: 17 ($985.93 billion in direct market cap)
        - JETRO presentation: 137
        - Keidanren presentation: 15
        - Embassy Reception: 153 attendees (-34 ND) = 119
        - Currently working with three Japanese companies on in-state projects
        - This mission strengthened our partnerships with global industry leaders such as Sumitomo Corporation, that recently visited and will be returning to ND seeking investment opportunities state-wide.
        - No less than three Japanese companies have visited ND and are actively seeking opportunities.
            - If one deal is consummated and a new facility constructed, we are likely going to see an investment of well over $500 million in ND.
- Commissioner/Commerce-led mission at least annually
    - Economic Development
    - Capital Attraction
    - Workforce
    - Tourism
- Engage at least five countries annually (consulates/embassies)

- Increase FDI in ND
- Increase available workforce in ND through immigration
- Facilitate education/university relationships
- Help create ambassadorship/"sister" relations
- Elevate tourism in ND from foreign nationals

To continue the achievements made already we would like to see an investment in the GEO Budget

- $368,500 operating budget
- $268,430 salary and benefits
    - Total $636,930
- Request 1 FTE

If one business comes to ND and invests $500 million that would be an ROI of 785x.

Before I turn the podium over to Katie Ralston Howe, I would like to find out if there are any questions I can try to answer.

TESTIMONY OF

Katie Ralston Howe, Workforce Division Director

Chairman Bekkedahl and members of the committee, I'm Katie Ralston Howe and I have served as the Workforce Development Division director for the ND Department of Commerce for three years. 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. In October 2022, the council released 10 comprehensive recommendations that served as the foundation for Gov. Burgum's ND Works Investment plan. Seven of the Council's recommendations are included in the Executive Budget. The new programs for which we are requesting funds have all been included in the Council's latest Report of Recommendations.

Our division has evolved a lot since the beginning of this biennium. We left the last legislative session with a couple of small grants for skilled workforce training programs, and now, thanks to an appropriation of $20 million of American Rescue Plan Act (ARPA) funds by this legislative body during the special session in 2021, and the wise investment of discretionary dollars, we are operating two large grant programs that are impacting every part of the state, with a third grant for which we are currently accepting applications, and a new comprehensive talent attraction initiative that is successfully helping people around the country discover ND and make the move to their new home in our state. Our larger requests are designed to build on the programs we launched this biennium, so I will provide a brief overview and explain the impact of each program before covering our new requests.

Last spring, we launched the Regional Workforce Impact Program (RWIP) using $15 million in ARPA funds. The goal of the RWIP is to empower locally-led solutions to workforce challenges that were caused or exacerbated by the pandemic. Workforce needs vary by region, so a one-size-fits-all approach is unrealistic and would not adequately address challenges in all parts of the state.

To ensure equitable access to these grant dollars, a portion of funding was reserved for each of the eight planning regions, based on population as provided by the 2020 decennial U.S. Census. Applicants are required to provide a 25% match of the overall project budget. Due to this unique structure, partners representing rural and urban communities in each region worked together to prioritize projects that would have the greatest impact throughout the region and submitted one application that encompassed multiple projects.

Although the RWIP has had challenges primarily related to limitations within the federal funding source, we've seen tremendous success with this program. To date, we have awarded $14,218,377 to 59 projects with a few awards still pending. Once these remaining proposals are approved, more than 60 projects will be funded by this grant. Projects range from skilled workforce training, career exploration, expansion of career and technical education offerings, affordable housing, talent attraction, child care, and more. Each project is in a different stage, so data related to the impact of these dollars continue to come in. Within child care alone, we're supporting 33 facilities that are using their grants to expand capacity by adding a total of 1,590 new child care slots statewide.

This model has been effective, so our goal for the $20 million we're requesting is to create more flexibility in how grant funds can be used to foster more creativity and innovation in the projects communities develop. We are also asking for 1 FTE to administer this program.

The second program we're facilitating using $3 million in ARPA funds is the Technical Skills Training Grant, which also received $1 million in Coronavirus Relief Funds (CRF) that we utilized until that funding source expired on Dec. 31, 2021. This program is designed to support eligible training providers and employers in their efforts to launch or expand rapid, non-degree re-skilling and upskilling programs.

Since its inception, the Technical Skills Training Grant has supported the launch and expansion of 34 programs in health care, energy, transportation and logistics, IT, welding, UAS, and more. This biennium alone, we've obligated $1,135,876 to 20 training programs that are upskilling and reskilling workers across the state. Most of the training programs we've supported using federal dollars are sustainable and will continue to prepare workers for entrance and movement within the workforce for years to come, thus creating more pathways to employment in our state.

We are requesting $2 million to continue offering this resource to companies and training providers.

The final grant program for which we are using $2 million in ARPA dollars is the Workforce Innovation Grant, which is currently accepting applications. Similar to the RWIP, the goal of this program is to empower business and industry-led workforce solutions and inject innovation into the way they address their workforce challenges.

We are not asking for additional funding for this program; however, SB 2345 in the special session included an end date of June 30, 2023, and with all three of our grants in different stages, we are asking for carryover authority to allow grantees to continue using their funds beyond the end of the 2021-2023 biennium. We are also asking for $20 million to sustain the Regional Workforce Impact Program as it has proven to be an effective mechanism for fueling sustainable locally led workforce solutions and 1 FTE, and $2 million for the Technical Skills Training Grant.

- Regional Workforce Impact Program

    - Carryover: $15 million (ARPA)
    - Ask: $20 million
    - 1 FTE
- Technical Skills Training Grant
    - Carryover: $3 million (ARPA)
    - Ask: $2 million
- Workforce Innovation Grant
    - Carryover: $2 million (ARPA)

A new program for which we are seeking investment is the Automation Enhancement Workforce Training Grant. Employers across the industry are investing in automation to address workforce shortages and to create better paying jobs for workers. Adapting to new technology in the workplace necessitates training and the development of new skill sets, which requires an investment in a company's own workforce. The Automation Tax Credit has been a resource for primary sector businesses by providing a partial credit for machinery and equipment, but it does not allow for workforce upskilling which is a critical component in successfully implementing automation into a company. This grant program is designed to complement the Automation Tax Credit but will expand its support for workforce training beyond primary sector companies. We are asking for $5 million to facilitate this new grant program.

I'd like to briefly touch on two of our long-standing programs that continue to grow in demand and impact.

- Operation Intern was first established in 2015 and it continues to provide wage match dollars to companies that are creating valuable work-based learning experiences through internships. This program is in such high demand that we had to close our 2022 application window in three days as our remaining funds for the biennium had been spoken for, and on February 1, 2023, we had to close this year's application window in just 24 hours.
    - Biennial funding: $755,000
    - Number of businesses participating
        - 2021 PY: 90
        - 2022 PY: 58
        - Biennial total: 148
    - Number of interns served
        - 2021 PY: 272
        - 2022 PY: 198
        - Biennial total: 470
    - 2023-2025 Ask: $1 million

- Our AmeriCorps program awards grants to non-profits, faith and community organizations, public agencies, tribes, and institutions of higher education for service-based programs throughout the state. AmeriCorps is a federal program that requires a state match.
    - Current funding (state + federal): $220,000 in required general fund match dollars and our federal allocation is around $3.8 million per biennium.
    - Number of projects:
        - 2021-2022: 5
        - 2022-2023: 6
    - Number of members:
        - 2021-2022: 123 members

        - 2022-2023: 168 members
    - Communities served, project titles and areas of focus
        - Southeast Education Cooperative Reading and Math Corps had 85 members serving communities across the state The project focused on literacy and math.
        - Souris Basin Planning Council had 15 members serving across the state. The project focused on capacity building.
        - Cooperstown Community Activities had six members serving in Cooperstown. The project focused on afterschool and healthy futures.
        - Jamestown Parks and Recreation had 10 members serving in Jamestown. The project focused on education and healthy futures
        - Strengthen ND had 40 members in rural ND. The project focused on capacity building.
        - United Way of Cass-Clay had 12 members in the Fargo area. The project focused on education and workforce.

The last program I'll discuss today is Find the Good Life in ND (FTGL), a comprehensive talent attraction initiative that utilizes a software system that allows us to collect information from job seekers, connect them with communities that offer the quality of life they're looking for, and employers in their field. Through this system, we can track their progress as they explore opportunities in ND until the point at which they accept a job here and call ND home. Although many states have marketing campaigns to attract people, and some have offered large sums of money to entice jobseekers or remote workers, ND is the first state to take this hands-on, innovative approach to help individuals and families actually make the move.

We're achieving this through collaboration with a contractor, our Tourism and Marketing team, Job Service ND, and 75 community champions, who are volunteers from around the state who are engaging with job seekers, connecting them with employers, and sharing information about their communities based on the interests the jobseeker has shared with us through our relocation help desk.

Our success to date includes:

- Job seekers in the pipeline
    - Total: 1,415 leads (Feb. 27, 2023)
    - Number of states: 50
        - Top five states: FL, CA, TX, NY, and GA
    - Number of countries: 24
    - Number of resumes: 391
    - Top industries: health care, sales/marketing, skilled trades, manufacturing, transportation, social services
    - Community champion contacts: 433
- New North Dakotans
    - Total: 11 (excludes partners/children)
    - States they came from: WA, TX, NJ, CA, TN, SD, NY, LA, GA, and ME
    - Cities they moved to: Minot, Wahpeton, Bismarck, Fargo, West Fargo, and Mandan
    - Jobs they filled: hospitality, IT, education, retail, and manufacturing

More important than these numbers are the names behind them.

- Travis H. moved to Minot from Washington in July 2022, before he had a job and was hired within a week of arriving. He's now working for Pro IT LLC.

- Frank M. had been to ND for work and after visiting the eastern side of the state in October with his wife and son, they moved to West Fargo from Syracuse, NY in December 2022. Frank is establishing a local office for Thales (Digital Aviation Solutions for the Americas). His wife, Paula, works remotely supporting student travel abroad programs and his son is enrolled at Sheyenne High School.
- Juan moved to Wahpeton from TX last fall and is working for a manufacturing company. His wife and children will join him after this school year, and we'll get to help her find a dream job, too.

Our relocation help desk existed in a less formal capacity before we revived FTGL in June, but we couldn't have shared this type of information. What we know is that from May 2021 to May 2022, 106 people submitted forms through our relocation help desk and based on self-reporting, which can be spotty, we believe 15 people made the move in that year. Now, in just six months, we've grown the number of job seekers interested in ND by 10 times.

The list of success stories will continue to grow, especially with the horsepower we plan to put behind this initiative with increased funding. Sara will share the marketing side of this investment, but the workforce portion includes:

- Providing a grant program for employers wishing to help incentivize or support an out-of-state job seeker's move. Based on the volume of contacts in our pipeline and their engagement with community champions, we know that interest in moving to ND is high, but the financial means to do so can be limited. Employers are already working to offer sign-on bonuses, reimburse relocation expenses, and offset rent or child care costs temporarily to help individuals get here and get settled, but this comes at a great expense and it's one that many companies are taking on. Through a matching program, we can support their efforts to get workers to ND.
- Partnering with industry and communities to help get job seekers here to explore a community and engage with employers prior to making the move as individuals are more likely to move to a place they've visited and the vast majority of job seekers in our pipeline have never been to ND.
    - We are also exploring what it might look like to develop industry-specific recruitment initiatives.
- Growing the services provided by our contractor to better leverage the system we're using for tracking leads and building out an employer portal to provide a more direct connection between candidates and jobs.
    - 2021-2023: $410,000 two-year contract, discretionary funding
    - 2023-2025 Ask: $12 million for workforce ($25 million total) + 1 FTE

In addition to being the hub of the state's workforce system, we've realized that the most direct impact we can have on addressing ND's workforce needs right now is by attracting and retaining workers, by empowering locally led solutions, and by expanding opportunities to retrain workers through grant programs. We've been doing these things really well with the resources we've had available, and we're excited to grow these programs and their impact with increased state investment.

Summary of Requests

- Carryover Authority
    - Regional Workforce Impact Program: $15 million
    - Technical Skills Training Grant: $2 million

    - Workforce Innovation Grant: $3 million
- One-time Requests
    - Talent Attraction: $24,797,060
        - 1 FTE
    - Regional Workforce Investment: $20 million
        - 1 FTE
    - Automation Workforce Transition Training Program: $5 million
    - Technical Skills Training Grant: $2 million
    - Operation Intern: $1 million
    - AmeriCorps: $878,571

I would like to now turn the podium over to Sara Otte Coleman, director of Tourism and Marketing.

TESTIMONY OF

Sara Otte Coleman, Director of Tourism & Marketing

Chairmen Bekkedahl and members of the Senate Appropriations Committee, I'm Sara Otte Coleman, director of the Tourism and Marketing Division. Twenty years ago, when I started this position, I wouldn't have dreamed I would still be here. I thought the bureaucracy and slow pace of government would kill my need to achieve results. But that has not been the case. We have made great progress, yet we have tremendous potential to increase awareness and appreciation for our state, grow tourism experiences, attract workforce, and diversify our economy.

We have many great stories to tell about our state. I have a two-minute video we recently completed that summarized some of the topics we like to brag about.

Our division's work supports all divisions of commerce. Our KPIs measure ND's broader image and awareness and elevate all areas of economic and community development.

As Katie mentioned, we are focused on attracting talent. You may remember a workforce marketing campaign we launched in 2014 to market ND to job seekers. While the original Find the Good Life in ND campaign was successful in filling many oil field jobs and other positions, what it lacked was the ability to measure employees who moved and stayed in our state. Fast forward to 2022, when our workforce needs continue to stifle our state's growth. We refreshed and expanded the Find the Good Life in ND workforce attraction campaign as part of a comprehensive workforce initiative. The marketing refresh included an updated website and a targeted media plan focused on five personas. As Katie mentioned, the 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 both inspire and motivate new talent to move to ND.

- The $438,000 marketing campaign, which began in late June, has delivered 16 million impressions, and driven more than 76,000 visitors to the website, 2.7 million video completions and 158,000 opened emails.

- Workforce staff and community champions are working with 1,400 leads in the pipeline. 77% of those have not been to ND with 66% looking to relocate in the next six months.

- ND is the first state that utilizes a unique system for drip marketing and tracking leads as they explore career opportunities and lifestyle options across our state.

Our tourism practice primarily focuses on the following areas:

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

Our proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firms and targeted efforts created additional media opportunities and reach on ND stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This media coverage improves the awareness of our state and elevates our image across all focus areas of commerce.

- Tourism – 2,124 instances reaching 13 billion
- Quality of place – 171 instances reaching 2.8 billion
- Workforce – 193 instances reaching 1 billion
- Business – 1,531 instances reaching 3.4 billion

One big win from these efforts was the hosting of a freelance journalist that resulted in a feature about Fargo in the New York Times reaching 140 million with another story planned in spring 2023 in Travel + Leisure magazine.

The 2022 tourism marketing campaign reached more than 423 million total impressions, with digital advertising garnering 108 million impressions, more than 250,000 clicks to the website and 15.2 million video completions. The 2021 campaign ROI was strong delivering 1.4 million advertising-motivated trips and $242 million in spending to ND. (Details in annual report)

Our domestic road trips measured through geolocation tracked more than 7.9 million trips through year-end. The number of visitors was down 2.5% compared to 2021, but there was a 20% increase in longer stays and overnights. These visits will impact workforce attraction efforts. Recent research indicated that 76% of new residents had visited the state prior to moving.

Hotel occupancy, revenue per available room, average daily rate and lodging tax collections were all up significantly.

Global tour operators selling ND experiences totaled 125, up 9.6% over 2021. New itineraries and total overnights offered were up also up.

NDtourism.com was updated to improve accessibility and search engine optimization. The website is ND's front door and welcomed over 2 million visits through Dec. 31. (Traffic was down 4% due to a smaller advertising campaign; however, traffic was up 21% from 2020.) Referrals to partner sites reached over 240,000.

Tourism Industry Metrics:

- Travel and tourism generated $2.61 billion in direct visitor spending in 2021. (Tourism Satellite Account from Tourism Economics and the U.S. Travel Association)

- There were 21.71 million visitors to ND in 2021

- Tourism revenue supports 2,900 small businesses. These experiences are for people that live here, visit here or are considering moving here and improving our quality of life.

Last fall, we reorganized existing positions to hire a tourism business development manager, who now works to support the growth of tourism offerings across the state. Work is underway to adopt consistent tourism definitions to be used for incentives tied to primary sector designations and programs allowing the recruitment of new businesses, offerings, and value-added expansions. Our tourism development plan will help focus efforts on in-demand experiences, gaps, and regional clusters. Looking forward to the next biennium, we expect to build on past success and hope to see additional resources to support expanding tourism offerings and state marketing that impacts our businesses, communities, and image.

Tourism marketing is proven to improve the image of our state for all audiences. The halo effect of seeing tourism advertising improves ND's image an average of 12.5%. This research confirms tourism advertising goes beyond motivating trips and plays a lead role in elevating our state's image across various economic development benchmarks. For example, people who have seen our advertising rated ND 14% higher as "a good place to start a career" compared to those who had not seen our advertising. This lift is 27% if they also visited ND. This research, and other details, are in the annual report you should have received prior to cross-over.

Funding - Tourism and Marketing Division:

Marketing ND

The executive budget included an additional $5 million which would enable a new creative campaign in expanded channels and more markets, focused on motivating travel to the state, the house version included these dollars. This investment is imperative as ND lags in all but three states in investing in tourism marketing, and is drastically behind SD, WY, and MT, which is impeding our economy.
The governor's budget also included $25 million for a strategic marketing and recruitment campaign which will include $12 million to expand the Find the Good Life in ND marketing. The house cut this to $8 million total. We ask you to restore this funding. The campaign would position ND as the "best place" for talent to build their careers and futures. This synergistic approach for marketing our state will leverage tourism assets and campaign pieces and cross-sell to both audiences. Potential new workers will be invited to visit our state which will improve the likelihood of a move and current visitors will be presented with information on why a move to ND should be considered.

A 2022 national perception study assessing Americans' awareness of ND showed that perceptions of the state are modest and largely driven by a lack of familiarity.

- Only 22% had lived or visited ND
- Cold, rural, and remote were the top words associated with ND
- Relaxed, adventurous, traditional, and welcoming lead the "feel" of ND

- Of the 76% who cited they may be interested in relocating to ND, 71% are familiar with ND

Today's workforce is prioritizing lifestyle and quality of life factors, giving ND an opportunity to market our state's superior quality of place and quality of life.

2022 resident recruitment study surveying new residents in ND who transferred a driver's license in the last two years, showed 76% of these new residents visited ND prior to moving to the state. This reinforces the strong correlation between tourism and talent attraction.

Destination Development in ND:
ND offers tremendous outdoor recreation, rich history and culture, and scenic beauty, but we have an opportunity to expand beyond "do-it-yourself" trips and create more offerings that will motivate trips to our state. We need to support the expansion of destination attractions, recreation opportunities, community amenities through partnerships, and financial support from non-state entities. The purpose of the Destination Attraction Grant is to encourage non-state investments in destination development to draw in more visitors and keep them in our state longer. The proposed $50 million Destination Development Fund would support impactful projects that will serve ND for generations. The new experiences will attract new visitors and revenue, improve the quality of life for North Dakotans and help attract needed workforce. We have invested in value-added agriculture and value-added energy – now is the time to build value-added recreation and tourism. I look forward to further discussion on this important appropriation which will invest in our third-largest industry and begin building legacy projects that set ND apart.

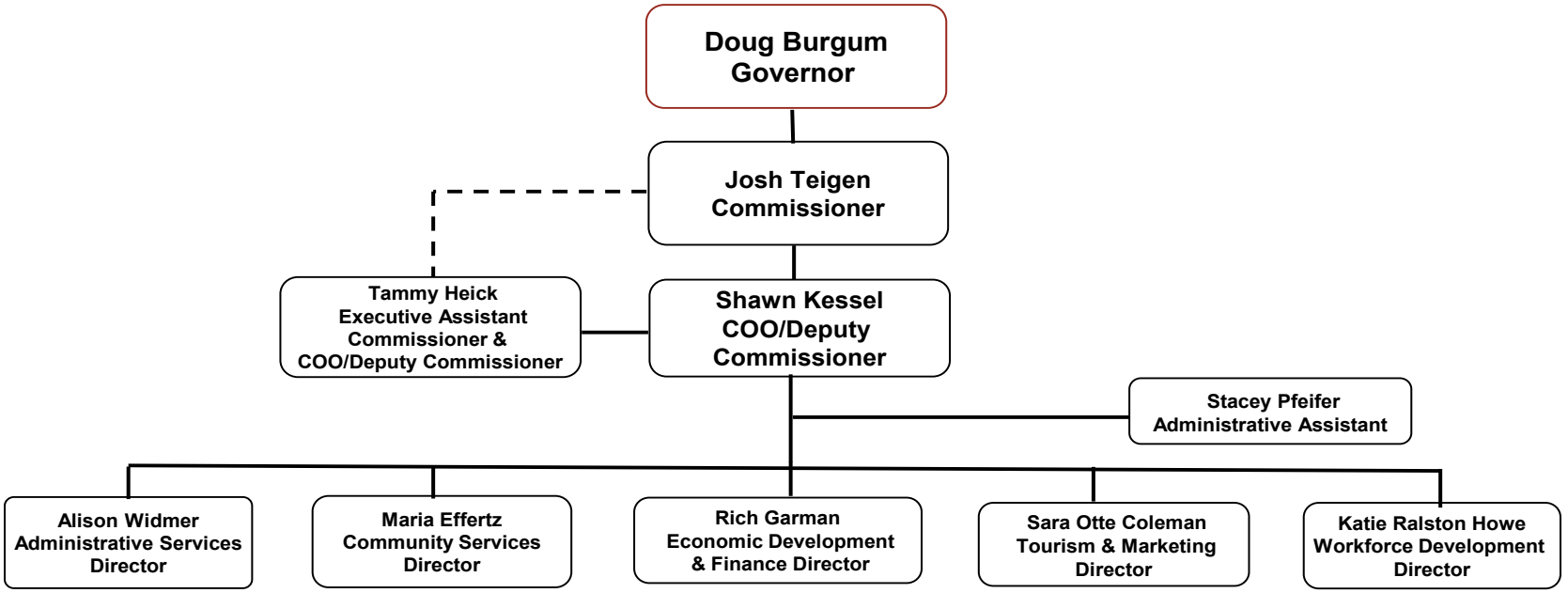
Base budget additions
- $100,000 to cover operating costs.
- $5 million addition to tourism base budget for destination marketing (one-time)
- $50 million for Destination Development grants

$12 million for the Find the Good Life in ND workforce recruitment campaign.

Thank you for the opportunity to talk about our state's tourism industry potential and the great opportunities we must improve awareness and elevate the image of ND.

NORTH Dakota
Be Legendary.

Department of Commerce Organizational Chart



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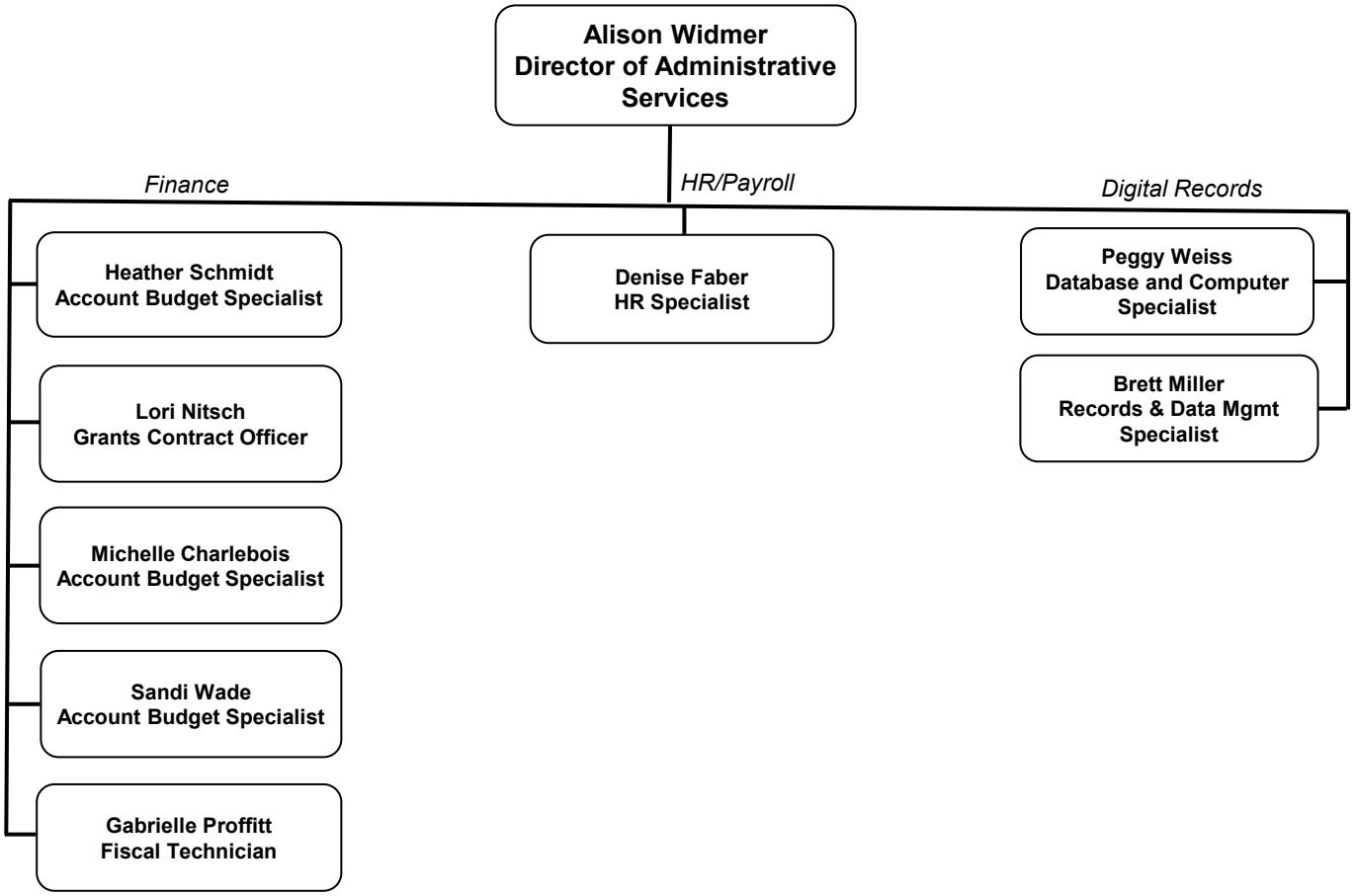
Administrative Services Organizational Chart



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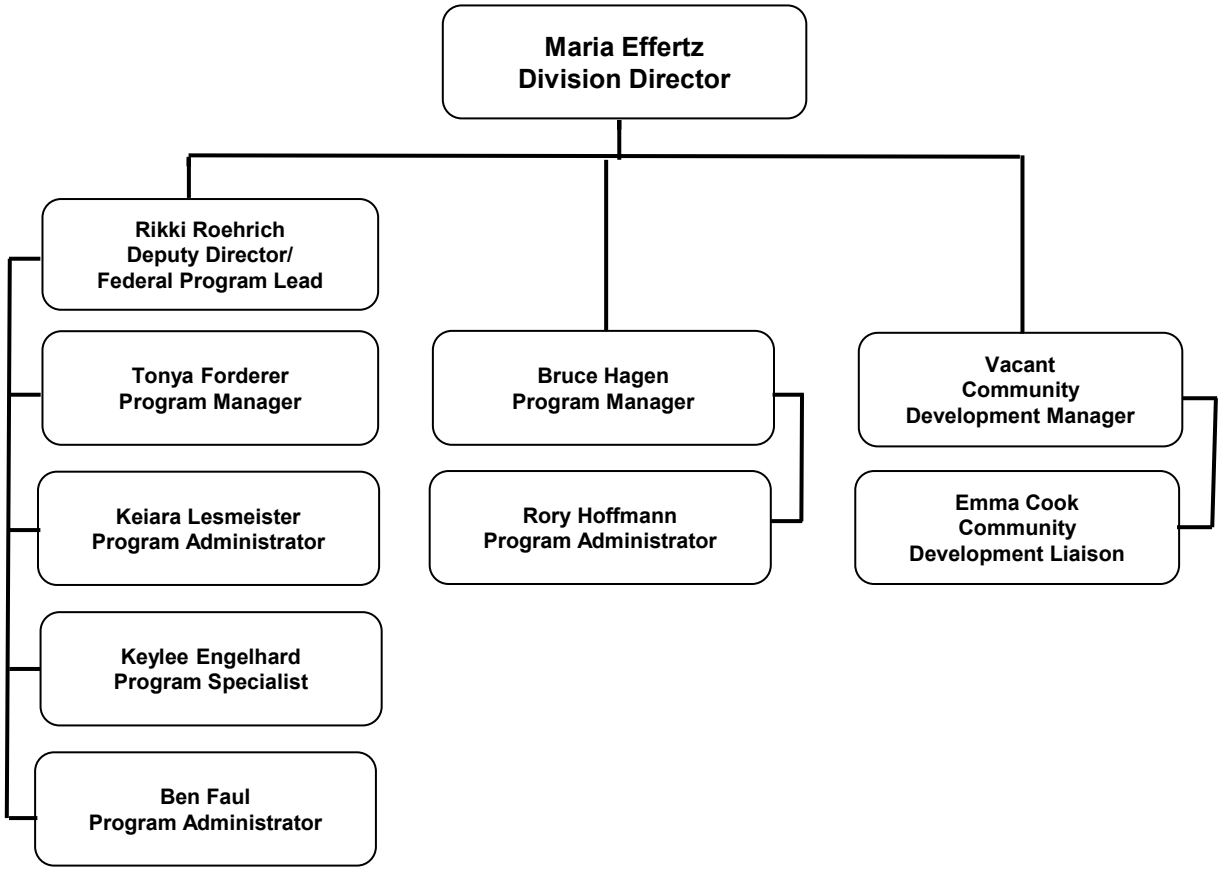
Division of Community Services Organizational Chart



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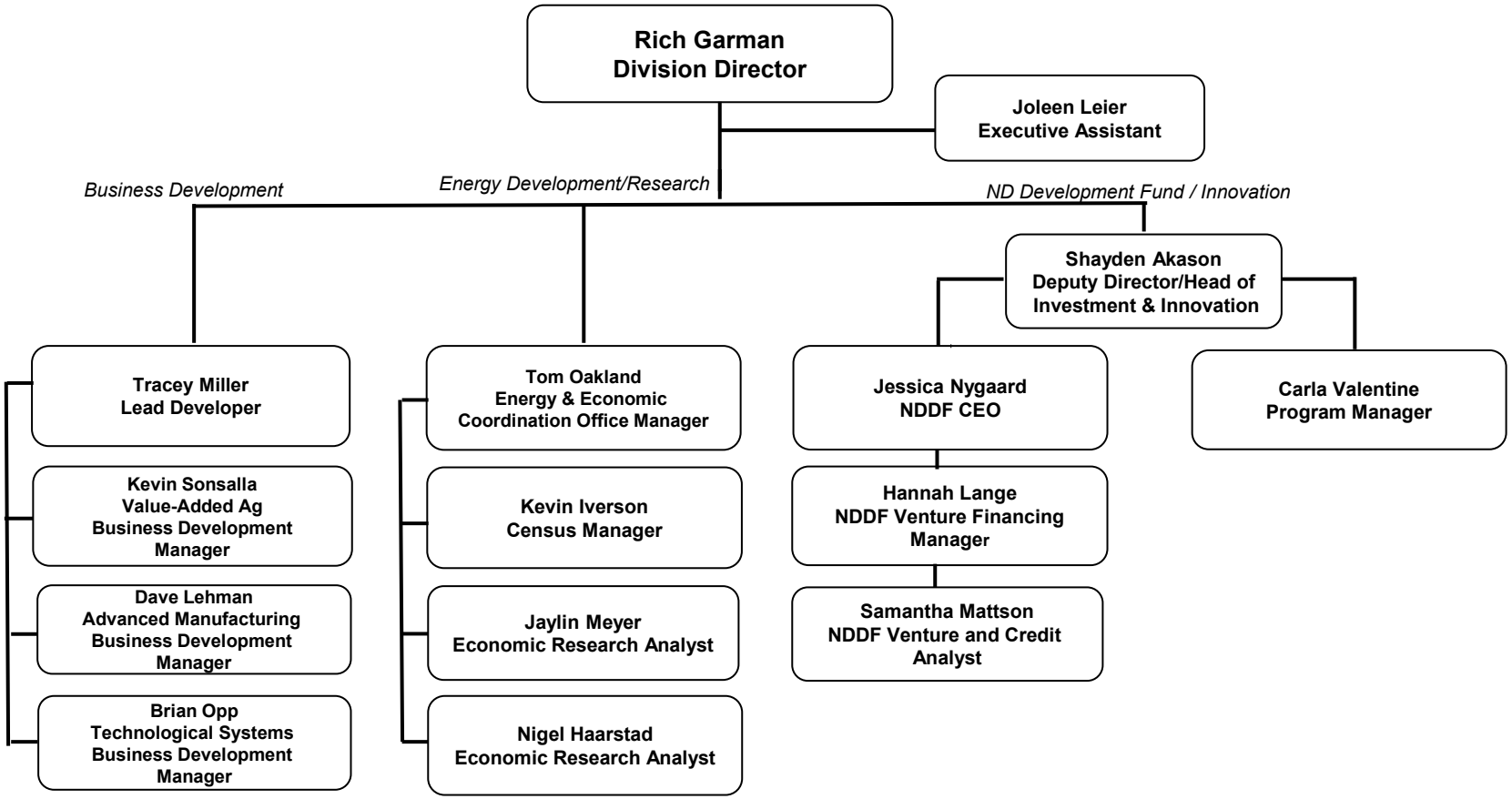
Division of Economic Development & Finance Organizational Chart



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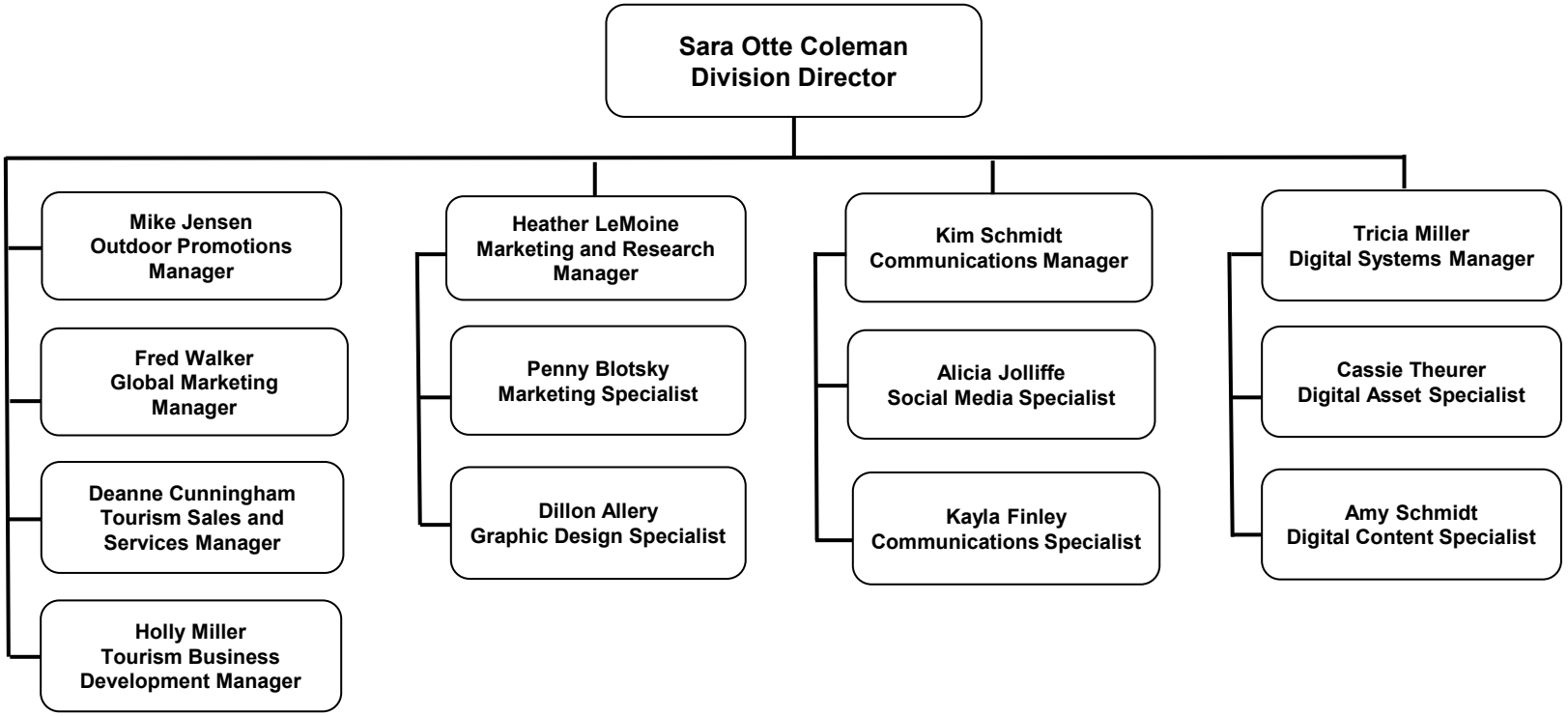
Division of Tourism and Marketing Organizational Chart



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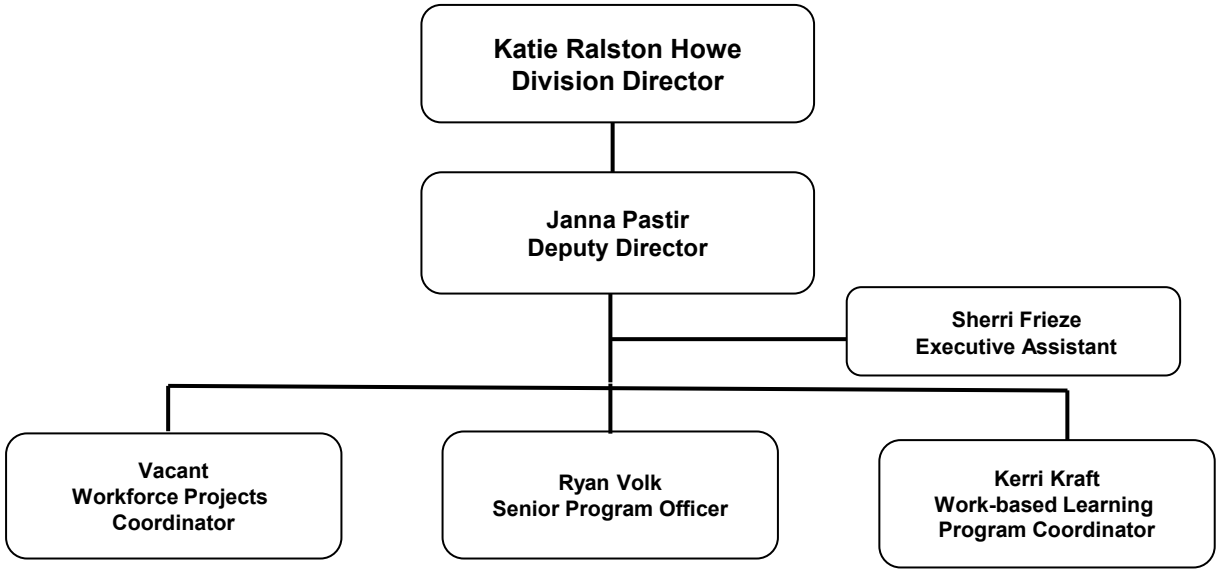
Division of Workforce Development Organizational Chart



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Service & Program Guide

(Commerce.nd.gov)

Economic Development & Finance

Services:
- State Data Center
- Incentives Reports for New or Expanding Businesses
- Requests for Proposal (RFP/RFI)
- General Economic Development Assistance
- Project Funding
- Connect Companies with Communities, Developers, Academia, Other Businesses, Etc.

Programs:
- Angel Match Program
- Automation Tax Credit
- ND Development Fund
- Regional Rural Revolving Loan Fund
- Childcare Loan Program
- Innovative Technology Program Fund (LIFT)
- Innovate ND
- Rural Growth Incentive Program

commerce.nd.gov/economic-development-finance

Workforce Development

Services:
- Recruiter Network
- Relocation Help Desk

Programs:
- AmeriCorps
- Operation Intern
- Find the Good Life in ND
- Technical Skills Training Grant
- Regional Workforce Impact Program
- Tribal College Grants
- Non-Resident Nursing Employment Recruitment
- Apprenticeship

commerce.nd.gov/workforce

Community Services

Services:
- Technical Assistance with Federal and State Grant Applications
- Community and Economic Development Project Funding
- Training and Technical Assistance for Compliance with Federal and State Regulations
- Monitoring of HUD Projects and Programs
- Community Development (Nonprimary Sector) Planning, Resources and Technical Assistance

Programs:
- Community Development Block Grant (CDBG)
- Community Development Loan Fund (CDLF)
- Weatherization/LIHEAP
- Renaissance Zone Program
- Manufactured Home Installation Program
- Renewable Energy Programs
- Main Street/Community Development
- Building Codes
- Community Services Block Grant (CSBG)
- State Energy Program
- Vibrancy Grants
- Partners in Planning Grants

commerce.nd.gov/community-services

Tourism & Marketing

Services:
- State Marketing (Tourism and Workforce)
- Public and Media Relations
- Visitor Services
- Tourism Development
- Tribal Tourism
- Global Tourism Marketing
- Group Travel
- Outdoor Promotions
- Photo and Video Sharing
- Free Website Listings
- Social Media
- Research

Programs:
- Tourism Development Grant
- Cooperative Programs for Partners
- Agritourism

commerce.nd.gov/tourism-marketing

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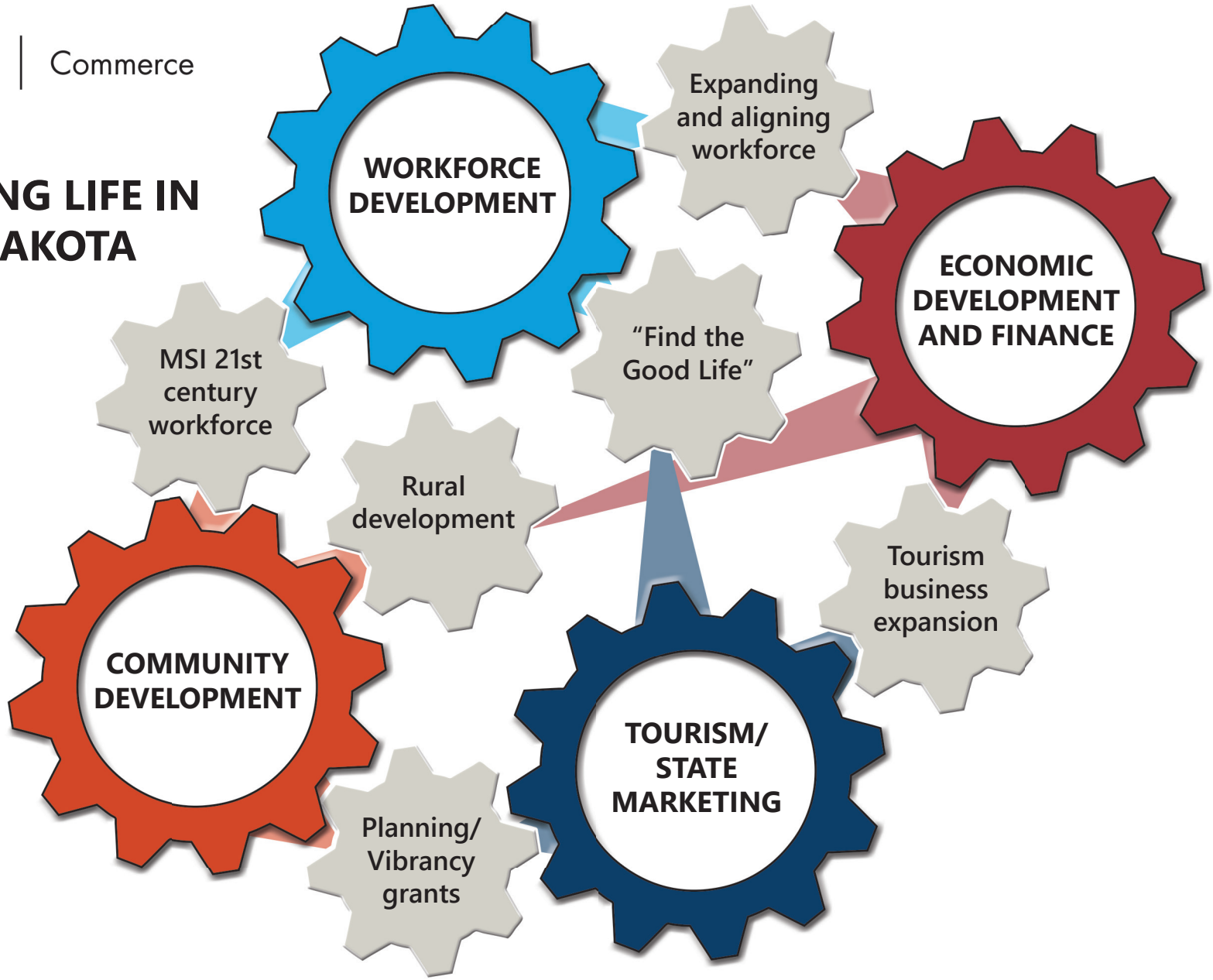
IMPROVING LIFE IN NORTH DAKOTA



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COMMUNITY SERVICES

FACTS

53,193
PEOPLE IMPACTED BY CDBG AND CSBG

10,471
PERSONS SERVED BY HOMELESS GRANTS

CDBG AND HOME FUNDS REHABBED
132
HOMES

42
PROJECTS COMPLETED THROUGH THE STATE ENERGY PROGRAM

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 provides a range of grant resources for energy conservation-related opportunities, including energy education, installation of energy efficient features, and new and expanding energy technologies. The program's state energy plan is supported by financial and technical assistance through the U.S. Department of Energy (DOE) and funds political subdivisions, nonprofits and education centers. More than $1.34 M in project funding was granted for 42 projects in 2020–2022.

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.

EMERGENCY SOLUTIONS AND NORTH DAKOTA HOMELESS GRANT — Working to End Homelessness

The Emergency Solutions Grant (ESG) is a program of the U.S. Department of Housing and Urban Development.

The Emergency Solutions Grant and ND Homeless Grant (NDHG) provides financial assistance to facilities and programs to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide services to help them quickly regain stability in permanent housing after experiencing homelessness. The North Dakota Department of Commerce currently awards grant funds directly to emergency/homeless shelters and agencies throughout the state for activities like operational expenses (utilities, insurance, furnishings, appliances, etc.) and essential services (case management, medical, laundry, transportation, etc.), homeless prevention, rapid rehousing and the Homeless Management Information System.

It has been proposed that the ESG and NDHG programs move to the North Dakota Housing and Finance Agency in 2023.

UPDATED 01/04/2023

DID YOU KNOW?

Since 2001, **10,000 homes** equipped with energy saving measures.

Community Services Block Grant **impacted 35,246 low-income individuals**, including 13,000 children, 5,605 persons with disabilities, and 5,379 people who lacked health insurance.

Community Development Block Grant assisted **six businesses** as part of economic development.

More than 1,200 homes have weatherized since January 1, 2020, including 623 families with children.

In the last 2 years **542 manufactured homes** installed.

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.

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. From July 1, 2020, through June 30, 2022, we had 542 manufactured homes installed.

COMMUNITY SERVICES BLOCK GRANT — Fighting Poverty in North Dakota

The Community Services Block Grant (CSBG) Program assists communities 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

CARES FUNDING — Relieving the Effects of the Pandemic

DCS received additional federal funds for the ESG and CSBG programs to assist with the challenges of the pandemic. CSBG received an additional $4,209,178.50 and from these funds, the Community Action Agencies have assisted 4,984 low-income clients in 2020 and 2021. An additional $5,142,580 was received to provide support to the ESG grant.

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

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STATE ENERGY PROGRAM

STATE ENERGY PROGRAM APPLICATIONS

- State Energy Security Planning
- Lighting retro fits
- "Spotlight on Energy"
- Energy audits
- Electric vehicle (EV) charging stations
- Electric vehicle (EV) training programs

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

- Construction costs are ineligible.
- 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.

REIMBURSEMENT

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

- 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.

UPDATED 09/13/2022

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

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MAIN STREET ND
INITIATIVE

MAIN STREET FACTS

99
MAIN STREET COMMUNITIES

MORE THAN
$1.1 MILLION
IN GRANT FUNDING AWARDED

81
COLLABORATING PARTNERS

BRINGS ADDITIONAL FEDERAL FUNDS INCLUDING
$1M EDA GRANT

UPDATED 01/06/2023

MAIN STREET NORTH DAKOTA

Every community has unique opportunities and challenges. The Main Street Initiative gives local leaders direct access to a variety of resources, building on community strengths to make sound decisions. These efforts will help create vibrant cities that are poised to attract and retain a 21st century workforce, helping North Dakota compete and succeed in a global economy through diversification of industries.

Communities engaged in this initiative receive direct and focused assistance with community planning and development, tailored support from participating state agencies, streamlined access to resources and learning opportunities and enhanced access to select state resources, helping create a planned pathway to a future of their design.

THE FOUR PILLARS OF THE MAIN STREET INITIATIVE

- HEALTHY, VIBRANT COMMUNITIES
- 21ST CENTURY WORKFORCE
- SMART, EFFICIENT INFRASTRUCTURE
- ECONOMIC DIVERSIFICATION

MAIN STREET INITIATIVE SUCCESSES

BUILDING PRIDE AND PROMOTING VIBRANCY
The Hettinger Chamber of Commerce started "Tuesday Night Lights" every Tuesday in September, 2021, as a way to get people out of their homes during the pandemic and down to Hettinger's Main Street to enjoy socializing, eating and purchasing products from local home businesses, food trucks, produce marketers and Main Street businesses.

ATTRACTING AND RETAINING WORKFORCE
Jamestown Stutsman County Intern Reimbursement Program - JSDC reimburses local employers up to $3,500 in payroll costs for college students hired through this program.

INFILL DEVELOPMENT
Gilby Grind and Community Center - The community received a generous donation of an old grocery store and embraced the challenge of finding a way to turn it into a coffee shop and community center.

ECONOMIC DIVERSIFICATION
Destination Red River - These recipients came together to create a robust economic diversification and tourism plan that will take the Rendezvous Region of northeast North Dakota into the future.

MAIN STREET INITIATIVE HIGHLIGHTS

The state team has led meetings in **32 communities** over the last 12 months.

The **2022 Main Street ND Summit** had 4,580 livestreams, 942 registrations, 558 check-ins, 423 first time attendees.

ROI for the Partners in Planning (PIP) grant is **25:1** and Main Street Vibrancy grant is **10:1**.

The Main Street Initiative connects with more than **4,476 community leaders**, volunteers and advocates from around the region, engages in regular webinars and regional workshops to promote learning and connections.

The Main Street Initiative continues to expand its **Partnership Network** with partners like EDND, ND Council on the Arts, AARP, StrengthenND, ND League of Cities, USDA Rural Development, NDSU Extension and more!

WHY BECOME A MAIN STREET COMMUNITY?

Joining the Main Street Initiative provides communities the resources, technical assistance, educational opportunities and network connections that **empower communities** to proactively plan their futures and **build local capacity** to improve quality of life for their current and future citizens. Plus, engaged communities receive extra benefits on some state grant applications.

LEVELS OF ENGAGEMENT

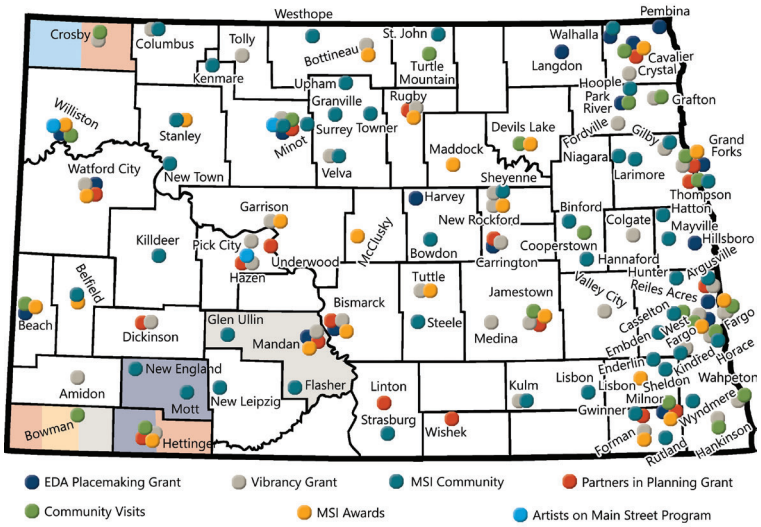
Main Street COMMUNITY

- Sign up through the online portal
- Community Visit by MSI Team
- Share success stories

Main Street CHAMPION

- All above requirements plus:
- Sign a Main Street Initiative proclamation
- Complete Main Street Initiative Action Plan
- Identify top 3-5 priorities, assign champions and establish timelines

MSI IMPACT



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For more information contact Tracey Miller at tracmiller@nd.gov

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ENERGY AND NATURAL RESOURCES

INDUSTRY FACTS

ND RANKS 3RD IN NATIONAL OIL PRODUCTION

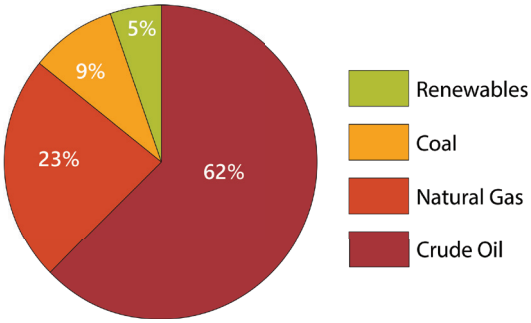
42.2 MILLION MEGAWATT HOURS OF ELECTRICITY GENERATED

5th IN SHARE OF WIND GENERATED ELECTRICITY

2nd LARGEST KNOWN LIGNITE DEPOSIT IN THE WORLD

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.

NORTH DAKOTA TOTAL ENERGY PRODUCTION



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 05/13/2022

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.**

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

Electric vehicle charging stations have doubled across North Dakota with plans for more.

In 2021, North Dakota had over **4,000 MW of installed wind capacity**, with interest in an additional 6,200 MW. Ranked **7th in the nation** for installed capacity share with 31% of total electric generation coming from wind.

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

29,655 Miles of Pipeline

- 17 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.

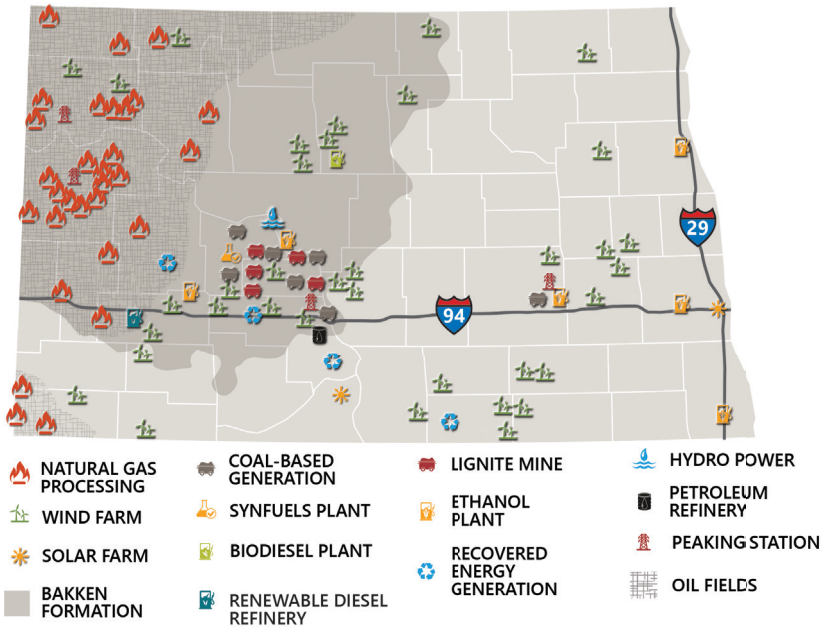
North Dakota Port Services Inc. Serviced by BNSF

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

Electrical Capacity

- More than 42 million megawatt hours of electricity generated annually.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES



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For more information, contact Rich Garman at rgarman@nd.gov
or Tom Oakland at thomas.oakland@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

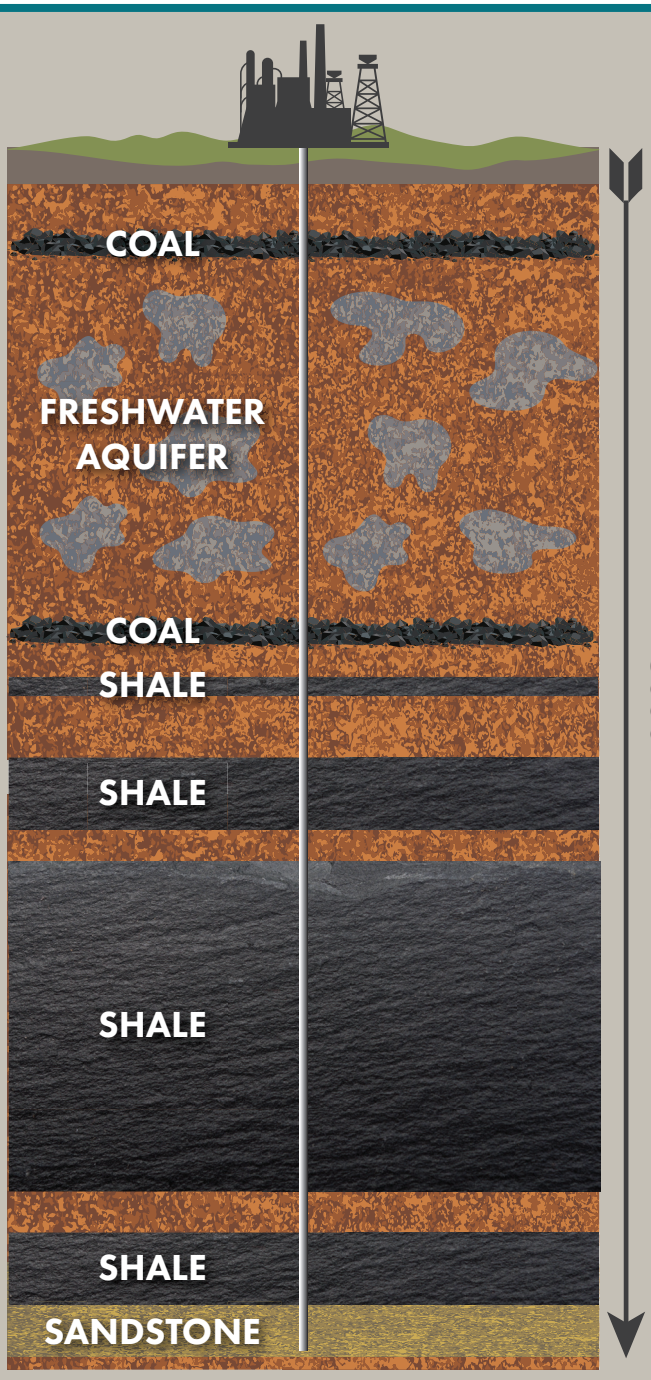
Proactive actions are already underway to fulfill this commitment. For example, Project Tundra in Oliver County, North Dakota, aims to build the largest carbon capture, utilization and storage (CCUS) facility in the world. Also, Red Trail Energy in Richardton is studying the economic feasibility of integrating CCUS with ethanol production. Research is underway at the University of North Dakota's Energy and Environmental Research Center (EERC) to bring this initiative 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!

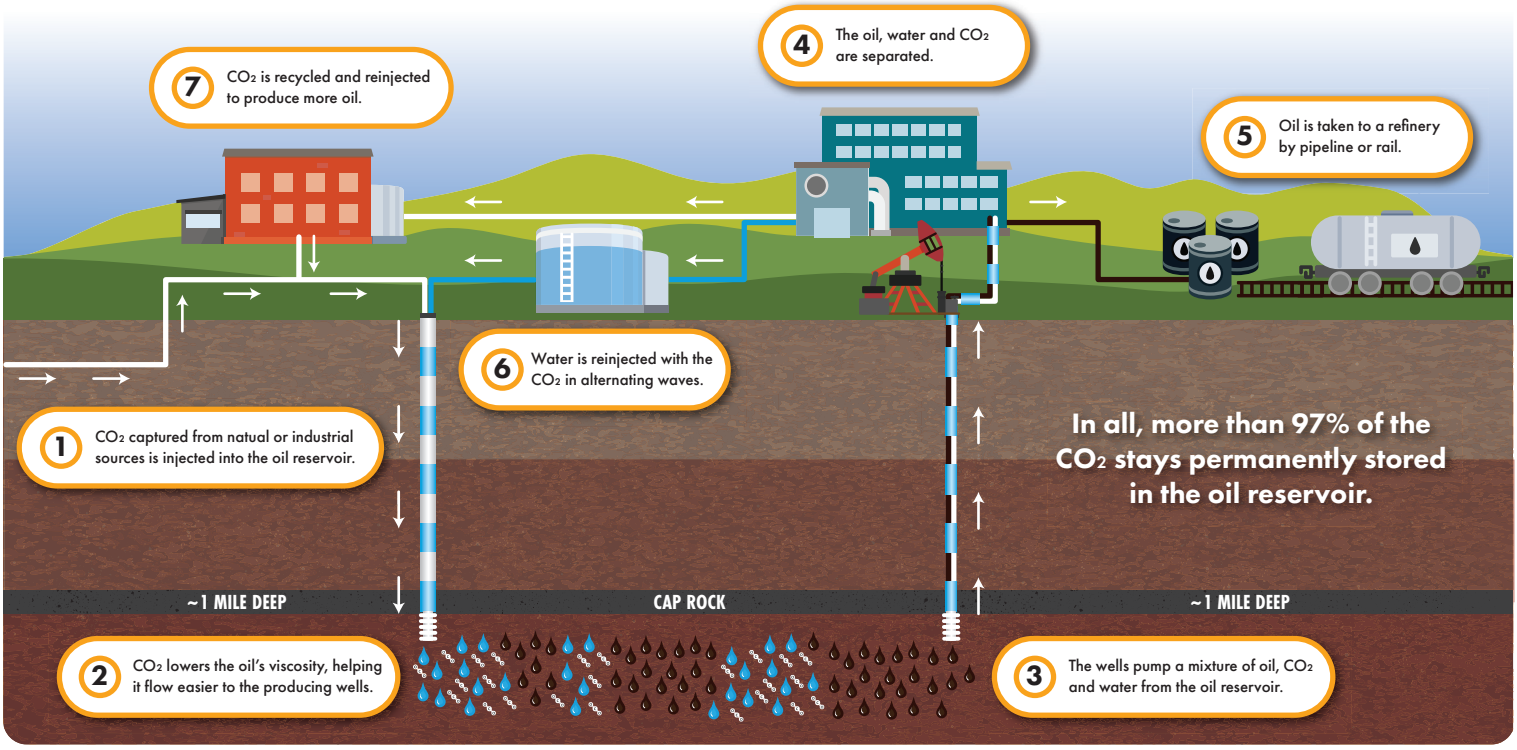
North Dakota's Bakken (unconventional) oil fields: When the technology is ready, CO_2 EOR can be applied to declining Bakken oil wells to improve production, unlocking up to 7 billion additional barrels from the Bakken and Three Forks shale!



9/22/2022

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 oilfields, 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.



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 Rich Garman or Tom Oakland at 701-328-5300.

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

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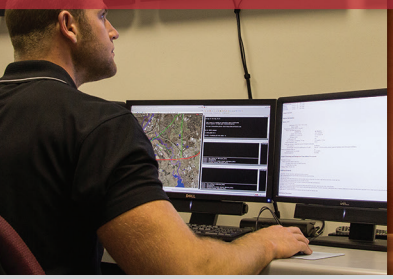
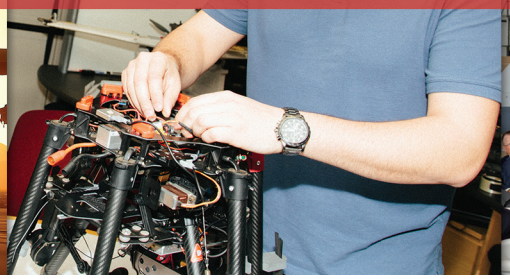
UAS (UNCREWED AIRCRAFT SYSTEMS)





INDUSTRY FACTS

STATE COMMITMENT FOR NEW INFRASTRUCTURE
$33 MILLION

$78 MILLION
TOTAL INVESTMENT BY THE STATE OF NORTH DAKOTA

THE NATION'S FIRST
BVLOS SYSTEM
VANTIS

1 ST
UAV TRANSATLANTIC FLIGHT

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 01/03/2023

KEY NORTH DAKOTA GROWTH

$400 million in private sector investment.

Almost 50 UAS companies call North Dakota home.

Over 1,000 people employed by the industry.

Federal partners include DoD, CBP and FAA.

INDUSTRY CLUSTERS

The North Dakota UAS entrepreneur cluster is larger than any other accelerator, incubator or entrepreneur center in the nation.

Almost all UAS companies operate in North Dakota, including:

- Northrop Grumman
- General Atomics
- Collins Aerospace
- Thales USA
- SkySkopes
- ISight RPV Services
- Botlink
- Thread
- Airial Robotics

SUCCESSES

- Participation in the FAA's BEYOND program which continues the partnership that was started through the UAS Integration Pilot Program
- Northrup Grumman endurance testing
- Department of Homeland Security Northern Border Airspace Domain Awareness Test Bed
- Four contracts awarded to support the United States Air Force Agility Prime program

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 through UND Research Institute for Autonomous Systems
- History and culture of aviation safety
- Uncongested airspace
- Climate diversity
- Unique testing locations and scenarios

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

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VALUE-ADDED AGRICULTURE

INDUSTRY FACTS

$4.3 BILLION
AGRICULTURE EXPORTS ABROAD

26,000
FARMS AND RANCHES ACROSS 39.3 MILLION ACRES

40
FARMERS MARKETS

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 8 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.

NORTH DAKOTA LEADS THE NATION

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

- dry beans, all
- pinto beans
- canola
- flaxseed
- honey
- peas, dry edible
- wheat, durum
- wheat, spring

1

(USDA 2022 report on 2021 production)

UPDATED 08/15/2022

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.

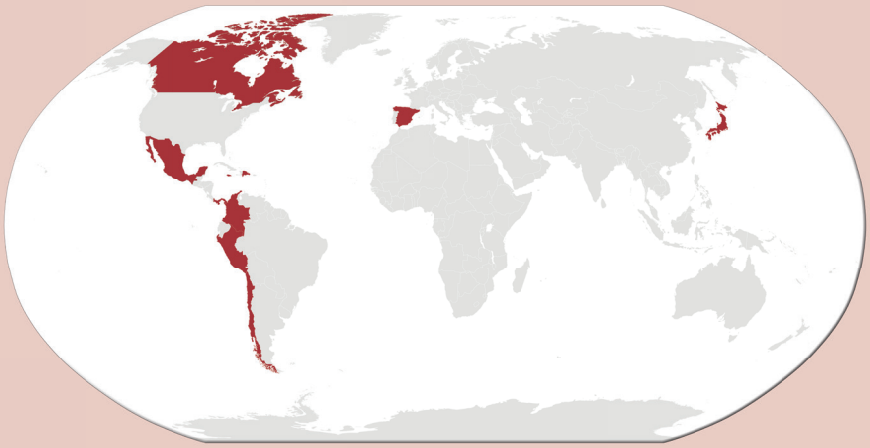
Beef cattle are raised in every North Dakota county with about 945K beef cattle and calves across the state. That's more than **1.2 cattle for every person** in North Dakota.

The state has 55 dairy farms that produce nearly **40 million gallons of milk** each year.

There are approximately **12,127 head of bison** in North Dakota. They are raised for meat and hides.

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

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

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

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

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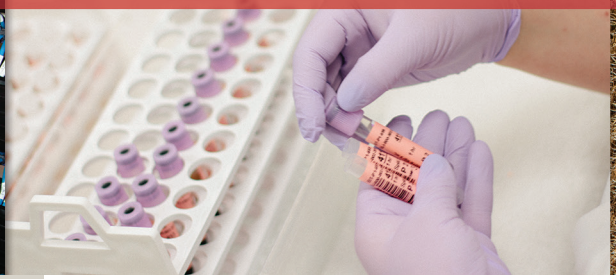
INNOVATION TECHNOLOGY LOAN FUND



FUND FACTS

42
PARTICIPANTS

MORE THAN $29 MILLION
IN LOANS AWARDED

3
COMPANY EXITS

The Innovation Technology Loan Fund (LIFT) is an innovation loan fund that supports technology advancement by providing financing for commercialization of intellectual property within the state of North Dakota. The following industries qualify for these funds:

- Advanced computing and data management
- Agriculture technology
- Autonomous and unmanned vehicles and related technologies
- Energy
- Health care
- Value-added agriculture
- Value-added energy
- Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy

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.

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 or companies making investments in North Dakota.
2. Lead to the commercialization or patent of an innovation 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.

More info can be found by visiting NDCC Chapter 6-09.18 or contacting Carla Valentine at crvalentine@nd.gov.

INDUSTRIES REPRESENTED

- ADVANCED COMPUTING AND DATA MANAGEMENT
- AGRICULTURE TECHNOLOGY
- ENERGY AND VALUE-ADDED ENERGY
- HEALTH CARE
- VALUE-ADDED AGRICULTURE
- UAS

UPDATED 01/03/2023

LIFT SUCCESS EXAMPLES

Access Point Technologies EP Inc. — A global supplier of innovative medical devices focused on meeting the needs of the large and fast-growing electrophysiology (EP) market, estimated at $5 billion today with an 11% compound annual growth rate. APT EP designs and develops new catheters and systems for treating cardiac arrhythmias. It is building a new research and development center in Horace which will be ready in Q1 2021 and plans to develop both catheters and systems in this new facility. In addition, the company plans to hire and train local engineering talent and partner with ND physicians to develop significant bioscience intellectual property.

Checkable Medical Corp. — Developing an at-home strep test to be manufactured in North Dakota and launching an at-home rapid COVID-19 antibody test. LIFT support allowed it to move the founding team to the state and partner with a North Dakota clinical research partner to execute its trial. The company plans to create high-paying jobs in the bioscience industry in the next couple years.

First-I LLC (KSI Video) — Currently contracting its software services from a North Dakota company and recently established an office in Grand Forks as base for the development and manufacture of a new UAS product designed to assist first responders and emergency management personnel. The company is applying for matching funding from other sources and plans to have a commercially viable prototype available later in 2021. To date it has created one job in Grand Forks with plans for additional hires once it reaches commercialization.

Three Farm Daughters — A value-added ag start-up creating high-fiber, low gluten food products utilizing GoodWheat varieties grown in the USA and milled at the North Dakota State Mill. Three Farm Daughters has launched three pasta products and a 100% wheat flour for sale online and in stores in North Dakota and Minnesota. In doing so, Three Farm Daughters utilizes three North Dakota logistics companies, a North Dakota food-grade warehouse facility and collaborates with a Grand Forks local chef for recipe development.

TracFrac Inc. — A Bismarck-based company developing a patent pending scheduling platform that coordinates activities between operators and service companies in the oil and gas industry. Currently working with two major energy companies in North Dakota, TracFrac adds reliability and automation to the oil and gas monitoring and notification system.

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

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ECONOMIC IMPACTS FROM LIFT

FUND FACTS

$158 MILLION
PROJECTED ANNUAL GDP INCREASE

$265 MILLION
PROJECTED ANNUAL ECONOMIC OUTPUT INCREASE

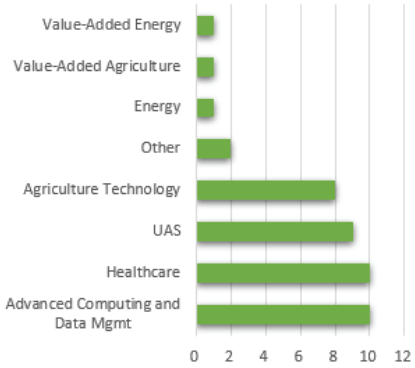
$51.7 MILLION
ESTIMATED INCREASE IN PERSONAL INCOME

1,163
AVERAGE EXPECTED JOB CREATION ACROSS ALL INDUSTRIES

The LIFT initiative approved $29.14 million (97%) of the appropriated funds ($30 Million) as of August 2022, since the inception of the program in the 2019-21 biennium. The program has provided funding to 35 North Dakota businesses in specific sectors outlined in N.D.C.C 6-09.18-01. The North Dakota Department of Commerce utilized the Regional Economic Model Tax Policy Insight (REMI Tax PI) to forecast the state level's economic impacts of the LIFT funds over 2020-2024. The projected economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); wealth creation (as measured by personal income); and new jobs created (as measured by employment). There are three categories of employment: direct employment, indirect employment, and induced employment. Direct jobs are those created by the LIFT awardees. Indirect jobs are those created by related industries, such as suppliers and manufacturers. Induced jobs are local industries that increase due to the additional increase in direct or indirect employment, such as local restaurants, retail and entertainment. From 2020 to 2024, the LIFT program is expected to have impacted North Dakota's economy by the following measures. All dollars are inflation-adjusted to 2021 dollars.

- Increase of North Dakota's Output by $265 million, and an increase of North Dakota's GDP by $158 million by 2024. Output measures the value of all goods and services, including business-to-business sales. GDP measures only value-added goods and services, or the value of the final product sold.
- Increase of North Dakotan's yearly Personal Income by a collective $51.7 million, an average of $57,480 per resident by 2024.
- Across all industries, there is an expected impact of 1,163 new jobs int he state, with businesses participating in the LIFT program expected to have created 702 new jobs by 2024. Over 430 of these jobs are projected to be in the Advanced Computing and Agriculture Technology industries. These 1,163 jobs include direct and indirect employment.

LIFT RECIPIENTS BY INDUSTRY



METHODOLOGY

The main idea behind economic impact analysis is that one more (or less) dollar spent in a local or regional economy results in a greater than one dollar change in economic activity in the area. The most common and widely respected method of examining such changes involves using economic models called input-output models. A key feature of input-output models is that they are ideally suited to capture the interdependence among different industries. Commerce utilized version 2.5 of the REMI Tax-PI model. Briefly, the REMI Tax-PI model is a sophisticated regional economic model that dynamically simulates the year-by-year economic effects of public policy initiatives and is widely used by state agencies and legislatures, universities and other organizations and experts. The REMI model is tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration and other reliable data sources.

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

UPDATED 01/03/2023

LIFT SUCCESS EXAMPLES

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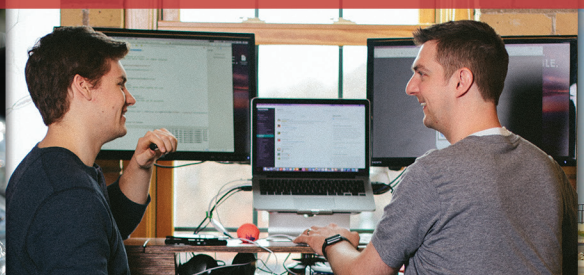
INNOVATE NORTH DAKOTA



INNOVATE FACTS (2021-23 BIENNIUM)

72 TOTAL PARTICIPANTS

23 BUSINESSES CURRENTLY ENROLLED

12 PROGRAM GRADUATES

92% GRADUATES STILL IN BUSINESS

FUNDING THE ENTREPRENEURIAL ECOSYSTEM IN NORTH DAKOTA

Innovate ND provides entrepreneurs access to venture tools, resources and mentorship. Some of the benefits include:

- Access to a certified entrepreneurial center
- Assistance on the Business Model Canvas, including value proposition and customer identification
- Business planning tools
- Prototype development
- Access to the statewide entrepreneurial ecosystem

ENTREPRENEUR CENTERS

These centers have dedicated staff to support and mentor entrepreneurs through the Business Model Canvas:

CTB (Bismarck)	Jamestown Regional Entrepreneur Center (Jamestown)
NDSU Research and Technology Park (Fargo)	UND Center for Innovation (Grand Forks)

PROGRAM PHASES
EFFECTIVE JULY 1, 2019

PHASES	ENTRY FEE	DOLLAR AWARD	MATCH CASH OR IN-KIND	PHASE LENGTH
1 - Voucher	$250	$2,000	Equal to 25% of award dollars reimbursed. Minimum of $5,000 by end of Phase 3	3 Months
2 - Voucher		$6,000		6 Months
3 - Voucher		$12,000		6 Months
4 - Voucher		$20,000	$5,000	12 Months
TOTAL	**$250**	**$40,000**	**$10,000**	**27 Months**

UPDATED 01/04/2023

EXAMPLES OF SUCCESSFUL PROGRAM ENTREPRENEURS

Be More Colorful (BMC) — a Fargo-based tech startup that develops digitally immersive virtual reality experiences. CareerViewXR is a recently-launched community education product that focuses on providing virtual career exploration to students and career-seekers. CareerViewXR is set to launch more than 12 virtual experiences in 2021, including an exciting prototype project with the Fargo Police Department. "We're so excited about CareerViewXR, which wouldn't have been possible without funding and support from Innovate North Dakota," CEO Matt Chaussee said. "This product is the future of our company and has amazing potential to help North Dakota students and job seekers see a bright and shining future for themselves in our state, too."

PushSave® — a customized mobile coupon book designed to support high school sports teams and sports sports clubs across the U.S. with a simple, EASY to promote and manage fundraiser! Our mission is to be THE MOST uniquely designed fundraising solution that brings obvious value to consumers, organizations, and merchants.

Healthy Oilseeds LLC — a Carrington processor providing quality flaxseed and hempseed products from North Dakota growers. The company exports to 23 countries and does business in 49 states. Healthy Oilseeds was featured on the North Dakota Trade Office website on Dec. 3, 2020, on LinkedIn and was named the North Dakota Exporter of the Year in 2012.

In the Potter's Hand — a Pride of Dakota member located in North Dakota. In the Potter's Hand is a family-owned, farm-based business that offers unique, allergen specific products, including skin care, bath, baby and spa products while providing full disclosure on all ingredients used, providing a sense of confidence for those with allergies, multiple-chemical sensitivities or sensitive skin.

Rising Tide Software — a purpose Driven Fargo-based software development startup dedicated to improving the world by delivering innovative technology solutions. Rising Tide Software's first product, Major Incident Command Assist (MICA), is a communications and workflow platform that helps law enforcement manage major incident responses more safely, efficiently, and effectively. MICA supports the coordination of the collaborative efforts of numerous law enforcement agencies in response to major incidents such as child abductions and active shooter situations.

Thaea — a Fargo-based software development company specializing in router management software. Thaea has created RemoteWinBox and Admiral to help Internet Service Providers automate their network operations and provide management tools to their subscribers. InnovateND opened doors to global growth and helped Thaea define, reach, and educate its market. With thousands of customers around the world using the platform to simplify operations of providing internet, Thaea has allowed small operators to offer greater internet in rural areas. What began as a crucial, small role in creating a better internet network locally is now growing to connect everyone across the entire globe.

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

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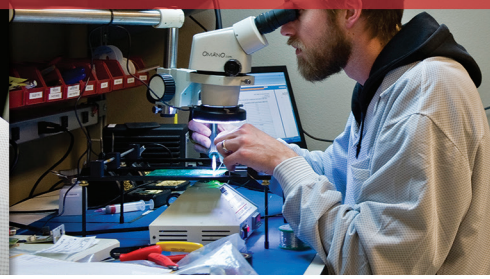
DEVELOPMENT FUND



DEVELOPMENT FUND FACTS

9,182
JOBS CREATED

878
PROJECTS FUNDED

PRIMARY SECTOR
ECONOMIC DEVELOPMENT TOOL

UPDATED 01/03/2023

ECONOMIC DEVELOPMENT TOOL

The North Dakota Development Fund 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 entrepreneur must have a realistic financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Refinancing of debt is not eligible.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- Financing is available to any North Dakota primary sector business project with the exception of production 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.
- Primary sector includes tourism and specific types of investor-owned agriculture, and is typically businesses such as manufacturers, food processors or export service companies. Investor-owned agriculture includes livestock feeding or milking operations or other value-added agriculture located apart from an individual farm operation that is professionally managed and has employees.
- Financing is available to any North Dakota licensed child care operator up to $100,000.

"The Development Fund offers the financing resources needed to help support business startups and expansion projects that create jobs while also providing taxpayers with a strong return on investment. Businesses in need of equity financing can look to the Development Fund as a possible solution. The North Dakota Development Fund is a valuable tool in developing strategies for business growth."

North Dakota Governor Doug Burgum

For more information, contact Jessica Nygaard at jnygaard@nd.gov

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MANUFACTURING

INDUSTRY FACTS

$4.63 BILLION
INDUSTRY OUTPUT 2021

71% GROWTH
TOTAL OUTPUT 2011–2021

82%
OF ND EXPORTERS ARE SMALL BUSINESS

7.31%
INDUSTRY OUTPUT 2021

MANUFACTURING OPPORTUNITIES

Strong market growth, both domestically and internationally, have contributed to a healthy manufacturing economy in the state. 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 a combination of a manufacturing surveys and personal visits with manufacturing leaders across the state, that future expansion of our manufacturing sector will come not from 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 2018, North Dakota led the nation in export growth, with a 35% 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 the North Dakota delivery organization of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network. Its staff of experts provide specialized business consulting services to North Dakota-based manufacturing and ag-processing companies. Impact Dakota supports North Dakota manufacturers by conducting detailed needs assessments, outlines potential solutions and provides technical assistance to solve problems that deliver positive financial impacts. In 2021, clients reported $30.1 million in gained and retained sales, $2.9 million in cost savings, $4.4 million in investments made, and 219 jobs created and retained as direct result of projects delivered by Impact Dakota.

UPDATED 06/08/2022

TRADE AND TRANSPORT BY THE NUMBERS

Two **Foreign Trade Zones**

Two Canada-Mexico **Trade Corridors**

Top Five Export Markets — Canada, Mexico, Australia, Germany, Brazil

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 **7.3% of the total output** in the state, employing 7.7% of the workforce

Areas of service include, but are not limited to:

- Process Improvement
- Business Operations Optimization — Strategy, Structure, People, Methods, Communications, Metrics and Rewards
- Compliance and/or Certifications — Cybersecurity/CMMC, Food Safety, ISO, etc.
- Quality Management Systems
- Workforce Development
- Automation
- Performance Improvement: Growth Strategies and Innovation

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

- North Dakota Development Fund — 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%
- Financial Investment for Technology (LIFT) — 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

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

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ENERGY AND NATURAL RESOURCES

INDUSTRY FACTS

ND RANKS 3RD IN NATIONAL OIL PRODUCTION

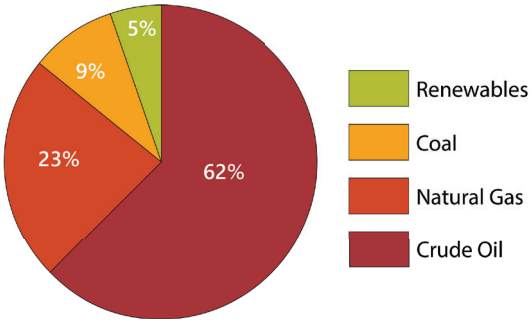
42.2 MILLION MEGAWATT HOURS OF ELECTRICITY GENERATED

5th IN SHARE OF WIND GENERATED ELECTRICITY

2nd LARGEST KNOWN LIGNITE DEPOSIT IN THE WORLD

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.

NORTH DAKOTA TOTAL ENERGY PRODUCTION



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 05/13/2022

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.**

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

Electric vehicle charging stations have doubled across North Dakota with plans for more.

In 2021, North Dakota had over **4,000 MW of installed wind capacity**, with interest in an additional 6,200 MW. Ranked **7th in the nation** for installed capacity share with 31% of total electric generation coming from wind.

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

29,655 Miles of Pipeline

- 17 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.

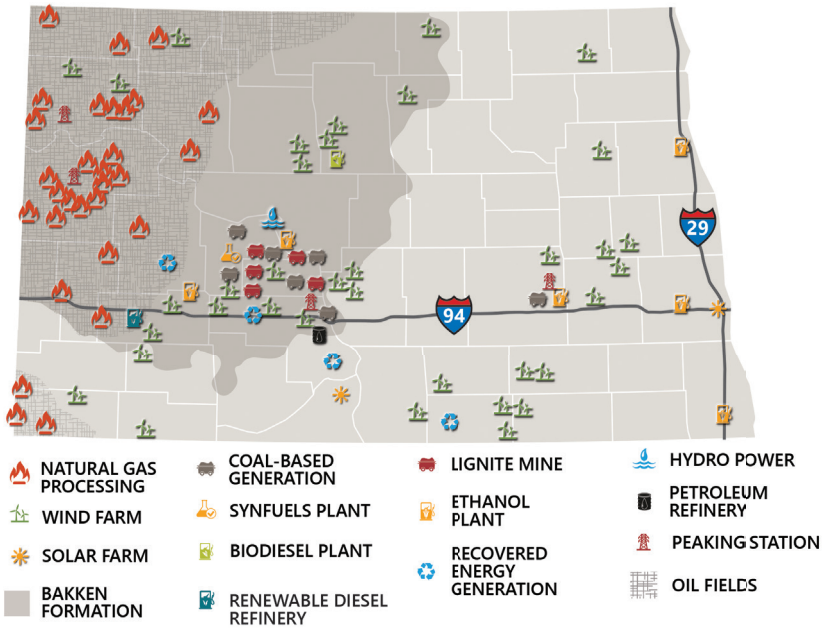
North Dakota Port Services Inc. Serviced by BNSF

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

Electrical Capacity

- More than 42 million megawatt hours of electricity generated annually.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES



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For more information, contact Rich Garman at rgarman@nd.gov
or Tom Oakland at thomas.oakland@nd.gov

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FIND THE goodlife in North Dakota

FACTS

35K
OPEN JOBS IN NORTH DAKOTA

ONLY **22%** OF U.S. RESIDENTS SURVEYED ARE FAMILIAR WITH ND

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

UPDATED 01/06/2023

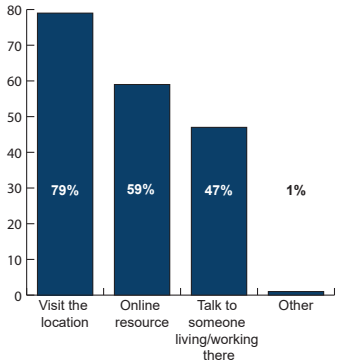
FIND THE GOOD LIFE — STRATEGIC MARKETING AND RECRUITMENT CAMPAIGN

The North Dakota Department of Commerce Workforce and Tourism and Marketing divisions have partnered with national talent attraction agency RoleCall to develop a comprehensive talent attraction marketing campaign built around the established Find the Good Life brand. The purpose of this initiative it to change perceptions of our state, improve awareness and showcase the best of life in North Dakota.

Advertising that targets four personas: boomerangs, young families, recent college graduates, and veterans, aims to drive traffic to the refreshed findthegoodlife.com website. The website includes a relocation help desk that provides a personalized relocation assistance service for prospective residents. The personalized service begins with a series of questions that includes basic information pertaining to relocation such as career goals, hobbies, and interest in specific areas of North Dakota. This information is used to connect potential new workers to more than 60 community champions who assist with details on their community.

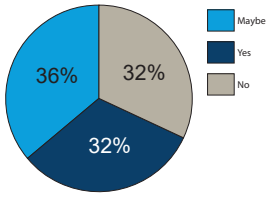
This first-of-its-kind state program ushers potential workers through the sales funnel and connects them to communities and employers that fit their long-term needs.

MOST USEFUL TOOLS WHEN CONSIDERING RELOCATION



INTEREST IN RELOCATING TO NORTH DAKOTA

Q: If a job opportunity that matched your skill and salary requirements were offered to you in North Dakota, would you be willing to relocate?



24% of respondents report that they would not be willing to relocate to North Dakota because of the climate. Other top reasons preventing relocation: too far from family/friends and unknown.*

*Based on a 2022 national consumer perception study on ND

EARLY RESULTS

Top States:
- FL
- CA
- TX
- OH
- GA

Top Industries:
- Health Care
- Skilled Trades
- Sales and Marketing
- Manufacturing
- Social Services
- Transportation

$438,000 marketing campaign has delivered

- More than 10 million impressions
- Nearly 2 million video completions
- 5,000 conversions
- 53,000 clicks to website

For more information, contact Janna Pastir at jalpastir@nd.gov

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WORKFORCE DEVELOPMENT COUNCIL

FACTS

78%
ND HIGH SCHOOL STUDENTS IN CTE COURSES

1,350
RELEASED ANNUALLY FROM ND CORRECTIONAL FACILITIES

620
WIOA PARTICIPANTS

20+
PROGRAMS SUPPORTED BY TECHNICAL SKILLS GRANT IN 2020

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 state workforce partners and local and state elected officials.

LETTER FROM THE CHAIR

As chair of the North Dakota Workforce Development Council, I am pleased to forward 10 recommendations and four endorsements that the council believes can help address the greatest workforce challenges faced by the state of North Dakota today and in the coming years. These recommendations fall under four 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.

David E. Farnsworth

WDC MEMBER LOCATIONS

Council members represent large and small communities across the state.

UPDATED: 01/04/2023

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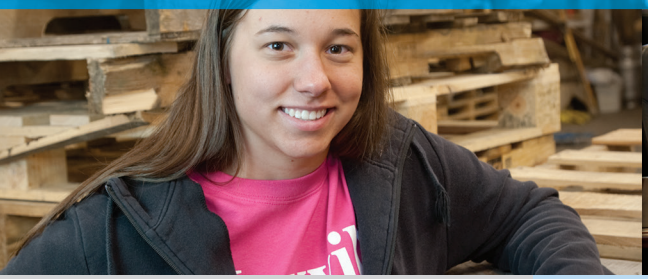
OPERATION INTERN



FACTS

3,780
INTERNSHIP POSITIONS ASSISTED

481
BUSINESSES PARTICIPATING SINCE 2007

$4,000
MATCHING FUNDS AVAILABLE

"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

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. 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-profits do not qualify for the program, with the exception of the tourism and health care industries.

North Dakota businesses receive up to $4,000 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 01/04/2023

"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

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AMERICORPS

FACTS

$850K
ANNUAL FUNDING

2,400
AMERICORPS MEMBERS IN ND

2.7 MILLION
HOURS OF SERVICE

$6.2 MILLION
IN EDUCATION AWARDS

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 $3.4 million in federal 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

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**

UPDATED 01/04/2023

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

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, more than 2,400 North Dakota residents have served approximately 2.7 million hours and earned education awards totaling more than $6.2 million.

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

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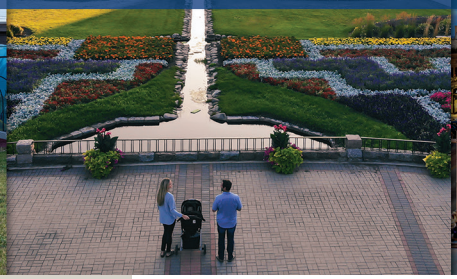
TRAVEL AND TOURISM



INDUSTRY FACTS

21.7 MILLION
ANNUAL VISITORS

$2.6 BILLION
IN VISITOR SPENDING

MORE THAN 2,900
RELATED BUSINESSES AND ORGANIZATIONS

MORE THAN 41K
JOBS

TOURISM DIVERSIFIES NORTH DAKOTA'S ECONOMY

Tourism links communities, supports main streets, sparks economic diversification and defines our image – how we see ourselves and how others see us. It is a significant economic driver.

Residents in every community, large and small, rural and urban, 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 interact more with 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 $2.61 billion in direct visitor spending and $237 million in visitor paid taxes to the state's economy in 2021.

SUPPORTS 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 2021, there were more than 21.7 million visitors to and through North Dakota.

ECONOMIC DRIVER
There are more than 2,900 businesses and organizations offering countless attractions, events and tourism-related activity in the state.

UPDATED 01/03/2023

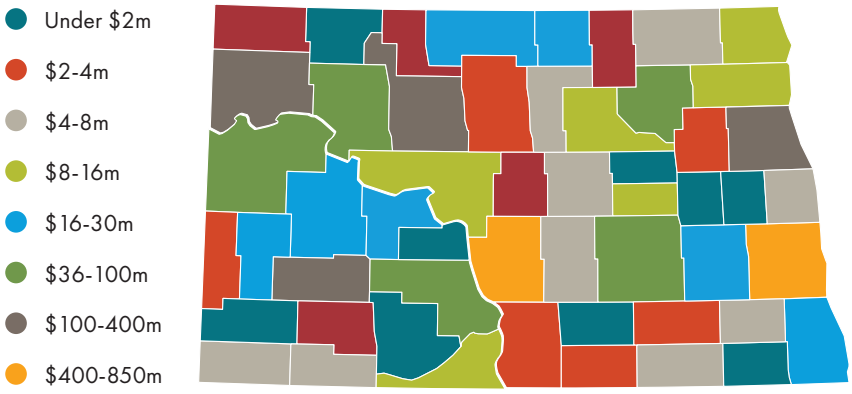
TOURISM IS A GATEWAY GATEWAY TO ECONOMIC AND WORKFORCE DEVELOPMENT

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.

15.22 million video completions

Research on the 2021 paid advertising campaign showed that 1.4 million trips were motivated due to advertising. Visitors reported spending $241.9 million in incremental spending. Every dollar invested in the 2021 ND advertising campaign generated $34 in direct visitor spending and $3 in tax contributions.

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.

$384 MILLION IN LODGING

$767 MILLION IN FOOD AND BEVERAGE

$521 MILLION IN TRANSPORTATION

$374 MILLION IN RECREATION

$565 MILLION IN RETAIL

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

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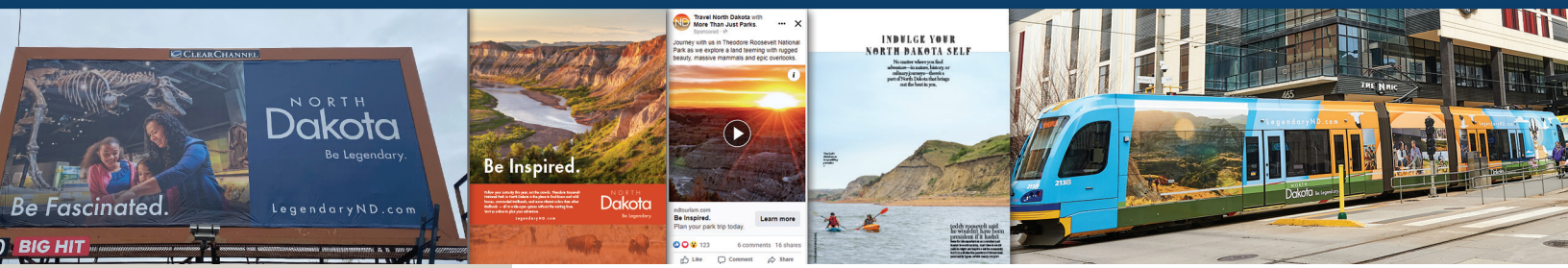
ELEVATING IMAGE



AD EFFECTIVENESS

13%
AVERAGE IMAGE LIFT FROM ADVERTISING AWARENESS

MORE THAN **2 MILLION** VISITS TO NDTOURISM.COM IN 2022

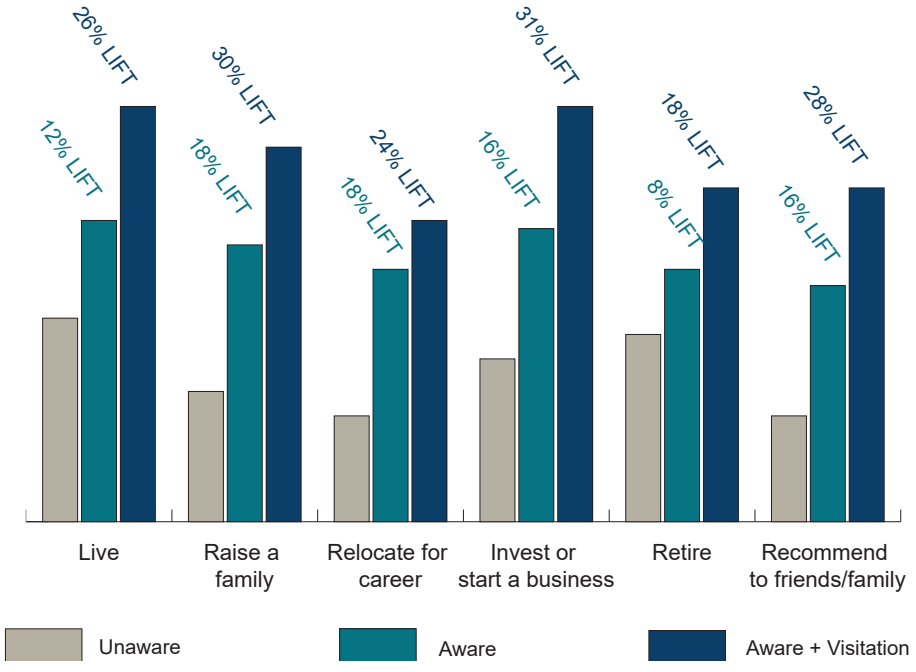
DIGITAL CAMPAIGN HAD **15 MILLION** VIDEO COMPLETIONS

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



A recent 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.

UPDATED 01/06/2023

WHY INVEST IN MARKETING?

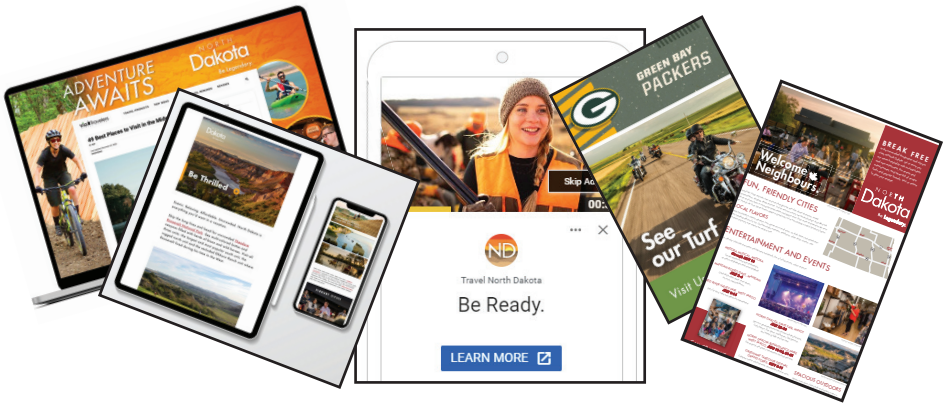
Tourism marketing **supports North Dakota entrepreneurs and businesses** by raising awareness of North Dakota.

Every dollar invested in the 2021 tourism advertising campaign **generated $34** in direct visitor spending.

Every dollar invested in North Dakota Tourism paid media returns $3 in tax revenue resulting in **$23.5 million in visitor-paid taxes**.

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

There are more than **41K visitor-supported jobs** and 2,968 tourism-related businesses in North Dakota.



SOLID ADVERTISING OUTREACH

Research on the effectiveness of the 2021 paid advertising campaign showed that 1.4 million additional trips were motivated due to advertising. Visitors reported spending a total of $241.9 million in incremental spending, of which $23.5 million was state and local taxes paid. Here is how far the North Dakota Tourism campaign has reached over the last couple of years.

TV/RADIO
202 MILLION (2021)
83 MILLION (2020)

PRINT
12 MILLION (2021)
12 MILLION (2020)

DIGITAL
314 MILLION (2021)
233 MILLION (2020)

SOCIAL MEDIA
17 MILLION (2021)
23 MILLION (2020)

OUT-OF-HOME
255 MILLION (2021)
85 MILLION (2020)

EARNED MEDIA TELLS THE NORTH DAKOTA STORY

Proactive outreach to national and global media resulted in 4,019 national media instances, up 821% over 2021. Dedicated national PR firm and targeted efforts created additional media opportunities and reach on North Dakota's stories. Total instances reached 20.2 billion. Additionally, 96 global stories reached 224 million. This coverage improves awareness of our state and elevates our image across all Commerce focus areas.

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

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NORTH DAKOTA DEVELOPMENT FUND

ANNUAL REPORT 2021

SUPPORTING BUSINESS GROWTH THROUGH FINANCING AND INVESTMENT

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DEVELOPMENT FUND BOARD MEMBERS

The governor appoints an eight-member board of directors that oversee the North Dakota Development Fund (NDDF). Each member represents a different business sector from the state.

Jim Albrecht – Wahpeton
President
Manufacturing/Rural Representative

Terri Zimmerman – Fargo
Vice President
Industrial Technology and Research Sector

Matt Dunlevy – Grand Forks
Secretary/Treasurer
Industrial Technology and Research Sector

Rob Lindberg – Bismarck
Industrial Technology and Reseach Sector

Nathan Davis – Belcourt
Native American Representative
Executive Director North Dakota Indian Affairs

Gary Goplen – Fargo
Finance Sector

Erik Barner – Fargo
Finance Representative

Shawn Kessel – Bismarck
North Dakota Department of Commerce COO Agency

DEVELOPMENT FUND STAFF

Jessica Nygaard
CEO
(701) 328.7251 | jnygaard@nd.gov

Hannah Lange
Venture Financing Manager
(701) 328.7254 | hlange@nd.gov

A TOOL FOR ECONOMIC DEVELOPMENT

The North Dakota Development Fund 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. In general, the following criteria apply to Development Fund investments:

- The entrepreneur must have a realistic financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Refinancing of debt is not eligible.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- Financing is available to any primary sector business project with the exception of production 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. Primary sector includes tourism and specific types of investor-owned agriculture, and is typically businesses such as manufacturers, food processors or export service companies. Investor-owned agriculture includes livestock feeding or milking operations, or other value-added agriculture located apart from an individual farm operation that is professionally managed and has employees.
- Tourism, specific types of value-added agriculture and investor-owned agriculture can also qualify as primary sector.

Loan and equity programs managed by the North Dakota Development Fund include:

- North Dakota Development Fund
- Regional Rural Revolving Loan Fund
- Rural Incentive Growth Loan Program
- Child Care Loan Program
- Venture Capital Program
- Small Business Technology Program

The fund provides "flexible financing" through loans and equity investments not available from most conventional lenders and is available to any primary sector business with the exception of production agriculture.

The North Dakota Development Fund coordinates efforts between all the sources of financing, the business and the community. Any project considered for this financing must be feasible and have a reasonable chance of succeeding.

A TOOL FOR ECONOMIC DEVELOPMENT

NORTH DAKOTA DEVELOPMENT FUND

DEBT

BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3 million. Average loan: $300,000
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

EQUITY

BORROWER	Any primary sector business or an investment vehicle for investment into a primary sector business
FUNDING LIMIT	Up to $3 million. Average convertible note: $250,000
MINIMUM EQUITY REQUIREMENT	15%
QUALIFICATIONS	A North Dakota business
COST AND FEES	1% of capital deployed
MISCELLANEOUS	**In cases of a preferred security or convertible note:** Risk Rating: Interest/Dividend Rate Term: 1-10 years, dependent upon project

REVOLVING RURAL LOAN FUND

DEBT

BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3 million. Average loan: $300,000
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
MISCELLANEOUS	For business located in cities with a population of less than 8,000 or more than five miles outside city limits

EQUITY

BORROWER	Any primary sector business or an investment vehicle for investment into a primary sector business
FUNDING LIMIT	Up to $3 million. Average convertible note: $250,000
MINIMUM EQUITY REQUIREMENT	15%
QUALIFICATIONS	A North Dakota business
COST AND FEES	1% of capital deployed
MISCELLANEOUS	**In cases of a preferred security or convertible note:** Risk Rating: Interest/Dividend Rate Term: 1-10 years, dependent upon project For business located in cities with a population of less than 8,000 or more than five miles outside city limits

A TOOL FOR ECONOMIC DEVELOPMENT

RURAL INCENTIVE GROWTH PROGRAM

BORROWER	Cities with population of less than 2,500
FUNDING LIMIT	Maximum of $75,000
INTEREST RATE	Lower than market rate – subject to risk of project
TERM	Working capital 1-3 years Equipment 3-5 years Real estate 7-10 years
MINIMUM EQUITY REQUIREMENT	N/A
PERSONAL/CORPORATE GUARANTEES	Yes
QUALIFICATIONS	A North Dakota business that provides a community an essential service with ND Dept. of Commerce Commissioner approval
COST AND FEES	1% of original loan amount
MISCELLANEOUS	The loan is made to the city which in turn loans to the business Does not have a job requirement

CHILD CARE LOAN PROGRAM

BORROWER	Any licensed child care provider
FUNDING LIMIT	Maximum of $100,000 or availability of funds
INTEREST RATE	2.5% - Fixed
TERM	Working capital 1-3 years Equipment 3-5 years Real estate 7-10 years
MINIMUM REQUIREMENT	N/A
PERSONAL/CORPORATE GUARANTEES	Yes
QUALIFICATION	A licensed North Dakota child care provider
COST AND FEES	Negotiable
MISCELLANEOUS	Does not have a job requirement

SMALL BUSINESS TECHNOLOGY PROGRAM

BORROWER	Any primary sector technology business at the start-up stage
FUNDING LIMIT	$50,000
INTEREST RATE	Lower than market rate – subject to risk of project
TERM	1-10 years, dependent upon project. **Investment funds may be used for:** Developing a proof of concept Working capital Equipment Real estate
MISCELLANEOUS	Detailed documentation of the availability of two ($2) dollars of angel fund investment matching funds for each dollar ($1) of state funds distributed under this program. The matching funds must be cash, come from a North Dakota Angel Fund certified undersection 57-38-01.26, and may not be an in-kind asset.

LETTER FROM THE CEO

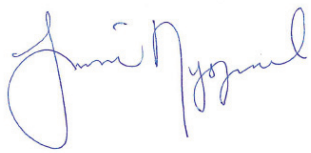
The North Dakota Development Fund invested $2,300,723 in 10 primary sector and child care projects from July 1, 2020, to June 30, 2021. The Development Fund coordinates efforts between all the sources of financing, the business, and the community. The fund provides "flexible financing" through loans and equity investments not available from most conventional lenders and is available to any primary sector business with the exception of production agriculture.

The Development Fund reported an estimated operating income of $686,551 before bad debt expense as of June 30, 2021, fiscal year-end, as compared to $600,167 for the fiscal year ending June 30, 2020. The increase in the operating income in 2021 was attributable to a decrease in general and administrative expenses caused by COVID-19 travel restrictions and transitioning to working from home. The Development Fund continues to pay all costs of operating the fund, including salaries and benefits. The cash flow generated from principal and interest collections continues to be strong at $5.8 million. The Development Fund continues to be a revolving loan fund as the fund has collected $9.9 million over the past two years, which in turn can be used for future loan and equity investments.

The total revenue increased by $82,550 from 2020 to $988,616 in 2021. Change in cash and cash equivalents decreased from 2020 by $7,155,524 to $13,161. This large decrease is due to the $15 million transfer provided for in HB 1014 of the 2019 legislative session. Excluding the transfer from HB 1014, the cash flow increased by $7,844,476 in 2021. The fund collected $5,252,145 in principal payments in 2021, which was an increase of $2,435,416 from 2020. The increase in total and in operating revenue is attributable to an increase in dividend/interest income received from investments/loans and an increase in other income. The Development Fund also suspended loan payments for three months in 2020 due to the COVID-19 pandemic which impacted the repayment of principal on loans. General and administrative expense decreased by $62,614 from $391,698 in 2020 to $329,084 in 2021. This decrease was attributable to the pandemic which reduced travel, paused in-person board meetings, and reduced other operating expenses.

Since the fund's inception, it has invested $157 million in 866 projects with over $52.3 million invested in rural communities. Fund investments have contributed to the projected creation of 9,127 primary sector jobs. The Development Fund helped nine businesses start or expand operations this fiscal year. Of the nine businesses, two were in rural communities.

In providing flexible financing, the Development Fund helped primary sector and child care businesses start up or expand, which in turn created new jobs and generated new revenues. What follows are the highlights of the 2020-2021 fiscal year along with the accompanying financial statements.



Jessica Nygaard, CEO
North Dakota Development Fund

NORTH DAKOTA DEVELOPMENT FUND
By the Numbers

Development Fund inception: **1991**

$5.9:$1
return on investment

8,553 primary sector jobs created since fund inception

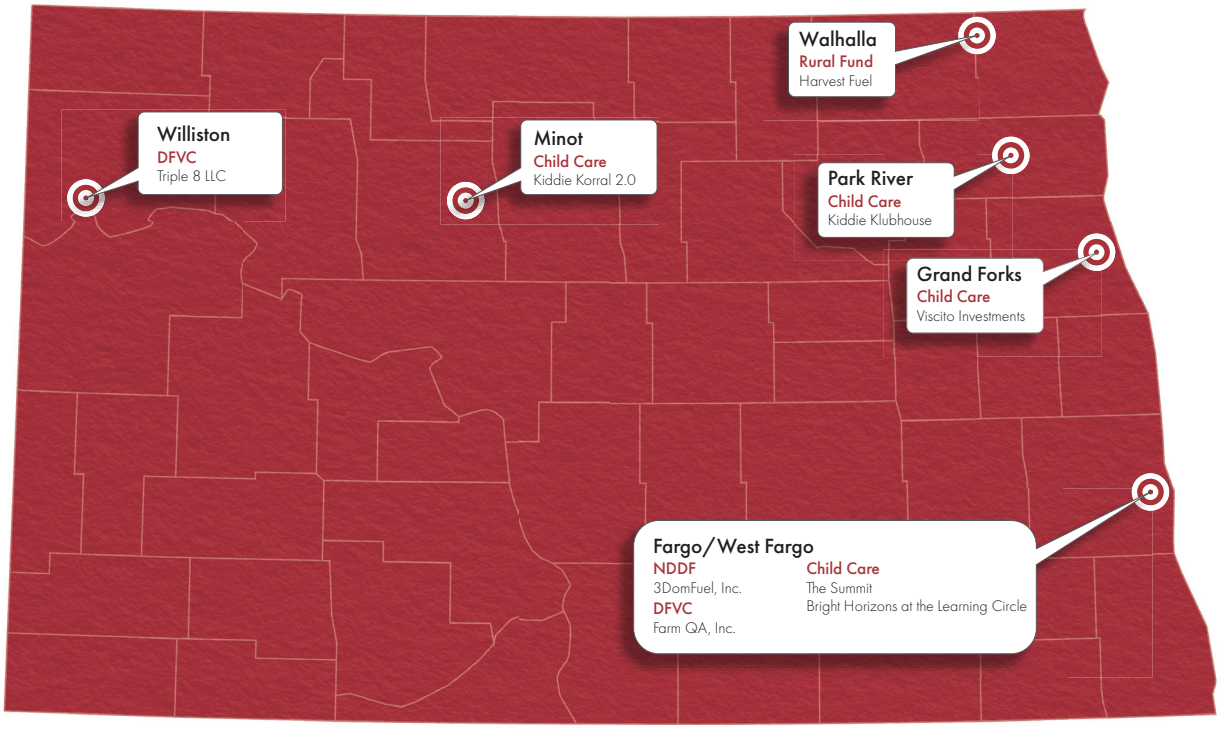
Investing in **866** North Dakota projects since inception

Business sectors include:

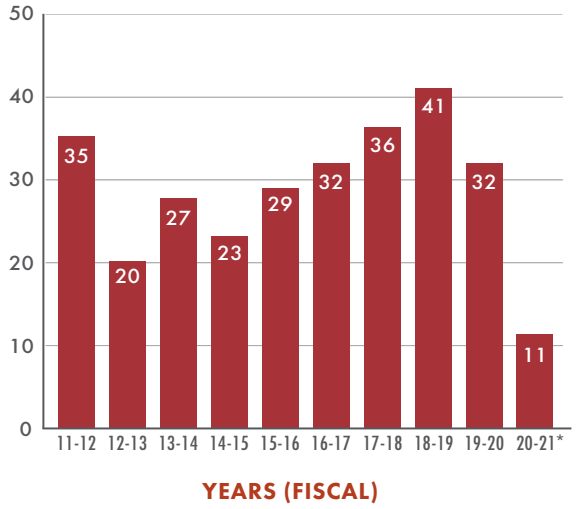
- Technology
- Value-Added Agriculture
- Value-Added Energy
- Manufacturing
- Child Care

NORTH DAKOTA INVESTMENT LOCATIONS

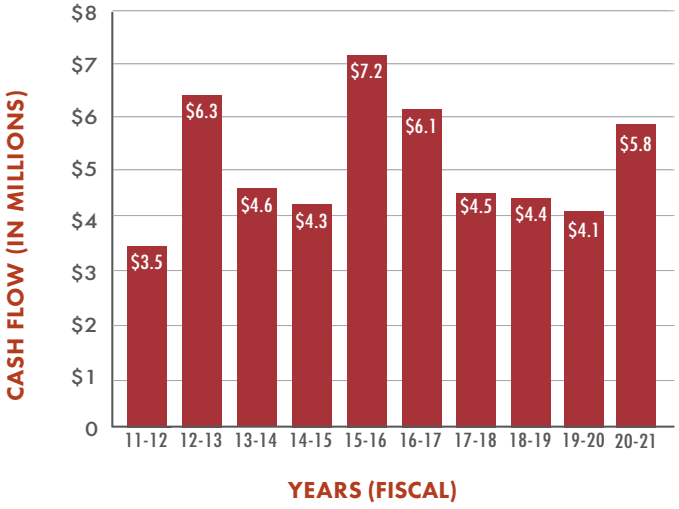
July 1, 2020–June 30, 2021



Number of Development Fund Projects



Development Fund Cash Flow



The North Dakota Development Fund has averaged $5 million in collections in the past 10 years. The Development Fund continues to revolve and the funds collected continue to be used to fund future loan and equity investments in the state.

DEVELOPMENT FUND PROJECTS

July 1, 2020–June 30, 2021

Company	City	Amount of Funding
Harvest Fuel	Walhalla	$170,785
The Summit	West Fargo	$50,000
Triple 8, LLC Wellspring Hydro	Williston	$750,000
Viscito Investments	Grand Forks	$100,000
3DomFuel Inc.	Fargo	$17,938.10
Bright Horizons at the Learning Circle	Fargo	$50,000
Kiddie Korral 2.0	Minot	$70,000
3DomFuel Inc.	Fargo	$245,000
Kiddie Klubhouse	Park River	$97,000
FarmQA, Inc.	Fargo	$750,000

Total: $2,300,723

* Numbers in the table above differ from ones represented in the audit due to conflicting data methodology.

BradyMartz

INDEPENDENT AUDITOR'S REPORT

Governor of North Dakota
The Legislative Assembly

To the Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the North Dakota Development Fund, Inc (the Corporation), a component unit of the State of North Dakota as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Development Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Business-Type Activities	Unmodified
Remaining Fund Information	Adverse

Basis for Adverse Opinion on Aggregate Remaining Fund Information

Management has not included the New Venture Capital Fund in the Corporation's financial statements. Accounting principles generally accepted in the United States of America require the New Venture Capital Fund to be presented as a custodial fund. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the business-type activities and the omitted fund has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the fiduciary position of the New Venture Capital Program Fund of the North Dakota Development Fund, Inc. as of June 30, 2021 and 2020, or the changes in fiduciary net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the North Dakota Development Fund, Inc. as of June 30, 2021, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of North Dakota Development Fund, Inc as of June 30, 2020 were audited by other auditors whose report dated December 4, 2020 expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the North Dakota Development Fund, Inc. and do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2021, the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Make Every Day Count | www.bradymartz.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 7 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining financial statements shown on pages 20 through 22 are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the Corporation'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 the Corporation'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 the Corporation's internal control over financial reporting and compliance.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

December 3, 2021

NORTH DAKOTA DEVELOPMENT FUND, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020

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 year ended June 30, 2021. 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 $82,556 (9.11%) to $988,616. Operating revenues increased by $38,690 (4.50%) to $898,311. Change in cash and cash equivalents decreased from 2020 by $7,155,524 (-99.82%) to $13,161. This large decrease is due to the $15 million transfer provided for in HB 1014 of the 2019 legislative session. Excluding the transfer from HB 1014, the cash flow increased $7,844,476 in 2021. The Fund collected $5,252,145 in principal payments in 2021, which was an increase of $2,435,416 (86.46%) from 2020. The increase in total and in operating revenue is attributable to an increase in dividend/interest income received from investments/loans and an increase in other income. The NDDF suspended loan payments for 3 months in 2020 due to the COVID-19 pandemic which impacted the repayment of principal on loans.

The Fund received $40,000 in dividend payments in 2021 from equity investments made, compared to $105,544 in dividend payments received in 2020. This decrease is attributable to a change in the classification of convertible note interest income. Interest income from convertible notes is now recorded as interest income instead of dividend payments. Dividends recorded is only income associated with accounts for which the NDDF holds stock.

General and Administrative expense decreased by $62,614 (15.99%) from $391,698 in 2020 to $329,084 in 2021. The decrease was attributable to the pandemic which reduced travel, paused in-person board meetings, and reduced other operating expenses.

Operating Income (loss) before non-operating revenues and expenses increased by $6,185,983 from ($6,651,973) in 2020 to ($465,990) in 2021. The increase in the operating income (loss) in 2021 was attributable to a decrease in provision for losses (change in allowance). The large change in 2020 was caused by the purchase of New Venture Capital Program equities from Bank of North Dakota as part of HB 1014. The change in 2021 is attributable to additional investments made by the NDDF throughout the year.

Interest income on deposits decreased by $42,847 (48.59%) from $88,177 received in 2020 to $45,330 received in 2021. The Fund liquidated three of its CDs in 2021 which caused a decrease in interest income.

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. As of the end of FY 2021, the Fund had $2 million in longer term certificates of deposit, which are at a higher rate of return earning more deposit interest which can be used to fund additional loan and equity investments to "Primary Sector" businesses in the State of North Dakota.

Cash and cash equivalents increased by $13,161 (0.07%) to $19,653,987 (cash balance is before loan and investment commitments).

NORTH DAKOTA DEVELOPMENT FUND, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2021 AND 2020

The change in net position decreased by $8,856,864 from $8,436,204 in 2020 to ($420,660) in 2021. The large change in 2020 was attributable to the $15 million transfer from HB 1014.

Net position decreased by $420,660 from $31,077,018 at the end of year 2020 to $30,656,358 at the end of year 2021.

Noncurrent net assets excluding equipment (software) increased by $633,451 from $6,877,225 in 2020 to $7,510,676 in 2021. The noncurrent assets consist of the Fund's net loan and equity investments. The net equity investments remained the same at $250,000 from 2020 to 2021. The equity investments that were charged off during 2020 and 2021 was $0. The Fund did not make any equity investments in 2021.

Net loans receivable decreased by $632,557 from $11,050,157 in 2020 to $10,417,600 in 2021. The loan investments made increased by $104,211 from $29,855,118 in 2020 to $29,959,329 in 2021. The loan investments charged off during 2021 were $370,433 as compared to $0 in 2020. The increase in net loans receivable in 2020 to 2021 was attributable to an increase in loans funded, net of the regular paydown of loans and the amount of write-offs.

Interest receivable on loans increased by $15,350 to $156,210.

Current portion of loans receivable decreased from $4,422,932 in 2020 to $3,156,924 in 2021. The decrease is attributable to loans maturing in fiscal year 2021.

9 projects were funded totaling $1,575,723.

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 Statement of Net Position 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.

NORTH DAKOTA DEVELOPMENT FUND, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2021 AND 2020

CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2021, 2020 AND 2019

	2021	2020	2019
Assets			
Current assets	$ 22,967,121	$ 24,204,618	$ 19,391,283
Capital assets, net	185,101	1,360	3,738
Noncurrent assets	7,510,676	6,877,225	3,259,629
Total noncurrent assets	7,695,777	6,878,585	3,263,367
Total assets	30,662,898	31,083,203	22,654,650
Liabilities and net position			
Current liabilities	6,540	6,185	13,836
Investment in capital assets	185,101	1,360	3,738
Restricted	11,146,179	-	-
Unrestricted	19,325,078	31,075,658	22,637,076
Total net position	$ 30,656,358	$ 31,077,018	$ 22,640,814

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits with the Bank of North Dakota and are included in the current assets section of the statement of net position. Additional discussion of cash and cash equivalents can be found in Note 3 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 4 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 statement of net position. Additional analysis of loans receivable can be found in Note 5.

NORTH DAKOTA DEVELOPMENT FUND, INC
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2021 AND 2020

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021, 2020 AND 2019

	2021	2020	2019
Operating revenues			
Interest income on loans	$ 858,311	$ 754,077	$ 745,580
Dividend income	40,000	105,544	1,746
Other	90,305	46,445	92,619
	988,616	906,066	839,945
Nonoperating revenue			
Interest income on deposits and investments	45,330	88,177	51,819
Total revenue	1,033,946	994,243	891,764
Operating expenses			
General and administrative	329,084	391,698	402,885
Depreciation expense	18,311	2,378	2,378
Bad debt expense	1,107,211	7,163,963	1,372,740
	1,454,606	7,558,039	1,778,003
Transfers			
Bank of North Dakota	-	15,000,000	-
Change in net position	(420,660)	8,436,204	(886,239)
Net position, beginning of year, originally stated	31,077,018	22,640,814	23,527,053
Prior period adjustment - see note 2	-	-	-
Net position - beginning of year, restated	31,077,018	22,640,814	23,527,053
Net position, end of year	$ 30,656,358	$ 31,077,018	$ 22,640,814

Economic Factors and Future Outlook

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact net interest income and dividend income. Other financial impact could occur though such potential impact is unknown at this time.

On March 19, 2020 the Board of Directors voted to suspend loan payments and interest accrual on all NDDF loans where NDDF was not in a participant decision. On April 9, 2020, the Board of Directors voted to extend the COVID relief for an additional two months.

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, 2021 AND 2020

Assets	2021	2020
Current assets		
Cash and cash equivalents	$ 19,653,987	$ 19,640,826
Interest receivable on loans	156,210	140,860
Current portion of loans receivable	3,156,924	4,422,932
Total current assets	22,967,121	24,204,618
Noncurrent assets		
Loans receivable, net of current portion and allowance	7,260,676	6,627,225
Equity investments, net	250,000	250,000
Equipment, net	185,101	1,360
Total noncurrent assets	7,695,777	6,878,585
Total assets	30,662,898	31,083,203
Liabilities and net position		
Current liabilities		
Accrued expenses	6,540	6,185
Net position		
Investment in capital assets	185,101	1,360
Restricted for:		
Regional Rural Development	10,664,161	-
Child Care	482,018	-
Unrestricted	19,325,078	31,075,658
Total net position	$ 30,656,358	$ 31,077,018

See Notes to Financial Statements
- 8 -

NORTH DAKOTA DEVELOPMENT FUND, INC
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating revenues		
Interest income on loans	$ 858,311	$ 754,077
Dividend income	40,000	105,544
Other	90,305	46,445
	988,616	906,066
Operating expenses		
General and administrative	329,084	391,698
Depreciation expense	18,311	2,378
Provision for losses (change in allowance)	1,107,211	7,163,963
	1,454,606	7,558,039
Operating income (loss)	(465,990)	(6,651,973)
Nonoperating revenue		
Interest income on deposits and investments	45,330	88,177
Transfers		
Bank of North Dakota	-	15,000,000
Change in net position	(420,660)	8,436,204
Net position, beginning of year	31,077,018	22,640,814
Net position, end of year	$ 30,656,358	$ 31,077,018

See Notes to Financial Statements

NORTH DAKOTA DEVELOPMENT FUND, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating activities		
Other receipts	$ 90,305	$ 46,445
Payments to suppliers	(329,439)	(399,349)
Net cash provided (used) by operating activities	(239,134)	(352,904)
Investing activities		
Interest received on cash and cash equivalents and loans	559,916	887,937
Purchase of capital assets	(203,412)	-
Purchase of equity investments	-	(8,368,206)
Proceeds from the sale of equity investments	-	386,792
Disbursements on business loans	(5,356,354)	(3,201,663)
Principal payments received on business loans	5,252,145	2,816,729
Net cash provided (used) by Investing Activities	252,295	(7,478,411)
Non-Cash financing activity		
Transfer	-	15,000,000
Net change in cash and cash equivalents	13,161	7,168,685
Cash and cash equivalents, beginning of year	19,640,826	12,472,141
Cash and cash equivalents, end of year	$ 19,653,987	$ 19,640,826
Reconciliation of operating loss to net cash		
Provided by operating activities		
Operating income (loss)	$ (465,990)	$ (6,651,973)
Adjustments to reconcile operating income (loss)		
to net cash provided (used) by operating activities		
Depreciation	18,311	2,378
Provision for loan losses	(490,195)	473,415
Provision for equity investment losses	1,597,406	6,690,548
Provision interest receivable losses	-	-
Reclassification of interest and dividend income	(898,311)	(859,621)
Changes in assets and liabilities:		
Accrued expense	(355)	(7,651)
Net cash provided (used) by operating activities	$ (239,134)	$ (352,904)

See Notes to Financial Statements

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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.

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.

Venture Capital Loan Program

The 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.

The Corporation may form additional corporations, partnerships or other forms of business associations in order to further its mission.

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

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.

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

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

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 consist primarily of loans 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.

Equity Investments

The Corporation records its equity investments at cost adjusted for other than temporary impairment as determined by the Board of Directors. The other than temporary impairment of equity investments is included in fund equity. Realization of the carrying value of these investments is subject to future developments inherent in such investments (see Note 4).

Among the factors considered in determining whether an other than temporary 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

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

assets are being depreciated on a straight-line basis over estimated useful life of 8 years.

Loans

Loans are reported at their outstanding unpaid principal adjusted for write-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 to 120 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.

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

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.

Change in Accounting Principle

The Corporation implemented GASB Statement No. 84, *Fiduciary Activities* in the fiscal year ended June 30, 2021.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to conform to the current year presentations.

NOTE 2 DEPOSITS

The Corporation is required to maintain its deposits at the Bank of North Dakota (a related party). As of June 30, 2021, the Corporation had the following:

	Bank Balance	Less Than 1 Year
Cash		
Bank of North Dakota	$ 19,653,987	$ 19,653,987

As of June 30, 2020, the Corporation had the following:

	Bank Balance	Less Than 1 Year
Cash		
Bank of North Dakota	$ 19,640,826	$ 19,640,826

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 and investments, the custodial credit risk 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.

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

NOTE 3 EQUITY INVESTMENTS

Equity investments in business concerns as of June 30, 2021 and 2020 are as follows:

	2021	2020
Development fund venture capital	$ 500,000	$ 500,000
Valuation allowance - other than temporary impairment	(250,000)	(250,000)
Equity investments, net of allowance	$ 250,000	$ 250,000

Among the factors considered in determining whether an other than temporary 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.

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, 2021 and 2020 are as follows:

	2021	2020
Balance, beginning of year	$ 250,000	$ 2,871,812
Provision for equity investment losses	-	6,532,233
Transfers	-	(9,154,045)
Balance, end of year	$ 250,000	$ 250,000

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

NOTE 4 LOANS RECEIVABLE

Loans receivable at June 30, 2021 and 2020 are as follows:

	2021	2020
Development Fund	$ 13,709,900	$ 14,583,491
Regional rural development revolving loan fund	5,921,706	6,142,975
Small business technology fund	50,000	50,000
Child care program	1,790,059	2,009,573
Development fund venture capital	8,487,664	7,069,079
	29,959,329	29,855,118
Allowance for loan losses	(19,541,729)	(18,804,961)
Loans receivable, net of allowance for losses	10,417,600	11,050,157
Less: current portion of loans receivable	3,156,924	4,422,932
Loans receivable, net of current portion	$ 7,260,676	$ 6,627,225

Changes in the allowance for loan losses as of June 30, 2021 and 2020 are as follows:

	2021	2020
Balance, beginning of year	$ 18,804,961	$ 9,335,903
Provision for loan losses (reserve decrease)	1,107,211	315,013
Transfers	-	9,154,045
Write-offs	(370,443)	-
Balance, end of year	$ 19,541,729	$ 18,804,961

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

NOTE 5 EQUIPMENT

A statement of changes in fixed assets for the years ended June 30, 2021 and 2020 are as follows:

	Balance 6/30/20	Additions	Deletions	Balance 6/30/21
Furniture and equipment	$ 37,539	$ -	$ (37,539)	$ -
Computer software	48,345	203,412	(48,345)	203,412
Accumulated depreciation	(84,524)	(18,311)	84,524	(18,311)
	$ 1,360	$ 185,101	$ (1,360)	$ 185,101

	Balance 6/30/19	Additions	Deletions	Balance 6/30/20
Furniture and equipment	$ 37,539	$ -	$ -	$ 37,539
Computer software	48,345	-	-	48,345
Accumulated depreciation	(82,146)	(2,378)	-	(84,524)
	$ 3,738	$ (2,378)	$ -	$ 1,360

NOTE 6 COMMITMENTS AND CONTINGENCIES

Development Fund

The Board of Directors has approved equity investments, loans, grants and guaranty of collections at June 30, 2021 for which funds have not been disbursed or written agreements entered into in the approximate amount of $875,054.

Regional Rural Development Revolving Loan Fund

The Board of Directors has approved equity investments, loans, and guaranty of collections at June 30, 2021 for which funds have not been disbursed or written agreements entered into in the approximate amount of $675,000.

Child Care Loan Fund

The Board of Directors has approved equity investments, loans, and guaranty of collections at June 30, 2021 for which funds have not been disbursed or written agreements entered into in the approximate amount of $4,484.

Development Fund Venture Capital Fund

The Board of Directors has approved equity investments, loans, and guaranty of collections at June 30, 2021 for which funds have not been disbursed or written agreements entered into in the approximate amount of $228,824.

NORTH DAKOTA DEVELOPMENT FUND, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021 AND 2020

NOTE 7 RELATED PARTY TRANSACTIONS

The financial statements of the North Dakota Development Fund, Inc. include loans receivables in entities partially owned by members of the Board of Directors. The related party loans receivables have a balance of $1,514,256 and $814,906 as of June 30, 2021 and 2020, respectively.

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 TRANSFERS

During the year ended June 30, 2020, the North Dakota Development Fund received a transfer of $15,000,000 from the Bank of North Dakota. Per House Bill 1014, the North Dakota Development Fund used a portion of these proceeds to purchase venture capital assets from the Bank of North Dakota.

NOTE 10 SUBSEQUENT EVENTS

The corporation approved three loans after year end totaling $5,550,000 that have not been fully advanced. Subsequent events have been evaluated through December 3, 2021, which is the date these financial statements were available to be issued.

NORTH DAKOTA DEVELOPMENT FUND, INC
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

Assets	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	2021	2020 (Memorandum only)
Current assets							
Cash and cash equivalents	$ 7,928,384	$ 7,305,767	$ 438,371	$ 971,696	$ 3,009,769	$ 19,653,987	$ 19,640,826
Interest receivable on loans	63,932	85,102	4,742	-	2,434	156,210	140,860
Current portion of loans receivable	1,713,344	523,432	6,119	-	914,029	3,156,924	4,422,932
Total current assets	9,705,660	7,914,301	449,232	971,696	3,926,232	22,967,121	24,204,618
Noncurrent assets							
Loans receivable, net of current portion and allowance	3,589,862	2,749,860	906,536	-	14,418	7,260,676	6,627,225
Interfund balances	873,750	-	(873,750)	-	-	-	-
Equity Investments, net	-	-	-	-	250,000	250,000	250,000
Equipment, net	185,101	-	-	-	-	185,101	1,360
Total noncurrent assets	4,648,713	2,749,860	32,786	-	264,418	7,695,777	6,878,585
Total assets	14,354,373	10,664,161	482,018	971,696	4,190,650	30,662,898	31,083,203
Liabilities and net position							
Current liabilities							
Accrued expenses	6,540	-	-	-	-	6,540	6,185
Net position							
Investment in capital assets	185,101	-	-	-	-	185,101	1,360
Restricted	-	10,664,161	482,018	-	-	11,146,179	-
Unrestricted	14,162,732	-	-	971,696	4,190,650	19,325,078	31,075,658
Total net position	$ 14,347,833	$ 10,664,161	$ 482,018	$ 971,696	$ 4,190,650	$ 30,656,358	$ 31,077,018

NORTH DAKOTA DEVELOPMENT FUND, INC
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	2021	2020 (Memorandum only)
Operating revenues							
Interest income on loans	$ 446,640	$ 263,435	$ 45,490	$ 2,092	$ 100,654	$ 858,311	$ 754,077
Dividend income	-	-	-	-	40,000	40,000	105,544
Other	55,567	17,811	1,914	-	15,013	90,305	46,445
	502,207	281,246	47,404	2,092	155,667	988,616	906,066
Operating expenses							
General and administrative	327,272	-	1,812	-	-	329,084	391,698
Depreciation expense	18,311	-	-	-	-	18,311	2,378
Provision for losses (change in allowance)	(244,982)	(178,770)	(111,031)	-	1,641,994	1,107,211	7,163,963
	100,601	(178,770)	(109,219)	-	1,641,994	1,454,606	7,558,039
Operating income (loss)	401,606	460,016	156,623	2,092	(1,486,327)	(465,990)	(6,651,973)
Nonoperating revenue							
Interest income on deposits and investments	19,772	21,228	305	129	3,896	45,330	88,177
Transfers							
Bank of North Dakota	-	-	-	-	-	-	15,000,000
Change in net position	421,378	481,244	156,928	2,221	(1,482,431)	(420,660)	8,436,204
Net position - beginning of year	13,926,455	10,182,917	325,090	969,475	5,673,081	31,077,018	22,640,814
Net position - end of year	$ 14,347,833	$ 10,664,161	$ 482,018	$ 971,696	$ 4,190,650	$ 30,656,358	$ 31,077,018

NORTH DAKOTA DEVELOPMENT FUND, INC
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	2021	2020
Operating activities							
Other receipts	$ 55,567	$ 17,811	$ 1,914	$ -	$ 15,013	$ 90,305	$ 46,445
Payments to suppliers	(327,627)	-	(1,812)	-	-	(329,439)	(399,349)
Net cash provided (used) by operating activities	(272,060)	17,811	102	-	15,013	(239,134)	(352,904)
Investing activities							
Interest received on cash and cash equivalents and loans	281,478	215,564	43,538	2,221	17,115	559,916	887,937
Purchase of capital assets	(203,412)	-	-	-	-	(203,412)	-
Purchase of equity investments	-	-	-	-	-	-	(8,368,206)
Proceeds from the sale of equity investments	-	-	-	-	-	-	386,792
Disbursements on business loans	(2,145,095)	(590,625)	(713,888)	-	(1,906,746)	(5,356,354)	(3,201,663)
Principal payments received on business loans	3,018,688	811,894	933,402	-	488,161	5,252,145	2,816,729
Net cash provided (used) by Investing Activities	951,659	436,833	263,052	2,221	(1,401,470)	252,295	(7,478,411)
Non-cash financing activity							
Transfer	-	-	-	-	-	-	15,000,000
Net change in cash and cash equivalents	679,599	454,644	263,154	2,221	(1,386,457)	13,161	7,168,685
Cash and cash equivalents, beginning of year	7,248,785	6,851,123	175,217	969,475	4,396,226	19,640,826	12,472,141
Cash and cash equivalents, end of year	$ 7,928,384	$ 7,305,767	$ 438,371	$ 971,696	$ 3,009,769	$ 19,653,987	$ 19,640,826
Reconciliation of operating loss to net cash Provided by operating activities							
Operating income (loss)	$ 401,606	$ 460,016	$ 156,623	$ 2,092	$ (1,486,327)	$ (465,990)	$ (6,651,973)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	18,311	-	-	-	-	18,311	2,378
Provision for loan losses	(316,362)	(61,578)	(111,031)	-	(1,224)	(490,195)	473,415
Provision for equity investment losses	71,380	(117,192)	-	-	1,643,218	1,597,406	6,690,548
Provision for interest receivable loss	-	-	-	-	-	-	-
Reclassification of interest and dividend income	(446,640)	(263,435)	(45,490)	(2,092)	(140,654)	(898,311)	(859,621)
Changes in assets and liabilities:							
Accrued expense	(355)	-	-	-	-	(355)	(7,651)
Net cash provided (used) by operating activities	$ (272,060)	$ 17,811	$ 102	$ -	$ 15,013	$ (239,134)	$ (352,904)

BradyMartz

INDEPEDENT 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, the financial statements of North Dakota Development Fund, Inc, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated December 3, 2021. We expressed an adverse opinion on the remaining fund information, as the fiduciary net position was omitted from the North Dakota Development Fund, Inc.'s financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 2021-001 and 2021-002 that we consider to be to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 Response to Findings

North Dakota Development Fund, Inc.'s responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. North Dakota Development Fund, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

December 3, 2021

NORTH DAKOTA DEVELOPMENT FUND, INC
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021

2021-001: Preparation of Financial Statements

Criteria
An appropriate system of internal controls requires the Corporation to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

Condition
The Corporation's personnel prepare periodic financial information for internal use that meets the needs of management and the board. However, the Corporation does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The Corporation has elected to have the auditors assist in the preparation of the financial statements and notes.

Cause
The Corporation elected to not allocate resources for the preparation of the financial statements.

Effect
There is an increased risk of material misstatements to the Corporation's financial statements.

Recommendations
We recommend the Corporation consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control the entity should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Officials and Planned Corrective Actions
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 Brady, Martz & Associates, P.C., a public accounting firm, to prepare the audit financial statements as part of their annual audit of North Dakota Development Fund, Inc.

2021-002: Proposition of Journal Entries

Criteria
The Corporation is required to maintain internal controls at a level where underlying support for general ledger accounts can be developed and a determination can be made that the general ledger accounts are properly reflected in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition
During our audit, adjusting entries to the financial statements were proposed in order to properly reflect the financial statements in accordance with GAAP.

NORTH DAKOTA DEVELOPMENT FUND, INC
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
JUNE 30, 2021

Cause
The Corporation's internal controls have not been designed to address the specific training needs required of its personnel to identify the adjustments necessary to properly reflect the financial statements in accordance with GAAP.

Effect
The Corporation's financial statements were materially misstated prior to adjustments detected as a result of audit procedures.

Recommendation
Accounting personnel will need to determine the proper balance in each general ledger account prior to the audit.

Views of Responsible Officials and Planned Corrective Actions
The material misstatements found this year were a one-time transaction needed to bring an off-balance sheet item on-balance sheet. The NDDF transitioned to a new accounting system and determined it was the adequate time to make key adjusting entries that will streamline processes going forward.

BradyMartz

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 require that certain items be addressed by independent certified public accountants performing audits of State agencies. The items and our responses regarding the June 30, 2021 audit of the North Dakota Development Fund, Inc are as follows:

Audit Report Communications:

1. What type of opinion was issued on the financial statements?

   Unmodified and Adverse. The financial information for the New Venture Capital Program Fund, which is the Fund we expressed an adverse opinion on, was omitted as this information is reported in the Bank of North Dakota's financial statements.

2. Was there compliance with statutes, laws, rules and regulations under which the agency was created and is functioning?

   Yes.

3. Was internal control adequate and functioning effectively?

   Yes.

4. Were there any indications of lack of efficiency in financial operations and management of the agency?

   No.

5. Was action taken on prior audit findings and recommendations?

   No, please see findings 2021-001 and 2021-002 noted on the Schedule of Findings and Responses.

Make Every Day Count | www.bradymartz.com

6. Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses.

   Yes. We recommend management formally document their review process of bank reconciliations.

Audit Committee Communications:

1. Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions.

   None

2. Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates.

   The most sensitive estimates affecting the financial statements include the allowances for uncollectible loans receivable and valuation allowances for equity investments.

   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.

   Among the factors considered in determining whether an other than temporary 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.

   Our opinion on the reasonableness of these estimates is based on the testing performed during our audit procedures. Our procedures included assessing the risk assigned by the Development Fund to the loans and equity investments, evaluation of the past history of these amounts, discussion with management, and review of recent information regarding the loans and investments.

3. Identify any significant audit adjustments.

   Significant adjustments were made to reconcile beginning equity, to adjust interest receivable and interest income and to adjust the allowance for doubtful accounts.

4. Identify any disagreements with management, whether or not resolved to the auditor's satisfaction, relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements.

   None.

5. Identify any serious difficulties encountered in performing the audit.

   None.

6. Identify any major issues discussed with management prior to retention.

   None.

7. Identify any management consultations with other accountants about auditing and accounting matters.

   None.

8. Identify any high-risk technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six report questions to be addressed by auditors are directly related to the operations of an information technology system.

   Based on the audit procedures performed, the North Dakota Development Fund, Inc's critical information technology system is SPARAK and iCore. There were no exceptions identified that were directly related to this application.

This report is intended solely for the information and use of the Governor, Legislative Audit and Fiscal Review Committee, Board of Directors, and management, and is not intended to be and should not be used by anyone other than these specified parties

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

December 3, 2021

2022 | ANNUAL REPORT

Aerial view of the Little Yellowstone Campground on Sheyenne River Valley National Scenic Byway.

NORTH Dakota
Be Legendary.

Tourism & Marketing
COMMERCE

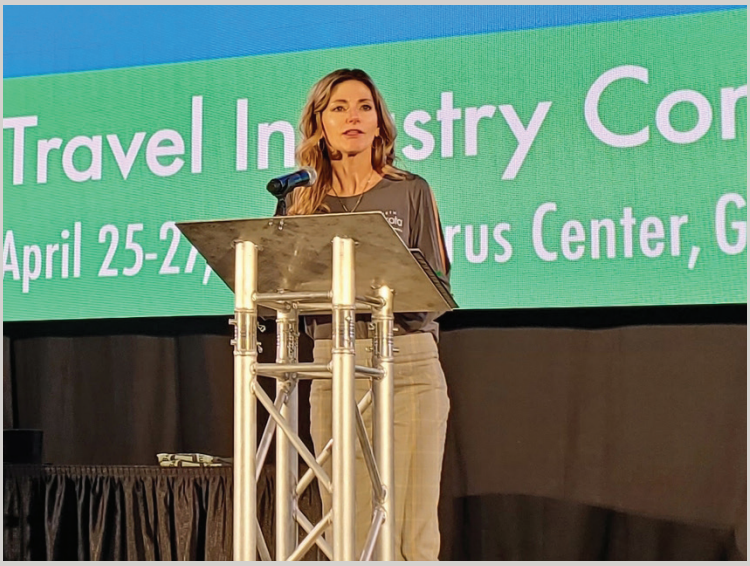
North Dakota Department of Commerce
Tourism and Marketing Division Report on
Marketing North Dakota and the Travel
and Tourism Industry

Dear Friends,

Throughout this report, you will find the results of our collective and collaborative work. While this report focuses primarily on tourism, the work to elevate the image of North Dakota is drawing eyes, suitcases, and resumes, and showcasing all the advantages our state offers for visitors and lifestyle.

Trimming down the data we included has not been easy. Our need to understand the results we are netting, and how we can provide value and a strong return on investment to you and all the citizens of North Dakota is a priority we take seriously.

Research shows our marketing drove 1.4 million new trips to North Dakota and dramatically elevated our state's image as a good place to live, start a career, start a business, attend college, buy a vacation home and retire. A 2022 study also confirms what may seem obvious; most people visit before they move. Of recent drivers who transferred their licenses to North Dakota, 76% had visited the state prior to moving.



Sara Otte Coleman presents at the 2022 Travel Industry Conference in Grand Forks.

A 2022 national perception study assessing Americans' awareness of North Dakota, showed that perceptions of the state were modest and largely driven by a lack of familiarity. Only 22% had lived in or visited and the top words associated with North Dakota were cold, rural and remote. This may not seem like something you would want to include in a tourism annual report, but I believe it illustrates the importance of investing in marketing. We need to show people what North Dakota really is... and the most efficient way to accomplish that is through destination marketing.

In addition to marketing, our tourism operations team, which now includes a dedicated tourism business development manager, is focused on expanding and improving the offerings found statewide. Offerings that attract visitors, workforce and allow us all to enjoy life in North Dakota.

Thanks for your support and interest,

Sara Otte Coleman

Sara Otte Coleman

76% **of new residents visited North Dakota prior to moving to the state**

Research

The Tourism & Marketing Division contracted three major studies in 2022 to gain insights into the national perception of the state, advertising effectiveness, and data to make market decisions for workforce recruitment.

47% FAMILIAR TO VERY FAMILIAR

NORTH DAKOTA CONTINUES TO BE AN UNFAMILIAR DESTINATION FOR MOST AMERICANS

$34 RETURN ON INVESTMENT

EVERY $1 INVESTED IN ADVERTISING GENERATED $34 IN DIRECT VISITOR SPENDING AND $3 IN TAX REVENUE

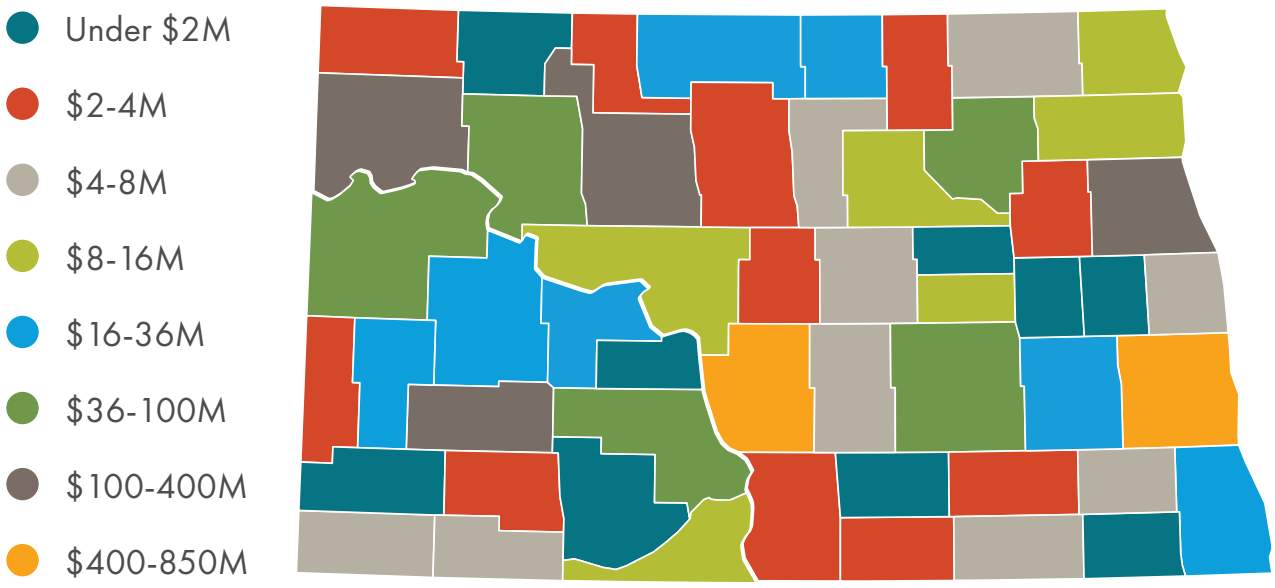
48% EMPLOYMENT MOTIVATED

A MAJORITY OF NORTH DAKOTA'S NEW RESIDENTS RELOCATED TO THE STATE BECAUSE OF WORK

TOURISM IMPACTS STATEWIDE

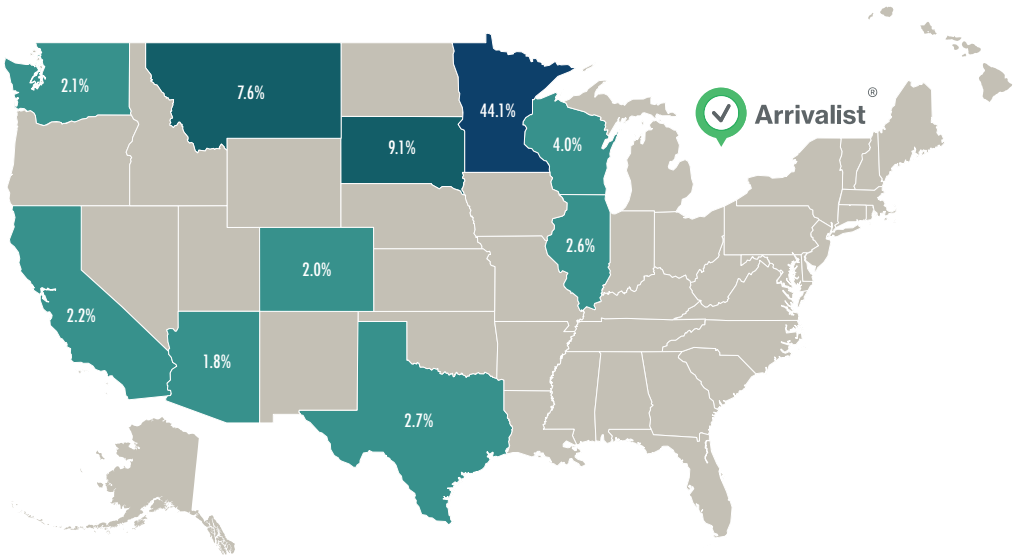
According to the 2021 Tourism Satellite Account, North Dakota counties had an average increase of 23.6% in visitor spending from 2020. Travel and tourism benefits every county in North Dakota, creating jobs, generating sales across dozens of sectors and improving your quality of life.

VISITOR SPENDING BY COUNTY



Top Origin States for Travel to North Dakota

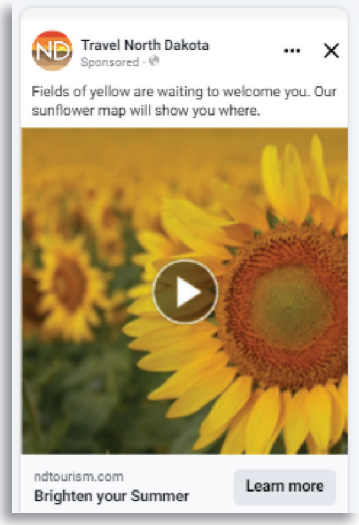
North Dakota partners with Arrivalist, a geo-location intelligence company, for data on U.S. adult road trips to the state. Arrivalist sources information from mobile devices and GPS providers in order to report travel-specific data including a consumer's entire journey to, within and back from a destination.



Rank	Location
1	Minnesota
2	South Dakota
3	Montana
4	Wisconsin
5	Texas
6	Illinois
7	California
8	Washington
9	Colorado
10	Arizona

NORTH DAKOTA TRAVEL INDUSTRY

North Dakota's advertising presence in 2022 was significantly reduced following the unprecedented investment in 2021. As a result, ad reach declined in most mediums and markets, and year-over-year losses were seen in website traffic and traditional inquiries. Still, the 2022 campaign was one of the most efficient to date, based on video completions, arrival and stay lift measured by Arrivalist, and website conversions.



PRIMARY CAMPAIGN

The North Dakota Tourism advertising campaign's **PRIMARY GOAL IS TO INCREASE AWARENESS OF THE STATE AS A TRAVEL DESTINATION, INCREASE QUALIFIED TRAFFIC TO THE WEBSITE, REFERRALS TO PARTNERS, AND PROVIDE THE TOP-OF-FUNNEL INSPIRATION TO ENCOURAGE A BOOKED TRIP TO NORTH DAKOTA.** Primary campaign advertising reaches the regional market including Minnesota, Wisconsin, Illinois, the Denver DMA, North Dakota, and Manitoba and Saskatchewan, Canada.

INTEND TO TRAVEL METRICS

TRAVEL GUIDE EBOOK

MONTHLY USERS
1,000+

PAGEVIEWS
42,000+

TRADITIONAL INQUIRIES

27,247
INQUIRES
1% decrease

WEBSITE TRAFFIC

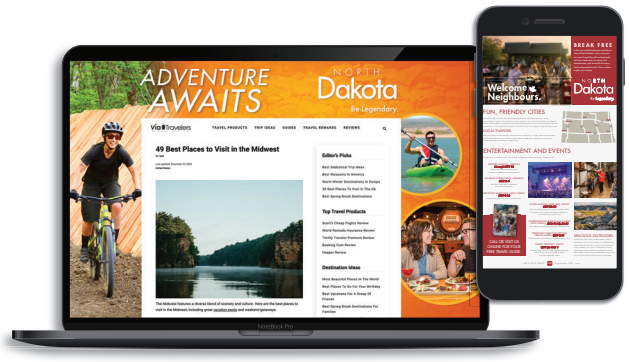
USERS
1,942,019
3.61% decrease

PAGEVIEWS
2,408,669
6.01% decrease

SESSIONS
2,070,760
3.91% decrease

NICHE CAMPAIGN

Fishing, hunting, golf, motorcycling and history are travel niches in which specialized marketing is expanded outside of near borders and into U.S. secondary markets including South Dakota, Montana, Nevada and Arizona.



CAMPAIGN RESULTS:

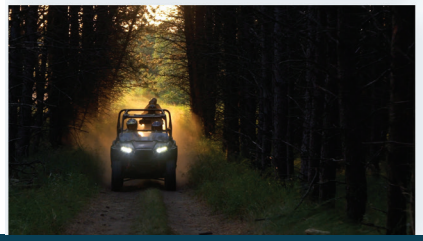
IMPRESSIONS
423 MILLION

VIDEO COMPLETIONS
15.22 MILLION

CONVERSIONS TO WEBSITE
250,000+

PAID SEARCH TRAFFIC
INCREASED 23.1%

TRAVEL GUIDES DISTRIBUTED
250,000+



REACH

TV/RADIO
184,242,890
A 8.8% reduction in reach due to smaller budget resulted in 11.9% fewer vanity URL conversions to website.

PRINT
12,412,638
Print reach was maintained from 2021 to 2022 and as a result, inquiries from magazines increased 18%.

OUT-OF-HOME
150,658,043
A 41% reduction in OOH impressions due to fewer placements.

DIGITAL
108,387,333
A 65.4% reduction in impressions, but most efficient digital campaign to date.

SOCIAL MEDIA
11,866,529
32% fewer social impressions led to a 13.6% decrease in social traffic to the website.

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

2022 MEDIA COVERAGE

MEDIA INSTANCES

2,124

891% INCREASE

AUDIENCE REACH THROUGH MEDIA

13+ BILLION

INFLUENCER CAMPAIGN

AUDIENCE REACH

108,800

IMPRESSIONS

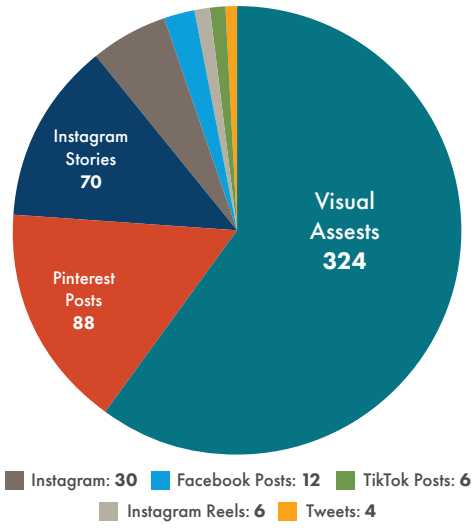
725,183

SOCIAL MEDIA ENGAGEMENTS

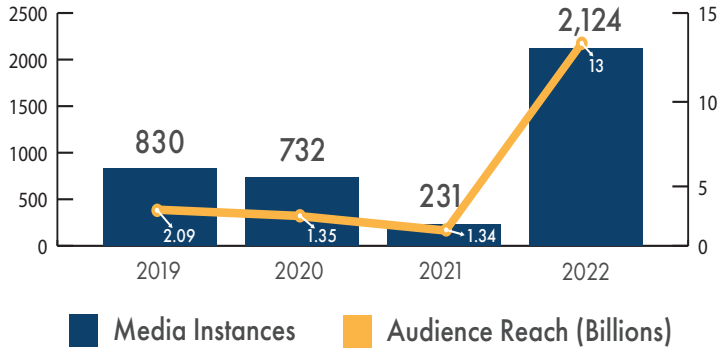
80,253

North Dakota Tourism extended the co-op influencer campaign, positioning North Dakota as a top travel destination with unforgettable, under the radar adventures located throughout the state.

2022 Partner Results



Earned Media Results



Social media gives us worldwide platforms to showcase North Dakota. Our goals are centered around audience engagement, travel counseling, generating traffic to the website, and educating residents and visitors about activities, communities, and attractions in our state.

164,519
FOLLOWERS
5% increase

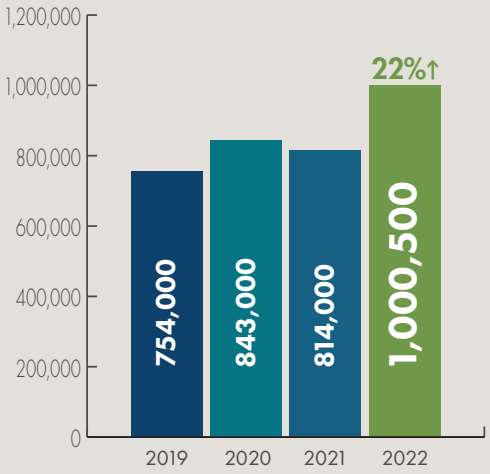
1,000,535
ENGAGEMENTS
22% increase

223,789,835
IMPRESSIONS
22% decrease

74,924
WEB TRAFFIC
13% decrease

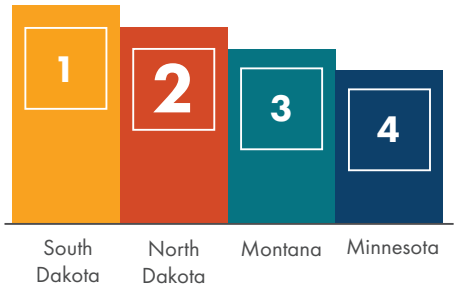
Total Enagements

Engagements are any interactions the audience is taking with our content. They are a strong indicator of interest in North Dakota.



North Dakota Ranks Second in Engagement Rate

Engagement rate shows how often your audience is interacting with your content despite the size of your following. North Dakota ranks second compared to neighboring states.



More Highlights of 2022

FACEBOOK GREW
22% YOY

SUNFLOWER MAP GENERATED WEBSITE VISITS
20,000

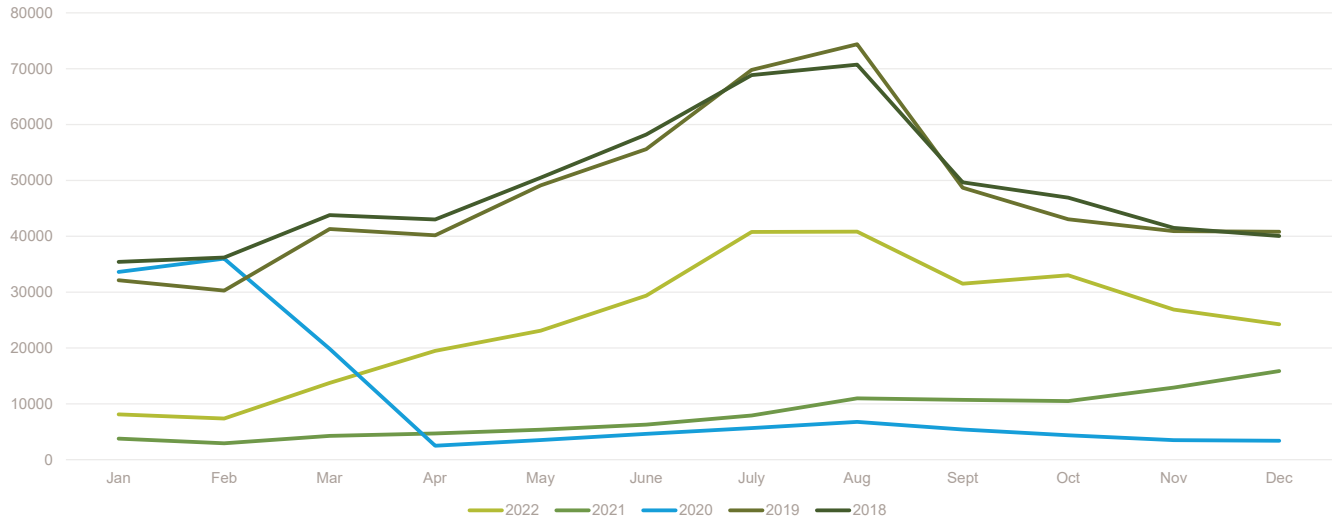
YOUTUBE GREW
64% YOY

@TravelND @NorthDakotaLegendary @NDTourism @NorthDakota @TravelND

Since April 2020, there have been 840,027 personal bus and auto passengers entering the U.S. through North Dakota ports-of-entry. This is down 75.4% from the previous 33 months. At just 24.6% of the pre-pandemic volume of personal entries, the lost Canadian visitor spending due to the pandemic and border restrictions is estimated at more than $344 million.

CANADIAN BORDER CROSSINGS INTO NORTH DAKOTA

(Personal Vehicles)



NORTH DAKOTA TRAVEL INDUSTRY

Travel Segment	2021	2022	+/-
State Park Visitors	1,344,741	1,135,538	-16%
National Park Visitors	826,099	698,119	-15%
Major Attractions	3,999,505	4,108,799	3%
Local Visitor Centers	52,375	49,994	-5%
Cumulative Lodging Tax	$5,552,640	$7,350,904.14	32%
ND Airport Deplanements	887,804	1,023,816	15%
Canadian Border Crossing	96,219	298,463	210%
Statewide Hotel Occupancy Rate	47.7%	52.9%	11%

TAXABLE SALES & PURCHASES THROUGH 3RD QTR 2022

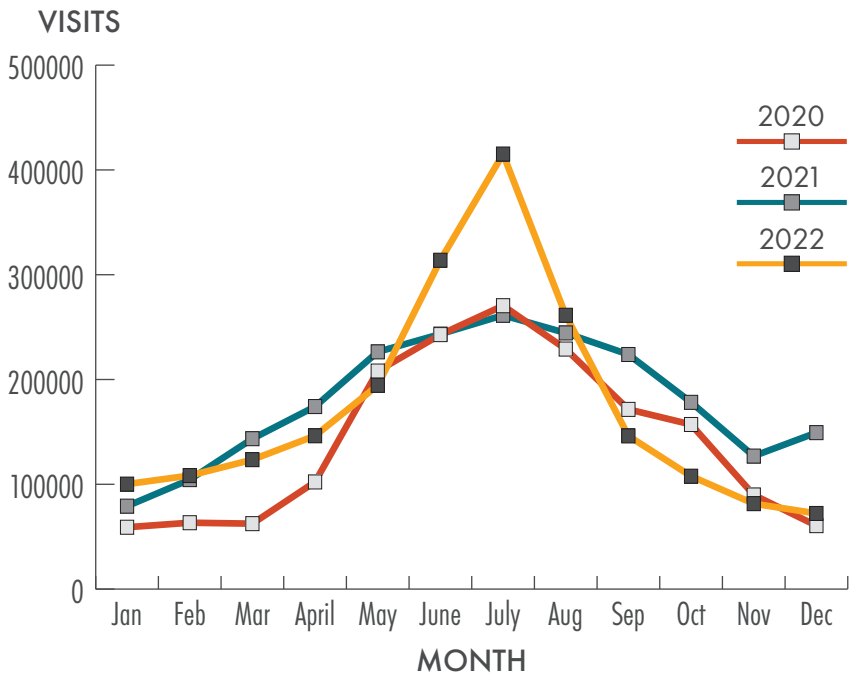
Accommodations/Food Services

2021	2022	+/-
$1,382,650,572	$1,520,225,611	9.53%

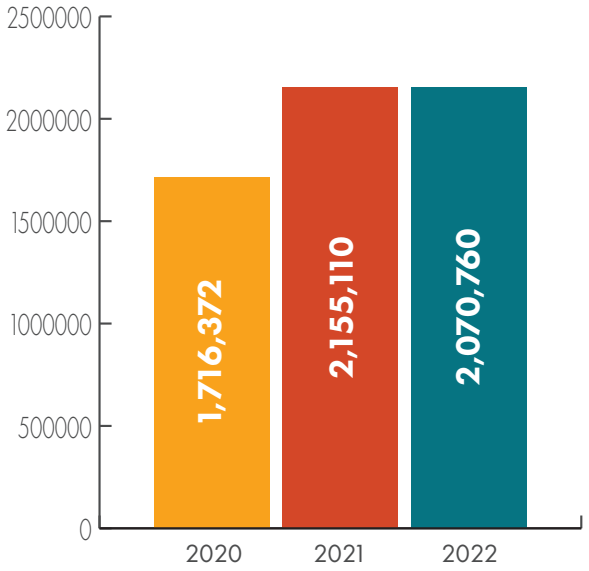
Arts/Entertainment/Recreation

2021	2022	+/-
$98,550,322	$121,642,968	22.09%

TOTAL WEB VISITS BY MONTH



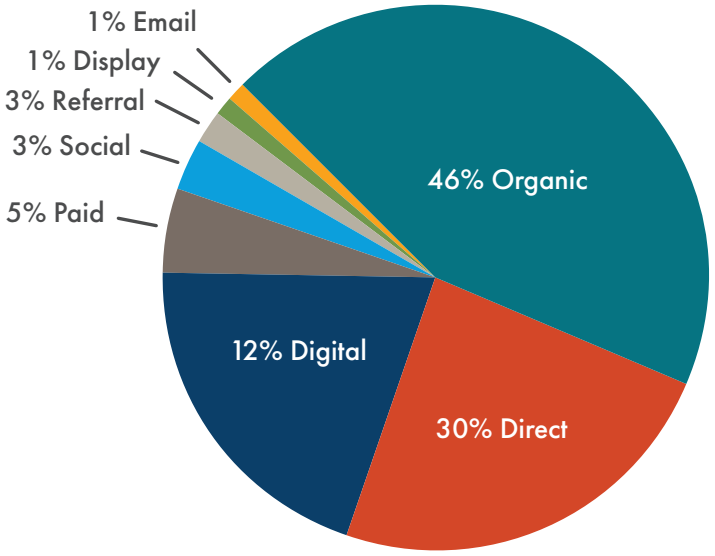
TOTAL WEB VISITS BY YEAR



TOP LOCATIONS FOR WEBSITE TRAFFIC

Rank	Location
1	North Dakota
2	Minnesota
3	Illinois
4	Wisconsin
5	Texas
6	California
7	Colorado
8	New York
9	Florida
10	Arizona

ORIGIN OF SITE TRAFFIC FOR NDtourism.com



For a complete list of references used to compile the data contained within this report, please email marketing@nd.gov or call 1-800-HELLOND.

GLOBAL MARKETING

International travel rebounded in 2022. In-person sales events welcomed new staff from international travel companies, resulting in needed training for new staff with little awareness of North Dakota.

Travel Week with Brand USA at Frankfurt Germany

NORTH DAKOTA WAS FEATURED IN
96 STORIES
AND REACHED
224M READERS
AND EARNED AN EQUIVALENT OF
$2.4M
IN EDITORIAL COVERAGE

OVERNIGHTS OFFERED IN THE STATE WAS INCREASED
24%
FROM 2021,WITH A REGIONAL MARKET SHARE INCREASE OF
19.5%

North Dakota was added as a destination in 51 new itineraries with 174 overnights across the seven international markets. Across all 125 tour operators, North Dakota added 462 trips, giving North Dakota 1,266 overnight offerings. Within these itineraries, 18 communities across North Dakota are featured.

187 shareable leads were generated from the nation's largest Global Market Place International Pow Wow (IPW), International Roundup (held in Fargo), and BrandUSA Travel Week in 2022, along with 193 leads from missions to France, the Nordic Countries and the United Kingdom.

We hosted 12 product development and media tours that included 45 individuals. These media and travel trade representatives visited 17 communities and spent 48 nights in the state.

TRIBAL TOURISM

North Dakota Tourism and the North Dakota Native Tourism Alliance (NDNTA) continue to collaborate to develop and promote visitation to tribal lands, events, and attractions. The position of NDNTA executive director was created and will also oversee the creation of the Native American Cultural Tours (NACT).

This will essentially be a tribally owned receptive tour operator. North Dakota Tourism will continue to partner with the five Tribal Nations in education and promotion of tribal lands, cultures, and history to travelers from near and far.

North Dakota Tourism along with the NDNTA and the five Tribal Nations will continue to work together to create and enhance tourism opportunities across North Dakota and attract media and travel trade to showcase to the world.

Travel trade visits MHA Earth Lodge Village following International Round-Up

GROUP TRAVEL

Bus tour at the Medora Musical

The group/motorcoach industry creates tours for customers that want to travel to, from and within North America.

One meeting at the American Bus Assocation resulted in a product development tour that visited seven communities and 18 attractions. This operator created an itinerary and sold this tour with four overnights. In 2023, 35 participants will fly into Bismarck and visit four communities in North Dakota.

8 NEW TOURS INCLUDED
18 OVERNIGHTS
36 COMMUNITIES
WITH AN IMPACT OF
$800,000

120+
FACE-TO-FACE MEEETINGS LED TO
8 NEW TOURS

Tourism and Marketing's outdoor promotion works to introduce outdoor enthusiasts to travel worthy adventures in North Dakota. Efforts include paid sponsorships, media relations, social media, visitor services and consumer travel shows.

New tourism campaign shot taken at Devils Lake

Marketing

- Sponsorships guarantee state outdoor messaging is being delivered to a broad regional & national audience in targeted niche areas.
- Many of these sponsorships include editorial and advertising content that highlight specific regions or communities that have interesting outdoor stories to tell.
- It is key for partners to update information about new trails, access for hunting or fishing, and new recreation providers such as equipment rentals or guides and outfitters that can attract out of state travelers for outdoor adventures.

Sport & Travel Shows

- To promote the state's outdoor adventure, we participate in consumer shows that bring our destinations face to face with potential travelers.
- There are opportunities for tourism partners to participate at the shows in person and there are options to distribute materials to outdoor enthusiasts across the upper Midwest.
- These shows have also been a place to meet and communicate with outdoor media and influencers.
- Commerce has been monitoring and studying the ROI of consumer shows to determine whether these shows create enough trips and interest to continue participation at the shows.

Outdoor Media Relations

- Outdoor promotion focuses on garnering editorial content with influential outdoor communicators through their media outlets.
- Tourism and Marketing Division staff create and manage relationships with members of outdoor media groups.
- This is important because hosting the right media can produce huge returns on relatively small investments.
- Our work focuses on influencing travel media to produce media instances about the state that will motivate trips that will produce positive economic impacts in our communities.

Sponsorship Partners

Ron Schara Productions

Jason Mitchell Outdoors

Midwest Outdoors

Ducks Unlimited

Delta Waterfowl

National Parks Magazine

1,600+

Sport show booth attendees in Minnesota & Wisconsin

24,300

Hunting & Fishing guides distributed by end of July

Local Partners

Local partners can help welcome guests on product development/media trips to introduce media & travel influencers to attractions and communities.

North Dakota Department of Commerce recognizes that tourism 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, we understand the importance of creating a better quality 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.

Citizens Alley Pocket Park Ice Rink in Minot

The marina at Lake Sakakawea State Park

THE MAIN STREET OUTDOOR RECREATION GRANT

The Main Street Tourism Outdoor Recreation Grant was offered to support new or expanding businesses that would provide new outdoor recreation opportunities, improve visitor experiences, and would attract visitors and increase visitor expenditures in North Dakota. The Department of Commerce awarded six projects Main Street Outdoor Recreation Grants in 2022.

$100,000

WAS AWARDED TO SIX PROJECTS ACROSS THE STATE. FIVE PROJECTS OFFER WINTER EXPERIENCES.

- A dedicated tourism business developer position was created to focus on attracting new tourism businesses and offerings to the state by addressing identified gaps. Areas of focus include outdoor recreation, value-added recreation, agritourism, arts, culture and heritage of North Dakota, venues, unique accommodations, culinary experiences, themed education and entertainment attractions, and other legacy projects.
- Commerce and the Tourism and Marketing Division understand the importance of attracting visitors and residents to North Dakota. As a result, the Main Street Outdoor Recreation Grant was created to support new or expanding businesses that provide new outdoor recreation opportunities, improved visitor experiences, and, with an emphasis on attracting visitors to North Dakota communities.
- Commerce's Economic Development and Finance Division and the Tourism and Marketing Division continue to work together to establish additional financial package opportunities for tourism business recruitment and expansion through primary sector certification. The certification allows qualified tourism businesses to apply for additional packages to enhance profitability.

AGRITOURISM

A canola field near Bowman

North Dakota's farm and ranch legacy is well known, and visitors are seeking more farm and ranch experiences. Our AgriTourism development work seeks to assist farmers and ranchers in diversifying their operations to generate income through activities, accommodations, rentals and on-site sales.

ND AgriTourism

PARTNER ENGAGEMENT

North Dakota Tourism staff works to identify, build, and sustain strong relationships with tourism and industry partners around the state. They are also at-the-ready to assist partners with research, presentations, resources, content, assets, promotional materials, and more. North Dakota Tourism relies on partner-listed and provided attractions, events, accommodations, guides, visitor centers and services, and works to promote them.

Tourism and Marketing staff visiting Fort Dilts State Historic Site on their southwest familiarization tour.

2022 Highlights

200 MORE THAN 200 TOURISM PROFESSIONALS ATTENDED THE 2022 TRAVEL INDUSTRY CONFERENCE IN GRAND FORKS.

COMMERCE NEWSLETTER HAD AN ENGAGEMENT RATE OF 60% IN 2022. TOTAL SUBSCRIBERS HAD A GROWTH OF 99.51% OVER THE PAST 12 MONTHS WITH OVER 20,000 SUBSCRIBERS.

15 A TOTAL OF 15 PARTNERS PARTICIPATED IN NINE DIFFERENT CO-OP ADVERTISING OPPORTUNITIES.

60 MORE THAN 60 TOURISM PROFESSIONALS ATTENDED THE 2022 TOURISM INDUSTRY MARKETING SUMMIT.

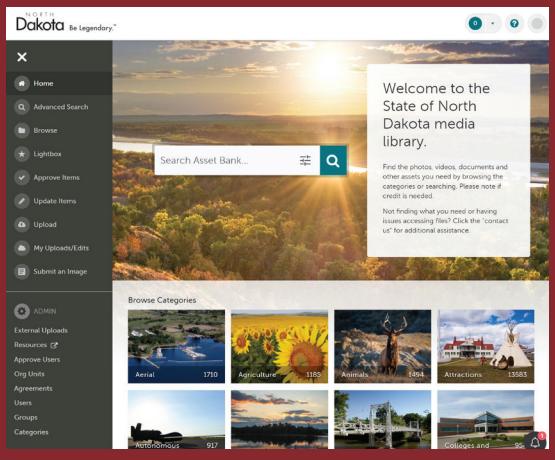
2,600+ PARTNER LISTINGS ON WEBSITE

1,600+ PARTNER LISTINGS IN TRAVEL GUIDE

244,000+ REFERRALS TO PARTNER WEBSITES

STATE MEDIA LIBRARY

The State Media Library allows for easier sharing and a boost to the visuals used across state government. It also increases the visuals available to partners, media and more.



325% STATE AGENCY USERS ACCESSED SITE INCREASED

39% RETURNING VISITORS INCREASED

94K+ DOWNLOADABLE ASSETS

15K+ ASSETS UPLOADED

- 12,230 downloads
- Top downloaded images include formatted Teams backgrounds, Theodore Roosevelt National Park, Lake Sakakawea, sunflowers, Missouri River and Pembina Gorge
- 5,461 visitors to the State Media Library

medialibrary.nd.gov

The Tourism & Marketing Division produced hunting and fishing information sheets to fulfill inquiries in 2022. Information pieces were available for distribution in visitor centers, used to fulfill inquiries, and placed in rest areas throughout the state. Commerce also creates and manages e-news blasts, website articles and content on NDtourism.com.

LIVE CHAT TRAVEL COUNSELING

ONLINE TRAVEL COUNSELORS HAVE RESPONDED TO

890+

LIVE CHATS WITH POTENTIAL NORTH DAKOTA VISITORS

FROM MAY TO DECEMBER OF 2022 THE BOT HANDLED

700+

INQUIRIES BY POTENTIAL VISITORS

In May of 2022, North Dakota Tourism launched a BOT to assist visitors. The BOT handled over 700 inquiries by potential visitors. The BOT was able to answer questions on campground, lodging, travel guide, attractions and events, Canadian border, trails and byways, outdoor recreation, and general North Dakota information.

Real comments from actual chat participants!

North Dakota Guide Distribution

244,320

REFERRALS TO PARTNER WEBSITES

189,000+

TRAVEL GUIDES DISTRIBUTED 28,000 THROUGH REST AREAS

WE ARE AVAILABLE TO VISITORS AROUND THE WORLD

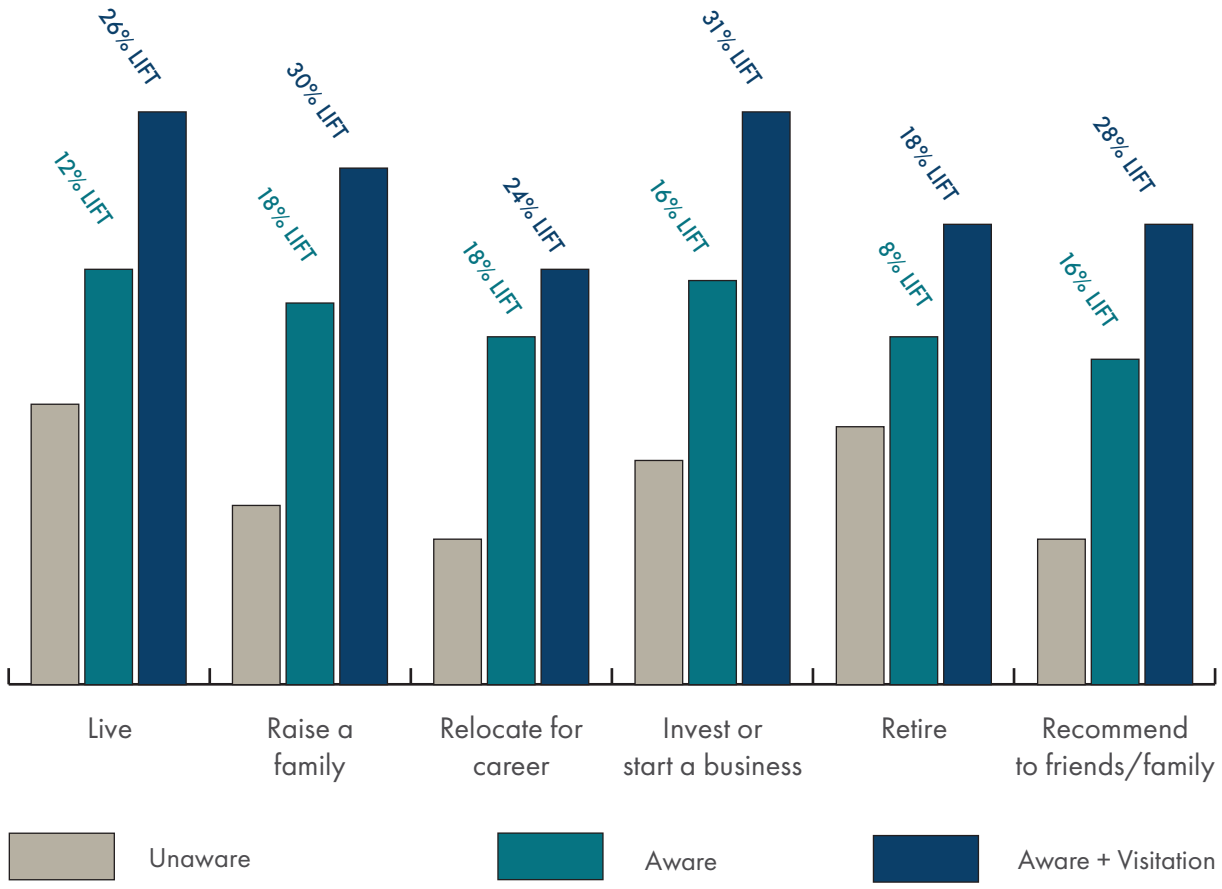
The expanded work of North Dakota Tourism and its tourism and marketing staff focuses on brand building and the integration of visitation, relocation, talent attraction, Main Street, and economic development efforts.

Research shows that North Dakota Tourism's promotional campaigns create a "halo effect" beyond motivating travel. Ripple effects of advertising positively impact the state's image as a place to live, work, start a business, attend college, purchase a home, and retire.

HALO EFFECT OF NORTH DAKOTA TOURISM MARKETING

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.



A LEGENDARY INDUSTRY AT A GLANCE

21.71 MILLION
VISITORS IN 2021
A 19% INCREASE OVER 2020

$2.61 BILLION
IN VISITOR SPENDING
A 23.5% INCREASE OVER 2020

$237.9 MILLION
ESTIMATED STATE & LOCAL TAX REVENUE – **AN 8.6% INCREASE**

41,681
JOBS SUPPORTED BY THE TRAVEL INDUSTRY

4,899,538
HOTEL ROOM NIGHTS SOLD
12.6% OCCUPANCY INCREASE

1,023,816
AIRPORT ARRIVALS
15.3% INCREASE

1,833,657
STATE AND NATIONAL PARK VISITORS – **A 15.53% DECREASE**

298,463
CANADIAN BORDER CROSSINGS
A 210.1% INCREASE

VISITOR SPENDING BRINGS OUTSIDE DOLLARS INTO NORTH DAKOTA'S ECONOMY.

$384
MILLION IN LODGING

$767
MILLION IN FOOD & BEVERAGE

$521
MILLION IN TRANSPORTATION

$374
MILLION IN RECREATION

$565
MILLION IN RETAIL

**breakdowns in spending are from 2021*

NORTH Dakota Be Legendary. | Tourism & Marketing COMMERCE

1600 E Century Ave., Suite 6
Bismarck, ND 58502-2057
1-800-435-5663
www.NDtourism.com

@TravelND
@NorthDakota
@NorthDakotaLegendary
Travel North Dakota
Travel North Dakota

Roosevelt Custer
REGIONAL COUNCIL

PO Box 1199
Bowman, ND 58623
rooseveltcuster.com
701.483.1241

Testimony of Teran Doerr, Executive Director
Roosevelt Custer Regional Council
In Support of HB 1018 with an Amendment
March 1, 2023

Senator Bekkedahl and members of the Appropriations Committee

My name is Teran Doerr, Executive Director for Roosevelt Custer Regional Council in Region 8. We serve the counties of Adams, Billings, Bowman, Dunn, Hettinger, Stark, Golden Valley, and Slope with a collective population of more than 46,000.

On behalf of our region, I'm asking you to **support an amendment to HB 1018 for $8 million to support regional councils across the state.**

Support for this amendment is critical to the future of rural communities across North Dakota. Each region is facing unique challenges and opportunities for growth but without additional resources to implement strategies most of our rural communities have no capacity to access funding let alone implement the projects. While we serve the same population base as our larger communities, our rural areas lack the population density and revenue to support the staff to provide economic and community development services. Regional Council's across the state serve these areas to the best of our abilities with limited resources and across large geographic areas.

Increased funding would:

- Increase capacity in rural communities for implementation of programs and strategies
- Create more regional partnerships to address shared challenges
- Address workforce challenges, childcare, increase access to resources, and help facilitate community growth in our rural communities

Thank you for your consideration. Please let me know if I can answer any additional questions.

City of Bowbells

Anthony Pandolfo
PO Box 100
Bowbells, ND 58721
tony@jarikuma.com
tel 701 339 0034

RE: **SUPPORT $8 MILLION FOR REGIONAL DEVELOPMENT CAPACITY**
AMENDMENT TO ND DEPARTMENT OF COMMERCE APPROPRIATIONS BILL 1018

Dear Honorable Legislators:

Please accept this letter of support for state appropriations to support Regional Councils statewide. The Regional Councils have been partners in local and regional economic and community development for the past fifty years and are led by local elected officials and key partners.

While the Regional Councils were created by the state in 1973, **the flaw was the lack of a long-term consistent funding mechanism** to meet the purpose and objectives outlined in the North Dakota Century Code:

> *to establish consistent statewide policy for planning, economic development programs, operations, coordination, and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.*

Today, 70% of the state's population growth is concentrated in only three counties: Cass, Burleigh, and Williams. Thirty (30) counties in North Dakota continue to lose population which is resulting in increased costs for basic governmental functions whereby increasing local property taxes and state funding requests. Existing Regional Council budgets support only a fraction of the necessary staff to address regional needs to elevate the entire state when compared to our urban centers' professional teams. These budgets come from numerous sources (including every county in the state), rely heavily on short-term grants, and do not provide long-term funding to address long-term needs.

Our Region 2 council, Souris Basin Planning Council (SBPC) , on which I have had the pleasure of serving on it's executive committee for the past 8 years, has been a valuable proponent and resource for our city, for Burke County and our organizations. SBPC has supported our city's efforts to access funding for a number of water and infrastructure projects, as well grant funding for local non-profits. The access to Bank of North Dakota PACE interest buydown which SBPC's Business Accelerator Funding Program provides the community match funding for qualifying borrowers is the only source for community matching funds which we have available for our local businesses.

Please support providing a long-term funding mechanism for Regional Councils.

Sincerely,

Anthony Pandolfo

Mayor, Bowbells, North Dakota

SourisBasin
people. ideas. knowledge. resources.

RE: SUPPORT $8 MILLION FOR REGIONAL DEVELOPMENT CAPACITY
AMENDMENT TO ND DEPARTMENT OF COMMERCE APPROPRIATIONS BILL 1018

Dear Legislators:

Please accept this letter of support on behalf of Souris Basin Planning Council (SBPC) for state appropriations to support Regional Councils statewide. The Regional Councils have been partners in local and regional economic and community development for the past fifty years and are led by local elected officials and key partners.

While the Regional Councils were created by the state in 1973, the flaw was the lack of a long-term consistent funding mechanism to meet the purpose and objectives outlined in the North Dakota Century Code: *to establish consistent statewide policy for planning, economic development programs, operations, coordination, and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.*

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SBPC supports communities, leaders, and entrepreneurs to advance economic progress for ND Region 2. Though we have grown and changed since our founding, our passion for helping communities and entrepreneurs stays the same. We are a solutions-based team working to create opportunities in the communities we serve. Today, our services include providing financing to small businesses and entrepreneurs; supporting nonprofit organizations and communities build capacity through our AmeriCorps program; and providing planning and technical assistance for regional economic and community development initiatives.

Please support providing a long-term funding mechanism for Regional Councils.

Sincerely,

Tony W. Pandolfo

Tony Pandolfo, Chairman

701.255.1982
877.830.6730 toll-free
www.sourisbasin.org

PO Box 2024
Minot, ND 58702-2024
ND Relay TTY 800.366.6888 | Voice 800.366.6889

This institution is an equal opportunity provider and employer.

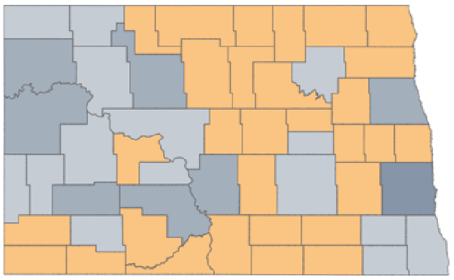
Eight Regional Councils supporting communities statewide

January 18, 2023

NDCC 54-40.1

Created by the state in 1973 to establish consistent statewide policy for planning, economic development program, operations, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions - **but did not include a funding mechanism.**

The State's economic prosperity is focused where there has been population growth



30 counties (in orange) have continued an 80-year trend of population loss between 2010 and 2020. The loss trend has begun to stabilize.

These counties have 50% of the state's land mass. 70% of rural residents live in small towns of less than 1,000 people.

70% of the state's population growth the past decade was concentrated in three counties - Cass (Fargo), Burleigh (Bismarck) , and Williams.

Seeking the state's investment in rural development capacity

CURRENT SYSTEMS DO NOT SUPPORT SOLVING COMPLEX RURAL ISSUES

Small towns require ongoing technical support to develop and implement development strategies, plans and projects related to **community infrastructure, entrepreneurship, housing, childcare, workforce development/attraction, housing, tourism, philanthropy and more.**

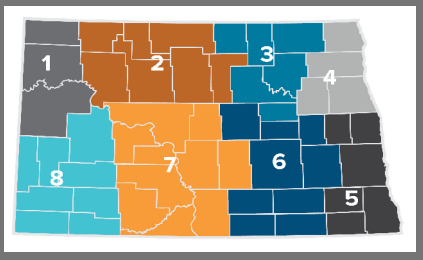
What would the funding do?

- Implement existing and recent comprehensive economic development strategies developed every five years by regional leaders - by increasing staff capacity to an estimated 4+ new staff and/or contracted capacity per region.
- Create regional partnerships to address shared issues
- Provide technical assistance to develop plans, projects, secure funding, and implement
- Seek professional development to enhance skills and capacity to create innovative solutions.
- Create rural/urban alliances.
- Maximize the state's prosperous times to rise all areas of the state.

Often rural strategies stretch multiple counties, many miles, and with limited budgets. The local governments are already heavily invested in local development - investing both time and resources. Seeking the state to partner in the creation of rural development hubs as part of the rural ecosystem.

$8M in people power

EIGHT REGIONAL COUNCILS POSITIONED TO ASSIST



Regional Councils are led by professional staff, mayors, county commissioners, Job Service, hub city representatives, and more.

There is an existing network of long-term, trusted relationships with local and regional leadership to be leveraged for statewide growth.

Invest in proven, long-standing organizations led by local leaders to support community growth statewide

$52M

Funds secured for communities, businesses and development in 2021 & 2022 alone.

32 Staff

Staff levels vary from 1.8 to 7 people (most have 3) per region. Regions range in size from 3 to 12 counties.

$148M in Loan Programs

Regional Councils have established loan programs to support business growth.

ASSOCIATION OF REGIONAL COUNCILS

Dawn Mandt, Chairwoman
Brent Ekstrom, Vice Chairman
Sandy Shively, Secretary/Treasurer

Testimony of Dawn Mandt in support of HB 1018 – with an amendment

To Senate Appropriations Committee

March 2, 2023

Chairman Bekkedahl and members of the Committee:

I am Dawn Mandt, Executive Director of the Red River Regional Council and Chairwoman of the ND Association of Regional Councils. I have been a rural development practitioner in North Dakota for the past 30 years.

On behalf of the ND Association of Regional Councils, **I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.**

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.

Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

The organizations have subsisted with county contributions, contracts for services (development, grant writing, grant management, small business counseling), loan program revenues, and other special purpose initiatives. The regional councils have an average of only three staff serving multi-county regions of up to

During COVID, each of the Regional Councils was provided supplemental funding through the US Department of Commerce Economic Development Administration (EDA) to increase capacity to address economic resiliency and develop resiliency strategic plans. Additionally, each Regional Council was awarded loan programs to support business resiliency across the state.

With temporarily enhanced capacity in staffing, we made collective strides forward and witnessed the higher impact we could have collectively to meet the founding purpose of the regional councils.

In 2021 and 2022, the regional councils secured more than $52 million to invest in communities, business, and development projects statewide.

516 Cooper Avenue, Suite 101
Grafton, ND 58237
701-352-3550

ASSOCIATION OF REGIONAL COUNCILS

Dawn Mandt, Chairwoman
Brent Ekstrom, Vice Chairman
Sandy Shively, Secretary/Treasurer

With specialized expertise in project and funding development from private, and public (local, regional, state, and federal resources), we can provide the needed expertise to further develop the state.

Over the past decade, 70% of the population growth in North Dakota was concentrated in three counties – Cass, Burleigh, and Williams. In rural counties, we have witnessed the continuation of long-term population loss.

North Dakota has been ranked last in the country for rural development counties.

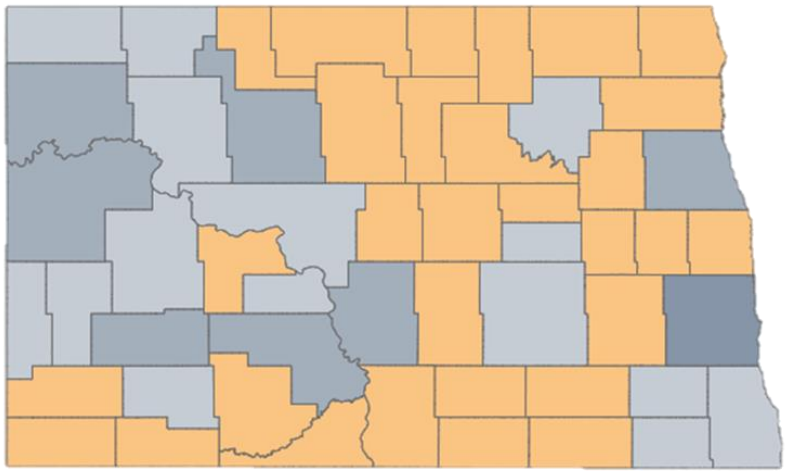


Figure 1: The 30 orange shaded counties lost population between 2010 and 2020

Rural areas are at a deficit for capacity, resources, and investment comparatively to larger communities that have the population density and tax revenues to support larger and stronger economic development organizations, convention and visitors' bureaus, housing authorities active in the development, community development staff, and more. At the same time, building regional collaborations and initiatives in rural areas span many miles over many communities with dispersed populations making the work complex and difficult on shoestring budgets.

Therefore, rural areas have struggled with decades of disinvestment.

With increased funding, each of the regional councils across North Dakota has plans to expand professional capacity to create systemic and regional support to address complex regional issues around workforce, childcare, community infrastructure, housing, tourism, philanthropy, and more. It would be our collective goal to strengthen the rural development ecosystem statewide.

Please find attached a matrix with a vision for the future roles of each of the eight regional councils that would be executed with this additional state investment in people power and planning.

Thank you for your consideration.

516 Cooper Avenue, Suite 101
Grafton, ND 58237
701-352-3550

8 Regional Councils
supporting ND communities

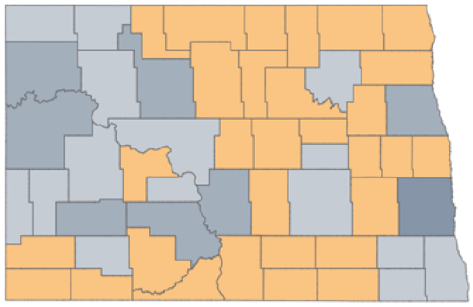
Invest in rural North Dakota

Support HB 1018:
Commerce Dept. Appropriations Bill Amendment

NDCC 54-40.1

Created by the state in 1973 to establish consistent statewide policy for planning, economic development program, operations, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions - **but did not include a funding mechanism.**

The State's economic prosperity is focused where there has been population growth.



30 counties (in orange) have continued an 80-year trend of population loss between 2010 and 2020. The loss trend has begun to stabilize.

These counties have **50% of the state's land mass.**

70% of rural residents live in small towns of **less than 1,000 people**.

70% of the state's population growth in the past decade was concentrated in three counties:

- **Cass (Fargo)**
- **Burleigh (Bismarck)**
- **Williams (Williston)**

Seeking the state's investment in rural development capacity

CURRENT SYSTEMS DO NOT SUPPORT SOLVING COMPLEX RURAL ISSUES

Small towns require ongoing technical support to develop and implement development strategies, plans and projects related to **community infrastructure, entrepreneurship, housing, childcare, workforce development/attraction, housing, tourism, philanthropy, and more.**

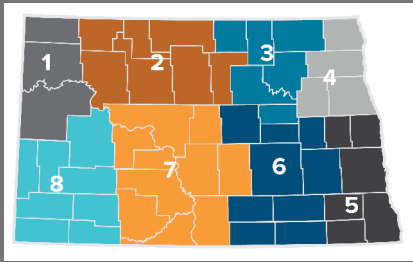
What would the funding do?

- Implement existing and recent comprehensive economic development strategies developed every five years by regional leaders - by increasing staff capacity to an estimated 4+ new staff and/or contracted capacity per region.
- Create regional partnerships to address shared issues
- Provide technical assistance to develop plans, projects, secure funding, and implement
- Seek professional development to enhance skills and capacity to create innovative solutions.
- Create rural/urban alliances.
- Maximize the state's prosperous times to rise all areas of the state.

Often rural strategies stretch multiple counties, many miles, and with limited budgets. The local governments are already heavily invested in local development - investing both time and resources. Seeking the state to partner in the creation of rural development hubs as part of the rural ecosystem.

$8M in people power

EIGHT REGIONAL COUNCILS POSITIONED TO ASSIST



Regional Councils are led by professional staff, mayors, county commissioners, Job Service, hub city representatives, and more.

There is an existing network of long-term, trusted relationships with local and regional leadership to be leveraged for statewide growth.

Invest in proven, long-standing organizations led by local leaders to support community growth statewide

$52M

Funds secured for communities, businesses and development in 2021 & 2022 alone.

32 Staff

Staff levels vary from 1.8 to 7 people (most have 3) per region. Regions range in size from 3 to 12 counties.

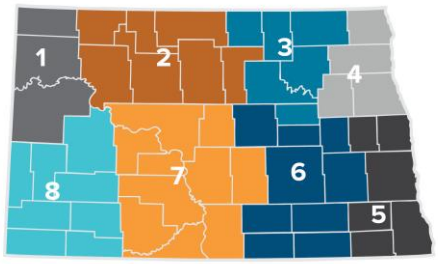
$148M in Loan Programs

Regional Councils have established loan programs to support business growth.

January 18, 2023

ND Association of Regional Councils

2023
Current officers:
Dawn Mandt, Chairwoman
Brent Ekstrom, Vice Chairman
Sandy Shively, Sec/Treasurer



Region 1 - Tri-County Regional Development Council	
Contact Name:	Everette Enno
Physical Address:	113 4th Street East Williston, ND 58801
Mailing Address:	PO Box 697 Williston, ND 58802-0697
Phone:	(701) 577-1358
Fax:	(701) 577-1363
Website:	www.tricountyrdc.com
Email:	everettee@ci.williston.nd.us

Region 2 - Souris Basin Planning Council	
Contact Name:	Briselda Hernandez
Physical Address:	18 2nd St NE, Suite 2 Minot, ND 587013
Mailing Address:	PO Box 2024 Minot, ND 58702-2024
Phone:	(701) 255-1982
Fax:	N/A
Website:	http://www.sourisbasin.org
Email:	briselda@sourisbasin.org

Region 3 - North Central Planning Council	
Contact Name:	Sandra Shively
Physical Address:	417 5th St NE Devils Lake, ND 58301-2539
Mailing Address:	PO Box 651 Devils Lake, ND 58301-0651
Phone:	(701) 662-8131
Fax:	(701) 662-8132
Website:	http://www.northcentralplanningcouncil.com/
Email:	sandyncpc@gondtc.com

Region 4 - Red River Regional Council	
Contact Name:	Dawn Mandt
Physical Address:	516 Cooper Ave Ste 101 Grafton, ND 58237-1533
Mailing Address:	516 Cooper Ave Ste 101 Grafton, ND 58237-1533
Phone:	(701) 352-3550
Fax:	n/a
Website:	http://redriverrc.com/
Email:	dawn@redriverrc.com

Region 5 - Lake Agassiz Regional Council	
Contact Name:	Amber Metz
Physical Address:	417 Main Ave Fargo, ND 58103
Mailing Address:	417 Main Ave Fargo, ND 58103-1956
Phone:	(701) 235-1197
Fax:	(701) 235-6706
Website:	http://www.lakeagassiz.com
Email:	amber@lakeagassiz.com

Region 6 - South Central Dakota Regional Council	
Contact Name:	Traci Redlin
Physical Address:	429 2nd Street SW Jamestown, ND 58402
Mailing Address:	PO Box 903 Jamestown, ND 58402-0903
Phone:	(701) 952-8050
Fax:	(701) 952-4930
Website:	http://www.scdrc.org
Email:	tredlin@scdrc.org

Region 7 - Lewis & Clark Development Group	
Contact Name:	Brent Ekstrom
Physical Address:	200 1st Ave NW Mandan, ND 58554-3162
Mailing Address:	200 1st Ave NW Mandan, ND 58554-3162
Phone:	(701) 667-7600
Fax:	(701) 255-7228
Website:	http://lcdgroup.org
Email:	brent@lcdgroup.org

Region 8 - Roosevelt Custer Regional Council for Dev.	
Contact Name:	Trisha Kelly
Physical Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Mailing Address:	40 1st Avenue West, Suite 301 Dickinson, ND 58601
Phone:	(701) 483-1241
Fax:	n/a
Website:	www.roosevelt-custer.org
Email:	rcrc@ndsupernet.com

ND Region 1
Tri-County Regional Development Council

Serving a collective of 54,491 people
Providing technical and administrative assistance in economic development, community and leadership development, workforce development, strategic planning, public infrastructure and housing, and financial development and packaging

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**501(c)(4)**
FOCUS	**Technical and administrative assistance, leadership development, workforce development, strategic planning, public infrastructure and housing, financial development, and entrepreneurship, expand lending capacity and infrastructure development**
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, government, business, industry, higher education, Tribal government, community organizations**
FUNDING	**EDA, Counties, State, revolving loan fund, grant and project administration and service fees, other**
STAFF	**Executive Director** **Office/Finance Manager** **Economic Recovery Coordinator** **Consultant** **Certified Planner** **Loan Officer (2)**

ND Region 2
Souris Basin Planning Council

SourisBasin
people. ideas. knowledge. resources.

Serving a collective of 99,279 people
Supporting communities, leaders, and entrepreneurs to advance economic progress

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)4	501(c)(3)
FOCUS	Business lending, entrepreneurship, economic development, AmeriCorps, capacity building, funding development, strategic planning, workforce development, community development, expand lending capacity	Community and economic support initiatives in Northwest ND; the Foundation works side-by-side with the regional council
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, Minot Air Force Base, EDCs, JDA's, MSU, Three Affiliated Tribes, Advisory Committees	3-member Board of Directors made up of community members
FUNDING	EDA, Counties, State, JDAs, AmeriCorps, project administration, other	Grant funding
STAFF	Executive Director Shared Program & Finance Manager Program Coordinator Communications & Project Specialist Administrative Assistant Regional Workforce Coordinator Project Development Manager Lending Coordinator	Shared Program & Finance Manager Executive Director

ND Region 3
North Central Planning Council

NCPC
NORTH CENTRAL
PLANNING COUNCIL

Serving a rural collective of 37,800 people
Providing expertise and leadership to facilitate economic and community development

OUR VISION

	REGIONAL COUNCIL	Foundation
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)
FOCUS	Community and economic development, planning, business lending, grant writing, small business development	Capacity building, innovative ideas for regional development, regional marketing, tourism attraction, housing development, workforce development, entrepreneur development
BOARDS OF DIRECTORS COMPOSITION	Elected officials, financial sector, workforce, Tribal representatives, economic development	JDAs, stakeholders, RC board member(s)
FUNDING	EDA, Counties, project administration, service fees, local, other	EDA, USDA RD, Counties grants, development groups, local
STAFF	Executive Director SBDC Advisor Grant Administrator Financial Officer Loan Officer Special Projects Developer	Executive Director Marketing Manager Housing Developer/Manager

ND Region 4
RED RIVER DEVELOPMENT GROUP

Serving a rural collective of 35,000 people

Providing expertise, leadership, technical assistance, resources, funding development, and grant writing to address community and regional issues/opportunities

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT FOUNDATION	DESTINATION DEVELOPMENT
LEGAL STRUCTURE	Political subdivision and designated economic development district	501(c)(3)	501(c)(6)
FOCUS	Community infrastructure, entrepreneurship, workforce, economic development, business lending, JDAs, strategic planning, grant writing/funding development	Housing and real estate development; philanthropy	Visitor attraction, marketing, product development, implementation of Destination Red River Action Plan
BOARDS OF DIRECTORS COMPOSITION	NDCC - elected officials, Job Service, EDCs, private sector, UND, Advisory Committee(s)	Lenders, NDHFA, developers, lumber stores, Grand Forks Housing Authority	State Parks, hospitality businesses, Chambers, GFCVB, ND Tourism
FUNDING	EDA, Counties, State, JDAs, project administration, USDA RD, Bush Foundation, other	$200,000 seed funding secured, project development fees, HUD, USDA RD, Bremer	Memberships, state funding for pilot project, JDAs, long term funding strategy to be developed
STAFF	Shared CEO Shared Director of Operations Director of Nelson County Director of Pembina County Director of Workforce Director of Community Services	Shared CEO Shared Director of Operations Director of Development	Shared CEO Shared Director of Operations Director of Marketing Director of Product Development

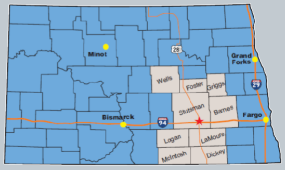
ND Region 5
Lake Agassiz Development Group

Coordinating and facilitating the provision of economic and social opportunities to residents in North Dakota

OUR VISION

	REGIONAL COUNCIL	DEVELOPMENT CORPORATION	CERTIFIED DEVELOPMENT COMPANY
LEGAL STRUCTURE	501(c)(4)	501(c)(3)	501(c)(4)
FOCUS	Community infrastructure, business lending, JDAs, strategic planning, grant writing, workforce, tourism, destination development, housing development	Business lending, Senior Housing, shared service office space, entrepreneurship	SBA 504 Lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, Job Service, private sector	Private sector including lender, business owner, and developer	Lenders, business owners, attorney
FUNDING	EDA, Counties, JDAs, project administration	SBA, USDA, Otto Bremer Foundation, Bush Foundation, fees	SBA Program and servicing fees
STAFF	Shared Executive Director Planner Additional staff provided by RDC Regional Workforce Coordinator Project Development Director Engagement and Communications Director	Shared Executive Director CFO Administrative Assistant Commercial Lenders (3) Loan Servicing	Staff provided by RDC

ND Region 6
South Central Dakota Regional Council



Serving a rural collective of 55,850 people
Providing planning and development services, technical assistance, information coordination, grant writing, and program administration to facilitate the needs of local units of government in the areas of community development, economic development and public infrastructure

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district, 501(c)(3)**
FOCUS	**Capacity building, regional marketing and development, workforce development, housing development, tourism**
BOARDS OF DIRECTORS COMPOSITION	**Elective officials, EDC and private sector**
FUNDING	**EDA, USDA, Counties, Grants, project administration, planning administration**
STAFF	**Executive Director Planner Administrative Staff Grant Writer Loan Specialist Project Specialist**

ND Region 7
Lewis & Clark Development Group

A collaboration of three separate non profit organizations, joined to provide programs and loans to support businesses, local governments, and individuals in expanding affordable housing opportunities and advancing economic and community development across North Dakota

OUR VISION

	REGIONAL COUNCIL	CommunityWorks North Dakota	Lewis & Clark CDC
LEGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)	501(c)(3)
FOCUS	Economic and community development, business lending, community infrastructure	Affordable housing and development opportunities; part of the national NeighborWorks America Network	Administer and facilitate SBA 504 program for small business lending
BOARDS OF DIRECTORS COMPOSITION	Elected officials, EDCs, RECs, private sector, Tribal representatives, UTTC	Lenders, Local and State Housing Agency Representatives, Service Agency Representatives, Realtors, and business owners	Financial institutions, Community Development Organizations, business owners, government officials
FUNDING	EDA, Counties, and USDA RD	NeighborWorks America, NDHFA, Wells Fargo Foundation, Dacotah Bank, USDA RD, Rural Development Finance Corporation	Small Business Administration
STAFF	Senior Commercial Lending Director Commercial Lending Director Lender (2) Commercial Closing Officer Commercial Loan Processor Shared Directorof Operations Shared CEO Compliance Officer (2) Loan Servicing Officer	Housing Director Multifamily Housing Director Multifamily Development Director Compliance Director Compliance Processor Property Managers (2) Site Managers (2) Maintenance Managers (3) Shared Director of Operations Shared CEO	Staff provided by RDC

ND Region 8
Roosevelt Custer Regional Council

Roosevelt Custer
REGIONAL COUNCIL

Serving a rural collective of 46,000 people
Providing technical assistance, leadership, business funding and resources, and more traditional regional council services in southwest North Dakota

OUR VISION

REGIONAL COUNCIL

LEGAL STRUCTURE	**Political subdivision and designated economic development district 501(c)(3)**
FOCUS	**Community infrastructure, entrepreneurship, economic development, business lending, JDAs, strategic planning,** technical assistance, grant writing, funding development, workforce development, destination development, visitor attraction
BOARDS OF DIRECTORS COMPOSITION	**Elected officials, Job Service, EDCs, private sector, higher education, Advisory Committees,** ND Tourism Advisory
FUNDING	**EDA, Counties, project administration, USDA RD,** Cities, membership, State, other
STAFF	**Executive Director** **Council Administrator** **Shared Finance & Operations Coordinator** **Shared Marketing & Communications Coordinator** Grant Writer Tourism Director Workforce Director Program Specialist

Matthew Marshall
5301 32nd Ave S
Grand Forks ND 58201
mmarshall@minnkota.com

RE: **TESTIMONY IN SUPPORT OF HB 1018**

Chair Bekkedahl and members of the Senate Appropriations Committee:

For the record, my name is Matt Marshall and I have the pleasure to serve as the economic development administrator for Minnkota Power cooperative and as a board member for EDND. In this capacity I support members and communities in Northeastern North Dakota in their efforts to attract and retain industry, develop comprehensive workforce development solutions, and enhance resiliency through community development projects.

House bill 1018 has critical elements that are desperately needed to support the ongoing growth and diversification throughout the entire state. As you know, the lack of available qualified workers is the number 1 issue facing industry in North Dakota. There is not a simple solution, nor a one-size-fits-all program that will solve this problem. The Department of Commerce programs proposed in house bill 1018 take a multi-pronged approach to this issue that tackle everything from workforce recruitment and training to revitalizing communities.

One of the innovative ideas in that multi-pronged approach is the proposed Destination Development Fund. It is proven that those who visit our state are far more likely to relocate here. The proposed Destination Development Fund will be used to create unique attractions that will create a sense of place for current North Dakota residents and attract new visitors that could one day become residents of our great state.

Though house bill 1018 is comprehensive and strategic in its approach to advancing North Dakota's economy, additional support in our rural areas is needed. Providing funding to the regional councils throughout the state would allow those organizations to develop the professional capacity needed to ensure those areas don't lose out on funding available. This would provide ongoing support for the efficient and steady growth of the regions they serve. For this reason, we ask that you amend house bill 1018 to include ongoing funding for the eight regional councils throughout the state.

Thank you for your service and dedication to the growth and prosperity of North Dakota. I respectfully ask for a Do Pass recommendation with an amendment to fund North Dakota's eight regional councils.

Sincerely,

Matthew Marshall

Economic Development Administrator

THE CHAMBER
FARGO MOORHEAD WEST FARGO

FMWF Chamber Support for HB 1018

March 2nd, 2023

Chairman Bekkedahl and members of the Senate Appropriations Committee:

For the record, my name is Katherine Grindberg and I have the pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. Today, on behalf of our over 1,900 members, I offer testimony in support of House Bill 1018 along with a suggestion.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This is the number one issue we hear from our businesses. This challenge is not unique to our state though, businesses across the United States are in desperate need of qualified workers to fill their open positions. Every state in the nation is competing to attract, acclimate, retain, and develop workforce. According to the latest federal Job Openings and Labor Report, the national average was nearly 1.9 job openings per available worker. In December, a U.S. Chamber study categorized North Dakota in the "most severe" workforce shortage category with 2.2 job openings per available worker.

North Dakota must remain committed to identifying creative and multi-pronged solutions to addressing this shortage. For example, during the 2021 Special Session, the 67th Legislative Assembly provided a $15 million appropriation to the Department of Commerce to establish a Regional Workforce Impact Program (RWIP) in SB 2345 for the "purpose of adding or expanding a local workforce development incentive grant program to recruit, retain, and retain workers". Under this innovative program, organizations, like the FMWF Chamber Foundation, will be able to establish and further expand regional workforce programs to address the specific needs of our community.

Through creative and regional-based solutions, like the RWIP program, communities can assist North Dakota businesses with the acclimation, retention, and development of qualified workers, while helping job seekers prepare for and connect to high-quality and good-paying jobs here in our state. The FMWF Chamber supports the continued investment into the RWIP program and would ask the legislature to increase funding to 20 million dollars to keep this program sustainable, so our state can remain competitive in a global marketplace.

The Chamber believes the state should continue to invest in state-based workforce programs and we applaud the Workforce Development Council and the Department of Commerce for their leadership in expressing the need for workforce attraction in North Dakota. We recognize the desire to have a uniform voice when it comes to talent attraction, but the reality is that jobs in West Fargo are different from those in Willison. We know talent attraction looks vastly different across our communities. From Minot to Minto, Fargo to Fessenden, and every city or township in between, each community is presented with unique opportunities and challenges regarding workforce attraction.

Finally, as we discuss workforce attraction, I would be remised to not emphasize the importance of quality-of-life assets and placemaking infrastructure to enhance the State's attraction and retention efforts. As many business owners know, employees are in the driver's seat, and now, more than ever, they are prioritizing quality-of-life assets and placemaking infrastructure when considering employment. We support strategic efforts to energize our communities, like the proposed Destination Development Fund, which helps attract new residents and retain youth and the existing workforce.

On behalf of our members, I would like to thank the committee for their time and consideration this morning.

Respectfully,

Katherine Grindberg

Executive Vice President
FMWF Chamber of Commerce
kgrindberg@fmwfchamber.com

EPIC Companies
EPICCompaniesND.com
745 31st Ave. E Suite 105
West Fargo, ND 58078
701.866.1006

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Chairman l·yŘ members of the {ŜyƗ·ΰŜ Appropriations /ƨϒϒ١ΰΰŜŜϒ

For the record, my name is Todd Berning and I am the President of EPIC Companies. EPIC Companies is an investment, development, and management firm based out of West Fargo and Minot ND. We take underutilized spaces and build mixed-use buildings that provide a better quality of life for the communities we invest in. Today, on behalf of our 85 employees, I offer testimony in support of House Bill 1018 and the proposed destination development fund.

With the proposed $50,000,000 investment in destination development funds, organizations like ours will be able to further expand the LJfI·ǒŜ ϒI·ɭƛyƎ aspects of our developments. These unique spaces like the Lights in West Fargo have become known as regional attractions and address the specific needs of the communities we work in. Over the years, we have spent our time and talents to redevelop many communities throughout North Dakota. We have over 30+ mixed-use buildings that contain commercial space, apartments, and condos with some that feature world class public attractions.

Some of the notable plaza developments that our team has built and continue to manage are The Lights in West Fargo, POW/MIA Plaza in West Fargo, The Beacon under construction in Grand Forks, and The Tracks under construction in Minot. Each of these has a transformable space that can host events year-round creating unique destinations that generate significant tourism traffic and are amenities for North Dakota residents. We have also fostered unique experiences by being extremely supportive of local theaters, the arts and music communities, and by adding artists to our staff. Attractions like the Lights in West Fargo increase tourism by hosting art events, theater productions, and numerous concerts.

Including the destination development funds in HB 1018 would allow our team and the private investment we generate to continue to create truly unique experiences for visitors and residents alike. We have seen the transformative change in the areas we have created these regional attractions and know the impact these amenities have on workforce recruitment, tourism spending, and retaining our youth.

On behalf of the EPIC team, I would like to thank the committee for their time and consideration and ask for a “do pass” for the destination development funds along with a push to keep the amount at the originally proposed $50,000,000.

Sincerely,

Todd Berning, President

EPIC Companies

EPIC COMPANIES
Investment • Development • Management

Prepared for the Senate Appropriations Committee

Department 601 - Department of Commerce
House Bill No. 1018

First Chamber Comparison to Base Level

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

First Chamber Changes

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

Selected Bill Sections Included in the First Chamber Version

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

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

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

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

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

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

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

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

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

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

Continuing Appropriations

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

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

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

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

Major Related Legislation

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

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

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

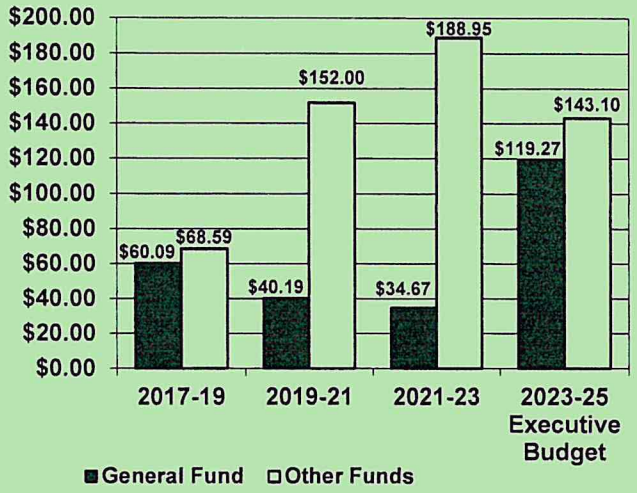
Senate Bill No. 2273 - This bill appropriates one-time funding of $2 million from the general fund to the department for the purpose of establishing a pilot program to provide grants for the preservation of rural grocery stores and increasing the availability of food access in the state.

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

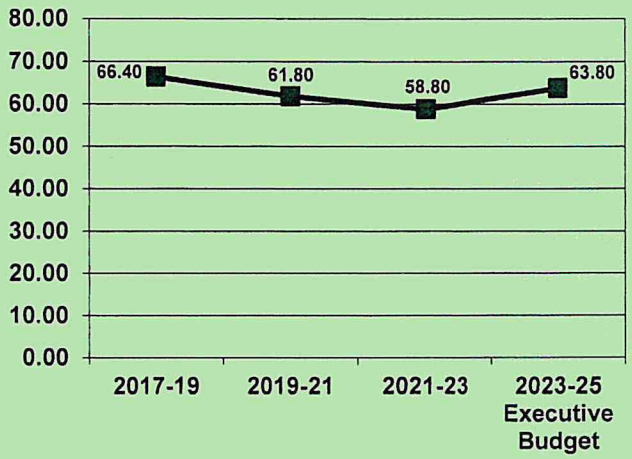
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading	$200,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

68TH LEGISLATIVE ASSEMBLY

ANALYSIS OF CHANGES TO BASE FUNDING LEVELS

FEBRUARY 22, 2023
(CROSSOVER)

Prepared by the Legislative Council Staff

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ANALYSIS OF LEGISLATIVE CHANGES TO THE BASE LEVEL BUDGET AT CROSSOVER

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Legislative changes by agency - Legislative changes for each agency, as of crossover, are included in the report organized by bill number. (The bill number is indicated on the bottom of each page.)

Agency	Bill No.
Adjutant General	SB 2016
Administrative Hearings, Office of	HB 1017
Aeronautics Commission	HB 1006
Agriculture Commissioner	SB 2009, SB 2290, HB 1276, HB 1437, HB 1519
Agronomy Seed Farm	HB 1020
Attorney General	SB 2003, SB 2202, HB 1307, HB 1388, HB 1415
Auditor	SB 2004
Bank of North Dakota	HB 1014, HB 1379
Bismarck State College	HB 1003
Career and Technical Education, Board for	HB 1019, HB 1199, HB 1232, HB 1519
Carrington Research Extension Center	HB 1020
Central Grasslands Research Extension Center	HB 1020
Commerce, Department of	HB 1018, HB 1379, SB 2142, SB 2240, SB 2273
Corrections and Rehabilitation, Department of	HB 1015
Council on the Arts	HB 1010
Dakota College at Bottineau	HB 1003
Dickinson Research Extension Center	HB 1020
Dickinson State University	HB 1003
District court	HB 1002
Emergency Services, Department of	SB 2016
Environmental Quality, Department of	HB 1024
Ethics Commission	SB 2024
Financial Institutions, Department of	HB 1008, HB 1068
Fire district payments	SB 2010
Forest Service	HB 1003
Game and Fish Department	SB 2017
Governor	SB 2001
Hettinger Research Extension Center	HB 1020
Higher education	HB 1003, SB 2197, SB 2288
Highway Patrol	HB 1011
Historical Society	SB 2018
Homestead tax credit	SB 2006, SB 2136
Housing Finance Agency	HB 1014
Health and Human Services, Department of	HB 1004, HB 1028, HB 1375, HB 1390, HB 1447, HB 1477, HB 1519, SB 2012, SB 2026, SB 2128, SB 2129, SB 2149, SB 2155, SB 2185, SB 2215, SB 2230, SB 2248, SB 2265, SB 2283, SB 2344
Indian Affairs Commission	HB 1005
Industrial Commission	HB 1014, HB 1519
Information Technology Department	HB 1021, HB 1242
Insurance Commissioner	SB 2010
International Peace Garden	SB 2019
Job Service North Dakota	HB 1016
Judicial branch	HB 1002, SB 2345

Judicial Conduct Commission	HB 1002
Labor Commissioner	SB 2007
Lake Region State College	HB 1003
Langdon Research Extension Center	HB 1020
Legal Counsel for Indigents	HB 1022
Legislative Assembly	HB 1001
Legislative Council	HB 1001
Life Skills and Transition Center	SB 2012
Main Research Center	HB 1020
Management and Budget, Office of	SB 2015
Mayville State University	HB 1003
Mill and Elevator	HB 1014
Mineral Resources, Department of	HB 1014
Minot State University	HB 1003
NDSU Extension Service	HB 1020
North Central Research Extension Center	HB 1020
North Dakota State College of Science	HB 1003
North Dakota State University	HB 1003
Northern Crops Institute	HB 1020
Parks and Recreation Department	SB 2019
Protection and Advocacy Project	SB 2014
Public Employees Retirement System	SB 2023, SB 2239
Public Instruction, Department of	HB 1306, HB 1491, HB 1532, SB 2013, SB 2032, SB 2033, SB 2200, SB 2284, SB 2354, SB 2380
Public Printing	SB 2002
Public Service Commission	SB 2008
Racing Commission	HB 1023
Retirement and Investment Office	SB 2022
Secretary of State	SB 2002
Securities Commissioner	SB 2011
School for the Blind - Vision Services	SB 2013
School for the Deaf	SB 2013
State Fair	HB 1009
State Hospital	SB 2012
State Library	SB 2013
Supreme Court	HB 1002
Tax Commissioner	SB 2006, SB 2136, HB 1225
Transportation, Department of	HB 1012, HB 1519
Treasurer	SB 2005, HB 1379
Trust Lands, Department of	HB 1013
UND Medical Center	HB 1003
University of North Dakota	HB 1003
University System Office	HB 1003, SB 2197, SB 2288
Upper Great Plains Transportation Institute	HB 1020
Valley City State University	HB 1003
Veterans' Affairs, Department of	HB 1025, HB 1157, HB 1182
Veterans' Home	HB 1007
Vision Services - School for the Blind	SB 2013
Water Resources, Department of	SB 2020
Williston Research Extension Center	HB 1020
Williston State College	HB 1003
Workforce Safety and Insurance	SB 2021

Prepared by the Legislative Council staff
February 23, 2023

2023-25 BUDGET STATUS SUMMARY
AS OF FEBRUARY 22, 2023 - CROSSOVER

Beginning Balance and Revenues

Legislative estimate of unobligated general fund cash balance - July 1, 2023	$990,742,581 [1]
Add 2023-25 estimated revenues	
January 2023 legislative base revenue forecast	$5,093,906,670
Legislative changes to base revenue forecast	
Major increases	
SB 2367 - Increases the allocation of oil and gas tax revenue to the general fund	60,000,000
Major decreases	
HB 1012 & SB 2015 - Allocates motor vehicle excise taxes to the state highway fund rather than the general fund	(169,250,000)
NOTE: SB 2329 provides a similar allocation of motor vehicle excise tax collections to political subdivisions	
HB 1014 - Decreases the transfer of Bank of North Dakota and Mill and Elevator profits to the general fund	(81,300,000)
HB 1168 - Provides income tax credits related to manufacturing and agriculture automation incentives	(3,000,000)
HB 1158 - Provides an individual income tax exemption and reduces the individual income tax rate	(566,400,000)
NOTE: HB 1118 provides an individual income tax credit for residents and reduces the income tax rate	
SB 2237 - Creates an individual income tax credit related to child care expenses	(9,900,000)
SB 2293 - Expands an individual income tax deduction to exclude state active duty military pay from taxation	(4,000,000)
Other increases (decreases)	(9,049,896)
Total legislative changes affecting revenues	($782,899,896)
Total estimated general fund revenues and beginning balance - 2023-25 biennium	$5,301,749,355

Appropriations

Base level appropriations	$4,878,875,745
Legislative increases (decreases) to base level appropriations	
Major increases	
HB 1002 - Judicial branch	20,296,595
HB 1003 - North Dakota University System	232,349,099
HB 1014 - Industrial Commission, Department of Mineral Resources, and Housing Finance Agency	27,508,309
HB 1015 - Department of Corrections and Rehabilitation	67,382,240
HB 1018 - Department of Commerce	44,783,357
HB 1021 - Information Technology Department	20,894,455
HB 1276 - Agriculture diversification and development fund	30,000,000
HB 1532 - Nonpublic school education reimbursement	24,000,000
SB 2003 - Attorney General	20,940,133
SB 2012 - Department of Health and Human Services	412,339,153
SB 2013 - Department of Public Instruction	242,573,004
SB 2015 - Office of Management and Budget, including a statewide salary equity pool	58,017,935
SB 2239 - Public Employees Retirement System reduction of the main system plan unfunded liability	250,000,000
SB 2283 - Department of Health and Human Services basic care payment rates	19,718,386
Major decreases	
None	
Other increases (decreases) net	145,938,370
Total legislative changes affecting appropriations	$1,616,741,036
Total 2023-25 general fund appropriations	$6,495,616,781

Estimated Ending Balance - June 30, 2025

Estimated budget status general fund balance	**($1,193,867,426)**

2023-25 Ongoing and One-Time General Fund Revenues and Appropriations Comparison

	Ongoing	One-Time	Total
General fund revenues	$4,311,006,774	$990,742,581	$5,301,749,355
General fund appropriations	5,878,071,160	617,545,621	6,495,616,781
Balance (Deficit)	($1,567,064,386)	$373,196,960	($1,193,867,426)

2023-25 General Fund Appropriations Comparison to Executive Budget Recommendation

	Executive Budget	2023-25 Current Budget Status	Increase (Decrease) Amount	Increase (Decrease) Percent
Ongoing general fund appropriations	$5,489,362,605	$5,878,071,160	$388,708,555	7.1%
One-time general fund appropriations	374,889,588	617,545,621	242,656,033	64.7%
Total general fund appropriations	$5,864,252,193	$6,495,616,781	$631,364,588	10.8%

Footnotes

[1] January 2023 base revenue forecast - Unobligated general fund cash balance on June 30, 2023	$1,398,719,379 [a]
Legislative action affecting the June 30, 2023, balance	
HB 1014 - Industrial Commission - Provides a deficiency appropriation for FTE positions and a transfer	($75,460)
HB 1014 - Bank of North Dakota - Decreases the transfer of Bank profits for the 2021-23 biennium	(70,000,000)
HB 1289 - Judicial Branch - Allows a court to waive unpaid fees pursuant to an emergency clause	(20,000)
SB 2013 - Department of Public Instruction - Provides an exemption allowing state school aid to be repurposed	(16,009,764)
SB 2025 - Provides deficiency appropriations to various state agencies	(41,529,057)
SB 2183 - Adjutant General - Deficiency appropriation for emergency snow removal grants	(25,000,000)
SB 2284 - Department of Public Instruction - Provides an exemption allowing state school aid to be repurposed	(1,000,000)
Total legislative changes affecting the beginning balance	($153,634,281)
Estimated general fund cash balance prior to budget stabilization fund transfer	$1,245,085,098
Estimated transfer to budget stabilization fund - June 30, 2023	(254,342,517) [b]
Legislative estimate of unobligated general fund cash balance - July 1, 2023	$990,742,581

[a] The beginning balance reflects estimated unexpended 2021-23 biennium general fund appropriations of $169.7 million.

[b] North Dakota Century Code Chapter 54-27.2 provides that any amount in the general fund at the end of a biennium in excess of $65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 15 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The amount shown is based on the current estimate of the June 30, 2023, general fund balance and the current status of 2023-25 biennium general fund appropriations.

Budget Stabilization Fund Transfer and Balance

Estimated balance - June 30, 2023	$720,000,000
Estimated transfer from general fund	254,342,517
Estimated balance - July 1, 2023	$974,342,517

Strategic Investment and Improvements Fund

Estimated July 1, 2023, balance available for appropriation or transfer - January 2023 legislative revenue forecast	$1,387,387,584
Revenue adjustments	
None	
Total available for appropriation or transfer after revenue adjustments	$1,387,387,584
Appropriations and transfers	
HB 1003 - Higher Education - Capital projects and a transfer to the University System capital building fund	($372,260,100)
HB 1007 - Veterans' Home - Parking lot and road repairs on the Veterans' Home campus	($600,000)
HB 1012 - Department of Transportation - Matching federal funds and creating a flexible transportation fund	(328,000,000)
HB 1014 - Industrial Commission - Research projects, transmission line grant, and loan guarantee	(110,000,000)
HB 1015 - Department of Corrections and Rehabilitation - New correctional facilities and information technology needs	(165,057,000)
HB 1018 - Department of Commerce - Transfer to the North Dakota Development Fund and other grants	(248,500,000)
HB 1020 - Agriculture Research and Extension Service - Various improvement projects and deferred maintenance	(103,732,600)
HB 1021 - Information Technology Department - Digitization project and customer management program	(16,500,000)
HB 1040 - Public Employees Retirement System - Transfer to the main system retirement plan	(240,000,000)
HB 1480 - Department of Health and Human Services - Transfer to a newly created pay for success fund	(2,500,000)
SB 2002 - Secretary of State - Information technology projects	(1,500,000)
SB 2009 - Agriculture Commissioner - Transfer to the bioscience innovation fund	(5,500,000)
SB 2012 - Department of Health and Human Services - Transfer to the human service finance fund and for projects	(39,335,154)
SB 2015 - Office of Management and Budget - Deferred maintenance funding pool	(20,000,000)
SB 2016 - Adjutant General - Statewide interoperable radio network equipment	(2,700,000)
SB 2018 - State Historical Society - Critical repairs at historic sites and new exhibits	(5,095,500)
SB 2019 - Parks and Recreation Department - Deferred maintenance and capital projects and park grants	(12,500,000)
SB 2089 - Industrial Commission - Transfer to a new clean natural gas capture and emissions reduction fund	(7,500,000)
SB 2136 - Tax Commissioner - Reimbursements under the homestead tax credit program	(135,000,000)
SB 2242 - Bank of North Dakota - Transfer to a newly created bulk propane storage tank revolving loan fund	(15,000,000)
SB 2290 - Agriculture Commissioner - Grasslands grazing grants	(3,000,000)
Total appropriations and transfers	($1,834,280,354)
Estimated remaining funds	($446,892,770)

State of North Dakota
Tentative Budget Status Report
Budget Status Summary
As of February 22, 2023

Legislative Budget Status - General Fund Summary	
Estimated beginning balance	$990,742,581
Add estimated revenue	4,311,006,774
Total funds available	$5,301,749,355
Less appropriations	6,495,616,781
Estimated ending balance - June 30, 2025	($1,193,867,426)

Legislative Changes to the Base Budget

General Fund Appropriations and Revenues

	Base Budget	Legislative Changes	Current Budget Status
Estimated beginning balance	$1,398,719,379	($407,976,798)	$990,742,581
Add estimated revenue	5,093,906,670	(782,899,896)	4,311,006,774
Total funds available	$6,492,626,049	($1,190,876,694)	$5,301,749,355
Less appropriations	4,878,875,745	1,616,741,036	6,495,616,781
Estimated ending balance	$1,613,750,304	($2,807,617,730)	($1,193,867,426)

All Funds Appropriations

	Base Budget	Legislative Changes	Current Budget Status
General fund appropriations	$4,878,875,745	$1,616,741,036	$6,495,616,781
Estimated income	9,224,317,535	4,527,031,007	13,751,348,542
Total all funds appropriations	$14,103,193,280	$6,143,772,043	$20,246,965,323

State of North Dakota
Tentative Budget Status Report
General Fund Revenues
As of February 22, 2023

Revenue Type	2023 Base Budget Revenue Forecast	Legislative Changes	2023 Current Budget Status
Beginning balance	$1,398,719,379	($407,976,798)	$990,742,581
Sales and use tax	2,203,500,000	(3,243,990)	2,200,256,010
Motor vehicle excise tax	338,500,000	(169,435,000)	169,065,000
Individual income tax	1,189,500,000	(581,500,000)	608,000,000
Corporate income tax	392,900,000	(1,800,000)	391,100,000
Oil and gas production tax	200,000,000	30,000,000	230,000,000
Oil extraction tax	200,000,000	30,000,000	230,000,000
Cigarette and tobacco tax	44,846,545	0	44,846,545
Wholesale liquor tax	20,268,633	0	20,268,633
Gaming tax	37,300,000	(400,000)	36,900,000
Insurance premium tax	132,499,378	0	132,499,378
Departmental collections	75,447,690	(4,820,906)	70,626,784
Interest income	1,639,872	0	1,639,872
Mineral leasing fees	60,000,000	0	60,000,000
Transfer - Bank of North Dakota	140,000,000	(70,000,000)	70,000,000
Transfer - Mill and Elevator	14,700,000	(11,300,000)	3,400,000
Transfer - Lottery	12,600,000	(400,000)	12,200,000
Transfer - Gas tax administration	1,844,424	0	1,844,424
Transfer - Budget stabilization interest	28,360,128	0	28,360,128
Total	**$6,492,626,049**	**($1,190,876,694)**	**$5,301,749,355**

State of North Dakota
Tentative Budget Status Report
Legislative General Fund Revenue Changes to the Base Budget by Revenue Type
As of February 22, 2023

Revenue Type	Bill No.	Action By	General Fund Change	Explanation of Change
Beginning balance	Other	HS	($254,342,517)	Transfer to the budget stabilization fund based on 2023-25 biennium general fund appropriations
	HB 1014	H	(75,460)	Provides a deficiency appropriation to the Industrial Commission for full-time equivalent positions and a transfer to the fossil restoration fund
	HB 1014	H	(70,000,000)	Decreases the transfer of Bank of North Dakota profits to the general fund for the 2021-23 biennium
	HB 1289	H	(20,000)	Allows a court to waive unpaid fees if an individual completes an adult drug court program reducing fee revenue collections for the 2021-23 biennium with an emergency clause
	SB 2013	S	(16,009,764)	Provides an exemption to the Department of Public Instruction allowing the state school aid to be repurposed and continued into the 2023-25 biennium
	SB 2025	S	(41,529,057)	Provides deficiency appropriations to various state agencies
	SB 2183	S	(25,000,000)	Provides a deficiency appropriation to the Adjutant General for emergency snow removal grants
	SB 2284	S	(1,000,000)	Provides an exemption to the Department of Public Instruction allowing the state school aid to be repurposed and continued into the 2023-25 biennium
Total Changes - Beginning balance			**($407,976,798)**	
Sales and use tax	HB 1177	H	(1,597,750)	Provides a sales tax exemption for children's diapers
	HB 1359	H	(1,208,000)	Extends the expiration date for the county aid distribution fund decreasing the sales and use tax collections deposited in the general fund
	HB 1402	H	(438,240)	Provides a sales and use tax exemption for used clothing sold by nonprofit thrift stores decreasing tax collections
Total Changes - Sales and use tax			**($3,243,990)**	
Motor vehicle excise tax	HB 1012	H	(169,250,000)	Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund rather than the general fund (HB 1015 provides the same allocation change)
	HB 1359	H	(185,000)	Extends the expiration date for the county aid distribution fund decreasing the motor vehicle excise tax collections deposited in the general fund
Total Changes - Motor vehicle excise tax			**($169,435,000)**	
Individual income tax	HB 1158	H	(566,400,000)	Exempts income in the first bracket from taxation and reduces the individual income tax rate to 1.5 percent for all remaining income
	HB 1168	H	(1,200,000)	Provides up to $1.5 million of total individual and corporate income tax credits per year related to manufacturing and agriculture automation incentives
	SB 2237	S	(9,900,000)	Creates an individual income tax credit related to child care expenses
	SB 2293	S	(4,000,000)	Expands an individual income tax deduction for military pay to exclude state active duty military pay from taxation
Total Changes - Individual income tax			**($581,500,000)**	
Corporate income tax	HB 1168	H	(1,800,000)	Provides up to $1.5 million of total individual and corporate income tax credits per year related to manufacturing and agriculture automation incentives
Total Changes - Corporate income tax			**($1,800,000)**	
Oil and gas production tax	SB 2367	S	30,000,000	Increases the oil and gas tax revenue allocations to the general fund to provide total allocations of $460 million
Total Changes - Oil and gas production tax			**$30,000,000**	
Oil extraction tax	SB 2367	S	30,000,000	Increases the oil and gas tax revenue allocations to the general fund to provide total allocations of $460 million
Total Changes - Oil extraction tax			**$30,000,000**	
Gaming tax	SB 2281	S	(400,000)	Increases gaming licensing fees and allocates a portion of gaming tax revenues to a new charitable gaming technology fund rather than the general fund
Total Changes - Gaming tax			**($400,000)**	

State of North Dakota
Tentative Budget Status Report
Legislative General Fund Revenue Changes to the Base Budget by Revenue Type
As of February 22, 2023

Departmental collections	HB 1071	H	193,176	Requires local emergency management organizations participating in the state regional emergency management program to reimburse the state for a portion of each regional coordinator's salaries and benefits
	HB 1289	H	(200,000)	Allows a court to waive unpaid fees if an individual completes an adult drug court program reducing fee revenue collections
	SB 2010	S	(2,467,031)	Provides funding for new FTE fire marshal positions and distributions to the North Dakota Firefighters Association from the insurance regulatory trust fund decreasing general fund collections
	SB 2149	S	50,000	Allocates a portion of the revenue collected from a 988 crisis hotline fee to the general fund
	SB 2162	S	(1,293,590)	Removes county mill levy requirements for gross production tax allocations allowing a county to receive funding that would be withheld and allocated to the state
	SB 2180	S	(26,061)	Decreases audit fee collections by allowing state agencies to be audited within a four year period rather than a two year period
	SB 2259	S	(77,400)	Limits the amount the State Auditor may charge for agriculture commodity audit services decreasing departmental collections
	SB 2325	S	(1,000,000)	Allows revenue from the Securities Department to be deposited in a restitution assistance fund rather than the general fund
Total Changes - Departmental collections			**($4,820,906)**	
Transfer - Bank of North Dakota	HB 1014	H	(70,000,000)	Decreases the transfer of Bank of North Dakota profits to the general fund
Total Changes - Transfer - Bank of North Dakota			**($70,000,000)**	
Transfer - Mill and Elevator	HB 1014	H	(11,300,000)	Decreases the transfer of Mill and Elevator profits to the general fund from 50 to 10 percent
Total Changes - Transfer - Mill and Elevator			**($11,300,000)**	
Transfer - Lottery	SB 2003	S	(400,000)	Increases the allocation of lottery proceeds to multijurisdictional drug force grant fund decreasing the revenue deposited in the general fund
Total Changes - Transfer - Lottery			**($400,000)**	
Total All Changes:			**($1,190,876,694)**	

Tentative Budget Status Report
Legislative Appropriations Changes to the Base Budget by Bill No.
As of February 22, 2023

Bill No.	Department	Action by	General Fund	Estimated Income	All Funds
HB 1001	Legislative Assembly	H	$5,669,248		$5,669,248
	Legislative Council	H	2,933,447	$18,000	2,951,447
Total Changes - HB 1001			$8,602,695	$18,000	$8,620,695
HB 1002	Supreme Court	H	$2,270,139	$388,000	$2,658,139
	District Courts	H	17,917,976	155,868	18,073,844
	Judicial Conduct Commission	H	108,480	31,116	139,596
Total Changes - HB 1002			$20,296,595	$574,984	$20,871,579
HB 1003	University System Office	H	$93,179,187	$872,198	$94,051,385
	Bismarck State College	H	4,118,929	34,400,734	38,519,663
	Lake Region State College	H	967,690	1,655,128	2,622,818
	Williston State College	H	1,872,380	44,830,555	46,702,935
	University of North Dakota	H	72,802,227	218,613,966	291,416,193
	UND Medical Center	H	12,013,712	5,782,718	17,796,430
	North Dakota State University	H	25,959,623	130,501,035	156,460,658
	State College of Science	H	2,598,858	22,212,951	24,811,809
	Dickinson State University	H	3,661,077	19,421,619	23,082,696
	Mayville State University	H	3,122,774	51,733,204	54,855,978
	Minot State University	H	6,190,163	15,504,561	21,694,724
	Valley City State University	H	3,425,923	36,936,844	40,362,767
	Dakota College at Bottineau	H	1,653,513	5,839,622	7,493,135
	Forest Service	H	783,043	8,469,894	9,252,937
Total Changes - HB 1003			$232,349,099	$596,775,029	$829,124,128
HB 1004	DHHS - Health Services	H	$6,631,669	$170,213,282	$176,844,951
HB 1005	Indian Affairs Commission	H	103,725		103,725
HB 1006	Aeronautics Commission	H		7,423,992	7,423,992
HB 1007	Veterans' Home	H	393,633	2,981,886	3,375,519
HB 1008	Department of Financial Institutions	H		1,454,966	1,454,966
HB 1009	State Fair Association	H	100,000		100,000
HB 1010	Council on the Arts	H	942,971	91,078	1,034,049
HB 1011	Highway Patrol	H	15,383,155	(3,668,019)	11,715,136
HB 1012	Department of Transportation	H	10,375,000	901,631,106	912,006,106
HB 1013	Department of Trust Lands	H		6,031,223	6,031,223
HB 1014	Industrial Commission	H	(22,064,757)	132,138,019	110,073,262
	Department of Mineral Resources	H	34,573,066	2,568,000	37,141,066
	Bank of North Dakota	H		7,421,138	7,421,138
	Housing Finance Agency	H	15,000,000	10,442,561	25,442,561
	Mill and Elevator	H		12,597,238	12,597,238
Total Changes - HB 1014			$27,508,309	$165,166,956	$192,675,265
HB 1015	Department of Corrections and Rehab.	H	$67,382,240	$153,138,764	$220,521,004
HB 1016	Job Service North Dakota	H	6,623,460	49,742,586	56,366,046
HB 1017	Office of Administrative Hearings	H		116,251	116,251
HB 1018	Department of Commerce	H	44,783,357	118,005,090	162,788,447
HB 1019	Dept. of Career and Technical Edu.	H	8,747,097	(530,418)	8,216,679
HB 1020	Transportation Institute	H	942,354	1,058,021	2,000,375
	Branch Research Centers	H	1,391,718	459,658	1,851,376
	NDSU Extension Service	H	4,179,675	2,064,592	6,244,267
	Northern Crops Institute	H	169,396	5,566,328	5,735,724
	Main Research Center	H	9,749,102	103,473,971	113,223,073
	Agronomy Seed Farm	H		49,139	49,139
Total Changes - HB 1020			$16,432,245	$112,671,709	$129,103,954
HB 1021	Information Technology Department	H	$20,894,455	$188,005,063	$208,899,518
HB 1022	Comm. on Legal Counsel for Indigents	H	1,582,717	19,487	1,602,204
HB 1023	Racing Commission	H	86,435	5,461	91,896
HB 1024	Department of Environmental Quality	H	1,628,359	29,858,605	31,486,964
HB 1025	Department of Veterans' Affairs	H	330,981	218,113	549,094
HB 1028	Dept. of Health and Human Services	H	50,000		50,000
HB 1068	Department of Financial Institutions	H		225,000	225,000

HB 1157	Department of Veterans' Affairs	H	500,000		500,000
HB 1182	Department of Veterans' Affairs	H	135,000		135,000
HB 1199	Dept. of Career and Technical Education	HS	2,000,000	68,276,228	70,276,228
HB 1225	State Tax Commissioner	H	424,000		424,000
HB 1232	Dept. of Career and Technical Education	H		500,000	500,000
HB 1242	Information Technology Department	H		100,000,000	100,000,000
HB 1276	Department of Agriculture	H	30,000,000		30,000,000
HB 1306	Department of Public Instruction	H	300,000		300,000
HB 1307	Attorney General	H	5,000,000		5,000,000
HB 1375	Dept. of Health and Human Services	H	262,000		262,000
HB 1379	State Treasurer	H		100,000,000	100,000,000
	Bank of North Dakota	H		10,000,000	10,000,000
	Department of Commerce	H		10,000,000	10,000,000
Total Changes - HB 1379				$120,000,000	$120,000,000
HB 1388	Attorney General	H	$30,000		30,000
HB 1390	Dept. of Health and Human Services	H	15,000		15,000
HB 1415	Attorney General	H	480,000		480,000
HB 1437	Department of Agriculture	H	600,000		600,000
HB 1447	Dept. of Health and Human Services	H		8,000,000	8,000,000
HB 1477	Dept. of Health and Human Services	H		7,000,000	7,000,000
HB 1491	Department of Public Instruction	H	6,000,000		6,000,000
HB 1519	Dept. of Career and Technical Education	H		250,000	250,000
	Dept. of Health and Human Services	H		250,000	250,000
	Industrial Commission	H		250,000	250,000
	Department of Agriculture	H		250,000	250,000
	Department of Transportation	H		250,000	250,000
Total Changes - HB 1519		H		$1,250,000	$1,250,000
HB 1532	Department of Public Instruction	H	$24,000,000		$24,000,000
Total Changes - House Bills			**$560,974,197**	**$2,805,196,422**	**$3,366,170,619**
SB 2001	Governor's Office	S	$998,024		$998,024
SB 2002	Secretary of State	S	1,573,021	$3,727,501	5,300,522
	Public Printing	S	13,404		13,404
Total Changes - SB 2002			$1,586,425	$3,727,501	$5,313,926
SB 2003	Attorney General	S	$20,940,133	$124,130	$21,064,263
SB 2004	State Auditor	S	1,551,685	2,335,579	3,887,264
SB 2005	State Treasurer	S	250,434		250,434
SB 2006	State Tax Commissioner	S	6,648,452		6,648,452
SB 2007	Labor Commissioner	S	510,814	22,530	533,344
SB 2008	Public Service Commission	S	1,772,690	641,306	2,413,996
SB 2009	Department of Agriculture	S	2,220,689	6,025,073	8,245,762
SB 2010	Insurance Department	S		(13,480,435)	(13,480,435)
SB 2011	Securities Department	S		478,382	478,382
SB 2012	DHHS - Management	S	(305,517)	93,255,417	92,949,900
	DHHS - Program/Policy	S	334,659,304	489,283,991	823,943,295
	DHHS - County Social Services	S	110,681	35,333,519	35,444,200
	DHHS - Field Services	S	77,874,685	(18,574,719)	59,299,966
Total Changes - SB 2012			$412,339,153	$599,298,208	$1,011,637,361
SB 2013	Department of Public Instruction	S	$240,223,372	$154,404,811	$394,628,183
	State Library	S	1,032,786	(221,410)	811,376
	School for the Deaf	S	931,410	887,693	1,819,103
	Vision Services - School for the Blind	S	385,436	602,245	987,681
Total Changes - SB 2013			$242,573,004	$155,673,339	$398,246,343
SB 2014	Protection and Advocacy Project	S	$216,030	$44,081	$260,111
SB 2015	Office of Management and Budget	S	58,017,935	68,082,864	126,100,799
SB 2016	Adjutant General	S	3,122,752	21,716,184	24,838,936
	Department of Emergency Services	S	3,486,767	180,105,176	183,591,943
Total Changes - SB 2016			$6,609,519	$201,821,360	$208,430,879
SB 2017	Game and Fish Department	S		$47,100,810	$47,100,810
SB 2018	State Historical Society	S	$2,602,726	6,073,389	8,676,115
SB 2019	Parks and Recreation Department	S	1,316,732	18,818,687	20,135,419
SB 2020	State Water Commission	S		455,729,215	455,729,215
SB 2021	Workforce Safety and Insurance	S		12,763,904	12,763,904
SB 2022	Retirement and Investment Office	S		5,410,796	5,410,796

SB 2023	Public Employees Retirement System	S		2,417,183	2,417,183
SB 2024	Ethics Commission	S	427,992		427,992
SB 2026	Dept. of Health and Human Services	S	5,000,000		5,000,000
SB 2032	Department of Public Instruction	S	3,000,000		3,000,000
SB 2033	Department of Public Instruction	S	3,000,000		3,000,000
SB 2128	Dept. of Health and Human Services	S	1,000,000		1,000,000
SB 2129	Dept. of Health and Human Services	S	400,000		400,000
SB 2136	State Tax Commissioner	S		135,000,000	135,000,000
SB 2142	Department of Commerce	S	242,500	242,500	485,000
SB 2149	Dept. of Health and Human Services	S	50,000		50,000
SB 2155	Dept. of Health and Human Services	S	1,000,000		1,000,000
SB 2185	Dept. of Health and Human Services	S	100,000		100,000
SB 2197	University System Office	S	5,125,000		5,125,000
SB 2200	Department of Public Instruction	S	1,000,000		1,000,000
SB 2202	Attorney General	S	250,000		250,000
SB 2215	Dept. of Health and Human Services	S	150,000		150,000
SB 2230	Dept. of Health and Human Services	S	250,000		250,000
SB 2239	Public Employees Retirement System	S	250,000,000		250,000,000
SB 2240	Department of Commerce	S	1,900,000		1,900,000
SB 2248	Dept. of Health and Human Services	S		1,500,000	1,500,000
SB 2265	Dept. of Health and Human Services	S	237,516		237,516
SB 2273	Department of Commerce	S	2,000,000		2,000,000
SB 2283	Dept. of Health and Human Services	S	19,718,386	7,984,183	27,702,569
SB 2284	Department of Public Instruction	S		1,000,000	1,000,000
SB 2288	University System Office	S	250,000		250,000
SB 2290	Department of Agriculture	S		3,000,000	3,000,000
SB 2344	Dept. of Health and Human Services	S	96,000		96,000
SB 2345	Judicial Branch	S	290,000		290,000
SB 2354	Department of Public Instruction	S	25,000		25,000
SB 2380	Department of Public Instruction	S	100,000		100,000
Total Changes - Senate Bills			**$1,055,766,839**	**$1,721,834,585**	**$2,777,601,424**
Total All Changes			**$1,616,741,036**	**$4,527,031,007**	**$6,143,772,043**

Tentative Budget Status Report
One-Time General Fund Appropriations
As of February 22, 2023

Department / One-Time	Bill No.	Amount
101 Governor's Office		
Constituent software	SB2001	$130,000
Governor's transition costs	SB2001	65,000
110 Office of Management and Budget		
ADA compliance study	SB2015	100,000
Accrued leave payouts	SB2015	74,369
Automatic doors in Capitol	SB2015	150,000
Automation upgrades	SB2015	800,000
Capitol space utilization improvements	SB2015	5,500,000
Capitol tour enhancements	SB2015	100,000
Central services software and equipment	SB2015	215,000
Electrical and mechanical repairs	SB2015	100,000
Inflationary increases	SB2015	18,500
Leave management system	SB2015	335,000
Prairie Public Broadcasting grants	SB2015	1,792,450
Procurement software	SB2015	2,500,000
State Office building demolition	SB2015	451,000
State student internship	SB2015	700,000
112 Information Technology Department		
Governance, risk, and compliance costs	HB1021	600,000
Inflationary increases	HB1021	2,850,000
Universal vulnerability management	HB1021	3,000,000
117 State Auditor		
Audit software upgrades	SB2004	45,550
Equipment replacement	SB2004	25,000
Local government audit operating expense	SB2004	21,000
Operating expense inflation	SB2004	44,000
120 State Treasurer		
IT programming costs	SB2005	21,000
125 Attorney General		
Back the blue grants	HB1307	5,000,000
Back the blue grants	SB2003	3,500,000
Forensic medical examination grants	SB2202	250,000
Gaming, licensing, and deposit software	SB2003	177,000
Inflationary increases	SB2003	156,463
Law enforcement resiliency grants	SB2003	400,000
Local law enforcement grant	HB 1415	480,000
New staff operating and equipment costs	SB2003	740,135
Retired law enforcement dogs	HB1388	30,000
State crime laboratory capital assets	SB2003	886,000
Statewide litigation funding pool	SB2003	4,557,748
Undercover vehicle replacements	SB2003	200,000
127 State Tax Commissioner		
GenTax enhancements	SB2006	500,000

	Online property tax portal	HB1225	130,000
150	**Legislative Assembly**		
	Audio and video storage	HB1001	110,000
	Chamber upgrades	HB1001	220,000
	Computer and iPad replacement	HB1001	557,950
	Propylon core upgrade	HB1001	4,816,600
160	**Legislative Council**		
	Computer and iPad replacement	HB1001	155,500
	Secondary and backup servers	HB1001	120,000
181	**Supreme Court**		
	Microfiche machine and copy machines	HB1002	28,500
182	**District Courts**		
	District courts equipment	HB1002	1,125,220
192	**Public Employees Retirement System**		
	Pension unfunded liability reduction	SB2239	250,000,000
215	**University System Office**		
	Challenge grants	HB1003	36,000,000
	Dakota Digital Academy	HB1003	450,000
	Financial aid system	HB1003	1,554,354
	Passthrough grants	HB1003	20,100,000
	Single parent support	HB1003	4,500,000
	Workforce education innovation grant	HB1003	10,000,000
227	**Bismarck State College**		
	Behavioral health initiative	HB1003	204,000
228	**Lake Region State College**		
	Behavioral health initiative	HB1003	109,000
229	**Williston State College**		
	Behavioral health initiative	HB1003	169,140
230	**University of North Dakota**		
	Behavioral health initiative	HB1003	660,000
	National security initiative	HB1003	45,000,000
235	**North Dakota State University**		
	Behavioral health initiative	HB1003	1,100,000
	Workforce education	HB1003	4,800,000
238	**State College of Science**		
	Behavioral health initiative	HB1003	186,750
239	**Dickinson State University**		
	Behavioral health initiative	HB1003	327,000
240	**Mayville State University**		
	Behavioral health initiative	HB1003	308,734
241	**Minot State University**		
	Behavioral health initiative	HB1003	170,000
242	**Valley City State University**		
	Behavioral health initiative	HB1003	236,000
243	**Dakota College at Bottineau**		
	Behavioral health initiative	HB1003	170,000
250	**State Library**		
	IT equipment	SB2013	43,000
	Maintenance of effort requirements	SB2013	100,000
	Retirement payouts	SB2013	40,000

	State Library building renovations	SB2013	150,000
252	**School for the Deaf**		
	Operating expense inflation	SB2013	90,085
270	**Dept. of Career and Technical Education**		
	Career center initiative grants	HB1199	2,000,000
303	**Department of Environmental Quality**		
	Chemistry laboratory inflation	HB1024	116,800
	Environmental data system	HB1024	71,000
321	**Department of Veterans' Affairs**		
	Accrued leave	HB1025	19,066
	Document scanning project	HB1025	78,000
	Fisher house	HB1157	500,000
	Transport van	HB1025	18,800
325	**Department of Health and Human Services**		
	Basic care study	SB2283	600,000
	Community behavioral health clinics	SB2128	1,000,000
	State Hospital building demolition	SB2026	5,000,000
	Inflationary increases	SB2012	10,282,172
	Technology projects	SB2012	1,000,000
	Childcare programs	SB2012	6,000,000
	Program integrity audits	SB2012	2,250,000
	Revenue replacement	SB2012	36,028,141
405	**Industrial Commission**		
	Electric grid resilience grant	HB1014	1,124,856
	Lignite litigation expenses	HB1014	3,000,000
	Transmission Authority consulting	HB1014	300,000
408	**Public Service Commission**		
	Copier replacement	SB2008	10,000
	Drone	SB2008	1,800
	Indirect cost recovery shortfall	SB2008	101,700
	Weights and measures equipment	SB2008	70,000
470	**Department of Mineral Resources**		
	Computer server transition	HB1014	80,000
	Core and mineral analyses	HB1014	100,000
	Fossil restoration fund	HB1014	250,000
	Inflationary increases	HB1014	821,456
	New FTE costs	HB1014	68,335
	OIl and gas litigation	HB1014	3,000,000
473	**Housing Finance Agency**		
	Housing incentive fund	HB1014	12,500,000
504	**Highway Patrol**		
	Inflation increase	HB1011	2,154,000
	Motor carrier enhancements	HB1011	23,000
	Narcotics tester	HB1011	52,000
	New trooper equipment	HB1011	377,844
	Technology enhancements	HB1011	146,200
	UAV enhancements	HB1011	89,000
530	**Department of Corrections and Rehab.**		
	Cameras	HB1015	275,000
	Inflationary costs	HB1015	3,478,998

	Dakota Women's Correctional Center contract	HB1015	2,450,000
	Development and training	HB1015	100,000
	Dickinson detention center contract	HB1015	1,003,434
	Equipment	HB1015	1,645,800
	Maintenance and extraordinary repairs	HB1015	4,000,000
	Offender management system review	HB1015	757,000
	Transitional facility contract inflation	HB1015	2,759,222
540	**Adjutant General**		
	Minot hangar purchase	SB2016	60,000
	Retirement payouts	SB2016	90,000
542	**Department of Emergency Services**		
	Retirement payouts	SB2016	10,000
	State radio consoles replacement	SB2016	300,000
601	**Department of Commerce**		
	Automation workforce equipment grants	HB1018	5,000,000
	Automation workforce training grants	HB1018	5,000,000
	Base retention grants	SB2240	1,900,000
	Discretionary funds	HB1018	350,000
	Main Street community development grants	HB1018	400,000
	Office of immigration	SB2142	242,500
	Rural grocery grants	SB2273	2,000,000
	Technical skills training grants	HB1018	2,000,000
	Workforce grants to tribal colleges	HB1018	5,000,000
	Workforce investment program grants	HB1018	15,000,000
	Workforce talent attraction initiative	HB1018	8,000,000
602	**Department of Agriculture**		
	Agriculture diversification	HB1276	30,000,000
	North Dakota Trade Office	SB2009	500,000
627	**Transportation Institute**		
	Multimodal carbon dioxide transportation	HB1020	398,450
640	**Main Research Center**		
	Branch research center project inflation	HB1020	3,208,230
670	**Racing Commission**		
	Internship program	HB1023	20,000
701	**State Historical Society**		
	America's 250th celebration	SB2018	750,000
	Geographic information system upgrade	SB2018	225,000
	Inflationary increases	SB2018	120,795
	Medora site planning	SB2018	150,000
	Newspaper preservation	SB2018	236,044
709	**Council on the Arts**		
	Accrued leave payouts	HB1010	106,430
	Arts across the prairie initiative	HB1010	100,000
	Information technology equipment	HB1010	10,000
	New FTE costs	HB1010	2,500
	Strategic planning consultant	HB1010	40,000
801	**Department of Transportation**		
	Rural transit	HB1012	1,250,000
	Technology projects	HB1012	9,125,000
Grand Total:			**$617,545,621**

Tentative Budget Status Report
FTE (Full-time Equivalent) Employees
As of February 22, 2023

Department	Bill No.	2023-25 Base FTE	Legislative Changes	2023-25 Current Budget Status
Legislative Council	HB 1001	44.00	1.00	45.00
Judicial Branch	HB 1002	362.00	21.00	383.00
	SB 2345	-	1.00	1.00
Total Judicial Branch		**362.00**	**22.00**	**384.00**
University System	HB 1003	6,533.99	71.92	6,605.91
	SB 2297	-	1.00	1.00
Total University System		**6,533.99**	**72.92**	**6,606.91**
DHHS - Health Services	HB 1004	210.50	5.00	215.50
Indian Affairs Commission	HB 1005	4.00	-	4.00
Aeronautics Commission	HB 1006	7.00	-	7.00
Veterans' Home	HB 1007	114.79	-	114.79
Department of Financial Institutions	HB 1008	31.00	2.00	33.00
	HB 1068	-	1.00	1.00
Total Department of Financial Institutions		**31.00**	**3.00**	**34.00**
State Fair	HB 1009	-	-	-
Council on the Arts	HB 1010	5.00	1.00	6.00
Highway Patrol	HB 1011	193.00	9.00	202.00
Department of Transportation	HB 1012	982.00	16.00	998.00
Department of Trust Lands	HB 1013	30.00	2.00	32.00
Industrial Commission	HB 1014	108.25	(98.50)	9.75
Department of Mineral Resources	HB 1014	-	108.00	108.00
Bank of North Dakota	HB 1014	173.00	14.00	187.00
Housing Finance Agency	HB 1014	49.00	4.00	53.00
Mill and Elevator	HB 1014	156.00	14.00	170.00
Department of Corrections and Rehabilitation	HB 1015	907.79	24.00	931.79
Job Service North Dakota	HB 1016	156.61	2.00	158.61
Office of Administrative Hearings	HB 1017	5.00	-	5.00
Department of Commerce	HB 1018	58.80	4.00	62.80
	SB 2142	-	1.00	1.00
Total Department of Commerce		**58.80**	**5.00**	**63.80**
Department of Career and Technical Education	HB 1019	50.30	(26.80)	23.50
Upper Great Plains Transportation Institute	HB 1020	43.88	-	43.88
Branch research centers	HB 1020	108.21	2.60	110.81
Extension Service	HB 1020	241.77	13.93	255.70
Northern Crops Institute	HB 1020	13.55	4.60	18.15
Main research center	HB 1020	334.56	27.91	362.47
Agronomy Seed Farm	HB 1020	3.00	-	3.00
Information Technology Department	HB 1021	479.00	28.00	507.00
Commission on Legal Counsel for Indigents	HB 1022	40.00	1.00	41.00
Racing Commission	HB 1023	2.00	-	2.00
Department of Environmental Quality	HB 1024	166.00	5.00	171.00
Department of Veterans' Affairs	HB 1025	8.00	1.00	9.00
Governor's office	SB 2001	17.00	1.00	18.00
Secretary of State	SB 2002	33.00	1.00	34.00
Attorney General	SB 2003	253.00	7.00	260.00
State Auditor	SB 2004	61.00	8.00	69.00
State Treasurer	SB 2005	7.00	-	7.00

State Tax Commissioner	SB 2006	118.00	(1.00)	117.00
Labor Commissioner	SB 2007	13.00	-	13.00
Public Service Commission	SB 2008	43.00	4.00	47.00
Agriculture Commissioner	SB 2009	79.00	2.00	81.00
Insurance Commissioner	SB 2010	38.00	11.00	49.00
Securities Commission	SB 2011	10.00	-	10.00
Department of Health and Human Services	SB 2012	2,265.33	94.00	2,359.33
	SB 2265	-	1.00	1.00
Total Department of Health and Human Services		**2,265.33**	**95.00**	**2,360.33**
Department of Public Instruction	SB 2013	86.25	-	86.25
State Library	SB 2013	26.75	-	26.75
School for the Deaf	SB 2013	44.61	0.75	45.36
Vision Services - School for the Blind	SB 2013	27.75	-	27.75
Protection and Advocacy Project	SB 2014	28.50	-	28.50
Office of Management and Budget	SB 2015	108.00	3.00	111.00
Adjutant General	SB 2016	222.00	11.00	233.00
Game and Fish Department	SB 2017	164.00	13.00	177.00
State Historical Society	SB 2018	78.75	3.25	82.00
Parks and Recreation Department	SB 2019	57.75	7.25	65.00
Department of Water Resources	SB 2020	90.00	3.00	93.00
Workforce Safety and Insurance	SB 2021	260.14	-	260.14
Retirement and Investment Office	SB 2022	25.00	9.00	34.00
Public Employees Retirement System	SB 2023	35.50	6.00	41.50
Ethics Commission	SB 2024	1.00	1.00	2.00
	TOTAL	**15,815.33**	**446.91**	**16,262.24**

Federal State Fiscal Recovery Fund
As of February 22, 2023

Description	Amount
Estimated amount available for appropriation or transfer	$216,764,380
Appropriations and transfers	
HB 1004 - Department of Health and Human Services - New health laboratory	($55,120,000)
HB 1007 - Veterans' Home - Thermostat and air handling unit replacement project	(328,930)
HB 1016 - Job Service North Dakota - Unemployment insurance modernization project	(45,000,000)
HB 1020 - Agriculture Research and Extension Center - Hettinger Research Center property purchase	(1,038,000)
HB 1021 - Information Technology Department - Capitol security software and fiber optic upgrades	(2,499,467)
HB 1232 - Department of Career and Technical Education - Career exploration virtual reality software	(500,000)
HB 1242 - Information Technology Department - Statewide interoperable radio network project	(80,000,000)
HB 1519 - Various state agencies - Autonomous technology grants, including: Department of Transportation - $250,000 Department of Health and Human Services - $250,000 Department of Career and Technical Education - $250,000 Department of Agriculture - $250,000 Industrial Commission - $250,000	(1,250,000)
SB 2016 - Adjutant General - Projects at Camp Grafton and Dickinson and Williston Readiness Center	(16,800,000)
Total appropriations and transfers	($202,536,397)
Estimated remaining funds	$14,227,983

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Funding Summary

	Base Budget	House Changes	House Version
Legislative Assembly			
Salaries and wages	$11,430,094	$1,399,505	$12,829,599
Operating expenses	6,218,753	(668,594)	5,550,159
Capital assets	6,000	4,926,600	4,932,600
National Conf. of State Legislatures	271,333	11,737	283,070
Total all funds	$17,926,180	$5,669,248	$23,595,428
Less estimated income	0	0	0
General fund	$17,926,180	$5,669,248	$23,595,428
FTE	0.00	0.00	0.00
Legislative Council			
Salaries and wages	$12,690,980	$1,940,465	$14,631,445
Operating expenses	3,045,430	890,982	3,936,412
Capital assets	6,000	120,000	126,000
Total all funds	$15,742,410	$2,951,447	$18,693,857
Less estimated income	70,000	18,000	88,000
General fund	$15,672,410	$2,933,447	$18,605,857
FTE	44.00	1.00	45.00
Bill total			
Total all funds	$33,668,590	$8,620,695	$42,289,285
Less estimated income	70,000	18,000	88,000
General fund	$33,598,590	$8,602,695	$42,201,285
FTE	44.00	1.00	45.00

House Bill No. 1001 - Legislative Assembly - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$11,430,094	$1,399,505	$12,829,599
Operating expenses	6,218,753	(668,594)	5,550,159
Capital assets	6,000	4,926,600	4,932,600
National Conf. of State Legislatures	271,333	11,737	283,070
Total all funds	$17,926,180	$5,669,248	$23,595,428
Less estimated income	0	0	0
General fund	$17,926,180	$5,669,248	$23,595,428
FTE	0.00	0.00	0.00

Department 150 - Legislative Assembly - Detail of House Changes

	Adjusts Funding for Cost to Continue Compensation[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding for Monthly Lodging Expenses[3]	Adds Funding for Mileage Rate Increases[4]	Adjusts Funding for IT Expense[5]	Adds Funding to Increase Legislators' Technology Stipend[6]
Salaries and wages	$20,553	$1,378,952				
Operating expenses			$10,650	$8,901	($1,778,017)	$372,240
Capital assets						
National Conf. of State Legislatures						
Total all funds	$20,553	$1,378,952	$10,650	$8,901	($1,778,017)	$372,240
Less estimated income	0	0	0	0	0	0
General fund	$20,553	$1,378,952	$10,650	$8,901	($1,778,017)	$372,240
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for Operating Expenses[7]	Increases Funding for the International Legislators' Forum[8]	Increases Funding for National Conference of State Legislatures Dues[9]	Adds One-Time Funding for Propylon Core Upgrade[10]	Adds One-Time Funding for Increased Audio and Video Storage[11]	Adds One-Time Funding for Computer and iPad Replacement[12]
Salaries and wages						
Operating expenses	($70,318)	$10,000				$557,950
Capital assets				$4,816,600	$110,000	
National Conf. of State Legislatures			$11,737			
Total all funds	($70,318)	$10,000	$11,737	$4,816,600	$110,000	$557,950
Less estimated income	0	0	0	0	0	0
General fund	($70,318)	$10,000	$11,737	$4,816,600	$110,000	$557,950
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Chamber Upgrades[13]	Total House Changes
Salaries and wages		$1,399,505
Operating expenses	$220,000	(668,594)
Capital assets		4,926,600
National Conf. of State Legislatures		11,737
Total all funds	$220,000	$5,669,248
Less estimated income	0	0
General fund	$220,000	$5,669,248
FTE	0.00	0.00

[1] Funding is added for cost to continue 2021-23 biennium compensation increases.

[2] Funding is added for increases in monthly health insurance premiums from $1,429 to $1,648 ($699,048) and for 2023-25 biennium compensation adjustments of 4 percent per year for temporary salaries ($214,393), legislators' daily pay for regular and organizational sessions, legislators' monthly compensation, and additional monthly compensation for legislative leaders ($465,511).

The major compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2023	Rate Effective July 1, 2024
Daily session pay	$193	$201	$209
Monthly compensation	$537	$558	$580
Leaders' additional monthly compensation	$385	$400	$416

[3] Funding is added to increase the maximum monthly lodging expense reimbursement to $1,852 anticipated for the 2025 legislative session. The maximum monthly lodging reimbursement is $1,814 for the 2023 legislative session.

[4] Funding is added for anticipated increases in the mileage rate to 60 cents per mile.

[5] Funding is adjusted for IT-related expenses.

[6] Funding is added to increase legislators' technology stipend from $90 to $200 per month.

[7] Funding is adjusted for various operating expenses.

[8] Funding is increased for the International Legislators' Forum to provide a total of $30,000.

[9] Funding is increased for National Conference of State Legislatures dues to provide a total of $283,070.

[10] One-time funding is added for a Propylon Core computer system upgrade.

[11] One-time funding is added for increased storage capacity for audio and video.

[12] One-time funding is added for laptop and iPad replacement for legislators and legislative session staff.

[13] One-time funding is added for chamber upgrades, including chairs, carpet, and woodwork refinishing.

This amendment also:

- Adds a section to adjust 2023-25 biennium compensation rates to provide 4 percent per year increases for legislators' regular and organizational session pay, legislators' monthly compensation, and additional monthly compensation for legislative leaders.

House Bill No. 1001 - Legislative Council - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,690,980	$1,940,465	$14,631,445
Operating expenses	3,045,430	890,982	3,936,412
Capital assets	6,000	120,000	126,000
Total all funds	$15,742,410	$2,951,447	$18,693,857
Less estimated income	70,000	18,000	88,000
General fund	$15,672,410	$2,933,447	$18,605,857
FTE	44.00	1.00	45.00

Department 160 - Legislative Council - Detail of House Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding for Legislator Per Diem[3]	Increases Funding for Overtime Salaries[4]	Restores Funding for Office Assistant Position[5]	Adds 1 FTE Attorney Position[6]
Salaries and wages	$233,217	$802,779	$50,131	$4,338	$180,000	$270,000
Operating expenses						
Capital assets						
Total all funds	$233,217	$802,779	$50,131	$4,338	$180,000	$270,000
Less estimated income	0	0	0	0	0	0
General fund	$233,217	$802,779	$50,131	$4,338	$180,000	$270,000
FTE	0.00	0.00	0.00	0.00	0.00	1.00

	Adds Funding for Salary Equity[7]	Adjusts Funding for Operating Expenses[8]	Reallocates Funding from Travel to Conference Expense[9]	Adds One-Time Funding for Computer and iPad Replacement[10]	Adds One-Time Funding for Servers[11]	Total House Changes
Salaries and wages	$400,000					$1,940,465
Operating expenses		$735,482		$155,500		890,982
Capital assets					$120,000	120,000
Total all funds	$400,000	$735,482	$0	$155,500	$120,000	$2,951,447
Less estimated income	0	18,000	0	0	0	18,000
General fund	$400,000	$717,482	$0	$155,500	$120,000	$2,933,447
FTE	0.00	0.00	0.00	0.00	0.00	1.00

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[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$576,499	$0	$576,499
Health insurance increase	226,280	0	226,280
Total	$802,779	$0	$802,779

[3] Funding is added for 2023-25 biennium compensation adjustments of 4 percent per year for legislators' attendance at interim meetings. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2023	Rate Effective July 1, 2024
Interim meeting pay	$193	$201	$209

[4] Funding is increased for overtime salaries.

[5] Funding is restored for an office assistant position.

[6] Funding is added for 1 FTE attorney position.

[7] Funding is added for salary equity.

[8] Funding for operating expenses is adjusted as follows:

	General Fund	Special Funds	Total
Decreases funding for travel related to continued interim committee sizes	($76,717)	$0	($76,717)
Increases funding for out-of-state travel fees, lodging, and mileage	38,407	0	38,407
Increases funding for operating expenses related to IT	565,876	0	565,876
Increases funding for professional services to provide a total of $270,000	65,000	0	65,000
Increases funding for other operating expenses	124,916	18,000	142,916
Total	$717,482	$18,000	$735,482

[9] This amendment reallocates $35,000 of operating expenses in the Legislative Council budget from travel expense to conference expense for costs associated with hosting the Energy Council conference in North Dakota.

[10] One-time funding is added for computer and iPad replacement for the Legislative Council staff.

[11] One-time funding is added for secondary and backup servers.

This amendment also:

- Adds a section to adjust 2023-25 biennium compensation rates to provide a 4 percent per year increase for interim meeting pay; and
- Adds a section to provide for a Legislative Management study of the impact of term limits, including an assessment of the desirability of providing increased educational opportunities for legislative members due to shortened tenures in the Legislative Assembly, increasing the number of Legislative Council policy staff available to assist new members, and holding legislative sessions on an annual basis.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Funding Summary

	Base Budget	House Changes	House Version
Supreme Court			
Salaries and wages	$11,202,906	$2,069,071	$13,271,977
Operating expenses	2,350,094	846,665	3,196,759
Capital assets		28,500	28,500
Guardianship monitoring program	286,097	(286,097)	
Total all funds	$13,839,097	$2,658,139	$16,497,236
Less estimated income	0	388,000	388,000
General fund	$13,839,097	$2,270,139	$16,109,236
FTE	43.50	1.00	44.50
District Courts			
Salaries and wages	$76,196,548	$12,465,792	$88,662,340
Operating expenses	20,081,881	4,442,738	24,524,619
Capital assets		1,125,220	1,125,220
Judges' retirement	137,246	40,094	177,340
Total all funds	$96,415,675	$18,073,844	$114,489,519
Less estimated income	756,963	155,868	912,831
General fund	$95,658,712	$17,917,976	$113,576,688
FTE	314.00	20.00	334.00
Judicial Conduct Commission			
Judicial Conduct Commission	$1,317,481	$139,596	$1,457,077
Total all funds	$1,317,481	$139,596	$1,457,077
Less estimated income	502,500	31,116	533,616
General fund	$814,981	$108,480	$923,461
FTE	4.50	0.00	4.50
Bill total			
Total all funds	$111,572,253	$20,871,579	$132,443,832
Less estimated income	1,259,463	574,984	1,834,447
General fund	$110,312,790	$20,296,595	$130,609,385
FTE	362.00	21.00	383.00

House Bill No. 1002 - Supreme Court - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$11,202,906	$2,069,071	$13,271,977
Operating expenses	2,350,094	846,665	3,196,759
Capital assets		28,500	28,500
Guardianship monitoring program	286,097	(286,097)	
Total all funds	$13,839,097	$2,658,139	$16,497,236
Less estimated income	0	388,000	388,000
General fund	$13,839,097	$2,270,139	$16,109,236
FTE	43.50	1.00	44.50

Department 181 - Supreme Court - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Salary Equity[3]	Adds Assistant State Court Administrator FTE Position[4]	Adds Funding for Retirement Leave Payouts[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	$192,047	$954,589	$125,760	$369,734	$84,586	
Operating expenses						$514,923
Capital assets						
Guardianship monitoring program						
Total all funds	$192,047	$954,589	$125,760	$369,734	$84,586	$514,923
Less estimated income	0	0	0	0	0	0
General fund	$192,047	$954,589	$125,760	$369,734	$84,586	$514,923
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	Adjusts Funding to Consolidate Line Items[7]	Adds One-Time Funding for Equipment[8]	Adds One-Time Funding from Federal Funds[9]	Total House Changes
Salaries and wages	$249,355		$93,000	$2,069,071
Operating expenses	36,742		295,000	846,665
Capital assets		$28,500		28,500
Guardianship monitoring program	(286,097)			(286,097)
Total all funds	$0	$28,500	$388,000	$2,658,139
Less estimated income	0	0	388,000	388,000
General fund	$0	$28,500	$0	$2,270,139
FTE	0.00	0.00	0.00	1.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salaries and wages.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund
Salary increase	$626,385
Health insurance increase	242,061
Total	$868,446

In addition, $86,143 from the general fund is added to provide Supreme Court justices with a total salary increase of 8 percent on July 1, 2023.

[3] Funding of $125,760 from the general fund is added for Supreme Court employee salary equity.

[4] Funding of $369,734 is added from the general fund for 1 new FTE state court administrator position.

[5] Funding of $84,586 from the general fund is added for the anticipated payout of accrued leave to retiring employees.

[6] Operating funding is increased as follows:

	General Fund
Increased IT costs	$235,375
Supreme Court Law Library	125,500
Rural attorney recruitment program	36,000
Travel and professional development	30,710
Office equipment and furniture	13,300
Other base budget adjustments	74,038
Total	$514,923.00

[7] Funding is adjusted among the Supreme Court line items to consolidate the guardianship monitoring line item into the salary and wages and operating expenses line items.

[8] One-time funding of $28,500 from the general fund is added for equipment, including a microfiche machine and copy machines.

[9] One-time funding of $388,000 from a federal Department of Justice grant, including $93,000 for salaries and wages and $295,000 for operating expenses, is added to reduce delays in criminal case processing.

House Bill No. 1002 - District Courts - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$76,196,548	$12,465,792	$88,662,340
Operating expenses	20,081,881	4,442,738	24,524,619
Capital assets		1,125,220	1,125,220
Judges' retirement	137,246	40,094	177,340
Total all funds	$96,415,675	$18,073,844	$114,489,519
Less estimated income	756,963	155,868	912,831
General fund	$95,658,712	$17,917,976	$113,576,688
FTE	314.00	20.00	334.00

Department 182 - District Courts - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Salary Equity[3]	Adds FTE Positions[4]	Adds Funding for Retirement Leave Payouts[5]	Increases Funding for Judges' Retirement[6]
Salaries and wages	$269,412	$6,869,708	$213,330	$4,062,666	$273,694	
Operating expenses						
Capital assets						
Judges' retirement						$40,094
Total all funds	$269,412	$6,869,708	$213,330	$4,062,666	$273,694	$40,094
Less estimated income	0	30,990	0	63,662	0	0
General fund	$269,412	$6,838,718	$213,330	$3,999,004	$273,694	$40,094
FTE	0.00	0.00	0.00	20.00	0.00	0.00

	Adds Funding for Drug Court and Veterans' Court[7]	Adds Funding for Bailiffs[8]	Adjusts Funding for Juvenile Services and Programs[9]	Adjusts Operating Funding[10]	Adds One-Time Funding for Equipment[11]	Total House Changes
Salaries and wages	$189,582	$92,400	$495,000			$12,465,792
Operating expenses			(100,226)	$4,542,964		4,442,738
Capital assets					$1,125,220	1,125,220
Judges' retirement						40,094
Total all funds	$189,582	$92,400	$394,774	$4,542,964	$1,125,220	$18,073,844
Less estimated income	0	0	0	61,216	0	155,868
General fund	$189,582	$92,400	$394,774	$4,481,748	$1,125,220	$17,917,976
FTE	0.00	0.00	0.00	0.00	0.00	20.00

[1] Funding is adjusted for base payroll changes, including cost to continue 2021-23 biennium salaries and wages.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Federal Funds	Total
Salary increase	$4,146,503	$20,465	$4,166,968
Health insurance increase	1,764,483	10,525	1,775,008
Total	$5,910,986	$30,990	$5,941,976

In addition, $927,732 from the general fund is added to provide district court judges and referees with a total salary increase of 8 percent on July 1, 2023.

[3] Funding of $213,330 from the general fund is added for district court employee salary equity.

[4] The following FTE positions and related funding are added:

	FTE Positions	General Fund	Federal Funds	Total
District judge	3.00	$1,314,348	$0	$1,314,348
Staff attorney	4.00	1,014,328	0	1,014,328
Clerk of court	11.00	1,670,328	0	1,670,328
Court improvement program conversion from temporary positions	2.00	0	63,662	63,662
Total	20.00	$3,999,004	$63,662	$4,062,666

[5] Funding of $273,694 from the general fund is added for the anticipated payout of accrued leave to retiring employees.

[6] Funding of $40,094 from the general fund is added for judges' retirement.

[7] Funding of $189,582 from the general fund is added to the salaries and wages line item for drug court and veterans' court coordinators and aides.

[8] Funding of $92,400 from the general fund is added for temporary bailiff salaries and wages.

[9] Funding for youth programming is adjusted as follows:

	General Fund
Adds temporary youth coordinator positions	$495,000
Removes funding for youth cultural achievement programs	(252,000)
Adds funding for youth restorative justice	144,476
Adjusts funding for other juvenile court services and program costs	7,298
Total	$394,774

[10] Operating funding is adjusted as follows:

	General Fund	Other Funds	Total
Increased jury compensation rates	$960,000	$0	$960,000
Jury costs	153,500	0	153,500
IT costs	2,157,620	0	2,157,620
Travel and professional development	622,577	0	622,577
Family mediation program	282,800	0	282,800
Office equipment and furniture	165,580	0	165,580
Various operating adjustments	139,671	61,216	200,887
Total	$4,481,748	$61,216	$4,542,964

[11] One-time funding of $1,125,220 from the general fund is added for equipment, including copy machines, courtroom video systems, and server equipment.

House Bill No. 1002 - Judicial Conduct Commission - House Action

	Base Budget	House Changes	House Version
Judicial Conduct Commission	$1,317,481	$139,596	$1,457,077
Total all funds	$1,317,481	$139,596	$1,457,077
Less estimated income	502,500	31,116	533,616
General fund	$814,981	$108,480	$923,461
FTE	4.50	0.00	4.50

Department 183 - Judicial Conduct Commission - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Retirement Leave Payouts[3]	Adds Funding for Other Base Budget Adjustments[4]	Total House Changes
Judicial Conduct Commission	$9,516	$81,680	$18,808	$29,592	$139,596
Total all funds	$9,516	$81,680	$18,808	$29,592	$139,596
Less estimated income	3,270	31,118	7,166	(10,438)	31,116
General fund	$6,246	$50,562	$11,642	$40,030	$108,480
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salaries and wages.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$34,276	$21,093	$55,369
Health insurance increase	16,286	10,025	26,311
Total	$50,562	$31,118	$81,680

[3] Funding of $18,808, including $11,642 from the general fund and $7,166 from other funds, is added for the anticipated payout of accrued leave to retiring employees.

[4] Funding is adjusted for other base budget changes, including an increase in professional fees and services.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Funding Summary

	Base Budget	House Changes	House Version
University System Office			
Capital assets - Bond payments	$13,385,264	($2,187,368)	$11,197,896
Competitive research programs	5,685,750		5,685,750
System governance	8,605,570	2,703,085	11,308,655
Core technology services	62,962,817	7,863,991	70,826,808
Student financial assistance grants	23,917,306	12,000,000	35,917,306
Dakota digital academy		450,000	450,000
Professional student exchange program	3,699,342		3,699,342
Academic and CTE scholarships	16,216,749	1,000,000	17,216,749
Scholars program	1,807,115		1,807,115
Single parent support		4,500,000	4,500,000
Native American scholarship	555,323	444,677	1,000,000
Passthrough grants		20,100,000	20,100,000
Tribally controlled comm. college grants	1,000,000	1,000,000	2,000,000
Education incentive programs	260,000		260,000
Student mental health	284,400		284,400
Veterans' assistance grants	277,875	177,000	454,875
Shared campus services	800,000		800,000
Nursing education consortium	1,356,000		1,356,000
NASA EPSCoR	342,000		342,000
Dual-credit tuition scholarship	1,500,000		1,500,000
Education challenge fund		36,000,000	36,000,000
Workforce education		10,000,000	10,000,000
Total all funds	$142,655,511	$94,051,385	$236,706,896
Less estimated income	25,757,035	872,198	26,629,233
General fund	$116,898,476	$93,179,187	$210,077,663
FTE	158.83	4.00	162.83
Bismarck State College			
Operations	$100,571,387	$6,815,663	$107,387,050
Capital assets	1,922,561	31,500,000	33,422,561
Behavioral health initiative		204,000	204,000
Total all funds	$102,493,948	$38,519,663	$141,013,611
Less estimated income	70,409,893	34,400,734	104,810,627
General fund	$32,084,055	$4,118,929	$36,202,984
FTE	332.90	2.43	335.33
Lake Region State College			
Operations	$39,150,913	$1,913,818	$41,064,731
Capital assets	362,667	600,000	962,667
Behavioral health initiative		109,000	109,000
Total all funds	$39,513,580	$2,622,818	$42,136,398
Less estimated income	25,271,428	1,655,128	26,926,556
General fund	$14,242,152	$967,690	$15,209,842
FTE	115.76	4.83	120.59
Williston State College			
Operations	$34,044,304	$2,619,856	$36,664,160
Capital assets	1,261,968	43,913,939	45,175,907

Behavioral health initiative		169,140	169,140
Total all funds	$35,306,272	$46,702,935	$82,009,207
Less estimated income	24,019,535	44,830,555	68,850,090
General fund	$11,286,737	$1,872,380	$13,159,117
FTE	101.29	1.54	102.83
University of North Dakota			
Operations	$902,173,330	$52,555,093	$954,728,423
Capital assets	4,411,566	190,000,000	194,411,566
Behavioral health initiative		660,000	660,000
Research network		3,201,100	3,201,100
National security initiative		45,000,000	45,000,000
Total all funds	$906,584,896	$291,416,193	$1,198,001,089
Less estimated income	755,657,771	218,613,966	974,271,737
General fund	$150,927,125	$72,802,227	$223,729,352
FTE	2,059.98	0.58	2,060.56
UND Medical Center			
Operations	$218,253,058	$17,796,430	$236,049,488
Healthcare workforce initiative	10,676,150		10,676,150
Total all funds	$228,929,208	$17,796,430	$246,725,638
Less estimated income	160,806,249	5,782,718	166,588,967
General fund	$68,122,959	$12,013,712	$80,136,671
FTE	492.67	(3.84)	488.83
North Dakota State University			
Operations	$756,049,321	$40,359,558	$796,408,879
Capital assets	7,799,104	107,000,000	114,799,104
Workforce education		4,800,000	4,800,000
Behavioral health initiative		1,100,000	1,100,000
Research network		3,201,100	3,201,100
Total all funds	$763,848,425	$156,460,658	$920,309,083
Less estimated income	625,417,100	130,501,035	755,918,135
General fund	$138,431,325	$25,959,623	$164,390,948
FTE	1,829.43	38.07	1,867.50
State College of Science			
Operations	$95,547,465	$4,650,059	$100,197,524
Capital assets	1,012,379	19,975,000	20,987,379
Behavioral health initiative		186,750	186,750
Total all funds	$96,559,844	$24,811,809	$121,371,653
Less estimated income	60,845,052	22,212,951	83,058,003
General fund	$35,714,792	$2,598,858	$38,313,650
FTE	311.61	2.34	313.95
Dickinson State University			
Operations	$50,826,060	$4,755,696	$55,581,756
Capital assets	409,078	18,000,000	18,409,078
Behavioral health initiative		327,000	327,000
Total all funds	$51,235,138	$23,082,696	$74,317,834
Less estimated income	30,992,408	19,421,619	50,414,027
General fund	$20,242,730	$3,661,077	$23,903,807
FTE	175.50	2.50	178.00
Mayville State University			
Operations	$50,603,276	$4,577,144	$55,180,420
Capital assets	358,992	49,970,100	50,329,092
Behavioral health initiative		308,734	308,734

Total all funds	$50,962,268	$54,855,978	$105,818,246
Less estimated income	32,282,440	51,733,204	84,015,644
General fund	$18,679,828	$3,122,774	$21,802,602
FTE	230.35	(3.43)	226.92
Minot State University			
Operations	$104,154,777	$9,659,724	$113,814,501
Capital assets	1,099,620	11,865,000	12,964,620
Behavioral health initiative		170,000	170,000
Total all funds	$105,254,397	$21,694,724	$126,949,121
Less estimated income	64,047,767	15,504,561	79,552,328
General fund	$41,206,630	$6,190,163	$47,396,793
FTE	403.04	20.59	423.63
Valley City State University			
Operations	$50,083,400	$4,626,767	$54,710,167
Capital assets	455,823	35,500,000	35,955,823
Behavioral health initiative		236,000	236,000
Total all funds	$50,539,223	$40,362,767	$90,901,990
Less estimated income	26,377,846	36,936,844	63,314,690
General fund	$24,161,377	$3,425,923	$27,587,300
FTE	202.77	9.17	211.94
Dakota College at Bottineau			
Operations	$23,640,055	$2,023,135	$25,663,190
Capital assets	114,007	5,300,000	5,414,007
Behavioral health initiative		170,000	170,000
Total all funds	$23,754,062	$7,493,135	$31,247,197
Less estimated income	14,216,200	5,839,622	20,055,822
General fund	$9,537,862	$1,653,513	$11,191,375
FTE	91.86	(7.86)	84.00
Forest Service			
Operations	$15,343,065	$9,252,937	$24,596,002
Capital assets	118,728		118,728
Total all funds	$15,461,793	$9,252,937	$24,714,730
Less estimated income	10,669,315	8,469,894	19,139,209
General fund	$4,792,478	$783,043	$5,575,521
FTE	28.00	1.00	29.00
Bill total			
Total all funds	$2,613,098,565	$829,124,128	$3,442,222,693
Less estimated income	1,926,770,039	596,775,029	2,523,545,068
General fund	$686,328,526	$232,349,099	$918,677,625
FTE	6,533.99	71.92	6,605.91

House Bill No. 1003 - North Dakota University System - General Fund Summary of House Action

	Base Budget	House Changes	House Version
University System Office	$116,898,476	$93,179,187	$210,077,663
Bismarck State College	32,084,055	4,118,929	36,202,984
Lake Region State College	14,242,152	967,690	15,209,842
Williston State College	11,286,737	1,872,380	13,159,117
University of North Dakota	150,927,125	72,802,227	223,729,352
UND Medical Center	68,122,959	12,013,712	80,136,671
North Dakota State University	138,431,325	25,959,623	164,390,948
State College of Science	35,714,792	2,598,858	38,313,650
Dickinson State University	20,242,730	3,661,077	23,903,807
Mayville State University	18,679,828	3,122,774	21,802,602
Minot State University	41,206,630	6,190,163	47,396,793
Valley City State University	24,161,377	3,425,923	27,587,300
Dakota College at Bottineau	9,537,862	1,653,513	11,191,375
Forest Service	4,792,478	783,043	5,575,521
Total general fund	$686,328,526	$232,349,099	$918,677,625

Detail of House Changes to the General Fund

	Adjusts Funding for University System Office[1]	Provides Funding Formula Adjustments[2]	Adjusts Special Funds and FTE Positions[3]	Adds Funding for Research Network	Adds Funding for Behavioral Health[4]	Adds Funding for Capital Projects[5]
University System Office	$93,179,187					
Bismarck State College		$3,914,929			$204,000	
Lake Region State College		858,690			109,000	
Williston State College		1,703,240			169,140	
University of North Dakota		23,941,127		$3,201,100	660,000	
UND Medical Center		12,013,712				
North Dakota State University		16,858,523		3,201,100	1,100,000	
State College of Science		2,412,108			186,750	
Dickinson State University		3,334,077			327,000	
Mayville State University		2,814,040			308,734	
Minot State University		6,020,163			170,000	
Valley City State University		3,189,923			236,000	
Dakota College at Bottineau		1,483,513			170,000	
Forest Service						
Total general fund	$93,179,187	$78,544,045	$0	$6,402,200	$3,640,624	$0

	Adds Other One-Time Funding[6]	Adjusts Forest Service Funding[7]	Total the General Fund Changes
University System Office			$93,179,187
Bismarck State College			4,118,929
Lake Region State College			967,690
Williston State College			1,872,380
University of North Dakota	$45,000,000		72,802,227
UND Medical Center			12,013,712
North Dakota State University	4,800,000		25,959,623
State College of Science			2,598,858
Dickinson State University			3,661,077
Mayville State University			3,122,774
Minot State University			6,190,163
Valley City State University			3,425,923
Dakota College at Bottineau			1,653,513
Forest Service		$783,043	783,043
Total general fund	$49,800,000	$783,043	$232,349,099

House Bill No. 1003 - North Dakota University System - Other Funds Summary of House Action

	Base Budget	House Changes	House Version
University System Office	$25,757,035	$872,198	$26,629,233
Bismarck State College	70,409,893	34,400,734	104,810,627
Lake Region State College	25,271,428	1,655,128	26,926,556
Williston State College	24,019,535	44,830,555	68,850,090
University of North Dakota	755,657,771	218,613,966	974,271,737
UND Medical Center	160,806,249	5,782,718	166,588,967
North Dakota State University	625,417,100	130,501,035	755,918,135
State College of Science	60,845,052	22,212,951	83,058,003
Dickinson State University	30,992,408	19,421,619	50,414,027
Mayville State University	32,282,440	51,733,204	84,015,644
Minot State University	64,047,767	15,504,561	79,552,328
Valley City State University	26,377,846	36,936,844	63,314,690
Dakota College at Bottineau	14,216,200	5,839,622	20,055,822
Forest Service	10,669,315	8,469,894	19,139,209
Total other funds	$1,926,770,039	$596,775,029	$2,523,545,068

Detail of House Changes to Other Funds

	Adjusts Funding for University System Office[1]	Provides Funding Formula Adjustments[2]	Adjusts Special Funds and FTE Positions[3]	Adds Funding for Research Network	Adds Funding for Behavioral Health[4]	Adds Funding for Capital Projects[5]
University System Office	$872,198					
Bismarck State College			$2,900,734			$31,500,000
Lake Region State College			1,055,128			600,000
Williston State College			916,616			43,913,939
University of North Dakota			28,613,966			190,000,000
UND Medical Center			5,782,718			
North Dakota State University			23,501,035			107,000,000
State College of Science			2,237,951			19,975,000
Dickinson State University			1,421,619			18,000,000
Mayville State University			1,763,104			49,970,100
Minot State University			3,639,561			11,865,000
Valley City State University			1,436,844			35,500,000
Dakota College at Bottineau			539,622			5,300,000
Forest Service						
Total other funds	$872,198	$0	$73,808,898	$0	$0	$513,624,039

	Adds Other One-Time Funding[6]	Adjusts Forest Service Funding[7]	Total Other Funds Changes
University System Office			$872,198
Bismarck State College			34,400,734
Lake Region State College			1,655,128
Williston State College			44,830,555
University of North Dakota			218,613,966
UND Medical Center			5,782,718
North Dakota State University			130,501,035
State College of Science			22,212,951
Dickinson State University			19,421,619
Mayville State University			51,733,204
Minot State University			15,504,561
Valley City State University			36,936,844
Dakota College at Bottineau			5,839,622
Forest Service		$8,469,894	8,469,894
Total other funds	$0	$8,469,894	$596,775,029

House Bill No. 1003 - North Dakota University System - All Funds Summary of House Action

	Base Budget	House Changes	House Version
University System Office	$142,655,511	$94,051,385	$236,706,896
Bismarck State College	102,493,948	38,519,663	141,013,611
Lake Region State College	39,513,580	2,622,818	42,136,398
Williston State College	35,306,272	46,702,935	82,009,207
University of North Dakota	906,584,896	291,416,193	1,198,001,089
UND Medical Center	228,929,208	17,796,430	246,725,638
North Dakota State University	763,848,425	156,460,658	920,309,083
State College of Science	96,559,844	24,811,809	121,371,653
Dickinson State University	51,235,138	23,082,696	74,317,834
Mayville State University	50,962,268	54,855,978	105,818,246
Minot State University	105,254,397	21,694,724	126,949,121
Valley City State University	50,539,223	40,362,767	90,901,990
Dakota College at Bottineau	23,754,062	7,493,135	31,247,197
Forest Service	15,461,793	9,252,937	24,714,730
Total all funds	$2,613,098,565	$829,124,128	$3,442,222,693
FTE	6,533.99	71.92	6,605.91

Detail of House Changes to All Funds

	Adjusts Funding for University System Office[1]	Provides Funding Formula Adjustments[2]	Adjusts Special Funds and FTE Positions[3]	Adds Funding for Research Network	Adds Funding for Behavioral Health[4]	Adds Funding for Capital Projects[5]
University System Office	$94,051,385					
Bismarck State College		$3,914,929	$2,900,734		$204,000	$31,500,000
Lake Region State College		858,690	1,055,128		109,000	600,000
Williston State College		1,703,240	916,616		169,140	43,913,939
University of North Dakota		23,941,127	28,613,966	$3,201,100	660,000	190,000,000
UND Medical Center		12,013,712	5,782,718			
North Dakota State University		16,858,523	23,501,035	3,201,100	1,100,000	107,000,000
State College of Science		2,412,108	2,237,951		186,750	19,975,000
Dickinson State University		3,334,077	1,421,619		327,000	18,000,000
Mayville State University		2,814,040	1,763,104		308,734	49,970,100
Minot State University		6,020,163	3,639,561		170,000	11,865,000
Valley City State University		3,189,923	1,436,844		236,000	35,500,000
Dakota College at Bottineau		1,483,513	539,622		170,000	5,300,000
Forest Service						
Total all funds	$94,051,385	$78,544,045	$73,808,898	$6,402,200	$3,640,624	$513,624,039
FTE	4.00	0.00	66.92	0.00	0.00	0.00

	Adds Other One-Time Funding[6]	Adjusts Forest Service Funding[7]	Total All Funds Changes
University System Office			$94,051,385
Bismarck State College			38,519,663
Lake Region State College			2,622,818
Williston State College			46,702,935
University of North Dakota	$45,000,000		291,416,193
UND Medical Center			17,796,430
North Dakota State University	4,800,000		156,460,658
State College of Science			24,811,809
Dickinson State University			23,082,696
Mayville State University			54,855,978
Minot State University			21,694,724
Valley City State University			40,362,767
Dakota College at Bottineau			7,493,135
Forest Service		$9,252,937	9,252,937
Total all funds	$49,800,000	$9,252,937	$829,124,128
FTE	0.00	1.00	71.92

[1] Funding for the University System office is adjusted as detailed in the schedules below.

The following schedule details funding adjustments for system governance:

System Governance

	FTE Positions	General Fund	Other Funds	Total Funds
Base payroll changes	4.00	$74,578	$0	$74,578
Salary increase	0	398,183	16289	414,472
Health insurance increase	0	112,614	5,262	117,876
Financial aid staff	0	125,000	0	125,000
New financial aid system ongoing costs	0	273,180	0	273,180
New financial aid system one-time costs	0	1,554,354	0	1,554,354
Capitol space rent model	0	143,625	0	143,625
Total	4.00	$2,681,534	$21,551	$2,703,085

The following schedule details funding adjustments for Core Technology Services:

Core Technology Services

	General Fund	Other Funds	Total Funds
Base payroll changes	$137,190	$82,198	$219,388
Salary increase	1,041,551	525,737	1,567,288
Health insurance increase	395,293	242,712	638,005
Software and a security operations center	4,500,000	0	4,500,000
Replace funding from tuition for salaries and wages	939,310	0	939,310
Total	$7,013,344	$850,647	$7,863,991

The following schedule details funding for inflationary passthrough grants:

	General Fund
Fort Abraham Lincoln Foundation Heritage River Landing	$500,000
Bismarck State College polytechnic building	10,000,000
Minot children's science center	1,000,000
Dickinson State University projects and document digitization	3,600,000
North Dakota Gateway to Science	5,000,000
Total passthrough grants	$20,100,000

The following schedule details funding adjustments in other line items in the University System office budget:

	Base Level	General Fund Adjustment	House Version
Capital assets - Bond payments	$13,385,264	($2,187,368)	$11,197,896
Student financial assistance grants	23,917,306	12,000,000	35,917,306
Academic and CTE scholarships	16,216,749	1,000,000	17,216,749
Native American scholarship	555,323	444,677	1,000,000
Tribally controlled community college grants	1,000,000	1,000,000	2,000,000
Veterans' assistance grants	277,875	177,000	454,875
Challenge grants (one-time)	0	36,000,000	36,000,000
Dakota Digital Academy (one-time)	0	450,000	450,000
Workforce education innovation (one-time)	0	10,000,000	10,000,000
Single parent support (one-time)	0	4,500,000	4,500,000
Total	$55,352,517	$63,384,309	$118,736,826

[2] The following adjustments are made to institution general fund appropriations through the higher education funding formula:

	Credit-Hour Completion Adjustment	Formula Adjustment	Hold Harmless	Cost to Continue	Salary Increase	Health Insurance Increase	Total Increase
Bismarck State College	($843,194)	$1,306,862	$0	$156,583	$2,043,190	$1,251,488	$3,914,929
Dakota College at Bottineau	428,768	0	0	49,819	696,639	308,287	1,483,513
Lake Region State College	(1,157,713)	412,756	175,271	65,404	894,717	468,255	858,690
State College of Science	(4,001,780)	2,765,148	0	156,925	2,367,340	1,124,475	2,412,108
Williston State College	137,487	322,613	0	57,105	866,939	319,096	1,703,240
Dickinson State University	998,877	0	0	98,272	1,450,501	786,427	3,334,077
Mayville State University	685,147	0	0	89,590	1,365,632	673,671	2,814,040
Minot State University	1,342,514	0	0	196,850	2,944,280	1,536,519	6,020,163
Valley City State University	480,872	0	0	114,005	1,635,744	959,302	3,189,923
North Dakota State University	(7,591,732)	0	2,054,479	696,301	14,538,568	7,160,907	16,858,523
University of North Dakota	(1,616,355)	0	0	720,276	18,985,262	5,851,944	23,941,127
UND School of Medicine	1,861,864	0	0	389,953	8,400,006	1,361,889	12,013,712
Total	($9,275,245)	$4,807,379	$2,229,750	$2,791,083	$56,188,818	$21,802,260	$78,544,045

Funding is added from the general fund for the 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month. In addition, approximately $44.7 million from the general fund to pay the tuition portion of a 6 percent and 4 percent salary increase and the tuition portion of the health insurance increase is included in the salary increase and health insurance increase columns.

[3] The following adjustments are made to institution other funds appropriations and FTE positions:

FTE Position Adjustments

	FTE Positions	Salary Increase	Health Insurance Increase	Other Adjustments	Total
Bismarck State College	2.43	$1,636,581	$974,448	$289,705	$2,900,734
Dakota College at Bottineau	(7.86)	296,773	199,582	43,267	539,622
Lake Region State College	4.83	618,726	336,358	100,044	1,055,128
State College of Science	2.34	1,250,439	800,793	186,719	2,237,951
Williston State College	1.54	556,396	278,619	81,601	916,616
Dickinson State University	2.50	816,325	484,388	120,906	1,421,619
Mayville State University	(3.43)	907,083	730,912	125,109	1,763,104
Minot State University	20.59	2,113,443	1,193,878	332,240	3,639,561
Valley City State University	9.17	777,588	539,086	120,170	1,436,844
North Dakota State University	38.07	13,934,225	7,487,950	2,078,860	23,501,035
University of North Dakota	0.58	17,040,090	8,846,162	2,727,714	28,613,966
UND School of Medicine	(3.84)	3,786,917	1,405,057	590,744	5,782,718
Total	66.92	$43,734,586	$23,277,233	$6,797,079	$73,808,898

[4] One-time funding of $3,640,624 is added for the behavioral health initiative.

[5] One-time funding is added for the following capital building projects:

	Strategic Investment and Improvements Fund	Other Funds	Total Funds
BSC multipurpose academic and athletic center	$29,900,000	$1,600,000	$31,500,000
LRSC wind turbine gearbox	0	600,000	600,000
WSC medical healthcare building	34,750,000	1,850,000	36,600,000
WSC turf project	0	7,313,939	7,313,939
UND EERC facility	0	33,000,000	33,000,000
UND science, engineering, and national security corridor	57,400,000	24,600,000	82,000,000
UND science, technology, engineering, and math building	52,000,000	23,000,000	75,000,000
NDSU music building	0	20,000,000	20,000,000
NDSU Sudro Hall expansion	0	3,000,000	3,000,000
NDSU center for engineering and computational sciences	59,000,000	25,000,000	84,000,000
NDSCS agriculture, automation, and autonomous systems building	18,975,000	1,000,000	19,975,000
DSU agriculture and technical education building	17,100,000	900,000	18,000,000
MaSU Old Main renovation	49,970,100	0	49,970,100
MiSU Dakota Hall demolition	765,000	0	765,000
MiSU academic building	7,600,000	400,000	8,000,000
MiSU student center renovation	0	3,100,000	3,100,000
VCSU Osmon Fieldhouse addition	0	20,000,000	20,000,000
VCSU Student Center renovation	0	2,000,000	2,000,000
VCSU McCarthy Hall	11,500,000	2,000,000	13,500,000
DCB Old Main renovation	4,300,000	1,000,000	5,300,000
Total capital projects	$343,260,100	$170,363,939	$513,624,039

[6] One-time funding of $49.8 million from the general fund is added for the UND national security initiative ($45 million) and NDSU workforce education ($4.8 million).

[7] The following funding adjustments are made for the Forest Service:

Forest Service

	FTE Positions	General Fund	Other Funds	Total Funds
Base payroll changes	0	$30,847	$0	$30,847
Salary increase of 4 percent per year	0	233,644	6,491	240,135
Health insurance increase to $1,648 per month	0	131,552	5,262	136,814
Towner state nursery	0	0	200,000	200,000
Cooperative fire protection initiative	1.00	187,000	0	187,000
Forest recreation enhancements	0	200,000	0	200,000
Grant funding to enhance services	0	0	8,258,141	8,258,141
Total	1.00	$783,043	$8,469,894	$9,252,937

House Bill No. 1003 - Other Changes - House Action

This amendment also adds sections to:

- Identify $293,290,000 for various institution capital projects is from strategic investment and improvements fund;
- Identify $4.8 million from the general fund appropriated to NDSU is for creating or expanding programs and enrollment initiatives to address workforce needs;
- Identify $4.5 million from the general fund appropriated to the University System office is for support for single mothers;
- Provide for a transfer of $367,000 from University System office carryover to NDSU operations for the costs of a severance package;
- Provide future severance agreements be paid from the University System office budget;
- Provide $1.5 million from Bank of North Dakota profits for the dual-credit tuition scholarship program;
- Continue and expand the career builders program and to provide $15 million from Bank of North Dakota profits for the program;
- Continue the capital building fund program and to provide $29 million from strategic investment and improvements fund for the program;
- Restrict the State Board of Higher Education from requesting funding for capital projects from the

69th Legislative Assembly;

- Provide for an annual report to the Budget Section on higher education trends;
- Require the approval of requests for new academic programs within 30 days;
- Require the State Board of Higher Education to provide a disclosure of financial condition to final applicants for the position of president;
- Continue the challenge grant program and to provide $36 million from the general fund for the program;
- Replace the Workforce Education Advisory Council with the Workforce Development Council;
- Require institutions to identify local matching funds for capital project requests;
- Amend the higher education funding formula, including to increase funding for career and technical education credits and to restore the minimum amount payable;
- Increase the maximum award under the student financial assistance grant program;
- Allow Dickinson State University to use funds donated for the digitization of documents relating to Theodore Roosevelt without establishing an endowment;
- Allow the University System to continue unexpended appropriations into the 2023-25 biennium;
- Allow Lake Region State College to use funds from the University System capital building fund to replace a wind turbine gearbox without providing matching funds;
- Allow institutions to continue appropriation authority for various capital projects into the 2023-25 biennium; and
- Limit tuition increases.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1004 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Health Services			
Salaries and wages	$41,362,968	$5,511,774	$46,874,742
Operating expenses	31,242,543	6,478,670	37,721,213
Capital assets	1,796,393	(326,613)	1,469,780
Grants	55,812,575	15,857,570	71,670,145
Tobacco prevention	13,410,022	850,459	14,260,481
WIC food payments	19,900,000		19,900,000
COVID-19 response	4,459,766	93,353,091	97,812,857
State laboratory		55,120,000	55,120,000
Total all funds	$167,984,267	$176,844,951	$344,829,218
Less estimated income	129,409,112	170,213,282	299,622,394
General fund	$38,575,155	$6,631,669	$45,206,824
FTE	210.50	5.00	215.50
Bill total			
Total all funds	$167,984,267	$176,844,951	$344,829,218
Less estimated income	129,409,112	170,213,282	299,622,394
General fund	$38,575,155	$6,631,669	$45,206,824
FTE	210.50	5.00	215.50

House Bill No. 1004 - DHHS - Health Services - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$41,362,968	$5,511,774	$46,874,742
Operating expenses	31,242,543	6,478,670	37,721,213
Capital assets	1,796,393	(326,613)	1,469,780
Grants	55,812,575	15,857,570	71,670,145
Tobacco prevention	13,410,022	850,459	14,260,481
WIC food payments	19,900,000		19,900,000
COVID-19 response	4,459,766	93,353,091	97,812,857
State laboratory		55,120,000	55,120,000
Total all funds	$167,984,267	$176,844,951	$344,829,218
Less estimated income	129,409,112	170,213,282	299,622,394
General fund	$38,575,155	$6,631,669	$45,206,824
FTE	210.50	5.00	215.50

Department 350 - DHHS - Health Services - Detail of House Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adjusts Base Budget Funding[2]	Adds Funding for Salary and Benefit Increases[3]	Adds 1 FTE Autopsy Technician[4]	Adds 4 FTE Program Management Positions[5]	Increases Funding for Information Technology[6]
Salaries and wages	$319,801	$2,167,308	$2,909,563	$65,094	$50,008	
Operating expenses		4,099,423				$1,241,694
Capital assets		(326,613)				
Grants		8,721,285				
Tobacco prevention		(24,358)	74,817			
WIC food payments						
COVID-19 response		93,203,287	149,804			
State laboratory						
Total all funds	$319,801	$107,840,332	$3,134,184	$65,094	$50,008	$1,241,694
Less estimated income	216,068	106,147,341	2,379,473	0	50,008	1,050,392
General fund	$103,733	$1,692,991	$754,711	$65,094	$0	$191,302
FTE	0.00	0.00	0.00	1.00	4.00	0.00

	Adds Funding for Injury Prevention[7]	Increases Funding for Public Health Registries[8]	Increases Funding for the Biomedical Cache[9]	Adds Funding for Emergency Response and Preparedness[10]	Increases Funding for Local Public State Aid[11]	Increases Funding for Domestic Violence Prevention[12]
Salaries and wages						
Operating expenses	$31,000	$701,553	$20,000	$385,000		
Capital assets						
Grants					$2,750,000	$3,686,285
Tobacco prevention						
WIC food payments						
COVID-19 response						
State laboratory						
Total all funds	$31,000	$701,553	$20,000	$385,000	$2,750,000	$3,686,285
Less estimated income	0	0	0	0	2,750,000	1,000,000
General fund	$31,000	$701,553	$20,000	$385,000	$0	$2,686,285
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for Domestic Violence Offender Treatment[13]	Adds Funding for Tobacco Treatment and Cessation Grants[14]	Add Funding for Youth Vaping Prevention Grants[15]	Adds Funding for Laboratory Building[16]	Total House Changes
Salaries and wages					$5,511,774
Operating expenses					6,478,670
Capital assets					(326,613)
Grants	$700,000				15,857,570
Tobacco prevention		$500,000	$300,000		850,459
WIC food payments					
COVID-19 response					93,353,091
State laboratory				$55,120,000	55,120,000
Total all funds	$700,000	$500,000	$300,000	$55,120,000	$176,844,951
Less estimated income	700,000	500,000	300,000	55,120,000	170,213,282
General fund	$0	$0	$0	$0	$6,631,669
FTE	0.00	0.00	0.00	0.00	5.00

[1] Funding is added for cost to continue salary increases.

[2] Funding is added, including funding from federal and special funds, for base budget changes and adjustments to transfer funding between the former State Department of Health and former Department of Human Services budgets.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$488,250	$1,513,380	$2,001,630
Health insurance increase	266,461	866,093	1,132,554
Total	$754,711	$2,379,473	$3,134,184

[4] Funding is added to convert 1 temporary position to 1 FTE autopsy technician IV position.

[5] Funding from federal funds is added to convert 4 temporary positions to 4 FTE program management III positions to serve as tribal liaisons.

[6] Funding is added for Information Technology Department rate increases.

[7] Funding related to injury prevention is increased for the poison control hotline.

[8] Funding is added for inflationary increases relating to public health registries.

[9] Funding is added to expand the biomedical cache.

[10] Funding is added for emergency response and preparedness training and exercise.

[11] Funding is added from the community health trust fund to increase local public health state aid to provide a total of $8,000,000, of which $4,725,000 is from the general fund and $3,275,000 is from the community health trust fund.

[12] Funding for domestic violence prevention is increased to provide a total of $5,936,285, of which $4,596,285 is from the general fund, $1,000,000 is from the community health trust fund, and $340,000 is from the domestic violence and sexual assault prevention fund which receives revenue from marriage license fees.

[13] Funding from the community health trust fund is increased for domestic violence offender treatment to provide a total of $1 million from the fund.

[14] Funding from the community health trust fund is added for a NDQuits cessation program with pharmacies.

[15] Funding from the community health trust fund is added for youth vaping and nicotine prevention grants.

[16] One-time funding from the federal State Fiscal Recovery Fund is added for a new laboratory building shared with the Department of Environmental Quality.

This amendment also:

- Adds a section to provide an exemption to allow the Department of Health and Human Services to transfer funding between line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services approved by the 68th Legislative Assembly;
- Adds a section to provide an exemption to allow the Department of Health and Human Services to transfer funding from the line items in House Bill No. 1004, subdivisions 1, 2, and 3 of Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services approved by the 68th Legislative Assembly to subdivision 4 of Section 1 of Senate Bill No. 2012;
- Adds a section to require the Office of Management and Budget to combine the appropriation authority contained in Section 1 of House Bill No. 1004, Section 1 of Senate Bill No. 2012, and any other appropriation authority for the Department of Health and Human Services into one budget. The section also requires the Department of Health and Human Services to submit one budget request for the 2025-27 biennium;
- Amends the section related to estimated income provided from the community health trust fund to provide funding of $20,072,324 from the fund for various programs and grants during the 2023-25 biennium;
- Adds a section to provide the statutory changes to require 80 percent of the funds received by the state as a result of the JUUL Labs, Inc. lawsuit settlement be deposited in the community health trust fund;
- Adds a section to require the Attorney General transfer 80 percent of the JUUL settlement proceeds received during the 2021-23 biennium and deposited in the refund fund to the community health trust fund;
- Adds a section to require the department to first make available $870,000 from the federal COVID-19 public health crisis response grant to local public health units. Funding not requested by December 31, 2023, will be available to the department for workforce efforts pursuant to grant guidance;
- Adds a section of legislative intent to provide the Laboratory Building Steering Committee include representation from the Department of Health and Human Services, Department of Environmental Quality, Office of Management and Budget, Governor's office, and the Legislative Assembly;
- Adds a section to provide an exemption to allow the department to continue $3 million of one-time funding, of which $1.5 million is from the community health trust fund and $1.5 million is from other funds secured as matching funds, provided for a statewide health strategies initiative during the 2021-23 biennium to the 2023-25 biennium. The amount appropriated from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds; and
- Adds a section to provide an exemption to allow the department to continue any unexpended funding provided from the federal State Fiscal Recovery Fund during the 2021 special legislative session for the public health laboratory capital project. The section provides any unexpended funds remaining of the $15 million one-time funding appropriation are available for the public health laboratory capital project during the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - Funding Summary

	Base Budget	House Changes	House Version
Indian Affairs Commission			
Salaries and wages	$910,106	$21,616	$931,722
Operating expenses	185,609	82,109	267,718
Total all funds	$1,095,715	$103,725	$1,199,440
Less estimated income	0	0	0
General fund	$1,095,715	$103,725	$1,199,440
FTE	4.00	0.00	4.00
Bill total			
Total all funds	$1,095,715	$103,725	$1,199,440
Less estimated income	0	0	0
General fund	$1,095,715	$103,725	$1,199,440
FTE	4.00	0.00	4.00

House Bill No. 1005 - Indian Affairs Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$910,106	$21,616	$931,722
Operating expenses	185,609	82,109	267,718
Total all funds	$1,095,715	$103,725	$1,199,440
Less estimated income	0	0	0
General fund	$1,095,715	$103,725	$1,199,440
FTE	4.00	0.00	4.00

Department 316 - Indian Affairs Commission - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for a New Capitol Space Rent Model[3]	Transfers Funding Between Line Items[4]	Total House Changes
Salaries and wages	$6,785	$64,347		($49,516)	$21,616
Operating expenses			$32,593	49,516	82,109
Total all funds	$6,785	$64,347	$32,593	$0	$103,725
Less estimated income	0	0	0	0	0
General fund	$6,785	$64,347	$32,593	$0	$103,725
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund
Salary increase	$43,298
Health insurance increase	21,049
Total	$64,347

[3] Funding is provided for a new Capitol space rent model.

[4] Funding of $49,516 is transferred from the salaries and wages line item to the operating expenses line item.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - Funding Summary

	Base Budget	House Changes	House Version
Aeronautics Commission			
Salaries and wages	$1,599,310	$156,669	$1,755,979
Operating expenses	2,067,677	1,467,323	3,535,000
Capital assets		2,250,000	2,250,000
Grants	27,550,000	3,550,000	31,100,000
Total all funds	$31,216,987	$7,423,992	$38,640,979
Less estimated income	30,741,987	7,423,992	38,165,979
General fund	$475,000	$0	$475,000
FTE	7.00	0.00	7.00
Bill total			
Total all funds	$31,216,987	$7,423,992	$38,640,979
Less estimated income	30,741,987	7,423,992	38,165,979
General fund	$475,000	$0	$475,000
FTE	7.00	0.00	7.00

House Bill No. 1006 - Aeronautics Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$1,599,310	$156,669	$1,755,979
Operating expenses	2,067,677	1,467,323	3,535,000
Capital assets		2,250,000	2,250,000
Grants	27,550,000	3,550,000	31,100,000
Total all funds	$31,216,987	$7,423,992	$38,640,979
Less estimated income	30,741,987	7,423,992	38,165,979
General fund	$475,000	$0	$475,000
FTE	7.00	0.00	7.00

Department 412 - Aeronautics Commission - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Temporary Salaries Funding[3]	Adjusts Operating Funding[4]	Adjusts Operating Expenses and Grants Funding[5]	Adds One-Time Funding for Peace Garden Airport[6]
Salaries and wages	$11,281	$120,917	$24,471			
Operating expenses				$767,323	$450,000	$250,000
Capital assets						2,250,000
Grants					(450,000)	
Total all funds	$11,281	$120,917	$24,471	$767,323	$0	$2,500,000
Less estimated income	11,281	120,917	24,471	767,323	0	2,500,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Airport Grants[7]	Total House Changes
Salaries and wages		$156,669
Operating expenses		1,467,323
Capital assets		2,250,000
Grants	$4,000,000	3,550,000
Total all funds	$4,000,000	$7,423,992
Less estimated income	4,000,000	7,423,992
General fund	$0	$0
FTE	0.00	0.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$84,093
Health insurance increase	36,824
Total	$120,917

[3] Funding is increased for temporary salaries.

[4] Funding for operating expenses is reduced by $77,677 from special funds and increased by $845,000 from federal funds for impact studies.

[5] Funding of $450,000 is transferred from the grants line item to the operating expenses line item for impact studies.

[6] One-time funding of $2,250,000 from federal funds and $250,000 from special funds is added for the rehabilitation of the International Peace Garden airport.

[7] One-time funding of $4 million from special funds is added for airport infrastructure grants.

This amendment also provides an exemption to authorize the Aeronautics Commission to continue $20 million appropriated from the airport infrastructure fund during the 2023-25 biennium into the 2025-27 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Funding Summary

	Base Budget	House Changes	House Version
Veterans' Home			
Salaries and wages	$19,209,879	$1,498,866	$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
Total all funds	$25,156,483	$3,375,519	$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
General fund	$5,780,643	$393,633	$6,174,276
FTE	114.79	0.00	114.79
Bill total			
Total all funds	$25,156,483	$3,375,519	$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
General fund	$5,780,643	$393,633	$6,174,276
FTE	114.79	0.00	114.79

House Bill No. 1007 - Veterans' Home - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$19,209,879	$1,498,866	$20,708,745
Operating expenses	5,539,333	88,842	5,628,175
Capital assets	407,271	1,787,811	2,195,082
Total all funds	$25,156,483	$3,375,519	$28,532,002
Less estimated income	19,375,840	2,981,886	22,357,726
General fund	$5,780,643	$393,633	$6,174,276
FTE	114.79	0.00	114.79

Department 313 - Veterans' Home - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Staff Salaries[3]	Adjusts Base Level Funding[4]	Adds One-Time Funding for Indoor Parking and Storage[5]	Adds One-Time Funding for Parking Lot and Road Repairs[6]
Salaries and wages	$96,159	$1,352,707	$50,000			
Operating expenses				$71,992		
Capital assets				(19)	$750,000	$600,000
Total all funds	$96,159	$1,352,707	$50,000	$71,973	$750,000	$600,000
Less estimated income	96,159	1,065,074	0	15,973	750,000	600,000
General fund	$0	$287,633	$50,000	$56,000	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Equipment[7]	Adds One-Time Funding to Replace Thermostats[8]	Total House Changes
Salaries and wages			$1,498,866
Operating expenses	$16,850		88,842
Capital assets	108,900	$328,930	1,787,811
Total all funds	$125,750	$328,930	$3,375,519
Less estimated income	125,750	328,930	2,981,886
General fund	$0	$0	$393,633
FTE	0.00	0.00	0.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$197,648	$576,205	$773,853
Health insurance increase	89,985	488,869	578,854
Total	$287,633	$1,065,074	$1,352,707

[3] Funding of $50,000 is added from the general fund for staff salaries and wages, including $15,000 to reclassify a FTE from a licensed practical nurse position to a registered nurse position and $35,000 to increase salaries of shift differential staff.

[4] Base level funding from the general fund and soldiers' home fund is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for information technology rate increases	$0	$7,492	$7,492
Adds funding for increasing laundry supply costs	0	8,500	8,500
Adds funding building repairs	30,000	0	30,000
Adds funding for resident food costs	26,000	0	26,000
Adjusts funding for bond and interest payments	0	(19)	(19)
Total	$56,000	$15,973	$71,973

[5] One-time funding of $750,000 is added from the Melvin Norgard memorial fund for the construction of a building on the Veterans' Home campus with rentable indoor parking and storage.

[6] One-time funding of $600,000 is added from the strategic investment and improvements fund to mill, patch, and chip seal parking lots and roads on the Veterans' Home campus.

[7] One-time funding of $125,750 from the soldiers' home fund is added for equipment, including bed extenders and mattresses ($11,950), replacement of refrigerators ($4,900), replacement of a compact tractor ($45,000), replacement of a utility task vehicle ($30,000), replacement of commercial roll-in coolers ($23,400), and blanket warmers for residents ($10,500).

[8] One-time funding of $328,930 is added from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

This amendment also:

- Adds a section to identify $600,000 of one-time funding appropriated in Section 1 from the strategic investment and improvements fund for parking lot and road repairs; and
- Adds a section to identify $328,930 of one-time funding appropriated in Section 1 from the federal State Fiscal Recovery Fund for a thermostat and air handling unit replacement project.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Funding Summary

	Base Budget	House Changes	House Version
Department of Financial Institutions			
Salaries and wages	$7,415,098	$1,042,458	$8,457,556
Operating expenses	1,671,409	412,508	2,083,917
Contingency	20,000		20,000
Total all funds	$9,106,507	$1,454,966	$10,561,473
Less estimated income	9,106,507	1,454,966	10,561,473
General fund	$0	$0	$0
FTE	31.00	2.00	33.00
Bill total			
Total all funds	$9,106,507	$1,454,966	$10,561,473
Less estimated income	9,106,507	1,454,966	10,561,473
General fund	$0	$0	$0
FTE	31.00	2.00	33.00

House Bill No. 1008 - Department of Financial Institutions - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$7,415,098	$1,042,458	$8,457,556
Operating expenses	1,671,409	412,508	2,083,917
Contingency	20,000		20,000
Total all funds	$9,106,507	$1,454,966	$10,561,473
Less estimated income	9,106,507	1,454,966	10,561,473
General fund	$0	$0	$0
FTE	31.00	2.00	33.00

Department 413 - Department of Financial Institutions - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Large Bank Examiner FTE Position[3]	Adds Licensing or Non-depository Examiner FTE Position[4]	Adds Funding for ITD Increases[5]	Adds Funding for Attorney General Fees[6]
Salaries and wages	$55,175	$560,541	$226,922	$199,820		
Operating expenses			30,945	30,945	$618	$250,000
Contingency						
Total all funds	$55,175	$560,541	$257,867	$230,765	$618	$250,000
Less estimated income	55,175	560,541	257,867	230,765	618	250,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	1.00	1.00	0.00	0.00

	Adds Funding for Dynamics Ongoing Maintenance Expenses[7]	Total House Changes
Salaries and wages		$1,042,458
Operating expenses	$100,000	412,508
Contingency		
Total all funds	$100,000	$1,454,966
Less estimated income	100,000	1,454,966
General fund	$0	$0
FTE	0.00	2.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$414,131
Health insurance increase	146,410
Total	$560,541

[3] Funding of $257,867 is added for 1 FTE large bank examiner position ($226,922) and related operating expenses ($30,945).

[4] Funding of $230,765 is added for 1 FTE licensing or non-depository examiner position ($199,820) and related operating expenses ($30,945).

[5] Funding is added for Information Technology Department rate increases.

[6] Funding is added for operating expenses for additional legal costs paid to the Attorney General.

[7] Adds funding for a Dynamics ongoing system maintenance agreement.

This amendment also authorizes the Department of Financial Institutions to transfer appropriation authority between line items.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Funding Summary

	Base Budget	House Changes	House Version
State Fair Association			
Premiums	$542,833	$100,000	$642,833
Total all funds	$542,833	$100,000	$642,833
Less estimated income	0	0	0
General fund	$542,833	$100,000	$642,833
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$542,833	$100,000	$642,833
Less estimated income	0	0	0
General fund	$542,833	$100,000	$642,833
FTE	0.00	0.00	0.00

House Bill No. 1009 - State Fair Association - House Action

	Base Budget	House Changes	House Version
Premiums	$542,833	$100,000	$642,833
Total all funds	$542,833	$100,000	$642,833
Less estimated income	0	0	0
General fund	$542,833	$100,000	$642,833
FTE	0.00	0.00	0.00

Department 665 - State Fair Association - Detail of House Changes

	Increases Premiums[1]	Total House Changes
Premiums	$100,000	$100,000
Total all funds	$100,000	$100,000
Less estimated income	0	0
General fund	$100,000	$100,000
FTE	0.00	0.00

[1] Funding for premiums is increased to provide a total of $642,833 from the general fund.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Funding Summary

	Base Budget	House Changes	House Version
Council on the Arts			
Salaries and wages	$1,082,619	$217,183	$1,299,802
Operating expenses	286,545	544,048	830,593
Grants	2,082,524	272,818	2,355,342
Total all funds	$3,451,688	$1,034,049	$4,485,737
Less estimated income	1,788,922	91,078	1,880,000
General fund	$1,662,766	$942,971	$2,605,737
FTE	5.00	1.00	6.00
Bill total			
Total all funds	$3,451,688	$1,034,049	$4,485,737
Less estimated income	1,788,922	91,078	1,880,000
General fund	$1,662,766	$942,971	$2,605,737
FTE	5.00	1.00	6.00

House Bill No. 1010 - Council on the Arts - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$1,082,619	$217,183	$1,299,802
Operating expenses	286,545	544,048	830,593
Grants	2,082,524	272,818	2,355,342
Total all funds	$3,451,688	$1,034,049	$4,485,737
Less estimated income	1,788,922	91,078	1,880,000
General fund	$1,662,766	$942,971	$2,605,737
FTE	5.00	1.00	6.00

Department 709 - Council on the Arts - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Administrative Assistant FTE Position[3]	Adjusts Operating Funding[4]	Increases Funding for Grants[5]	Adds One-Time Funding[6]
Salaries and wages	$17,703	$86,504	$6,546			$106,430
Operating expenses			8,000	$383,548		152,500
Grants					$272,818	
Total all funds	$17,703	$86,504	$14,546	$383,548	$272,818	$258,930
Less estimated income	(70,000)	0	0	(3,500)	164,578	0
General fund	$87,703	$86,504	$14,546	$387,048	$108,240	$258,930
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	$217,183
Operating expenses	544,048
Grants	272,818
Total all funds	$1,034,049
Less estimated income	91,078
General fund	$942,971
FTE	1.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund
Salary increase	$54,936
Health insurance increase	31,568
Total	$86,504

[3] Funding of $14,546 is added from the general fund for 1 FTE administrative assistant position, including the removal of $122,446 for temporary salaries.

[4] Funding for operating expenses is adjusted as follows:

	General Fund	Other Funds	Total Funds
Inflationary increases and restoration of operating reductions	$87,048	$0	$87,048
Contracted exhibition coordinator	24,000	0	24,000
Arts across the prairie initiative	193,000	0	193,000
IT software and supplies	51,400	0	51,400
Marketing	15,000	0	15,000
Accessibility improvements	16,600	0	16,600
Operating fees and services	0	(3,500)	(3,500)
Total	$387,048	($3,500)	$383,548

[5] Funding is increased for grants, including $113,535 for arts education grants and $159,283 for other grants.

[6] One-time funding from the general fund is added as follows:

	General Fund
New FTE costs	$2,500
Accrued leave payouts	106,430
Strategic planning consultant	40,000
Arts across the prairie initiative	100,000
Information technology equipment	10,000
Total one-time funding	$258,930

This amendment also adds sections to:

- Appropriate all income from gifts, grants, devises, bequests, donations, and assignments received by the Council on the Arts; and
- Allow for the transfer of funding between line items as requested by the Council on the Arts.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1011 - Funding Summary

	Base Budget	House Changes	House Version
Highway Patrol			
Highway patrol	$62,113,414	$11,715,136	$73,828,550
Total all funds	$62,113,414	$11,715,136	$73,828,550
Less estimated income	25,785,652	(3,668,019)	22,117,633
General fund	$36,327,762	$15,383,155	$51,710,917
FTE	193.00	9.00	202.00
Bill total			
Total all funds	$62,113,414	$11,715,136	$73,828,550
Less estimated income	25,785,652	(3,668,019)	22,117,633
General fund	$36,327,762	$15,383,155	$51,710,917
FTE	193.00	9.00	202.00

House Bill No. 1011 - Highway Patrol - House Action

	Base Budget	House Changes	House Version
Highway patrol	$62,113,414	$11,715,136	$73,828,550
Total all funds	$62,113,414	$11,715,136	$73,828,550
Less estimated income	25,785,652	(3,668,019)	22,117,633
General fund	$36,327,762	$15,383,155	$51,710,917
FTE	193.00	9.00	202.00

Department 504 - Highway Patrol - Detail of House Changes

	Adjusts Funding for Base Payroll and Budget Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts COVID-19 Funding[3]	Adds FTE Trooper Positions[4]	Adds Operating Funding[5]	Adds Funding for Technology Enhancements[6]
Highway patrol	$688,363	$3,866,239		$3,145,760	$358,774	$303,000
Total all funds	$688,363	$3,866,239	$0	$3,145,760	$358,774	$303,000
Less estimated income	227,861	963,236	(6,966,000)	990,214	39,250	42,420
General fund	$460,502	$2,903,003	$6,966,000	$2,155,546	$319,524	$260,580
FTE	0.00	0.00	0.00	9.00	0.00	0.00

	Adds One-Time Funding for Unmanned Aerial Vehicles[7]	Adds One-Time Funding for Inflationary Increases[8]	Adds One-Time Funding for Narcotics Tester[9]	Adds One-Time Funding for Motor Carrier Program[10]	Adds One-Time Funding for Shooting Range Repairs[11]	Total House Changes
Highway patrol	$104,000	$2,562,000	$60,000	$427,000	$200,000	$11,715,136
Total all funds	$104,000	$2,562,000	$60,000	$427,000	$200,000	$11,715,136
Less estimated income	15,000	408,000	8,000	404,000	200,000	(3,668,019)
General fund	$89,000	$2,154,000	$52,000	$23,000	$0	$15,383,155
FTE	0.00	0.00	0.00	0.00	0.00	9.00

[1] Funding is adjusted for base payroll and budget changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$1,837,423	$640,708	$2,478,131
Health insurance increase	730,057	267,908	997,965
Total	$2,567,480	$908,616	$3,476,096

Funding is also added from the general fund ($335,523) and highway tax distribution fund ($54,620) for increased employer contributions to the Highway Patrolmen's retirement fund approved by the Legislative Assembly in 2021.

[3] Funding is restored for general fund and special fund salaries paid from federal COVID-19 relief funds during the 2021-23 biennium.

[4] Funding is added for the following FTE trooper positions:

	FTE Positions	General Fund	Other Funds	Total
Backfill criminal interdiction troopers	5.00	$1,272,224	$207,107	$1,479,331
Additional criminal interdiction troopers	2.00	488,624	79,544	568,168
Drug recognition trooper	1.00	0	284,082	284,082
Motor carrier trooper	1.00	16,854	320,325	337,179
Total	9.00	$1,777,702	$891,058	$2,668,760

One-time funding of $477,000 for equipment costs for the new positions is also added from the general fund ($377,844) and other funds ($99,156).

[5] Operating funding is added for the following purposes:

	General Fund	Other Funds	Total
Office lease increase	$106,000	$17,000	$123,000
Warehouse space increase	106,000	17,000	123,000
New Capitol space rent model	74,274	0	74,274
Unmanned aerial vehicle license	1,000	0	1,000
Recruitment and advertising	32,250	5,250	37,500
Total	$319,524	$39,250	$358,774

[6] Ongoing ($133,000) and one-time ($170,000) funding is added for enhancements to various software programs.

[7] One-time funding is added for enhancements to the agency's unmanned aerial vehicle program.

[8] One-time funding is added for inflationary increases including state fleet rates ($2,042,000) and other supplies and equipment ($520,000).

[9] One-time funding is added for a handheld narcotics tester.

[10] One-time funding is added for motor carrier safety program enhancements.

[11] One-time funding is added from the motor carrier electronic permit fund for a targeting system upgrade at the agency's shooting range.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Funding Summary

	Base Budget	House Changes	House Version
Department of Transportation			
Salaries and wages	$204,109,585	$28,313,251	$232,422,836
Operating expenses	270,888,188	59,493,286	330,381,474
Capital assets	902,431,344	741,713,721	1,644,145,065
Grants	118,085,610	3,985,848	122,071,458
Contingent loan authorization		78,500,000	78,500,000
Total all funds	$1,495,514,727	$912,006,106	$2,407,520,833
Less estimated income	1,495,514,727	901,631,106	2,397,145,833
General fund	$0	$10,375,000	$10,375,000
FTE	982.00	16.00	998.00
Bill total			
Total all funds	$1,495,514,727	$912,006,106	$2,407,520,833
Less estimated income	1,495,514,727	901,631,106	2,397,145,833
General fund	$0	$10,375,000	$10,375,000
FTE	982.00	16.00	998.00

House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$204,109,585	$28,313,251	$232,422,836
Operating expenses	270,888,188	59,493,286	330,381,474
Capital assets	902,431,344	741,713,721	1,644,145,065
Grants	118,085,610	3,985,848	122,071,458
Contingent loan authorization		78,500,000	78,500,000
Total all funds	$1,495,514,727	$912,006,106	$2,407,520,833
Less estimated income	1,495,514,727	901,631,106	2,397,145,833
General fund	$0	$10,375,000	$10,375,000
FTE	982.00	16.00	998.00

Department 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Cost to Continue Salary Increases[1]	Adjusts Base Level Funding[2]	Adds Funding for Salary and Benefit Increases[3]	Adds FTE Positions[4]	Adds Funding to Match Federal Formula Funds[5]	Adds One-Time Funding to Match Federal Discretionary Grants[6]
Salaries and wages	$9,903,727		$15,414,574	$2,994,950		
Operating expenses		$45,216,310		151,976		
Capital assets		(32,536,279)			$169,250,000	$490,000,000
Grants		(5,264,152)				
Contingent loan authorization						
Total all funds	$9,903,727	$7,415,879	$15,414,574	$3,146,926	$169,250,000	$490,000,000
Less estimated income	9,903,727	7,415,879	15,414,574	3,146,926	169,250,000	490,000,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	16.00	0.00	0.00

	Adds Funding for State Flexible Transportation Program[7]	Adds Contingent Loan Authorizations[8]	Adds One-Time Funding for Short Line Railroad Programs[9]	Adds One-Time Funding for Projects to Address Flooding[10]	Adds One-Time Funding for Rural Transit[11]	Adds One-Time Funding for Projects and Technology[12]
Salaries and wages						
Operating expenses				$5,000,000		$9,125,000
Capital assets	$115,000,000					
Grants			$8,000,000		$1,250,000	
Contingent loan authorization		$78,500,000				
Total all funds	$115,000,000	$78,500,000	$8,000,000	$5,000,000	$1,250,000	$9,125,000
Less estimated income	115,000,000	78,500,000	8,000,000	5,000,000	0	0
General fund	$0	$0	$0	$0	$1,250,000	$9,125,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	$28,313,251
Operating expenses	59,493,286
Capital assets	741,713,721
Grants	3,985,848
Contingent loan authorization	78,500,000
Total all funds	$912,006,106
Less estimated income	901,631,106
General fund	$10,375,000
FTE	16.00

[1] Funding is added for the cost to continue 2021-23 biennium salary increases.

[2] Funding is adjusted based on estimated federal funds to be received and for other adjustments.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$10,268,264
Health insurance increase	5,146,310
Total	$15,414,574

[4] Funding is added for the following FTE positions:

	FTE	Other Funds
Auditors	4.00	$829,992
Equipment operators	7.00	949,974
Driving examiners	2.00	499,984
Accountants	3.00	715,000
Total	16.00	$2,994,950

Operating funding of $151,976 is also added for the examiner positions to increase the availability of commercial driver's license testing.

[5] Funding from the highway fund is appropriated to match federal funds. The funding is from 50 percent of motor vehicle excise taxes deposited in the highway fund resulting in a general fund revenue reduction of $169,250,000.

[6] Funding from the strategic investment and improvements fund ($200 million) is appropriated to match federal discretionary grants ($290 million).

[7] Funding is appropriated from the strategic investment and improvements fund to establish a state flexible transportation program.

[8] A $50 million appropriation from a contingent Bank of North Dakota loan is provided to match federal grants received for projects improving United States Highway 85. A $28.5 million appropriation from a contingent Bank of North Dakota loan is provided to match funds provided by the Minnesota Department of Transportation for projects to address flooding in the northern Red River Valley.

[9] One-time funding from the strategic investment and improvements fund is added to enhance loan programs to assist short line railroads with rail improvement projects.

[10] One-time funding from the strategic investment and improvements fund is added for studies, preliminary engineering, and environmental studies to address northern Red River Valley infrastructure affected by flooding.

[11] One-time funding is added for grants to rural transit providers.

[12] One-time funding from the general fund is added for the following projects:
- $6,250,000 for the roadway information management system project;
- $865,000 for building door security; and
- $2,010,000 for an automated vehicle location project.

This amendment also:
- Amends North Dakota Century Code Section 57-40.3-10 to deposit 50 percent of motor vehicle excise tax collections in the highway fund. The amendment would reduce estimated general fund revenues by $169,250,000;
- Amends Section 13 of Chapter 15 of the 2021 Session Laws to adjust appropriation language relating to the distribution of 2021-23 biennium funding to townships;
- Amends Section 10 of Chapter 80 of the 2021 Session Laws to adjust appropriation language relating to the use of funding derived from bond proceeds during the 2021-23 biennium;
- Authorizes the Department of Transportation to construct a rest area in the western part of the state utilizing funds from the highway fund; and
- Provides exemptions to allow the Department of Transportation to continue selected 2021-23 biennium appropriations into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Funding Summary

	Base Budget	House Changes	House Version
Department of Trust Lands			
Salaries and wages	$6,473,127	$1,553,401	$8,026,528
Operating expenses	2,229,872	(471,678)	1,758,194
Capital assets		4,949,500	4,949,500
Contingencies	100,000		100,000
Total all funds	$8,802,999	$6,031,223	$14,834,222
Less estimated income	8,802,999	6,031,223	14,834,222
General fund	$0	$0	$0
FTE	30.00	2.00	32.00
Bill total			
Total all funds	$8,802,999	$6,031,223	$14,834,222
Less estimated income	8,802,999	6,031,223	14,834,222
General fund	$0	$0	$0
FTE	30.00	2.00	32.00

House Bill No. 1013 - Department of Trust Lands - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$6,473,127	$1,553,401	$8,026,528
Operating expenses	2,229,872	(471,678)	1,758,194
Capital assets		4,949,500	4,949,500
Contingencies	100,000		100,000
Total all funds	$8,802,999	$6,031,223	$14,834,222
Less estimated income	8,802,999	6,031,223	14,834,222
General fund	$0	$0	$0
FTE	30.00	2.00	32.00

Department 226 - Department of Trust Lands - Detail of House Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Transfers Funding from Operating to Salaries[4]	Adds Funding for Operating Expenses[5]	Adds One-Time Funding Items[6]
Salaries and wages	$50,995	$558,638	$404,890	$538,878		
Operating expenses			14,600	(538,878)	$49,000	$3,600
Capital assets						4,949,500
Contingencies						
Total all funds	$50,995	$558,638	$419,490	$0	$49,000	$4,953,100
Less estimated income	50,995	558,638	419,490	0	49,000	4,953,100
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	2.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	$1,553,401
Operating expenses	(471,678)
Capital assets	4,949,500
Contingencies	
Total all funds	$6,031,223
Less estimated income	6,031,223
General fund	$0
FTE	2.00

[1] Funding is added from other funds, derived from the state lands maintenance fund, for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$0	$395,524	$395,524
Health insurance increase	0	163,114	163,114
Total	$0	$558,638	$558,638

[3] Funding of $419,490 from the state lands maintenance fund is added as follows:
- $253,704 for 1 FTE mineral specialist position, including $239,104 for salaries and wages and $14,600 for operating expenses.
- $165,786 for 1 FTE unclaimed property position, all of which is for salaries and wages.

[4] Funding of $538,878 is transferred from the operating expenses line item to the salaries and wages line item related to cost-savings from operating expenses and increases in salaries.

[5] Funding of $49,000 from the state lands maintenance fund is added for shared software and service rate changes related to information technology expenses.

[6] One-time funding of $4,953,100 from the state lands maintenance fund is added for the following:
- $3,600 for operating expenses related to information technology equipment for new FTE positions.
- $4,900,000 for capital assets related to the continued development of an information technology project, which provides total project funding of $10,100,000, including $5,200,000 appropriated in prior bienniums.
- $49,500 for capital assets related to the purchase of a utility vehicle and a trailer.

This House version includes a section to provide for the permanent fund income distributions to state institutions, which was included in the base budget.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Funding Summary

	Base Budget	House Changes	House Version
Industrial Commission			
Salaries and wages	$23,698,119	($21,226,883)	$2,471,236
Operating expenses	5,119,958	(1,412,940)	3,707,018
Capital assets		1,250,000	1,250,000
Grants		33,623,893	33,623,893
Grants - Bond payments	22,040,721	97,839,192	119,879,913
Total all funds	$50,858,798	$110,073,262	$160,932,060
Less estimated income	24,369,185	132,138,019	156,507,204
General fund	$26,489,613	($22,064,757)	$4,424,856
FTE	108.25	(98.50)	9.75
Department of Mineral Resources			
Salaries and wages		$25,401,022	$25,401,022
Operating expenses		11,410,044	11,410,044
Capital assets		80,000	80,000
Transfer to fossil restoration fund		250,000	250,000
Total all funds	$0	$37,141,066	$37,141,066
Less estimated income	0	2,568,000	2,568,000
General fund	$0	$34,573,066	$34,573,066
FTE	0.00	108.00	108.00
Bank of North Dakota			
Capital assets	$1,510,000		$1,510,000
Bank of North Dakota operations	67,306,548	$7,421,138	74,727,686
Total all funds	$68,816,548	$7,421,138	$76,237,686
Less estimated income	68,816,548	7,421,138	76,237,686
General fund	$0	$0	$0
FTE	173.00	14.00	187.00
Housing Finance Agency			
Salaries and wages	$9,556,272	$2,613,470	$12,169,742
Operating expenses	6,109,060	4,629,181	10,738,241
Capital assets	150,000	(130,000)	20,000
Grants	42,975,200	5,829,910	48,805,110
HFA contingencies	100,000		100,000
Housing incentive fund		12,500,000	12,500,000
Total all funds	$58,890,532	$25,442,561	$84,333,093
Less estimated income	58,890,532	10,442,561	69,333,093
General fund	$0	$15,000,000	$15,000,000
FTE	49.00	4.00	53.00
Mill and Elevator			
Salaries and wages	$50,560,209	$7,022,585	$57,582,794
Operating expenses	36,817,000	5,574,653	42,391,653
Contingencies	500,000		500,000
Agriculture promotion	500,000		500,000
Total all funds	$88,377,209	$12,597,238	$100,974,447
Less estimated income	88,377,209	12,597,238	100,974,447
General fund	$0	$0	$0
FTE	156.00	14.00	170.00
Bill total			

Total all funds	$266,943,087	$192,675,265	$459,618,352
Less estimated income	240,453,474	165,166,956	405,620,430
General fund	$26,489,613	$27,508,309	$53,997,922
FTE	486.25	41.50	527.75

House Bill No. 1014 - Industrial Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$23,698,119	($21,226,883)	$2,471,236
Operating expenses	5,119,958	(1,412,940)	3,707,018
Capital assets		1,250,000	1,250,000
Grants		33,623,893	33,623,893
Grants - Bond payments	22,040,721	97,839,192	119,879,913
Total all funds	$50,858,798	$110,073,262	$160,932,060
Less estimated income	24,369,185	132,138,019	156,507,204
General fund	$26,489,613	($22,064,757)	$4,424,856
FTE	108.25	(98.50)	9.75

Department 405 - Industrial Commission - Detail of House Changes

	Adjusts Funding to Separate Agencies[1]	Adds Funding for Cost to Continue Salaries[2]	Adds Funding for Salary and Benefit Increases[3]	Adds FTE Positions[4]	Transfers Funding from Operating to Salaries[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	($22,095,326)	$8,697	$149,321	$612,547	$97,878	
Operating expenses	(4,632,291)			3,363	(97,878)	$3,313,866
Capital assets						
Grants						
Grants - Bond payments						
Total all funds	($26,727,617)	$8,697	$149,321	$615,910	$0	$3,313,866
Less estimated income	(238,004)	8,697	149,321	615,910	0	13,866
General fund	($26,489,613)	$0	$0	$0	$0	$3,300,000
FTE	(101.50)	0.00	0.00	3.00	0.00	0.00

	Adds Funding for Bond Payments[7]	Adds One-Time Funding for Capital Assets[8]	Adds One-Time Funding for Grants[9]	Total House Changes
Salaries and wages				($21,226,883)
Operating expenses				(1,412,940)
Capital assets		$1,250,000		1,250,000
Grants			$33,623,893	33,623,893
Grants - Bond payments	$97,839,192			97,839,192
Total all funds	$97,839,192	$1,250,000	$33,623,893	$110,073,262
Less estimated income	97,839,192	1,250,000	32,499,037	132,138,019
General fund	$0	$0	$1,124,856	($22,064,757)
FTE	0.00	0.00	0.00	(98.50)

[1] Funding of $26,727,617, including $26,489,613 from the general fund and $238,004 from federal funds, and 101.50 FTE positions are removed from base level funding to provide a separate budget for the Department of Mineral Resources.

[2] Funding from other funds is added for cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$0	$107,229	$107,229
Health insurance increase	0	42,092	42,092
Total	$0	$149,321	$149,321

[4] Funding of $615,910 from other funds is added as follows:
- $182,321 for 1 FTE grant administration position, including $178,958 for salaries and wages and $3,363 for operating expenses.
- $132,646 for 1 FTE deputy director position for the Public Finance Agency, all of which is for salaries and wages.
- $300,943 for 1 FTE administrative assistant position, all of which is for salaries and wages.

[5] Funding of $97,878 is transferred from the operating expenses line item to the salaries and wages line item related to cost-savings from operating expenses and increases in salaries.

[6] Funding of $3,313,866 is added for operating expenses as follows:
- $1,756 of ongoing funding from other funds for Information Technology Department rate increases;
- $12,110 of one-time funding from other funds for equipment for new FTE positions;
- $300,000 of one-time funding from the general fund for North Dakota Transmission Authority consulting; and
- $3,000,000 of one-time funding from the general fund for lignite litigation expenses.

[7] Funding of $97,839,192 from other funds is added for bond payments to provide total funding of $119,879,913, including $102,620,461 for infrastructure project and program bonds paid from the legacy earnings fund.

[8] One-time funding of $1,250,000 from other funds is added for grant management software. The $1,250,000 includes $250,000 from the clean sustainable energy fund, $250,000 from the lignite research fund, $250,000 from the oil and gas research fund, $250,000 from the North Dakota outdoor heritage fund, and $250,000 from the renewable energy development fund.

[9] One-time funding of $33,623,893 is added for grants as follows:
- $8,623,893 for an electric grid resilience grant, including $1,124,856 from the general fund and $7,499,037 from federal funds.
- $25,000,000 from the strategic investment and improvements fund for a transmission line grant.

This amendment also includes the following related to the Industrial Commission:
- Identifies the funding for bond payments for the 2023-25 biennium;
- Transfers up to $1,899,877 from the entities under the control of the Industrial Commission for administrative services and provides an exemption allowing unspent prior biennium appropriation authority for administrative costs to be available in the 2023-25 biennium;
- Allows the Industrial Commission to transfer up to $250,000 from each of the grant programs to provide a total of $1,250,000 for new grant management software;
- Transfers $5 million from the legacy earnings fund to the oil and gas research fund for a pipeline leak detection and prevention program;
- Transfers $50 million from the legacy earnings fund to the clean sustainable energy fund to provide total funding of $50 million for grants, including $30 million designated from the legacy earnings fund to the clean sustainable energy fund under current law;
- Transfers $250 million from the legacy earnings fund to the clean sustainable energy fund to repay a line of credit and to provide funding for loans;
- Transfers $3 million from the strategic investment and improvements fund to the State Energy Research Center fund for a critical minerals study, including rare earth elements;
- Transfers $22 million from the strategic investment and improvements fund to the State Energy Research Center fund for an underground energy storage research project to construct up to two salt caverns;
- Identifies $25 million from the strategic investment and improvements fund for a grant to an entity to upgrade a high-voltage direct current transmission line;
- Requires the Industrial Commission to provide a report to the Appropriations Committees of the 69th Legislative Assembly regarding spending from the lignite research fund;
- Authorizes the North Dakota Pipeline Authority to borrow up to $60 million through a line of credit from the Bank of North Dakota to purchase capacity positions on a pipeline and requires the line of credit to be guaranteed under the fuel production facility loan guarantee program;
- Clarifies the definition of clean sustainable energy projects to identify hydrogen projects as eligible projects;
- Provides an exemption allowing unspent federal funding authorized during the November 2021 special

legislative session to be available in the 2023-25 biennium related to a hydrogen development grant; and

- Provides an emergency clause-related to $3 million of one-time funding from the general fund for lignite litigation.

House Bill No. 1014 - Department of Mineral Resources - House Action

	Base Budget	House Changes	House Version
Salaries and wages		$25,401,022	$25,401,022
Operating expenses		11,410,044	11,410,044
Capital assets		80,000	80,000
Transfer to fossil restoration fund		250,000	250,000
Total all funds	$0	$37,141,066	$37,141,066
Less estimated income	0	2,568,000	2,568,000
General fund	$0	$34,573,066	$34,573,066
FTE	0.00	108.00	108.00

Department 470 - Department of Mineral Resources - Detail of House Changes

	Adjusts Funding to Separate Agencies[1]	Adds Funding for Cost to Continue Salaries[2]	Adds Funding for Salary and Benefit Increases[3]	Adds FTE Positions[4]	Adds Funding for Other Salary Adjustments[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	$22,095,326	$167,219	$1,772,281	$1,284,293	$81,903	
Operating expenses	4,632,291			156,726	(6,907)	$6,627,934
Capital assets						
Transfer to fossil restoration fund						
Total all funds	$26,727,617	$167,219	$1,772,281	$1,441,019	$74,996	$6,627,934
Less estimated income	238,004	0	0	0	29,996	2,300,000
General fund	$26,489,613	$167,219	$1,772,281	$1,441,019	$45,000	$4,327,934
FTE	101.50	0.00	0.00	6.50	0.00	0.00

	Adds One-Time Funding for Capital Assets[7]	Adds Funding for Fossil Restoration Fund[8]	Total House Changes
Salaries and wages			$25,401,022
Operating expenses			11,410,044
Capital assets	$80,000		80,000
Transfer to fossil restoration fund		$250,000	250,000
Total all funds	$80,000	$250,000	$37,141,066
Less estimated income	0	0	2,568,000
General fund	$80,000	$250,000	$34,573,066
FTE	0.00	0.00	108.00

[1] Funding of $26,727,617, including $26,489,613 from the general fund and $238,004 from federal funds, and 101.50 FTE positions are added to base level funding to provide a separate budget for the Department of Mineral Resources.

[2] Funding from the general fund is added for cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$1,195,296	$0	$1,195,296
Health insurance increase	576,985	0	576,985
Total	$1,772,281	$0	$1,772,281

[4] Funding of $1,441,019 from the general fund is added as follows:
- $760,911 for 3 FTE carbon capture positions, including $715,134 for salaries and wages and $45,777 for operating expenses.
- $196,610 for 1 FTE paleontology position, including $167,102 for salaries and wages and $29,508 for operating expenses.
- $276,523 for 1 FTE critical minerals position, including $216,028 for salaries and wages and $60,495 for operating expenses.
- $69,497 for 0.5 FTE records management position, including $66,334 for salaries and wages and $3,163 for operating expenses.
- $137,478 for 1 FTE subsurface geologist position, including $119,695 for salaries and wages and $17,783 for operating expenses.

[5] Funding of $6,907 is transferred from the operating expenses line item to the salaries and wages line item related to cost-savings from operating expenses and increases in salaries. Funding of $74,996 is added as follows:
- $45,000 from the general fund for temporary salaries.
- $29,996 from federal funds for additional salary fund.

[6] Funding of $6,627,934 is added for operating expenses as follows:
- $3,143 of ongoing funding from the general fund for Information Technology Department rate increases.
- $230,000 of ongoing funding from the general fund for computer server transition.
- $105,000 of ongoing funding from the general fund for professional membership dues.
- $68,335 of one-time funding from the general fund for equipment for new FTE positions.
- $821,456 of one-time funding from the general fund for inflationary increases.
- $100,000 of one-time funding from the general fund for core and mineral analyses.
- $2,300,000 of one-time funding from federal funds for administrative costs related to a federal abandoned well reclamation program.
- $3,000,000 of one-time funding from the general fund for oil and gas litigation expenses.

[7] One-time funding of $80,000 from the general fund is added for computer server transition costs.

[8] Funding of $250,000 is appropriated from the general fund for a transfer to the fossil excavation and restoration fund pursuant to a separate section in the bill.

This amendment also includes the following related to the Department of Mineral Resources:
- Appropriates $62,460 from the general fund and authorizes 3 FTE carbon capture positions for the 2021-23 biennium pursuant to an emergency clause. As a result, the general fund beginning balance is decreased by $62,460;
- Transfers $15,000 from the general fund to the fossil excavation and restoration fund prior to the end of the 2021-23 biennium pursuant to an emergency clause. As a result, the general fund beginning balance is decreased by $15,000;
- Transfers $250,000 from the general fund to the fossil excavation and restoration fund during the 2023-25 biennium;
- Decreases the oil and gas tax revenue allocation limit to the North Dakota outdoor heritage fund from $20 million per fiscal year to $7.5 million per fiscal year for the 2023-25 biennium, the same as the 2021-23 biennium;
- Increases the allocations to the oil and gas research fund by $4.5 million, from $10 million to $14.5 million for the 2023-25 biennium, the same as the 2021-23 biennium;
- Provides an exemption allowing unspent federal funding authorized during the November 2021 special legislative session to be available in the 2023-25 biennium related to an abandoned oil well conversion program;
- Provides an exemption allowing the Industrial Commission to continue unspent 2017-19 biennium appropriation authority from the strategic investment and improvements fund for a survey review during the 2023-25 biennium; and

- Provides an emergency clause related $3,000,000 for oil and gas litigation expenses and $310,000 for computer server transition costs.

House Bill No. 1014 - Bank of North Dakota - House Action

	Base Budget	House Changes	House Version
Capital assets	$1,510,000		$1,510,000
Bank of North Dakota operations	67,306,548	$7,421,138	74,727,686
Total all funds	$68,816,548	$7,421,138	$76,237,686
Less estimated income	68,816,548	7,421,138	76,237,686
General fund	$0	$0	$0
FTE	173.00	14.00	187.00

Department 471 - Bank of North Dakota - Detail of House Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Operating Expenses[4]	Total House Changes
Capital assets					
Bank of North Dakota operations	$280,646	$2,779,348	$3,106,682	$1,254,462	$7,421,138
Total all funds	$280,646	$2,779,348	$3,106,682	$1,254,462	$7,421,138
Less estimated income	280,646	2,779,348	3,106,682	1,254,462	7,421,138
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	14.00	0.00	14.00

[1] Funding from other funds is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$0	$1,896,264	$1,896,264
Health insurance increase	0	883,084	883,084
Total	$0	$2,779,348	$2,779,348

[3] Funding of $3,106,682 from other funds is added to the Bank of North Dakota operations line item as follows:
- $253,976 for 1 FTE credit underwriter IV position.
- $290,214 for 1 FTE agricultural valuation supervisor position.
- $222,652 for 1 FTE credit underwriter III position.
- $290,214 for 1 FTE commercial valuation supervisor position.
- $217,735 for 1 FTE collateral valuation III position.
- $253,976 for 1 FTE collateral valuation analyst IV position.
- $253,976 for 1 FTE collateral valuation IV position.
- $222,652 for 1 FTE loan operations supervisor position.
- $188,381 for 1 FTE loan servicing supervisor position.
- $139,104 for 1 FTE business banking associate I position.
- $139,104 for 1 FTE loan servicing associate II position.
- $159,414 for 1 FTE loan servicing associate III position.
- $257,933 for 1 FTE business banking associate II position.
- $217,351 for 1 FTE staff accountant III position.

[4] Funding of $1,254,462 from other funds is added for operating expenses as follows:
- $44,660 for shared software and service rate increases.
- $405,524 for Information Technology Department rate increases.
- $804,278 for one-time costs related to information technology projects.

This amendment also includes the following related to the Bank of North Dakota:

- Transfers $70 million of Bank profits to the general fund for the 2023-25 biennium.
- Transfers $39 million of Bank profits to the partnership in assisting community expansion (PACE) fund.
- Transfers $5 million of Bank profits to the Ag PACE fund.
- Transfers $1 million of Bank profits to the biofuels PACE fund.
- Transfers $15 million of Bank profits to the beginning farmer revolving loan fund.
- Transfers $3 million of Bank profits to the agricultural products utilization fund.
- Creates an employee recruitment and retention incentive program allowing the Bank to provide incentive pay to employees using Bank of North Dakota profits.
- Amends the transfer of Bank profits to the general fund for the 2021-23 biennium to provide a transfer of $70 million rather than $140 million, resulting in a decrease to the July 1, 2023, general fund balance.

House Bill No. 1014 - Housing Finance Agency - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$9,556,272	$2,613,470	$12,169,742
Operating expenses	6,109,060	4,629,181	10,738,241
Capital assets	150,000	(130,000)	20,000
Grants	42,975,200	5,829,910	48,805,110
HFA contingencies	100,000		100,000
Housing incentive fund		12,500,000	12,500,000
Total all funds	$58,890,532	$25,442,561	$84,333,093
Less estimated income	58,890,532	10,442,561	69,333,093
General fund	$0	$15,000,000	$15,000,000
FTE	49.00	4.00	53.00

Department 473 - Housing Finance Agency - Detail of House Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Other Salary Adjustments[4]	Transfers Homeless Grant Programs[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	$75,908	$807,354	$767,568	$878,102	$84,538	
Operating expenses					62,803	$4,566,378
Capital assets						
Grants					2,570,212	
HFA contingencies						
Housing incentive fund						
Total all funds	$75,908	$807,354	$767,568	$878,102	$2,717,553	$4,566,378
Less estimated income	75,908	807,354	767,568	878,102	1,147,341	4,566,378
General fund	$0	$0	$0	$0	$1,570,212	$0
FTE	0.00	0.00	4.00	0.00	0.00	0.00

	Decreases Funding for Capital Assets[7]	Adds Funding for Grants[8]	Total House Changes
Salaries and wages			$2,613,470
Operating expenses			4,629,181
Capital assets	($130,000)		(130,000)
Grants		$3,259,698	5,829,910
HFA contingencies			
Housing incentive fund		12,500,000	12,500,000
Total all funds	($130,000)	$15,759,698	$25,442,561
Less estimated income	(130,000)	2,329,910	10,442,561
General fund	$0	$13,429,788	$15,000,000
FTE	0.00	0.00	4.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$0	$533,723	$533,723
Health insurance increase	0	273,631	273,631
Total	$0	$807,354	$807,354

[3] Funding of $767,568 from other funds is added to the salaries and wages line item as follows:
- $218,908 for 1 FTE compliance officer position.
- $466,592 for 2 FTE business analyst positions.
- $82,068 for 1 contingent FTE mortgage specialist position.

[4] Funding of $878,102 from federal funds is added for other salary increases ($800,102) and temporary salaries ($78,000).

[5] Funding of $2,717,553 is added to transfer homeless shelter grant programs from the Department of Commerce. Of the $2,717,553, $1,570,212 is from the general fund, and $1,147,341 is from federal funds. The $2,717,553 includes $84,538 for salaries and wages and $62,803 for operating expenses related to the administration of the grants along with $2,570,212 for grants.

[6] Funding of $4,566,378 is added for operating expense increases as follows:
- $4,531,830 from the agency's operating funds for increases in servicing premiums paid to lenders related to growth in the home loan program.
- $21,135 from federal funds for miscellaneous increases in operating expenses.
- $13,413 from the agency's operating fund for shared software and service rate increases.

[7] Funding from federal funds is decreased by $130,000 for capital assets.

[8] Funding of $3,259,698 is added for grants as follows:
- $929,788 from the general fund for homeless grants to provide total funding of $2,500,000 from the general fund.
- $1,949,910 for increases in federal grant programs.
- $380,000 from the agency's operating funds for housing rehabilitation grants.

In addition, $12,500,000 of one-time funding from the general fund is transferred to the housing incentive fund pursuant to a transfer section in the bill.

This amendment also includes the following related to the Housing Finance Agency:
- Provides appropriation authority for additional or unanticipated federal or other funds which may become available during the 2023-25 biennium.
- Authorizes $82,068 and 1 FTE position contingent upon the agency's mortgage loan production exceeding $435 million during fiscal year 2024.

House Bill No. 1014 - Mill and Elevator - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$50,560,209	$7,022,585	$57,582,794
Operating expenses	36,817,000	5,574,653	42,391,653
Contingencies	500,000		500,000
Agriculture promotion	500,000		500,000
Total all funds	$88,377,209	$12,597,238	$100,974,447
Less estimated income	88,377,209	12,597,238	100,974,447
General fund	$0	$0	$0
FTE	156.00	14.00	170.00

Department 475 - Mill and Elevator - Detail of House Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Health Insurance Increases[2]	Adds FTE Positions[3]	Adds Funding for Other Salary Adjustments[4]	Adds Funding for Operating Expenses[5]	Total House Changes
Salaries and wages	$198,797	$789,350	$2,367,332	$3,667,106		$7,022,585
Operating expenses					$5,574,653	5,574,653
Contingencies						
Agriculture promotion						
Total all funds	$198,797	$789,350	$2,367,332	$3,667,106	$5,574,653	$12,597,238
Less estimated income	198,797	789,350	2,367,332	3,667,106	5,574,653	12,597,238
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	14.00	0.00	0.00	14.00

[1] Funding from the agency's operating fund is added for cost to continue salary increases.

[2] Funding from the agency's operating fund is added for increases in health insurance premiums from $1,429 to $1,648 per month.

[3] Funding of $2,367,332 is added from the agency's operating fund as follows:
- $475,578 for 3 FTE positions to add a second shift for grain cleaning.
- $560,422 for 3 FTE positions to maintain and repair equipment.
- $468,246 for 3 FTE positions for growth in the storage and handling facility.
- $863,086 for 5 FTE positions to convert the milling department from a three shifts to four shifts.

[4] Funding of $3,667,106 from the agency's operating fund is added for salary increases subject to union negotiations ($2,314,183) and for overtime ($1,352,923).

[5] Funding of $5,574,653 from the agency's operating fund is added as follows:
- $5,569,550 for inflationary costs and increases in milling capacity primarily related to utilities, insurance, and repairs.
- $5,103 for Information Technology Department rate increases.

This amendment also provides an exemption to the Mill and Elevator Association allowing for a transfer of 10 percent of the mill's profits rather than 50 percent for the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Funding Summary

	Base Budget	House Changes	House Version
Department of Corrections and Rehab.			
Adult services	$258,140,591	$217,522,126	$475,662,717
Youth services	24,584,845	2,998,878	27,583,723
Total all funds	$282,725,436	$220,521,004	$503,246,440
Less estimated income	64,865,627	153,138,764	218,004,391
General fund	$217,859,809	$67,382,240	$285,242,049
FTE	907.79	24.00	931.79
Bill total			
Total all funds	$282,725,436	$220,521,004	$503,246,440
Less estimated income	64,865,627	153,138,764	218,004,391
General fund	$217,859,809	$67,382,240	$285,242,049
FTE	907.79	24.00	931.79

House Bill No. 1015 - Department of Corrections and Rehab. - House Action

	Base Budget	House Changes	House Version
Adult services	$258,140,591	$217,522,126	$475,662,717
Youth services	24,584,845	2,998,878	27,583,723
Total all funds	$282,725,436	$220,521,004	$503,246,440
Less estimated income	64,865,627	153,138,764	218,004,391
General fund	$217,859,809	$67,382,240	$285,242,049
FTE	907.79	24.00	931.79

Department 530 - Department of Corrections and Rehab. - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts FTE Positions[3]	Adjusts Funding for Salaries and Wages[4]	Adjusts Operating Funding[5]	Adds One-Time Funding for a New Female Facility[6]
Adult services	$2,997,147	$10,897,416	$3,797,323	$223,430	$11,661,835	$161,200,000
Youth services	329,500	1,284,550	10,872	45,652	927,064	
Total all funds	$3,326,647	$12,181,966	$3,808,195	$269,082	$12,588,899	$161,200,000
Less estimated income	49,473	654,422	0	(18,371,718)	(1,070,174)	161,200,000
General fund	$3,277,174	$11,527,544	$3,808,195	$18,640,800	$13,659,073	$0
FTE	0.00	0.00	24.00	0.00	0.00	0.00

	Adds Other One-Time Funding[7]	Total House Changes
Adult services	$26,744,975	$217,522,126
Youth services	401,240	2,998,878
Total all funds	$27,146,215	$220,521,004
Less estimated income	10,676,761	153,138,764
General fund	$16,469,454	$67,382,240
FTE	0.00	24.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$7,495,942	$393,933	$7,889,875
Health insurance increase	4,031,602	260,489	4,292,091
Total	$11,527,544	$654,422	$12,181,966

[3] The following FTE positions and related funding are added or removed:

	FTE Positions	General Fund
Converts temporary positions to FTE	5.00	$80,687
Parole and probation	6.00	802,757
Pretrial services	4.00	493,397
Inmate case managers	8.00	1,031,032
Heart River Correctional Center residential treatment	2.00	529,624
Heart River Correctional Center behavioral health	1.00	170,698
IT unification	(2.00)	700,000
Total	24.00	$3,808,195

[4] Funding for salaries and wages is adjusted as follows:

	General Fund	Federal Funds	Total Funds
Restores funding from the general fund	$18,371,718	($18,371,718)	$0
Teacher composite schedule increase	269,082	0	269,082
Total	$18,640,800	($18,371,718)	$269,082

[5] Operating funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for new FTE operating costs	$323,029	$0	$323,029
IT data processing	2,040,121	11,673	2,051,794
Electronic medical records maintenance and support	546,700	0	546,700
Juvenile contract housing	1,681,300	0	1,681,300
Female treatment recovery impact program	1,973,700	0	1,973,700
Free through recovery program	8,300,000	0	8,300,000
Community behavioral telehealth services	1,000,000	0	1,000,000
Adult education and career readiness programming	306,300	0	306,300
Debt service	(348,979)	(8,181)	(357,160)
Various operating adjustments	(2,163,098)	(1,073,666)	(3,236,764)
Total	$13,659,073	($1,070,174)	$12,588,899

[6] One-time funding of $161.2 million from the strategic investments and improvements fund (SIIF) is added for a new female correctional and rehabilitation facility at the Heart River Correctional Center in Mandan.

[7] One-time funding is added for the following:

	General Fund	Other Funds	Total Funds
Inflationary costs, including food, medical, clothing, and resident payroll	$3,478,998	$0	$3,478,998
Transitional facility contract inflation	2,759,222	0	2,759,222
Dakota Women's Correctional and Rehabilitation Center contract inflation	2,450,000	0	2,450,000
Dickinson Adult Detention Center contract for 16 female beds	1,003,434	0	1,003,434
Staff and resident development and training	100,000	0	100,000
Consultant review of the offender management system	757,000	0	757,000
New cameras	275,000	0	275,000
Equipment, including washing machines, kitchen equipment, a lawnmower, a utility tractor, a body scanner, radios, IT applications, other equipment, and a federally funded tattoo removal machine	1,645,800	75,000	1,720,800
Maintenance and extraordinary repairs, including plumbing and HVAC repairs at the State Penitentiary and electrical and building repairs at the Youth Correctional Center and HRCC	4,000,000	0	4,000,000
DOCSTARS computer system maintenance (SIIF)	0	307,000	307,000
James River Correctional Center maintenance shop (SIIF)	0	1,550,000	1,550,000
IT needs, including an infrastructure review and medical, free through recovery, and human resources enhancements (SIIF)	0	2,000,000	2,000,000
Roughrider Industries supplies	0	4,083,681	4,083,681
Roughrider Industries equipment	0	2,019,000	2,019,000
Roughrider Industries IT costs	0	642,080	642,080
Total	$16,469,454	$10,676,761	$27,146,215

This amendment also:

- Adds a section to identify $165,057,000 is from the strategic investment and improvements fund, including $161.2 million for the new Heart River Correctional Center facility, $1,550,000 for a new James River Correctional Center maintenance shop, and $2,307,000 for information technology needs;
- Adds a section to provide for legislative membership on a steering committee to oversee the design and construction of the new Heart River Correctional Center facility;
- Adds sections to allow the Department of Corrections and Rehabilitation to continue funding appropriated for the 2021-23 biennium into the 2023-25 biennium, including funding for the free through recovery program, deferred maintenance, and extraordinary repairs; and
- Adds a section to declare the funding and steering committee for the Heart River Correctional Center to be an emergency.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Funding Summary

	Base Budget	House Changes	House Version
Job Service North Dakota			
Salaries and wages	$28,994,942	$6,496,929	$35,491,871
Operating expenses	17,164,373	50,125,782	67,290,155
Capital assets	20,000		20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act - Computer modernization	10,945,126	(30,126)	10,915,000
Total all funds	$65,405,492	$56,366,046	$121,771,538
Less estimated income	64,995,263	49,742,586	114,737,849
General fund	$410,229	$6,623,460	$7,033,689
FTE	156.61	2.00	158.61
Bill total			
Total all funds	$65,405,492	$56,366,046	$121,771,538
Less estimated income	64,995,263	49,742,586	114,737,849
General fund	$410,229	$6,623,460	$7,033,689
FTE	156.61	2.00	158.61

House Bill No. 1016 - Job Service North Dakota - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$28,994,942	$6,496,929	$35,491,871
Operating expenses	17,164,373	50,125,782	67,290,155
Capital assets	20,000		20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act - Computer modernization	10,945,126	(30,126)	10,915,000
Total all funds	$65,405,492	$56,366,046	$121,771,538
Less estimated income	64,995,263	49,742,586	114,737,849
General fund	$410,229	$6,623,460	$7,033,689
FTE	156.61	2.00	158.61

Department 380 - Job Service North Dakota - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Funding for Salaries and Wages[3]	Adds FTE Positions for the H2A Foreign Agriculture Workers Program[4]	Adds Funding for Temporary Salaries and Vacant FTE Positions[5]	Adds Funding for a Job Placement Pilot Program[6]
Salaries and wages	$204,809	$2,156,981		$439,818	$3,355,321	$340,000
Operating expenses				23,460		
Capital assets						
Grants						300,000
Reed Act - Computer modernization						
Total all funds	$204,809	$2,156,981	$0	$463,278	$3,355,321	$640,000
Less estimated income	204,416	2,137,407	(2,500,000)	0	3,355,321	0
General fund	$393	$19,574	$2,500,000	$463,278	$0	$640,000
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adjusts Base Level Funding[7]	Adjusts Funding for Unemployment Insurance System Costs[8]	Adds One-Time Funding for the Unemployment Insurance Modernization Project[9]	Total House Changes
Salaries and wages				$6,496,929
Operating expenses	($106,974)	$5,209,296	$45,000,000	50,125,782
Capital assets				
Grants	(526,539)			(226,539)
Reed Act - Computer modernization		(30,126)		(30,126)
Total all funds	($633,513)	$5,179,170	$45,000,000	$56,366,046
Less estimated income	(633,728)	2,179,170	45,000,000	49,742,586
General fund	$215	$3,000,000	$0	$6,623,460
FTE	0.00	0.00	0.00	2.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$18,258	$1,370,455	$1,388,713
Health insurance increase	1,316	766,952	768,268
Total	$19,574	$2,137,407	$2,156,981

[3] Funding of $2.5 million for salaries and wages is reduced from federal funds and added from the general fund.

[4] Funding is added for salaries and wages ($439,818) and operating expenses ($23,460) for 2 FTE positions for the H2A foreign agriculture workers program.

[5] Federal funding is added for temporary salaries of 13 individuals ($2,188,431) and 9 vacant FTE positions ($1,166,890).

[6] Funding of $640,000 from the general fund, of which $340,000 is for salaries and wages for two temporary positions and $300,000 is for grants, is added for a job placement pilot program for recently released formerly incarcerated individuals. Grant funding will be used for basic support needs, including housing, transportation, and work supplies and clothing.

[7] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for information technology rate increases	$215	$135,577	$135,792
Adjusts federal funding for operating expenses, including data processing, travel, equipment and repairs, supplies, and printing	0	(242,766)	(242,766)
Reduces funding for the federal trade adjustment assistance for workers program to provide a total of $1,866,010 from federal funds	0	(526,539)	(526,539)
Total	$215	($633,728)	($633,513)

[8] Funding for unemployment insurance system costs is adjusted as follows:

	General Fund	Other Funds	Total
Adds federal funding for information technology contractual services for the unemployment insurance program	$0	$2,209,296	$2,209,296
Adds funding for unemployment insurance administration and information technology inflation costs	3,000,000	0	3,000,000
Reduces Reed Act funds to provide a total of $10,915,000 from federal funds	0	(30,126)	(30,126)
Total	$3,000,000	$2,179,170	$5,179,170

[9] One-time funding of $45 million from the federal State Fiscal Recovery Fund is added for the unemployment insurance modernization project.

This amendment also:

- Adds Section 2 to identify one-time funding appropriated in Section 1 for the 2023-25 biennium;
- Updates the amount of funding identified in Section 4 that is appropriated in Section 1 from federal Reed Act funds; and
- Adds a section to identify one-time funding of $45 million appropriated for the unemployment insurance modernization project is from the federal State Fiscal Recovery Fund.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Funding Summary

	Base Budget	House Changes	House Version
Office of Administrative Hearings			
Salaries and wages	$1,298,644	$116,744	$1,415,388
Operating expenses	1,582,885	(493)	1,582,392
Total all funds	$2,881,529	$116,251	$2,997,780
Less estimated income	2,881,529	116,251	2,997,780
General fund	$0	$0	$0
FTE	5.00	0.00	5.00
Bill total			
Total all funds	$2,881,529	$116,251	$2,997,780
Less estimated income	2,881,529	116,251	2,997,780
General fund	$0	$0	$0
FTE	5.00	0.00	5.00

House Bill No. 1017 - Office of Administrative Hearings - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$1,298,644	$116,744	$1,415,388
Operating expenses	1,582,885	(493)	1,582,392
Total all funds	$2,881,529	$116,251	$2,997,780
Less estimated income	2,881,529	116,251	2,997,780
General fund	$0	$0	$0
FTE	5.00	0.00	5.00

Department 140 - Office of Administrative Hearings - Detail of House Changes

	Adjusts Funding for Base Payroll and Budget Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding for Information Technology Expenses[3]	Increases Funding for Office Space Lease[4]	Total House Changes
Salaries and wages	$21,078	$95,666			$116,744
Operating expenses	(10,095)		$2,962	$6,640	(493)
Total all funds	$10,983	$95,666	$2,962	$6,640	$116,251
Less estimated income	10,983	95,666	2,962	6,640	116,251
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for base payroll and budget changes, including the transfer of $10,095 from the operating expenses line item to the salaries and wages line item.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$69,354
Health insurance increase	26,312
Total	$95,666

[3] Funding is increased for information technology processing expenses to provide a total of $73,383 of other funds.

[4] Funding is increased for office space lease costs to provide a total of $90,618 of other funds.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Funding Summary

	Base Budget	House Changes	House Version
Department of Commerce			
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$44,783,357	$76,285,497
FTE	58.80	4.00	62.80
Bill total			
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$44,783,357	$76,285,497
FTE	58.80	4.00	62.80

House Bill No. 1018 - Department of Commerce - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$12,835,431	$3,929,103	$16,764,534
Operating expenses	17,317,760	16,226,440	33,544,200
Grants	50,232,330	126,115,351	176,347,681
Discretionary funds	2,150,000	350,000	2,500,000
COVID-19 response		16,167,553	16,167,553
Partner programs	1,562,531		1,562,531
Entrepreneurship grants and vouchers	948,467		948,467
Total all funds	$85,046,519	$162,788,447	$247,834,966
Less estimated income	53,544,379	118,005,090	171,549,469
General fund	$31,502,140	$44,783,357	$76,285,497
FTE	58.80	4.00	62.80

Department 601 - Department of Commerce - Detail of House 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 for FTE Positions[4]	Adjusts Base Level Funding[5]	Transfers Funding to the Housing Finance Agency[6]
Salaries and wages	$727,512	$100,495	$1,056,624	$967,642	$731,000	($84,538)
Operating expenses				1,057,642	1,966,282	(62,803)
Grants					(26,000)	(2,570,212)
Discretionary funds						
COVID-19 response					2,085,834	
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$727,512	$100,495	$1,056,624	$2,025,284	$4,757,116	($2,717,553)
Less estimated income	283,274	20,345	176,239	0	2,583,604	(1,147,341)
General fund	$444,238	$80,150	$880,385	$2,025,284	$2,173,512	($1,570,212)
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds One-Time Funding for Community and Workforce Initiatives[7]	Adds One-Time Funding for Tourism Initiatives[8]	Adds One-Time Funding for UAS Programs[9]	Adds One-Time Funding for Federal Community Service Programs[10]	Adds One-Time Funding for Discretionary Funds[11]	Total House Changes
Salaries and wages	$300,000			$130,368		$3,929,103
Operating expenses	8,200,000	$5,000,000		65,319		16,226,440
Grants	42,400,000	25,000,000	$58,000,000	3,311,563		126,115,351
Discretionary funds					$350,000	350,000
COVID-19 response				14,081,719		16,167,553
Partner programs						
Entrepreneurship grants and vouchers						
Total all funds	$50,900,000	$30,000,000	$58,000,000	$17,588,969	$350,000	$162,788,447
Less estimated income	10,500,000	30,000,000	58,000,000	17,588,969	0	118,005,090
General fund	$40,400,000	$0	$0	$0	$350,000	$44,783,357
FTE	0.00	0.00	0.00	0.00	0.00	4.00

[1] Funding is adjusted for base payroll changes for promotions, reclassifying existing positions to 4 new FTE deputy division director positions, and other salary adjustments.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$632,902	$118,204	$751,106
Health insurance increase	247,483	58,035	305,518
Total	$880,385	$176,239	$1,056,624

[4] Funding of $2,025,284 is added from the general fund for 4 FTE positions as follows:

	Salaries and Wages	Operating Expenses	Total
FTE position - Workforce talent attraction initiative	$202,940	$0	$202,940
FTE Position - Workforce investment grant program	202,940	0	202,940
FTE position - Office of Automation	310,858	689,142	1,000,000
FTE position - Global Engagement Office	250,904	368,500	619,404
Total	$967,642	$1,057,642	$2,025,284

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Restores funding for salaries underfunded during the 2021-23 biennium	$140,000	$0	$140,000
Adds funding for temporary salaries, including $500,000 from federal funds, to provide a total of $900,000 for temporary salaries	91,000	500,000	591,000
Adds funding for travel to provide a total of $1,606,976 in the operating expenses line item	490,534	0	490,534
Adjusts funding for operating expenses, primarily related to professional development, services, and fees, including a decrease from the community service fund	1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program to provide a total of $1,006,082	251,082	0	251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from the grants line item to the operating expenses line item	0	0	0
Adds federal funding in the COVID-19 response line item for weatherization and furnace cooling assistance programs	0	2,085,834	2,085,834
Adds funding for the rural health care grant program to provide a total of $444,000 from the general fund	194,000	0	194,000
Total	$2,173,512	$2,583,604	$4,757,116

[6] Funding of $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, is transferred to the Housing Finance Agency.

[7] One-time funding is added for community and workforce initiatives as follows:

	General Fund	Other Funds	Total
Rural workforce housing grant program, including $300,000 for temporary salaries, $200,000 for operating expenses, and $6.5 million for grants. Funding is provided from the strategic investment and improvements fund (SIIF)	$0	$7,000,000	$7,000,000
Workforce talent attraction initiative operating expenses	8,000,000	0	8,000,000
Workforce investment program grants	15,000,000	0	15,000,000
Automation workforce transition training grants	5,000,000	0	5,000,000
Automation workforce equipment grants	5,000,000	0	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Main Street Initiative community development grants	400,000	0	400,000
New Americans workforce development and training grants (SIIF)	0	2,000,000	2,000,000
Workforce grants to tribally controlled community colleges	5,000,000	0	5,000,000
Workforce safety grant (SIIF)	0	1,500,000	1,500,000
Total	$40,400,000	$10,500,000	$50,900,000

[8] One-time funding of $30 million is added from SIIF for tourism initiatives, including $5 million for tourism awareness marketing operating expenses and $25 million for a tourism destination development initiative grant program.

[9] One-time funding from SIIF is added for the beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grant program ($30 million) and the enhanced use lease grant program ($28 million).

[10] One-time funding from federal funds is added for the following programs previously approved by the Emergency Commission and Budget Section during the 2021-22 interim:

	Federal Funds
Americorps workforce community services program	$785,000
Parks and recreation grant program	1,550,000
Energy conservation grant program	14,081,719
Heating and cooling grant program, of which $130,368 is for temporary salaries and wages, $65,319 is for operating expenses, and $976,563 is for grants	1,172,250
Total	$17,588,969

[11] One-time funding of $350,000 is added from the general fund for discretionary funds to provide a total of $2.5 million from the general fund, of which $2.15 million is ongoing funding.

This amendment also:

- Amends a section identifying the transfer of $1,006,896 from the general fund to the internship fund for the Operation Intern program;
- Adds a section to provide a $20 million transfer from the legacy earnings fund to the newly named legacy investment fund for technology for the purpose of providing legacy investment technology loans;
- Adds a section to provide a $30 million transfer from SIIF to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5;
- Adds a section to provide a $120 million transfer from SIIF to the North Dakota Development Fund for the purpose of a fertilizer development grant program;
- Adds a section to identify $98.5 million from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS program ($30 million), enhanced use lease grant program ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant to be awarded to an organization that provides workforce safety ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent;
- Adds a section to identify $6.5 million appropriated from the general fund in the grants line item for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents;
- Amends a section to identify $444,000 appropriated from the general fund is for the rural health care grant program, which requires the grant recipient to provide matching funds from nonstate sources on a dollar-for-dollar basis;
- Adds a section to identify of the $2.5 million appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine;
- Adds a section to identify $5 million appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02;
- Adds eight sections to amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program name to the legacy investment for technology program;
- Adds a section to amend Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education;
- Adds three sections to amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS–related programs;
- Adds a section to amend Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs;
- Adds a section to amend the 2021 Special Session Session Laws to allow the transfer of $5 million from the federal State Fiscal Recovery Fund to the North Dakota Development Fund to be used for grant programs;
- Adds a section to provide the Department of Commerce 15 exemptions to continue funding appropriated for programs in previous bienniums into the 2023-25 biennium. The exemptions relate to the nonresident nurse employment recruitment program, Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the

state small business credit initiative, discretionary funds, UAS program, BVLOS UAS program, enhanced use lease grant program, homeless shelter grant program, workforce community services program, community development planning grant program, autonomous agriculture matching grant program, workforce development incentive grant program, and technical skills grants program. Subsection 13 of Section 24 provides funding remaining after the 2021-23 biennium for the autonomous agriculture matching grant program may be spent during the 2023-25 biennium without requiring matching funds; and

- Adds a section to require the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Funding Summary

	Base Budget	House Changes	House Version
Dept. of Career and Technical Education			
Salaries and wages	$4,643,906	$798,036	$5,441,942
Operating expenses	2,198,453	679,897	2,878,350
Grants	9,507,349	2,000,000	11,507,349
Grants - secondary	26,837,780	14,200,000	41,037,780
Marketplace for kids	300,000		300,000
STEM initiative	100,000		100,000
Adult farm management	1,706,138		1,706,138
Workforce training	2,000,000		2,000,000
Center for distance education	9,461,254	(9,461,254)	
Total all funds	$56,754,880	$8,216,679	$64,971,559
Less estimated income	15,019,817	(530,418)	14,489,399
General fund	$41,735,063	$8,747,097	$50,482,160
FTE	50.30	(26.80)	23.50
Bill total			
Total all funds	$56,754,880	$8,216,679	$64,971,559
Less estimated income	15,019,817	(530,418)	14,489,399
General fund	$41,735,063	$8,747,097	$50,482,160
FTE	50.30	(26.80)	23.50

House Bill No. 1019 - Dept. of Career and Technical Education - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$4,643,906	$798,036	$5,441,942
Operating expenses	2,198,453	679,897	2,878,350
Grants	9,507,349	2,000,000	11,507,349
Grants - secondary	26,837,780	14,200,000	41,037,780
Marketplace for kids	300,000		300,000
STEM initiative	100,000		100,000
Adult farm management	1,706,138		1,706,138
Workforce training	2,000,000		2,000,000
Center for distance education	9,461,254	(9,461,254)	
Total all funds	$56,754,880	$8,216,679	$64,971,559
Less estimated income	15,019,817	(530,418)	14,489,399
General fund	$41,735,063	$8,747,097	$50,482,160
FTE	50.30	(26.80)	23.50

Department 270 - Dept. of Career and Technical Education - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Base Level Funding[3]	Adds Funding for Program Supervisor Positions[4]	Adds Funding for a New Capitol Rent Model[5]	Adds Funding for Cost to Continue Reimbursement Rates[6]
Salaries and wages	$66,188	$365,738	($28,764)	$394,874		
Operating expenses			500,000		$179,897	
Grants			2,000,000			
Grants - secondary						$4,000,000
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education						
Total all funds	$66,188	$365,738	$2,471,236	$394,874	$179,897	$4,000,000
Less estimated income	156	48,190	2,471,236	0	0	0
General fund	$66,032	$317,548	$0	$394,874	$179,897	$4,000,000
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adds Funding for New and Expanding Secondary Programs[7]	Adds Funding for Grants for School District Career Advisors[8]	Adds Funding for Work-Based Learning Coordinators[9]	Adds Funding for Emerging Technology Grants[10]	Removes Funding for the Center for Distance Education[11]	Total House Changes
Salaries and wages						$798,036
Operating expenses						679,897
Grants						2,000,000
Grants - secondary	$8,000,000	$500,000	$1,500,000	$200,000		14,200,000
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education					($9,461,254)	(9,461,254)
Total all funds	$8,000,000	$500,000	$1,500,000	$200,000	($9,461,254)	$8,216,679
Less estimated income	0	0	0	0	(3,050,000)	(530,418)
General fund	$8,000,000	$500,000	$1,500,000	$200,000	($6,411,254)	$8,747,097
FTE	0.00	0.00	0.00	0.00	(28.80)	(26.80)

[1] Funding is added for the cost-to-continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$224,706	$32,667	$257,373
Health insurance increase	92,842	15,523	108,365
Total	$317,548	$48,190	$365,738

[3] Base level funding is adjusted as follows:

	Federal Funds
Reduces funding for salaries due to staff retirements	($28,764)
Adds funding for the RUReady career resource network	500,000
Adds Carl D. Perkins funding for secondary school grants to provide total federal funding of $11,507,349 for grants	2,000,000
Total	$2,471,236

[4] Funding of $394,874 is added from the general fund for salaries and wages for 2 FTE program supervisor positions.

[5] Funding of $179,897 is added from the general fund for a new Capitol space rent model.

[6] Funding of $4 million is added from the general fund for the cost-to-continue career and technical education reimbursement rates at schools (27 percent) and area career and technical centers (40 percent).

[7] Funding of $8 million from the general fund is added for new and expanding secondary career and technical education programs.

[8] Funding of $500,000 from the general fund is added for grants to school districts to hire career advisors.

[9] Funding of $1.5 million from the general fund is added for grants to school districts for work-based learning coordinators.

[10] Funding of $200,000 is added for the emerging technology grant program to provide a total of $1,175,400 from the general fund.

[11] Funding of $9,461,254 for the Center for Distance Education is removed, including $6,411,254 from the general fund and $3,050,000 from the independent study operating fund.

This amendment also:

- Adds seven sections to amend North Dakota Century Code to require the Center for Distance Education to report to the Department of Public Instruction rather than the Department of Career and Technical Education.
- Adds a section to provide the Department of Career and Technical Education an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund for career academies during the 2021-23 biennium into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Funding Summary

	Base Budget	House Changes	House Version
Transportation Institute			
Upper Great Plains Trans. Institute	$23,527,957	$2,000,375	$25,528,332
Total all funds	$23,527,957	$2,000,375	$25,528,332
Less estimated income	19,042,350	1,058,021	20,100,371
General fund	$4,485,607	$942,354	$5,427,961
FTE	43.88	0.00	43.88
Branch Research Centers			
Dickinson Research Center	$7,078,838	$214,700	$7,293,538
Central Grasslands Research Center	3,553,320	115,371	3,668,691
Hettinger Research Center	5,174,885	233,889	5,408,774
Langdon Research Center	3,091,310	394,636	3,485,946
North Central Research Center	5,203,251	184,131	5,387,382
Williston Research Center	5,362,734	245,458	5,608,192
Carrington Research Center	9,827,963	463,191	10,291,154
Total all funds	$39,292,301	$1,851,376	$41,143,677
Less estimated income	20,722,818	459,658	21,182,476
General fund	$18,569,483	$1,391,718	$19,961,201
FTE	108.21	2.60	110.81
NDSU Extension Service			
Extension Service	$56,530,224	$6,094,267	$62,624,491
Soil Conservation Committee	1,211,520	150,000	1,361,520
Total all funds	$57,741,744	$6,244,267	$63,986,011
Less estimated income	28,303,921	2,064,592	30,368,513
General fund	$29,437,823	$4,179,675	$33,617,498
FTE	241.77	13.93	255.70
Northern Crops Institute			
Northern Crops Institute	$3,909,760	$5,735,724	$9,645,484
Total all funds	$3,909,760	$5,735,724	$9,645,484
Less estimated income	1,922,618	5,566,328	7,488,946
General fund	$1,987,142	$169,396	$2,156,538
FTE	13.55	4.60	18.15
Main Research Center			
Main Research Center	$111,676,188	$113,223,073	$224,899,261
Total all funds	$111,676,188	$113,223,073	$224,899,261
Less estimated income	57,087,956	103,473,971	160,561,927
General fund	$54,588,232	$9,749,102	$64,337,334
FTE	334.56	27.91	362.47
Agronomy Seed Farm			
Agronomy Seed Farm	$1,579,655	$49,139	$1,628,794
Total all funds	$1,579,655	$49,139	$1,628,794
Less estimated income	1,579,655	49,139	1,628,794
General fund	$0	$0	$0

FTE	3.00	0.00	3.00
Bill total			
Total all funds	$237,727,605	$129,103,954	$366,831,559
Less estimated income	128,659,318	112,671,709	241,331,027
General fund	$109,068,287	$16,432,245	$125,500,532
FTE	744.97	49.04	794.01

House Bill No. 1020 - Transportation Institute - House Action

	Base Budget	House Changes	House Version
Upper Great Plains Trans. Institute	$23,527,957	$2,000,375	$25,528,332
Total all funds	$23,527,957	$2,000,375	$25,528,332
Less estimated income	19,042,350	1,058,021	20,100,371
General fund	$4,485,607	$942,354	$5,427,961
FTE	43.88	0.00	43.88

Department 627 - Transportation Institute - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Freight Transportation and Logistics Surveys[3]	Adds One-Time Funding for a Transportation Data Center[4]	Adds One-Time Funding for Carbon Dioxide Study[5]	Total House Changes
Upper Great Plains Trans. Institute	$77,856	$791,469	$300,000	$432,600	$398,450	$2,000,375
Total all funds	$77,856	$791,469	$300,000	$432,600	$398,450	$2,000,375
Less estimated income	77,856	547,565	0	432,600	0	1,058,021
General fund	$0	$243,904	$300,000	$0	$398,450	$942,354
FTE	0.00	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$174,237	$404,585	$578,822
Health insurance increase	69,667	142,980	212,647
Total	$243,904	$547,565	$791,469

[3] Funding of $300,000 from the general fund is added for freight transportation and logistics surveys.

[4] One-time funding of $432,600 from the strategic investment and improvements fund (SIIF) is added for a transportation data intelligence center.

[5] One-time funding of $398,450 from the general fund is added to study multimodal carbon dioxide transportation.

House Bill No. 1020 - Branch Research Centers - House Action

	Base Budget	House Changes	House Version
Dickinson Research Center	$7,078,838	$214,700	$7,293,538
Central Grasslands Research Center	3,553,320	115,371	3,668,691
Hettinger Research Center	5,174,885	233,889	5,408,774
Langdon Research Center	3,091,310	394,636	3,485,946
North Central Research Center	5,203,251	184,131	5,387,382
Williston Research Center	5,362,734	245,458	5,608,192
Carrington Research Center	9,827,963	463,191	10,291,154
Total all funds	$39,292,301	$1,851,376	$41,143,677
Less estimated income	20,722,818	459,658	21,182,476
General fund	$18,569,483	$1,391,718	$19,961,201
FTE	108.21	2.60	110.81

Department 628 - Branch Research Centers - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Reduces Funding for Bond Payments[3]	Adds Funding for a Technician FTE Position[4]	Total House Changes
Dickinson Research Center	$19,612	$195,088			$214,700
Central Grasslands Research Center	9,255	130,142	($24,026)		115,371
Hettinger Research Center	20,099	213,790			233,889
Langdon Research Center	13,531	131,105		$250,000	394,636
North Central Research Center	17,989	205,289	(39,147)		184,131
Williston Research Center	22,154	223,304			245,458
Carrington Research Center	37,820	425,371			463,191
Total all funds	$140,460	$1,524,089	($63,173)	$250,000	$1,851,376
Less estimated income	18,337	441,321	0	0	459,658
General fund	$122,123	$1,082,768	($63,173)	$250,000	$1,391,718
FTE	1.60	0.00	0.00	1.00	2.60

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases. FTE positions are also adjusted to reflect changes approved by the State Board of Higher Education pursuant to Section 8 of Senate Bill No. 2020 (2021).

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Dickinson Research Center			
Salary increase	$121,415	$0	$121,415
Health insurance increase	73,673	0	73,673
Total	$195,088	$0	$195,088
Central Grasslands Research Center			
Salary increase	$68,822	$19,232	$88,054
Health insurance increase	39,459	2,629	42,088
Total	$108,281	$21,861	$130,142
Hettinger Research Center			
Salary increase	$101,119	$31,571	$132,690
Health insurance increase	48,112	32,988	81,100
Total	$149,231	$64,559	$213,790
Langdon Research Center			
Salary increase	$62,693	$21,055	$83,748
Health insurance increase	33,370	13,987	47,357
Total	$96,063	$35,042	$131,105
North Central Research Center			
Salary increase	$75,026	$56,599	$131,625
Health insurance increase	40,476	33,188	73,664
Total	$115,502	$89,787	$205,289
Williston Research Center			
Salary increase	$136,697	$18,197	$154,894
Health insurance increase	57,886	10,524	68,410
Total	$194,583	$28,721	$223,304
Carrington Research Center			
Salary increase	$138,405	$129,112	$267,517
Health insurance increase	85,615	72,239	157,854
Total	$224,020	$201,351	$425,371
Total Branch Research Centers			
Salary increase	$704,177	$275,766	$979,943
Health insurance increase	378,591	165,555	544,146
Total	$1,082,768	$441,321	$1,524,089

[3] Funding of $63,173 is reduced from the general fund, including $24,026 from the Central Grasslands Research Center and $39,147 from the North Central Research Center, for bond payments, to provide a total of $63,728 for bond payments for the 2023-25 biennium.

[4] Funding of $250,000 from the general fund is added for a new FTE technician position to research clubroot fungus at the Langdon Research Center.

House Bill No. 1020 - NDSU Extension Service - House Action

	Base Budget	House Changes	House Version
Extension Service	$56,530,224	$6,094,267	$62,624,491
Soil Conservation Committee	1,211,520	150,000	1,361,520
Total all funds	$57,741,744	$6,244,267	$63,986,011
Less estimated income	28,303,921	2,064,592	30,368,513
General fund	$29,437,823	$4,179,675	$33,617,498
FTE	241.77	13.93	255.70

Department 630 - NDSU Extension Service - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for the Cropping System Initiative[3]	Adds Funding for the Livestock Development Initiative[4]	Adds Funding for Farm and Ranch Safety[5]	Adds Funding for 4-H[6]
Extension Service	$336,782	$3,837,485	$700,000	$500,000	$250,000	$320,000
Soil Conservation Committee						
Total all funds	$336,782	$3,837,485	$700,000	$500,000	$250,000	$320,000
Less estimated income	108,985	1,955,607	0	0	0	0
General fund	$227,797	$1,881,878	$700,000	$500,000	$250,000	$320,000
FTE	8.93	0.00	2.00	2.00	0.00	1.00

	Adds Funding for Extension and Soil Conservation Committee Operations[7]	Total House Changes
Extension Service	$150,000	$6,094,267
Soil Conservation Committee	150,000	150,000
Total all funds	$300,000	$6,244,267
Less estimated income	0	2,064,592
General fund	$300,000	$4,179,675
FTE	0.00	13.93

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases. FTE positions are also adjusted to reflect changes approved by the State Board of Higher Education pursuant to Section 8 of Senate Bill No. 2020 (2021).

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$1,158,661	$1,213,811	$2,372,472
Health insurance increase	723,217	741,796	1,465,013
Total	$1,881,878	$1,955,607	$3,837,485

[3] Funding of $700,000 from the general fund is added for 2 new FTE positions, including a soybean pathologist and a weed specialist, for the cropping system initiative.

[4] Funding of $500,000 from the general fund is added for 2 new FTE positions, including a veterinary epidemiologist and a swine specialist, for the livestock development initiative.

[5] Funding of $250,000 from the general fund is added for the farm and ranch safety and health initiative.

[6] Funding of $320,000 from the general fund is added for 1 new FTE position for the program support for the 4-H initiative.

[7] Funding of $300,000 from the general fund is added for operations support, including $150,000 for the Extension Service and $150,000 for the state soil conservation committee.

House Bill No. 1020 - Northern Crops Institute - House Action

	Base Budget	House Changes	House Version
Northern Crops Institute	$3,909,760	$5,735,724	$9,645,484
Total all funds	$3,909,760	$5,735,724	$9,645,484
Less estimated income	1,922,618	5,566,328	7,488,946
General fund	$1,987,142	$169,396	$2,156,538
FTE	13.55	4.60	18.15

Department 638 - Northern Crops Institute - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding to Reflect Available Special Funds[3]	Adds One-Time Funding[4]	Total House Changes
Northern Crops Institute	$33,115	$302,609	$1,500,000	$3,900,000	$5,735,724
Total all funds	$33,115	$302,609	$1,500,000	$3,900,000	$5,735,724
Less estimated income	16,610	149,718	1,500,000	3,900,000	5,566,328
General fund	$16,505	$152,891	$0	$0	$169,396
FTE	4.60	0.00	0.00	0.00	4.60

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases. FTE positions are also adjusted to reflect changes approved by the State Board of Higher Education pursuant to Section 8 of Senate Bill No. 2020 (2021).

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$98,273	$102,187	$200,460
Health insurance increase	54,618	47,531	102,149
Total	$152,891	$149,718	$302,609

[3] Funding of $1.5 million from other funds is added to reflect special funds available to the agency.

[4] One-time funding is added from SIIF for the Northern Crops Institute Feed Production Center facility upgrade ($3,250,000) and a new pellet mill ($650,000).

House Bill No. 1020 - Main Research Center - House Action

	Base Budget	House Changes	House Version
Main Research Center	$111,676,188	$113,223,073	$224,899,261
Total all funds	$111,676,188	$113,223,073	$224,899,261
Less estimated income	57,087,956	103,473,971	160,561,927
General fund	$54,588,232	$9,749,102	$64,337,334
FTE	334.56	27.91	362.47

Department 640 - Main Research Center - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for the Big Data Initiative[3]	Adds Funding for Climate Smart Agriculture[4]	Adds Funding for Bee and Apiary Research[5]	Adds funding for the Spud Research Fast Track[6]
Main Research Center	$509,908	$5,720,804	$469,000	$458,200	$262,000	$250,000
Total all funds	$509,908	$5,720,804	$469,000	$458,200	$262,000	$250,000
Less estimated income	117,136	1,993,835	0	0	0	0
General fund	$392,772	$3,726,969	$469,000	$458,200	$262,000	$250,000
FTE	22.91	0.00	1.00	2.00	1.00	1.00

	Adds Funding for Operations[7]	Reduces Funding for Bond Payments[8]	Adds One-Time Funding[9]	Total House Changes
Main Research Center	$1,160,000	($178,069)	$104,571,230	$113,223,073
Total all funds	$1,160,000	($178,069)	$104,571,230	$113,223,073
Less estimated income	0	0	101,363,000	103,473,971
General fund	$1,160,000	($178,069)	$3,208,230	$9,749,102
FTE	0.00	0.00	0.00	27.91

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases. FTE positions are also adjusted to reflect changes approved by the State Board of Higher Education pursuant to Section 8 of Senate Bill No. 2020 (2021).

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$2,403,437	$1,264,212	$3,667,649
Health insurance increase	1,323,532	729,623	2,053,155
Total	$3,726,969	$1,993,835	$5,720,804

[3] Funding of $469,000 from the general fund is added for a new FTE position and operating expenses for the big data initiative.

[4] Funding of $458,200 from the general fund is added for 2 new FTE positions to research climate smart agriculture.

[5] Funding of $262,000 from the general fund is added for a new FTE bee and apiary scientist position and related operating costs.

[6] Funding of $250,000 from the general fund is added for 1 new FTE position to assist with potato research.

[7] Funding of $1.1 million is added for operations as follows:

	General Fund
Precision agriculture	$600,000
Graduate research assistants	180,000
Oakes irrigation research site operations	200,000
Other operations support	180,000
Total	$1,160,000

[8] Funding of $178,069 from the general fund is reduced for bond payments to provide a total of $178,477 for bond payments from the Main Research Center.

[9] One-time funding, including funding from SIIF and the federal State Fiscal Recovery Fund, is added as follows:

	General Fund	Other Funds	Total Funds
Storage sheds (SIIF)	$0	$1,900,000	$1,900,000
Deferred maintenance (SIIF)	0	500,000	500,000
Nesson Valley irrigation research site capital project	1200000	0	1,200,000
Branch research centers capital project inflation	2,008,230	925,000	2,933,230
Hettinger Research Center land purchase (federal State Fiscal Recovery Fund)	0	1,038,000	1,038,000
Waldron Hall replacement project (SIIF)	0	97,000,000	97,000,000
Total	$3,208,230	$101,363,000	$104,571,230

House Bill No. 1020 - Agronomy Seed Farm - House Action

	Base Budget	House Changes	House Version
Agronomy Seed Farm	$1,579,655	$49,139	$1,628,794
Total all funds	$1,579,655	$49,139	$1,628,794
Less estimated income	1,579,655	49,139	1,628,794
General fund	$0	$0	$0
FTE	3.00	0.00	3.00

Department 649 - Agronomy Seed Farm - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Total House Changes
Agronomy Seed Farm	$4,604	$44,535	$49,139
Total all funds	$4,604	$44,535	$49,139
Less estimated income	4,604	44,535	49,139
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$28,748
Health insurance increase	15,787
Total	$44,535

House Bill No. 1020 - Other Changes - House Action

This amendment also:

- Adds a section to identify $103,732,600 from SIIF, including $3.9 million for the Northern Crops Institute feed production center facility upgrade and pellet mill, $432,600 for the Upper Great Plains Transportation Institute transportation data intelligence center, and $99.4 million for the main research center Waldron Hall replacement, deferred maintenance, and branch research center storage sheds;
- Adds a section to identify $1,038,000 from the federal State Fiscal Recovery Fund for the purchase of land for the Hettinger Research Center;
- Adds sections to allow for funds appropriated for various capital projects at the branch research centers to be continued and expended during the 2023-25 biennium;
- Adds a section to exempt the main research center from Section 48-01.2-02.1, relating to procuring plans, drawings, and specifications from an architect or engineer, for the equipment storage sheds and deferred maintenance projects; and
- Adds a section to declare the $250,000 for the spud research fast track to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Funding Summary

	Base Budget	House Changes	House Version
Information Technology Department			
Salaries and wages	$101,734,629	$13,403,736	$115,138,365
Operating expenses	114,588,112	38,416,587	153,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	123,913	4,610,191
EduTech	9,691,939	1,297,519	10,989,458
K-12 wide area network	4,679,718	2,505,240	7,184,958
Geographic information system	1,101,806	123,641	1,225,447
Health information technology office	8,725,871	76,117	8,801,988
Broadband infrastructure		148,250,000	148,250,000
Statewide interoperable radio network	14,193,796	4,236,103	18,429,899
Total all funds	$262,646,058	$208,899,518	$471,545,576
Less estimated income	233,670,105	188,005,063	421,675,168
General fund	$28,975,953	$20,894,455	$49,870,408
FTE	479.00	28.00	507.00
Bill total			
Total all funds	$262,646,058	$208,899,518	$471,545,576
Less estimated income	233,670,105	188,005,063	421,675,168
General fund	$28,975,953	$20,894,455	$49,870,408
FTE	479.00	28.00	507.00

House Bill No. 1021 - Information Technology Department - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$101,734,629	$13,403,736	$115,138,365
Operating expenses	114,588,112	38,416,587	153,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	123,913	4,610,191
EduTech	9,691,939	1,297,519	10,989,458
K-12 wide area network	4,679,718	2,505,240	7,184,958
Geographic information system	1,101,806	123,641	1,225,447
Health information technology office	8,725,871	76,117	8,801,988
Broadband infrastructure		148,250,000	148,250,000
Statewide interoperable radio network	14,193,796	4,236,103	18,429,899
Total all funds	$262,646,058	$208,899,518	$471,545,576
Less estimated income	233,670,105	188,005,063	421,675,168
General fund	$28,975,953	$20,894,455	$49,870,408
FTE	479.00	28.00	507.00

Department 112 - Information Technology Department - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Base Level Funding[3]	Adds Funding for the Customer Success Management Program[4]	Adds Funding for an Enterprise Digitization Project[5]	Adds Funding for Governance, Risk, and Compliance Costs[6]
Salaries and wages	$773,445	$7,620,837	$41,791	$501,816	$981,138	$298,868
Operating expenses			(27,122)	17,000	2,615,000	
Capital assets						
Statewide longitudinal data system	5,810	118,103				
EduTech	50,888	421,631				
K-12 wide area network	7,665	91,687				
Geographic information system	2,677	20,964				
Health information technology office	6,725	69,392				
Broadband infrastructure						
Statewide interoperable radio network	190	35,913	4,200,000			
Total all funds	$847,400	$8,378,527	$4,214,669	$518,816	$3,596,138	$298,868
Less estimated income	726,602	7,139,683	4,205,284	(2,050,884)	1,096,138	0
General fund	$120,798	$1,238,844	$9,385	$2,569,700	$2,500,000	$298,868
FTE	0.00	0.00	0.00	2.00	5.00	1.00

	Adds Funding for a Customer Relationship Management Program[7]	Adds FTE Positions to Support State IT Systems[8]	Adds Funding for IT Unification[9]	Adds Funding for a Universal Vulnerability Management Project[10]	Adds Funding for Capitol Security Software and Fiber Replacement[11]	Adds Funding for the K-12 ClassLink Project[12]
Salaries and wages	$989,751	$1,707,170	$488,920			
Operating expenses	1,364,000	260,172	70,956	$500,000	$226,900	
Capital assets						
Statewide longitudinal data system						
EduTech						
K-12 wide area network						$1,905,888
Geographic information system						
Health information technology office						
Broadband infrastructure						
Statewide interoperable radio network						
Total all funds	$2,353,751	$1,967,342	$559,876	$500,000	$226,900	$1,905,888
Less estimated income	501,808	1,745,213	559,876	0	0	0
General fund	$1,851,943	$222,129	$0	$500,000	$226,900	$1,905,888
FTE	4.00	11.00	3.00	0.00	0.00	2.00

	Adjusts Funding for the Health Information Network[13]	Adds One-Time Funding for Projects and Programs[14]	Adds One-Time Funding for IT Inflationary Increases[15]	Adds Funding for the Broadband Equity Program[16]	Total House Changes
Salaries and wages					$13,403,736
Operating expenses		$26,989,681	$6,400,000		38,416,587
Capital assets		466,662			466,662
Statewide longitudinal data system					123,913
EduTech			825,000		1,297,519
K-12 wide area network			500,000		2,505,240
Geographic information system			100,000		123,641
Health information technology office	($3,000,000)	3,000,000			76,117
Broadband infrastructure				$148,250,000	148,250,000
Statewide interoperable radio network					4,236,103
Total all funds	($3,000,000)	$30,456,343	$7,825,000	$148,250,000	$208,899,518
Less estimated income	(6,000,000)	26,856,343	4,975,000	148,250,000	188,005,063
General fund	$3,000,000	$3,600,000	$2,850,000	$0	$20,894,455
FTE	0.00	0.00	0.00	0.00	28.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$942,005	$5,079,371	$6,021,376
Health insurance increase	296,839	2,060,312	2,357,151
Total	$1,238,844	$7,139,683	$8,378,527

[3] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Transfers $41,791 from the operating expenses line item to the salaries and wages line item for an existing 0.50 FTE position	$0	$0	$0
Adds funding for information technology rate increases	9,385	5,284	14,669
Adds funding for the statewide interoperable radio network (SIRN) from the SIRN fund to provide a total of $18,429,899, of which $1,858,240 is from the general fund and $16,571,659 is from the SIRN fund	0	4,200,000	4,200,000
Total	$9,385	$4,205,284	$4,214,669

[4] Funding is added from the general fund for 2 FTE positions related to the customer success management program, including $501,816 for salaries and wages and $17,000 for related operating expenses. Funding of $2,050,884 is adjusted from the Information Technology Department (ITD) operating service fund to the general fund for 6 existing FTE positions for the program.

[5] Funding of $3,596,138, of which $2,500,000 is from the general fund and $1,096,138 is from the ITD operating service fund, is added for an enterprise digitization project to modernize state technology, including $981,138 for salaries and wages of 5 FTE positions and $2,615,000 for IT software, data processing, and contractual services.

[6] Funding of $298,868 is added from the general fund for salaries and wages of 1 FTE position related to governance, risk, and compliance costs and the Department of Public Instruction lighthouse project.

[7] Funding of $2,353,751, of which $1,851,943 is from the general fund and $501,808 is from the ITD operating services fund, is added for an enterprise customer relationship management program, including $989,751 for salaries and wages of 4 FTE positions and $1,364,000 for software licensing costs.

[8] Funding of $1,967,342, of which $222,129 is from the general fund and $1,745,213 is from the ITD operating service fund, is added for 11 FTE positions for additional support of state agency IT systems, of which $1,707,170 is for salaries and wages and $260,172 is for related operating expenses. The 11 FTE positions include 6 FTE apprenticeship positions, 1 FTE desktop support position, 1 FTE public safety support position, 1 FTE transportation support position, 1 FTE network technician position, and 1 FTE cybersecurity position.

[9] Funding of $559,876 is added from the ITD operating service fund for the transfer of 3 FTE positions, including 2 FTE positions from the Department of Corrections and Rehabilitation and 1 FTE position from the Insurance Commissioner, to ITD. Of the total, $488,920 is for salaries and wages and $70,956 is for operating expenses.

[10] Funding of $500,000 from the general fund is added for software costs related to a universal vulnerability management project.

[11] Funding of $226,900 is added from the general fund for Capitol security software upgrades and the fiber replacement project.

[12] Funding of $1,905,888 is added from the general fund for the K-12 ClassLink project, including $405,888 for salaries and wages of 2 FTE positions and $1,500,000 for IT software and supplies.

[13] Funding is adjusted for the North Dakota Health Information Network by reducing federal funds ($6 million) and increasing the general fund ($3 million). A separate entry is provided to add one-time funding of $3 million from the electronic health information exchange fund. Total funding for the network is $8,801,988, of which $3 million is from the general fund and $5,801,988 is from the electronic health information exchange fund.

[14] One-time funding is added for the following projects and programs:

	General Fund	Other Funds	Total
Adds funding from the strategic investment and improvements fund (SIIF) for an enterprise digitization project	$0	$10,000,000	$10,000,000
Adds funding from the general fund for governance, risk, and compliance costs and from the ITD operating service fund for the Department of Public Instruction lighthouse project	600,000	4,856,876	5,456,876
Adds funding from SIIF for an enterprise customer relationship management program	0	6,500,000	6,500,000
Adds funding for a universal vulnerability management project	3,000,000	0	3,000,000
Adds federal funding from the State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project, including $2,032,805 for operating expenses and $466,662 for capital assets	0	2,499,467	2,499,467
Adds funding from the electronic health information exchange fund for the North Dakota Health Information Network, which is provided from a transfer from the health information technology planning loan fund	0	3,000,000	3,000,000
Total	$3,600,000	$26,856,343	$30,456,343

[15] One-time funding of $7,825,000 is added for IT inflationary increases, of which $2,850,000 is from the general fund, $325,000 is from the PowerSchool fund, and $4,650,000 is from the ITD operating service fund.

[16] One-time funding of $148,250,000 is added from federal funds made available as a result of the Infrastructure Investment and Jobs Act for the broadband, equity, access, and deployment (BEAD) program.

This amendment also:

- Adds a section to appropriate all federal funds received by ITD in excess of the funds appropriated in Section 1 to ITD for the 2023-25 biennium;
- Adds a section to provide for a transfer of $3 million from the health information technology planning loan fund to the electronic health information exchange fund;
- Adds a section to identify $16.5 million from SIIF, of which $10 million is for the enterprise digitization project and $6.5 million is for the customer relationship management program;
- Adds a section to identify $2,499,467 from the federal State Fiscal Recovery Fund for the Capitol security software upgrade and fiber replacement project;
- Adds a section to provide an exemption to allow ITD to continue $45 million appropriated from the federal Coronavirus Capital Projects Fund during the November 2021 special legislative session for broadband infrastructure grants into the 2023-25 biennium; and
- Adds a section to provide an exemption to allow ITD to continue $401,000 appropriated from the federal State Fiscal Recovery Fund during the November 2021 special legislative session to convert a North Dakota

Stockmen's Association paper-based branding system to an electronic system into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Funding Summary

	Base Budget	House Changes	House Version
Comm. on Legal Counsel for Indigents			
Comm. on Legal Counsel for Indigents	$20,964,213	$1,927,204	$22,891,417
Legal counsel for juveniles	325,000	(325,000)	
Total all funds	$21,289,213	$1,602,204	$22,891,417
Less estimated income	1,994,850	19,487	2,014,337
General fund	$19,294,363	$1,582,717	$20,877,080
FTE	40.00	1.00	41.00
Bill total			
Total all funds	$21,289,213	$1,602,204	$22,891,417
Less estimated income	1,994,850	19,487	2,014,337
General fund	$19,294,363	$1,582,717	$20,877,080
FTE	40.00	1.00	41.00

House Bill No. 1022 - Comm. on Legal Counsel for Indigents - House Action

	Base Budget	House Changes	House Version
Comm. on Legal Counsel for Indigents	$20,964,213	$1,927,204	$22,891,417
Legal counsel for juveniles	325,000	(325,000)	
Total all funds	$21,289,213	$1,602,204	$22,891,417
Less estimated income	1,994,850	19,487	2,014,337
General fund	$19,294,363	$1,582,717	$20,877,080
FTE	40.00	1.00	41.00

Department 188 - Comm. on Legal Counsel for Indigents - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds an FTE Investigator Position[3]	Adds Funding to Reduce Employee Turnover[4]	Adds Funding to Increase the Legal Fee Rate[5]	Adds Funding for ITD Rate Increase[6]
Comm. on Legal Counsel for Indigents	$54,099	$616,315	$137,781	$150,000	$630,453	$13,556
Legal counsel for juveniles						
Total all funds	$54,099	$616,315	$137,781	$150,000	$630,453	$13,556
Less estimated income	1,890	17,597	0	0	0	0
General fund	$52,209	$598,718	$137,781	$150,000	$630,453	$13,556
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Consolidates Line Items[7]	Total House Changes
Comm. on Legal Counsel for Indigents	$325,000	$1,927,204
Legal counsel for juveniles	(325,000)	(325,000)
Total all funds	$0	$1,602,204
Less estimated income	0	19,487
General fund	$0	$1,582,717
FTE	0.00	1.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$438,445	$12,335	$450,780
Health insurance increase	160,273	5,262	165,535
Total	$598,718	$17,597	$616,315

[3] Funding for 1 FTE investigator position is added.

[4] Funding of $150,000 from the general fund is added to alleviate employee turnover for nonattorney positions.

[5] Funding is added from the general fund to increase the legal fee rate from $75 per hour to $80 per hour.

[6] Funding from the general fund is added for the Information Technology Department rate increase.

[7] The legal counsel for juveniles line item funding is transferred to the Commission on Legal Counsel for Indigents line item to return the agency budget to a single line item.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Funding Summary

	Base Budget	House Changes	House Version
Racing Commission			
Racing Commission	$554,495	$91,896	$646,391
Total all funds	$554,495	$91,896	$646,391
Less estimated income	166,601	5,461	172,062
General fund	$387,894	$86,435	$474,329
FTE	2.00	0.00	2.00
Bill total			
Total all funds	$554,495	$91,896	$646,391
Less estimated income	166,601	5,461	172,062
General fund	$387,894	$86,435	$474,329
FTE	2.00	0.00	2.00

House Bill No. 1023 - Racing Commission - House Action

	Base Budget	House Changes	House Version
Racing Commission	$554,495	$91,896	$646,391
Total all funds	$554,495	$91,896	$646,391
Less estimated income	166,601	5,461	172,062
General fund	$387,894	$86,435	$474,329
FTE	2.00	0.00	2.00

Department 670 - Racing Commission - Detail of House Changes

	Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Temporary Salaries[3]	Adds Funding for ITD Increases[4]	Adds Funding for Rent Increases[5]	Adds One-Time Funding for Internships[6]
Racing Commission	$3,303	$31,074	$22,368	$3,742	$11,409	$20,000
Total all funds	$3,303	$31,074	$22,368	$3,742	$11,409	$20,000
Less estimated income	166	1,553	0	3,742	0	0
General fund	$3,137	$29,521	$22,368	$0	$11,409	$20,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Racing Commission	$91,896
Total all funds	$91,896
Less estimated income	5,461
General fund	$86,435
FTE	0.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$19,524	$1,025	$20,549
Health insurance increase	9,997	528	10,525
Total	$29,521	$1,553	$31,074

[3] Funding is increased for temporary salaries is increased by $22,368 to provide a total of $26,441.

[4] Funding is added for Information Technology Department rate increases.

[5] Funding of $11,409 is added for rent increases to provide total funding of $28,800.

[6] One-time funding of $20,000 from the general fund is added for an internship program.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Funding Summary

	Base Budget	House Changes	House Version
Department of Environmental Quality			
Salaries and wages	$32,551,817	$4,381,840	$36,933,657
Operating expenses	10,771,898	5,405,796	16,177,694
Capital assets	1,247,172	(78,672)	1,168,500
Grants	15,060,118	21,778,000	36,838,118
Total all funds	$59,631,005	$31,486,964	$91,117,969
Less estimated income	46,969,930	29,858,605	76,828,535
General fund	$12,661,075	$1,628,359	$14,289,434
FTE	166.00	5.00	171.00
Bill total			
Total all funds	$59,631,005	$31,486,964	$91,117,969
Less estimated income	46,969,930	29,858,605	76,828,535
General fund	$12,661,075	$1,628,359	$14,289,434
FTE	166.00	5.00	171.00

House Bill No. 1024 - Department of Environmental Quality - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$32,551,817	$4,381,840	$36,933,657
Operating expenses	10,771,898	5,405,796	16,177,694
Capital assets	1,247,172	(78,672)	1,168,500
Grants	15,060,118	21,778,000	36,838,118
Total all funds	$59,631,005	$31,486,964	$91,117,969
Less estimated income	46,969,930	29,858,605	76,828,535
General fund	$12,661,075	$1,628,359	$14,289,434
FTE	166.00	5.00	171.00

Department 303 - Department of Environmental Quality - Detail of House Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adjust Base Budget Funding[2]	Adds Funding for Salary and Benefit Increases[3]	Adds 1 FTE Natural Resource Services III Position[4]	Adds 2 FTE Engineering and Planning Services VI Positions[5]	Adds 1 FTE Civil Rights and Environmental Justice Position[6]
Salaries and wages	$231,457	$259,515	$2,449,222	$218,662	$511,284	$218,664
Operating expenses		2,338,313		7,500	97,500	25,168
Capital assets		(113,700)				
Grants		778,000				
Total all funds	$231,457	$3,262,128	$2,449,222	$226,162	$608,784	$243,832
Less estimated income	149,916	3,262,128	1,727,484	226,162	608,784	158,491
General fund	$81,541	$0	$721,738	$0	$0	$85,341
FTE	0.00	0.00	0.00	1.00	2.00	1.00

	Adds 1 FTE Accountant Budget Specialist III Position[7]	Increases Funding for Temporary Salaries[8]	Adds Funding for LIMS Maintenance and Hosting[9]	Increases Funding for Information Technology[10]	Adds Funding for Lead and Copper Testing[11]	Adds Funding for Lead and Copper Program Materials[12]
Salaries and wages	$218,476	$274,560				
Operating expenses	10,500		$280,000	$223,221	$184,000	$10,000
Capital assets						
Grants						
Total all funds	$228,976	$274,560	$280,000	$223,221	$184,000	$10,000
Less estimated income	148,835	274,560	0	86,842	184,000	10,000
General fund	$80,141	$0	$280,000	$136,379	$0	$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Drinking Water Database[13]	Adds Funding for a Lead Line Service Replacement Project[14]	Adds Funding for Environmental Data System Maintenance[15]	Removes Funding for Bond Payment[16]	Adds Funding for IIJA Grants[17]	Adds One-Time Funding for Chemistry Laboratory Inflation[18]
Salaries and wages						
Operating expenses	$100,000	$150,000	$150,000			$116,800
Capital assets				($119,972)		
Grants					$21,000,000	
Total all funds	$100,000	$150,000	$150,000	($119,972)	$21,000,000	$116,800
Less estimated income	100,000	150,000	35,000	(60,391)	21,000,000	0
General fund	$0	$0	$115,000	($59,581)	$0	$116,800
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding to Administer IIJA Revolving Loan Fund[19]	Adds One-Time Funding for a Drinking Water Program Portal[20]	Adds One-Time Funding for Environmental Data System Development[21]	Total House Changes
Salaries and wages				$4,381,840
Operating expenses	$22,350	$325,000	$1,365,444	5,405,796
Capital assets	155,000			(78,672)
Grants				21,778,000
Total all funds	$177,350	$325,000	$1,365,444	$31,486,964
Less estimated income	177,350	325,000	1,294,444	29,858,605
General fund	$0	$0	$71,000	$1,628,359
FTE	0.00	0.00	0.00	5.00

[1] Funding is added for cost to continue salary increases.

[2] Funding is added from federal funds for base budget adjustments, including increases in salaries and wages ($259,515), operating expenses ($2,338,313), and grants ($778,000) and a decrease in capital assets of $113,700.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$492,317	$1,178,150	$1,670,467
Health insurance increase	229,421	549,334	778,755
Total	$721,738	$1,727,484	$2,449,222

[4] Funding from federal and special funds is added for 1 FTE natural resource services III position and related operating expenses.

[5] Funding from federal funds is added for 2 FTE engineering and planning services VI positions and related operating expenses.

[6] Funding, including funding from federal and special funds, is added for 1 FTE civil rights and environmental justice position in the Office of the Director and related operating expenses.

[7] Funding, including funding from federal and special funds, is added for 1 FTE accountant budget specialist III position in the Office of the Director and related operating expenses.

[8] Funding from federal funds is increased for temporary salaries related to lead line inventory.

[9] Funding is added for operating expenses related to the laboratory information management system (LIMS) maintenance and hosting.

[10] Funding is added for operating expenses related to ITD rate increases.

[11] Funding from special funds is added for operating expenses related to lead and copper testing.

[12] Federal funding is added for operating expenses related to printing lead and copper program materials.

[13] Federal funding is added for operating expenses related to ongoing licensing and maintenance of the drinking water system database.

[14] Federal funding is added for operating expenses for professional services related to a lead line service replacement project.

[15] Funding, including federal funds, is added for operating expenses related to environmental data system maintenance.

[16] Funding, including funding from federal funds, for the 2021-23 biennium bond payment is removed.

[17] Federal funding is added for grants related to the federal Infrastructure Investment and Jobs Act (IIJA) municipal facilities and lead and copper programs.

[18] One-time funding is added for operating expenses related to chemistry laboratory inflation.

[19] One-time funding from federal funds is added to administer the IIJA municipal facilities revolving loan fund, including operating expenses for office and IT equipment and capital assets for equipment over $5,000.

[20] One-time funding from federal funds is added for operating expenses to upgrade the drinking water program portal.

[21] One-time funding, including funding from federal and special funds, is added for environmental data system development.

This amendment also:

- Amends a section to adjust funding appropriated from the petroleum release compensation fund for expenses related to the petroleum tank release program; and
- Adds sections to remove the balance requirement in the environmental quality restoration fund to receive deposits and provide if, on the 1st day of July in any year, the amount of uncommitted or unrestricted money in the environmental quality restoration fund is more than $5 million, the amount in excess of $5 million must be transferred to the general fund.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1025 - Funding Summary

	Base Budget	House Changes	House Version
Department of Veterans' Affairs			
Veterans' affairs	$1,501,950	$362,055	$1,864,005
State approving agency	292,024	20,654	312,678
Grants - Transportation program	1,220,000	(93,915)	1,126,085
Transport vans	18,800	18,800	37,600
Service dogs	50,000	(50,000)	
Veterans' Home cemetery		291,500	291,500
Total all funds	$3,082,774	$549,094	$3,631,868
Less estimated income	1,512,150	218,113	1,730,263
General fund	$1,570,624	$330,981	$1,901,605
FTE	8.00	1.00	9.00
Bill total			
Total all funds	$3,082,774	$549,094	$3,631,868
Less estimated income	1,512,150	218,113	1,730,263
General fund	$1,570,624	$330,981	$1,901,605
FTE	8.00	1.00	9.00

House Bill No. 1025 - Department of Veterans' Affairs - House Action

	Base Budget	House Changes	House Version
Veterans' affairs	$1,501,950	$362,055	$1,864,005
State approving agency	292,024	20,654	312,678
Grants - Transportation program	1,220,000	(93,915)	1,126,085
Transport vans	18,800	18,800	37,600
Service dogs	50,000	(50,000)	
Veterans' Home cemetery		291,500	291,500
Total all funds	$3,082,774	$549,094	$3,631,868
Less estimated income	1,512,150	218,113	1,730,263
General fund	$1,570,624	$330,981	$1,901,605
FTE	8.00	1.00	9.00

Department 321 - Department of Veterans' Affairs - Detail of House Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding to Convert a Temporary Position to an FTE Position[3]	Adjusts Funding for the Highly Rural Transportation Program[4]	Adjusts Base Level Funding[5]	Removes Funding for the PTSD Service Dog Program[6]
Veterans' affairs	$10,123	$101,293	$99,966	$50,000	$3,607	
State approving agency	1,687	16,594			2,373	
Grants - Transportation program				(93,915)		
Transport vans						
Service dogs						($50,000)
Veterans' Home cemetery						
Total all funds	$11,810	$117,887	$99,966	($43,915)	$5,980	($50,000)
Less estimated income	1,687	16,594	0	(93,915)	2,247	0
General fund	$10,123	$101,293	$99,966	$50,000	$3,733	($50,000)
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Adds One-Time Funding for a Document Scanning Project[7]	Adds One-Time Funding for Accrued Leave of Retiring Staff[8]	Adds One-Time Funding to Purchase a Transport Van[9]	Adds One-Time Funding for the Veterans' Home Cemetery Grant Program[10]	Total House Changes
Veterans' affairs	$78,000	$19,066			$362,055
State approving agency					20,654
Grants - Transportation program					(93,915)
Transport vans			$18,800		18,800
Service dogs					(50,000)
Veterans' Home cemetery				$291,500	291,500
Total all funds	$78,000	$19,066	$18,800	$291,500	$549,094
Less estimated income	0	0	0	291,500	218,113
General fund	$78,000	$19,066	$18,800	$0	$330,981
FTE	0.00	0.00	0.00	0.00	1.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$70,597	$10,454	$81,051
Health insurance increase	30,696	6,140	36,836
Total	$101,293	$16,594	$117,887

[3] Funding of $99,966 is added from the general fund to convert a temporary position to a 1.00 FTE veterans benefit specialist position.

[4] Funding is adjusted for the highly rural transportation program to provide a total of $1,126,085 from federal funds.

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for operating expenses	($6)	($126)	($132)
Adds funding for information technology rate increases	3,739	1,436	5,175
Adds funding for State Approving Agency salaries and operating expenses to provide a total of $312,678 from federal funds	0	937	937
Total	$3,733	$2,247	$5,980

[6] Funding from the general fund is removed for the posttraumatic stress disorder service dog program to reduce the ongoing appropriation from $50,000 to $0. A section is added to the bill to authorize the department an exemption to continue funding for the program appropriated during the 2019-21 and 2021-23 bienniums into the 2023-25 biennium.

[7] One-time funding of $78,000 is added from the general fund for a document scanning project to scan paper copies of veteran documents into digital copies.

[8] One-time funding of $19,066 is added from the general fund for accrued leave of retiring staff.

[9] One-time funding of $18,800 is added from the general fund for the purchase of a nonhighly rural transport van to provide a total of $37,600 from the general fund for the purchase of two transport vans during the 2023-25 biennium.

[10] One-time funding of $291,500 is added for the Veterans' Home cemetery grant program, of which $265,000 is from federal funds and $26,500 is from the Melvin Norgard memorial fund.

This amendment also:

- Adds a section to provide the department an exemption to continue any unexpended 2019-21 biennium and 2021-23 biennium funds for the posttraumatic stress disorder service dogs program into the 2023-25 biennium. The Legislative Assembly appropriated $50,000 from the general fund to the department for the program for the 2019-21 biennium and $50,000 from the general fund for the 2021-23 biennium.
- Adds a section to provide the department an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund for the 2021-23 biennium into the 2023-25 biennium. During the November 2021 special legislative session, the Legislative Assembly appropriated $647,000 to the department for a grant to assist in the construction of the Fisher House at the Fargo Veterans' Affairs Medical Center ($500,000) and to improve and expand veterans' medical transportation ($147,000).

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1028 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Other			
Community health worker task force		$50,000	$50,000
Total all funds	$0	$50,000	$50,000
Less estimated income	0	0	0
General fund	$0	$50,000	$50,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$50,000	$50,000
Less estimated income	0	0	0
General fund	$0	$50,000	$50,000
FTE	0.00	0.00	0.00

House Bill No. 1028 - DHHS - Other - House Action

This bill appropriates $50,000 from the general fund to the Department of Health and Human Services to contract with a third party to assist the community health worker task force with with data collection, meeting facilitation, and report development.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1068 - Funding Summary

	Base Budget	House Changes	House Version
Department of Financial Institutions			
Mortgage loan servicers		$225,000	$225,000
Total all funds	$0	$225,000	$225,000
Less estimated income	0	225,000	225,000
General fund	$0	$0	$0
FTE	0.00	1.00	1.00
Bill total			
Total all funds	$0	$225,000	$225,000
Less estimated income	0	225,000	225,000
General fund	$0	$0	$0
FTE	0.00	1.00	1.00

House Bill No. 1068 - Department of Financial Institutions - House Action

This bill appropriates $225,000 from special funds derived from licensing and examination fees, to the Department of Financial Institutions and authorizes 1 FTE position for the purpose of administering and enforcing laws, rules, and regulations relating to residential mortgage loan servicers.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1157 - Funding Summary

	Base Budget	House Changes	House Version
Department of Veterans' Affairs			
Fisher house		$500,000	$500,000
Total all funds	$0	$500,000	$500,000
Less estimated income	0	0	0
General fund	$0	$500,000	$500,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$500,000	$500,000
Less estimated income	0	0	0
General fund	$0	$500,000	$500,000
FTE	0.00	0.00	0.00

House Bill No. 1157 - Department of Veterans' Affairs - House Action

This bill provides a one-time appropriation of $500,000 from the general fund to the Department of Veterans' Affairs for providing a grant to assist in the construction of the Fisher House at the Fargo Veterans' Affairs Medical Center during the 2023-25 biennium. The 2021 Legislative Assembly appropriated $500,000 from federal funds derived from the State Fiscal Recovery Fund for this purpose for the 2021-23 biennium, resulting in a total of $1 million appropriated for the 2021-23 and 2023-25 bienniums.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1182 - Funding Summary

	Base Budget	House Changes	House Version
Department of Veterans' Affairs			
Funeral service reimbursement		$135,000	$135,000
Total all funds	$0	$135,000	$135,000
Less estimated income	0	0	0
General fund	$0	$135,000	$135,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$135,000	$135,000
Less estimated income	0	0	0
General fund	$0	$135,000	$135,000
FTE	0.00	0.00	0.00

House Bill No. 1182 - Department of Veterans' Affairs - House Action

This bill provides a $135,000 appropriation from the general fund to the Department of Veterans' Affairs for providing reimbursement to a veterans' service organization that provides a funeral service at a military honors funeral.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1199 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Dept. of Career and Technical Education			
Career center initiative grants		$70,276,228	$70,276,228
Total all funds	$0	$70,276,228	$70,276,228
Less estimated income	0	68,276,228	68,276,228
General fund	$0	$2,000,000	$2,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$70,276,228	$70,276,228
Less estimated income	0	68,276,228	68,276,228
General fund	$0	$2,000,000	$2,000,000
FTE	0.00	0.00	0.00

House Bill No. 1199 - Dept. of Career and Technical Education - House Action

This bill:

- Appropriates $68,276,228 from a Bank of North Dakota line of credit to the Department of Career and Technical Education for the purpose of providing grants to entities approved by the State Board for Career and Technical Education to building career academies through the statewide area and career center initiative grant program;
- Appropriates one-time funding of $2 million from the general fund to the Department of Career and Technical Education for the purpose of paying accrued interest on a Bank of North Dakota line of credit used for the statewide area and career center initiative grant program;
- Provides an exemption to allow the Department of Career and Technical Education to continue funding appropriated by the 2021 Legislative Assembly from the federal Coronavirus Capital Projects Fund for the statewide area and career center initiative grant program for the 2021-23 biennium into the 2023-25 biennium;
- Allows the Department of Career and Technical Education to award funding for a career academy project to foundations working with school districts on the project; and
- Provides for a transfer of $20 million from Bank of North Dakota profits to the partnership in assisting community expansion fund.

House Bill No. 1199 - Dept. of Career and Technical Education - Senate Action

The Senate did not change the House version of House Bill No. 1199.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1225 - Funding Summary

	Base Budget	House Changes	House Version
State Tax Commissioner			
Online property tax portal		$424,000	$424,000
Total all funds	$0	$424,000	$424,000
Less estimated income	0	0	0
General fund	$0	$424,000	$424,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$424,000	$424,000
Less estimated income	0	0	0
General fund	$0	$424,000	$424,000
FTE	0.00	0.00	0.00

House Bill No. 1225 - State Tax Commissioner - House Action

This bill appropriates $424,000 from the general fund to the State Tax Commissioner for the development of an online portal for electronically accessible statewide property and property tax information based on geographic information system data. Of the $424,000, $130,000 is considered a one-time funding item.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1232 - Funding Summary

	Base Budget	House Changes	House Version
Dept. of Career and Technical Education			
Virtual reality software		$500,000	$500,000
Total all funds	$0	$500,000	$500,000
Less estimated income	0	500,000	500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$500,000	$500,000
Less estimated income	0	500,000	500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1232 - Dept. of Career and Technical Education - House Action

This bill provides a one-time $500,000 appropriation from the federal State Fiscal Recovery Fund to the Department of Career and Technical Education for the purpose of purchasing career exploration virtual reality software capable of integrating with the RUReady career resource network.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1242 - Funding Summary

	Base Budget	House Changes	House Version
Information Technology Department			
Line of credit repayment		$20,000,000	$20,000,000
Statewide interoperable radio network		80,000,000	80,000,000
Total all funds	$0	$100,000,000	$100,000,000
Less estimated income	0	100,000,000	100,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$100,000,000	$100,000,000
Less estimated income	0	100,000,000	100,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1242 - Information Technology Department - House Action

This bill:

- Provides for a transfer of $20 million from Bank of North Dakota profits to the statewide interoperable radio network (SIRN) fund and appropriates the $20 million from the SIRN fund to the Information Technology Department for the purpose of repaying a Bank line of credit authorized by the 2019 Legislative Assembly. The funding is considered a one-time funding item;
- Provides a one-time appropriation of $80 million from the federal State Fiscal Recovery Fund for the SIRN project; and
- Provides for a Legislative Management study of emergency and interoperable public safety communication system governance needs and options.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1276 - Funding Summary

	Base Budget	House Changes	House Version
Department of Agriculture			
Agriculture diversification		$30,000,000	$30,000,000
Total all funds	$0	$30,000,000	$30,000,000
Less estimated income	0	0	0
General fund	$0	$30,000,000	$30,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$30,000,000	$30,000,000
Less estimated income	0	0	0
General fund	$0	$30,000,000	$30,000,000
FTE	0.00	0.00	0.00

House Bill No. 1276 - Department of Agriculture - House Action

This bill:

- Authorizes the Agriculture Commissioner to provide grants from the agriculture diversification and development fund, including grants to political subdivisions for infrastructure necessary for the development or expansion of a value-added agriculture facility;
- Requires the Agriculture Diversification and Development Committee to develop grant guidelines and to make grant recommendations. The committee is required to designate the amount available from the agriculture diversification and development fund for loans to be spent by the Bank of North Dakota and for grants to be spent by the Agriculture Commissioner; and
- Appropriates $30 million of one-time funding from the general fund, which is transferred to the agriculture diversification and development fund. Of this amount, $10 million is available for grants to political subdivisions. The Agriculture Commissioner is provided a continuing appropriation from the agriculture diversification and development fund to provide grants.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1306 - Funding Summary

	Base Budget	House Changes	House Version
Department of Public Instruction			
Dyslexia voucher program		$300,000	$300,000
Total all funds	$0	$300,000	$300,000
Less estimated income	0	0	0
General fund	$0	$300,000	$300,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$300,000	$300,000
Less estimated income	0	0	0
General fund	$0	$300,000	$300,000
FTE	0.00	0.00	0.00

House Bill No. 1306 - Department of Public Instruction - House Action

This bill appropriates $300,000 from the general fund to the Department of Public Instruction for a dyslexia voucher program and allows the department to use up to 5 percent of the funding for administrative costs.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1307 - Funding Summary

	Base Budget	House Changes	House Version
Attorney General			
Back the blue grants		$5,000,000	$5,000,000
Total all funds	$0	$5,000,000	$5,000,000
Less estimated income	0	0	0
General fund	$0	$5,000,000	$5,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$5,000,000	$5,000,000
Less estimated income	0	0	0
General fund	$0	$5,000,000	$5,000,000
FTE	0.00	0.00	0.00

House Bill No. 1307 - Attorney General - House Action

This bill provides a one-time appropriation of $5 million from the general fund to the Attorney General for a back the blue grant program to assist local law enforcement agencies with workforce recruitment and retention. The funding may be used for providing hiring and retention bonuses to new and current law enforcement and correctional officers and providing tuition and fee payments on behalf of law enforcement trainees.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1375 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Other			
Home study reports		$262,000	$262,000
Total all funds	$0	$262,000	$262,000
Less estimated income	0	0	0
General fund	$0	$262,000	$262,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$262,000	$262,000
Less estimated income	0	0	0
General fund	$0	$262,000	$262,000
FTE	0.00	0.00	0.00

House Bill No. 1375 - DHHS - Other - House Action

This bill appropriates $262,000 from the general fund to the Department of Health and Human Services for reimbursing nonprofit child-placing agencies for the costs of completing home study reports.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1379 - Funding Summary

	Base Budget	House Changes	House Version
State Treasurer			
County and township bridge repairs		$100,000,000	$100,000,000
Total all funds	$0	$100,000,000	$100,000,000
Less estimated income	0	100,000,000	100,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bank of North Dakota			
Economic diversification research		$10,000,000	$10,000,000
Total all funds	$0	$10,000,000	$10,000,000
Less estimated income	0	10,000,000	10,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Department of Commerce			
Strategic workforce initiatives		$10,000,000	$10,000,000
Total all funds	$0	$10,000,000	$10,000,000
Less estimated income	0	10,000,000	10,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$120,000,000	$120,000,000
Less estimated income	0	120,000,000	120,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1379 - State Treasurer - House Action

The schedule below provides information on the 2023-25 biennium allocations from the legacy earnings fund under current law and the changes in engrossed House Bill No. 1379.

Current Law	Engrossed House Bill No. 1379 - House Version

Allocations from the legacy earnings fund based on the percent of market value using 7 percent of the 5-year average balance of the legacy fund
• First $150 million to the legacy sinking and interest fund.
• Next $60 million to the highway tax distribution fund.
• Any remaining amounts for other legislative purposes including:
  • Up to $50 million for tax relief pursuant to appropriations or transfers.
  • Up to $30 million to the clean sustainable energy fund pursuant to appropriations or transfers.
  • Up to $30 million for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers.
	Allocations from the legacy earnings fund based on the percent of market value using 7 percent of the 5-year average balance of the legacy fund.
	• First $150 million to the legacy sinking and interest fund.
	• Next $60 million to the highway tax distribution fund.
	• Next $200 million for tax relief pursuant to appropriation or transfer.
	• Next $30 million to the clean sustainable energy fund.
	• Next $10 million to a newly created economic diversification research fund.
	• Next $10 million to the innovation loan fund to support technology advancement.
	• Next $10 million to a newly created workforce development and enrichment fund.
	• Next $16.6 million to a newly created legacy projects fund.

Allocations from the legacy earnings fund exceeding the percent of market value • An amount equal to any appropriations from the legacy sinking and interest fund for bond payments to be retained in the legacy earnings fund. • First $100 million to the legacy fund to become part of the principal. • Any remaining amounts to the strategic investment and improvements fund.	**Allocations from the legacy earnings fund exceeding the percent of market value** • First $73.4 million to a newly created legacy projects fund. • Next $100 million to the a newly created county and township bridge fund. • Next $15 million to the agriculture diversification and development fund. • Next $15 million to the bioscience innovation grant program. • An amount equal to 1 percent of the 5-year average balance of the legacy fund to the legacy fund to become part of the principal. • Any remaining amounts to the strategic investment and improvements fund.
	Other sections in bill, excluding appropriations • Creates an economic diversification fund to provide grants to institutions of higher education for research projects. • Amends the legacy sinking and interest fund to remove a transfer to the Public Employees Retirement System main system plan effective July 1, 2025. • Creates a workforce development and enrichment fund to provide grants to support workforce development through one-time projects and initiatives. • Provides a separate allocation of $70 million from the legacy earnings fund to the Public Employees Retirement System main system plan effective July 1, 2025. • Creates a legacy projects fund and a legacy projects advisory board to recommend funding for projects and infrastructure with a statewide benefit. • Creates a county and township bridge fund to provide grants to counties for the repair or replacement of county and township bridges.

The bill provides a contingent appropriation of $100 million from the county and township bridge fund to the State Treasurer for grants to counties for county and township bridge repairs or replacement based on the bridge needs identified in the most recent road and bridge needs report from the Upper Great Plains Transportation Institute. The appropriation is contingent upon the county and township bridge fund receiving an allocation from the legacy earnings fund.

House Bill No. 1379 - Bank of North Dakota - House Action

This bill includes an appropriation of $10 million to the Bank of North Dakota from the economic diversification research fund for grants to institutions of higher education for economic diversification research.

House Bill No. 1379 - Department of Commerce - House Action

This bill appropriates $10 million from the workforce development and enrichment fund to the Department of Commerce for grants to support strategic workforce development, technical education, workforce diversification initiatives, and workforce guidance and support.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1388 - Funding Summary

	Base Budget	House Changes	House Version
Attorney General			
Law enforcement dogs		$30,000	$30,000
Total all funds	$0	$30,000	$30,000
Less estimated income	0	0	0
General fund	$0	$30,000	$30,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$30,000	$30,000
Less estimated income	0	0	0
General fund	$0	$30,000	$30,000
FTE	0.00	0.00	0.00

House Bill No. 1388 - Attorney General - House Action

This bill provides a $30,000 appropriation from the general fund to the Attorney General for a newly created program to support retired law enforcement dogs.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1390 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Other			
Suicide fatality review		$15,000	$15,000
Total all funds	$0	$15,000	$15,000
Less estimated income	0	0	0
General fund	$0	$15,000	$15,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$15,000	$15,000
Less estimated income	0	0	0
General fund	$0	$15,000	$15,000
FTE	0.00	0.00	0.00

House Bill No. 1390 - DHHS - Other - House Action

This bill appropriates $15,000 from the general fund to the Department of Health and Human Services for the activities of the Suicide Fatality Review Commission.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1415 - Funding Summary

	Base Budget	House Changes	House Version
Attorney General			
Local law enforcement grant		$480,000	$480,000
Total all funds	$0	$480,000	$480,000
Less estimated income	0	0	0
General fund	$0	$480,000	$480,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$480,000	$480,000
Less estimated income	0	0	0
General fund	$0	$480,000	$480,000
FTE	0.00	0.00	0.00

House Bill No. 1415 - Attorney General - House Action

This bill provides a one-time appropriation of $480,000 from the general fund to the Attorney General for establishing a law enforcement staffing grant program.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1437 - Funding Summary

	Base Budget	House Changes	House Version
Department of Agriculture			
Regional livestock grants		$600,000	$600,000
Total all funds	$0	$600,000	$600,000
Less estimated income	0	0	0
General fund	$0	$600,000	$600,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$600,000	$600,000
Less estimated income	0	0	0
General fund	$0	$600,000	$600,000
FTE	0.00	0.00	0.00

House Bill No. 1437 - Department of Agriculture - House Action

This bill creates a regional livestock development and planning grant program and appropriates $600,000 of ongoing funding from the general fund for grants to counties and townships to identify rural areas for agricultural-related development and to assist with the review of township zoning and land use regulations.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1447 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Other			
Opioid remediation and abatement		$8,000,000	$8,000,000
Total all funds	$0	$8,000,000	$8,000,000
Less estimated income	0	8,000,000	8,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$8,000,000	$8,000,000
Less estimated income	0	8,000,000	8,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1447 - DHHS - Other - House Action

This bill appropriates $8 million from the opioid settlement fund to the Department of Health and Human Services for opioid remediation and abatement efforts.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1477 - Funding Summary

	Base Budget	House Changes	House Version
DHHS - Other			
Rural emergency medical services		$7,000,000	$7,000,000
Total all funds	$0	$7,000,000	$7,000,000
Less estimated income	0	7,000,000	7,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$7,000,000	$7,000,000
Less estimated income	0	7,000,000	7,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1477 - DHHS - Other - House Action

This bill appropriates $7 million from the community health trust fund to the Department of Health and Human Services for grants to rural emergency medical services and rural ambulance service districts.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1491 - Funding Summary

	Base Budget	House Changes	House Version
Department of Public Instruction			
School meals		$6,000,000	$6,000,000
Total all funds	$0	$6,000,000	$6,000,000
Less estimated income	0	0	0
General fund	$0	$6,000,000	$6,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$6,000,000	$6,000,000
Less estimated income	0	0	0
General fund	$0	$6,000,000	$6,000,000
FTE	0.00	0.00	0.00

House Bill No. 1491 - Department of Public Instruction - House Action

This bill appropriates $6 million from the general fund to the Superintendent of Public Instruction for grants to school districts to provide free meals to students below 200 percent of federal poverty level.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1519 - Funding Summary

	Base Budget	House Changes	House Version
Dept. of Career and Technical Education			
Unmanned aircraft system grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	250,000	250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
DHHS - Other			
Unmanned aircraft system grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	250,000	250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Industrial Commission			
Unmanned aircraft system grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	250,000	250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Department of Agriculture			
Unmanned aircraft system grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	250,000	250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Department of Transportation			
Unmanned aircraft system grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	250,000	250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,250,000	$1,250,000
Less estimated income	0	1,250,000	1,250,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

House Bill No. 1519 - Dept. of Career and Technical Education - House Action

This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Department of Career and Technical Education for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to a workforce training center serving the Northwest area of the state. The

department may require $1 of matching funds from the applicant for every $4 provided by the department.

House Bill No. 1519 - DHHS - Other - House Action

This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Department of Health and Human Services for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to emergency medical services providers to enhance emergency medical services in rural areas of the state. The department may require $1 of matching funds from the applicant for every $4 provided by the department.

House Bill No. 1519 - Industrial Commission - House Action

This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Industrial Commission for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities in the oil and gas industry for inspecting, operating, maintaining, or constructing oil and gas infrastructure. The Industrial Commission may require $1 of matching funds from the applicant for every $4 provided by the agency.

House Bill No. 1519 - Department of Agriculture - House Action

This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Agriculture Commissioner for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities in the agriculture industry for inspecting, operating, maintaining, or constructing agriculture property or infrastructure. The department may require $1 of matching funds from the applicant for every $4 provided by the department.

House Bill No. 1519 - Department of Transportation - House Action

This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Department of Transportation for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to political subdivisions for inspecting, operating, maintaining, or constructing critical infrastructure. The department may require $1 of matching funds from the applicant for every $4 provided by the department.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1532 - Funding Summary

	Base Budget	House Changes	House Version
Department of Public Instruction			
Nonpublic school reimbursement		$24,000,000	$24,000,000
Total all funds	$0	$24,000,000	$24,000,000
Less estimated income	0	0	0
General fund	$0	$24,000,000	$24,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$24,000,000	$24,000,000
Less estimated income	0	0	0
General fund	$0	$24,000,000	$24,000,000
FTE	0.00	0.00	0.00

House Bill No. 1532 - Department of Public Instruction - House Action

This bill appropriates $24 million from the general fund to the Department of Public Instruction to establish an educational reimbursement program.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Governor's Office			
Salaries and wages	$3,861,034	$695,043	$4,556,077
Operating expenses	421,635	217,696	639,331
Capital assets	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	284,475	20,285	304,760
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	$4,587,944	$998,024	$5,585,968
Less estimated income	0	0	0
General fund	$4,587,944	$998,024	$5,585,968
FTE	17.00	1.00	18.00
Bill total			
Total all funds	$4,587,944	$998,024	$5,585,968
Less estimated income	0	0	0
General fund	$4,587,944	$998,024	$5,585,968
FTE	17.00	1.00	18.00

Senate Bill No. 2001 - Governor's Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$3,861,034	$695,043	$4,556,077
Operating expenses	421,635	217,696	639,331
Capital assets	10,000		10,000
Rough Rider Awards	10,800		10,800
Governor's salary	284,475	20,285	304,760
Transition in		15,000	15,000
Transition out		50,000	50,000
Total all funds	$4,587,944	$998,024	$5,585,968
Less estimated income	0	0	0
General fund	$4,587,944	$998,024	$5,585,968
FTE	17.00	1.00	18.00

Department 101 - Governor's Office - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds New FTE Position[3]	Adds Funding for Capitol Rent[4]	Adds One-Time Funding for Constituent Software[5]	Adds One-Time Funding for Transition Costs[6]
Salaries and wages	$123,968	$320,171	$250,904			
Operating expenses	(72,158)			$159,854	$130,000	
Capital assets						
Rough Rider Awards						
Governor's salary	2,817	17,468				
Transition in						$15,000
Transition out						50,000
Total all funds	$54,627	$337,639	$250,904	$159,854	$130,000	$65,000
Less estimated income	0	0	0	0	0	0
General fund	$54,627	$337,639	$250,904	$159,854	$130,000	$65,000
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	$695,043
Operating expenses	217,696
Capital assets	
Rough Rider Awards	
Governor's salary	20,285
Transition in	15,000
Transition out	50,000
Total all funds	$998,024
Less estimated income	0
General fund	$998,024
FTE	1.00

[1] Funding is adjusted for base payroll and budget changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund
Salary increase	$251,277
Health insurance increase	86,362
Total	$337,639

[3] Funding is provided for the Governor to add either a new communications or policy advisor FTE position.

[4] Funding is added for a new Capitol space rent model program.

[5] One-time funding from the general fund is added for constituent management software.

[6] One-time funding from the general fund is added for governor transition costs.

This amendment also:

- Amends the North Dakota Century Code sections necessary to provide the Governor and Lieutenant Governor salary increases of 4 percent each year of the 2023-25 biennium;
- Allows the Governor to decline a salary during the 2023-25 biennium and authorizes funds in the Governor's salary line item to be transferred to other line items;
- Authorizes up to $100,000 of line item transfers for the 2023-25 biennium;
- Allows 2021-23 biennium funding for Rough Rider Awards to be continued into the 2023-25 biennium; and
- Allows the Governor to accept and expend other funds, including funds of more than $150,000 received from a single source.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Secretary of State			
Salaries and wages	$5,528,082	$800,244	$6,328,326
Operating expenses	3,308,424	3,175,907	6,484,331
Grants	25,000		25,000
Petition review	8,000		8,000
Election reform	4,699,689	1,324,371	6,024,060
Total all funds	$13,569,195	$5,300,522	$18,869,717
Less estimated income	8,305,574	3,727,501	12,033,075
General fund	$5,263,621	$1,573,021	$6,836,642
FTE	33.00	1.00	34.00
Public Printing			
Public printing	$257,931	$13,404	$271,335
Total all funds	$257,931	$13,404	$271,335
Less estimated income	0	0	0
General fund	$257,931	$13,404	$271,335
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$13,827,126	$5,313,926	$19,141,052
Less estimated income	8,305,574	3,727,501	12,033,075
General fund	$5,521,552	$1,586,425	$7,107,977
FTE	33.00	1.00	34.00

Senate Bill No. 2002 - Secretary of State - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$5,528,082	$800,244	$6,328,326
Operating expenses	3,308,424	3,175,907	6,484,331
Grants	25,000		25,000
Petition review	8,000		8,000
Election reform	4,699,689	1,324,371	6,024,060
Total all funds	$13,569,195	$5,300,522	$18,869,717
Less estimated income	8,305,574	3,727,501	12,033,075
General fund	$5,263,621	$1,573,021	$6,836,642
FTE	33.00	1.00	34.00

Department 108 - Secretary of State - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Salary Equity Funding for Elected Officials[3]	Adjusts Funding for Salaries and Wages[4]	Adds Election Specialist FTE Position[5]	Adds Funding for Changes in Employee Duties[6]
Salaries and wages	$260,050	$413,446	$26,748			$100,000
Operating expenses						
Grants						
Petition review						
Election reform		9,478			$200,950	
Total all funds	$260,050	$422,924	$26,748	$0	$200,950	$100,000
Less estimated income	208,745	60,442	0	(479,143)	200,950	0
General fund	$51,305	$362,482	$26,748	$479,143	$0	$100,000
FTE	0.00	0.00	0.00	0.00	1.00	0.00

	Adds Matching Funds[7]	Adjusts Operating Funding[8]	Adds One-Time Funding[9]	Total Senate Changes
Salaries and wages				$800,244
Operating expenses		$1,675,907	$1,500,000	3,175,907
Grants				
Petition review				
Election reform	$200,000	(86,057)	1,000,000	1,324,371
Total all funds	$200,000	$1,589,850	$2,500,000	$5,300,522
Less estimated income	0	1,236,507	2,500,000	3,727,501
General fund	$200,000	$353,343	$0	$1,573,021
FTE	0.00	0.00	0.00	1.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$236,186	$39,392	$275,578
Health insurance increase	126,296	21,050	147,346
Total	$362,482	$60,442	$422,924

[3] Funding is added for providing a salary equity increase for the Secretary of State. The Secretary of State's annual salary is increased from the current level of $114,486 to $130,000 (13.6 percent) effective July 1, 2023. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees.

[4] Funding of $479,143 for salaries and wages is provided from the general fund instead of from special funds.

[5] Funding of $200,950 from federal funds is added for a new FTE election specialist position and related operating expenses.

[6] Funding of $100,000 from the general fund is added for increased salaries and wages relating to changes in employee responsibilities and duties.

[7] Funding of $200,000 from the general fund is added to match federal Help America Vote Act funds.

[8] Operating funding is adjusted as follows:

	General Fund	Other Funds	Total
Election reform		($86,057)	($86,057)
Capitol space rent model	$201,331		201,331
Text messaging software and ongoing maintenance	165,000	165,000	330,000
Various operating adjustments, including an increase in information technology expenses	(12,988)	1,157,564	1,144,576
Total	$353,343	$1,236,507	$1,589,850

[9] One-time funding is added as follows:
- $1 million from the strategic investment and improvements fund is added for a new campaign system and contracted information technology services to redesign the Secretary of State's website;
- $500,000 from the strategic investment and improvements fund is added for information technology system enhancements to FirstStop, the Central Indexing System, and other systems; and
- $1 million from federal funds derived from the Help America Vote Act is added for election reform expenses.

This amendment also:
- Adds a section to allow the Secretary of State to transfer up to $100,000 between line items; and
- Adds a section to provide the statutory changes necessary to increase the Secretary of State's annual salary to $130,000 (13.6 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024.

Senate Bill No. 2002 - Public Printing - Senate Action

	Base Budget	Senate Changes	Senate Version
Public printing	$257,931	$13,404	$271,335
Total all funds	$257,931	$13,404	$271,335
Less estimated income	0	0	0
General fund	$257,931	$13,404	$271,335
FTE	0.00	0.00	0.00

Department 109 - Public Printing - Detail of Senate Changes

	Increases Funding for Public Printing[1]	Total Senate Changes
Public printing	$13,404	$13,404
Total all funds	$13,404	$13,404
Less estimated income	0	0
General fund	$13,404	$13,404
FTE	0.00	0.00

[1] Funding of $13,404 from the general fund is added for public printing expenses.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Attorney General			
Salaries and wages	$50,295,349	$6,180,262	$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	$85,156,437	$21,064,263	$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	$42,646,718	$20,940,133	$63,586,851
FTE	253.00	7.00	260.00
Bill total			
Total all funds	$85,156,437	$21,064,263	$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	$42,646,718	$20,940,133	$63,586,851
FTE	253.00	7.00	260.00

Senate Bill No. 2003 - Attorney General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$50,295,349	$6,180,262	$56,475,611
Operating expenses	15,237,498	2,450,937	17,688,435
Capital assets	648,055	2,912,522	3,560,577
Grants	3,903,440		3,903,440
Litigation fees	127,500		127,500
Medical examinations	660,000		660,000
North Dakota lottery	5,254,844	178,602	5,433,446
Arrest and return of fugitives	8,500		8,500
Gaming commission	7,489		7,489
Criminal justice information sharing	4,074,968	471,677	4,546,645
Law enforcement	3,048,927	4,145,778	7,194,705
Human trafficking victims grants	1,101,879	9,601	1,111,480
Forensic nurse examiners grants	250,691	2,181	252,872
State Crime Laboratory salary equity	537,297	(537,297)	
Statewide litigation pool		5,000,000	5,000,000
Additional income		250,000	250,000
Total all funds	$85,156,437	$21,064,263	$106,220,700
Less estimated income	42,509,719	124,130	42,633,849
General fund	$42,646,718	$20,940,133	$63,586,851
FTE	253.00	7.00	260.00

Department 125 - Attorney General - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Funding for Prior Biennium Salary Equity Increases[3]	Adds Funding for FTE Positions[4]	Adds Funding for the Medicaid Fraud Control Unit[5]	Transfers the State Fire Marshal[6]
Salaries and wages	$519,493	$3,589,614		$2,615,910	$715,753	($1,797,805)
Operating expenses				772,912	102,419	(365,094)
Capital assets						
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	8,471	156,756				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		76,341				
Law enforcement	14,398	222,387				
Human trafficking victims grants	936	8,665				
Forensic nurse examiners grants	198	1,983				
State Crime Laboratory salary equity						
Statewide litigation pool						
Additional income						
Total all funds	$543,496	$4,055,746	$0	$3,388,822	$818,172	($2,162,899)
Less estimated income	151,470	1,548,160	(2,404,289)	0	271,880	(1,275,214)
General fund	$392,026	$2,507,586	$2,404,289	$3,388,822	$546,292	($887,685)
FTE	0.00	0.00	0.00	12.00	3.00	(8.00)

	Adjusts Base Level Funding[7]	Adds Funding for Software Costs[8]	Adds Funding for the Capitol Rent Model[9]	Adds One-Time Funding for FTE Positions[10]	Adds One-Time Funding for Capital Assets[11]	Adds One-Time Funding for Inflationary Increases[12]
Salaries and wages	$537,297					
Operating expenses	258,439	$831,700	$259,708	$434,390		$156,463
Capital assets	(264,055)			357,700	$2,818,877	
Grants						
Litigation fees						
Medical examinations						
North Dakota lottery	13,375					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(261)	395,597				
Law enforcement	8,993					
Human trafficking victims grants						
Forensic nurse examiners grants						
State Crime Laboratory salary equity	(537,297)					
Statewide litigation pool						
Additional income						
Total all funds	$16,491	$1,227,297	$259,708	$792,090	$2,818,877	$156,463
Less estimated income	(791,961)	324,000	0	51,955	1,555,877	0
General fund	$808,452	$903,297	$259,708	$740,135	$1,263,000	$156,463
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for the Litigation Funding Pool[13]	Adds One-Time Funding for Law Enforcement Grants[14]	Adds One-Time Funding for Additional Income[15]	Total Senate Changes
Salaries and wages				$6,180,262
Operating expenses				2,450,937
Capital assets				2,912,522
Grants				
Litigation fees				
Medical examinations				
North Dakota lottery				178,602
Arrest and return of fugitives				
Gaming commission				
Criminal justice information sharing				471,677
Law enforcement		$3,900,000		4,145,778
Human trafficking victims grants				9,601
Forensic nurse examiners grants				2,181
State Crime Laboratory salary equity				(537,297)
Statewide litigation pool	$5,000,000			5,000,000
Additional income			$250,000	250,000
Total all funds	$5,000,000	$3,900,000	$250,000	$21,064,263
Less estimated income	442,252	0	250,000	124,130
General fund	$4,557,748	$3,900,000	$0	$20,940,133
FTE	0.00	0.00	0.00	7.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$1,778,318	$1,083,827	$2,862,145
Health insurance increase	729,268	464,333	1,193,601
Total	$2,507,586	$1,548,160	$4,055,746

[3] Funding of $2,404,289 is adjusted for prior biennium salary equity increases for Bureau of Criminal Investigation (BCI), Medicaid Fraud Control Unit (MFCU), and State Crime Laboratory positions by reducing funding from the Attorney General refund fund and increasing funding from the general fund.

[4] Funding is added from the general fund for the following FTE positions:

	FTE Positions	Salaries and Wages	Operating Expenses	Total
Attorney positions	2.00	$548,296	$83,540	$631,836
BCI cybercrime positions	3.00	677,355	162,621	839,976
BCI criminal investigator positions	3.00	677,355	162,674	840,029
State Crime Laboratory positions	4.00	712,904	364,077	1,076,981
Total	12.00	$2,615,910	$772,912	$3,388,822

[5] Funding of $840,029, including $715,753 for salaries and wages and $102,419 for related operating expenses, is added from the general fund for 3 FTE MFCU positions. In addition, funding for MFCU is adjusted by $341,747 by reducing federal funds and increasing funding from the general fund to reflect a change in the federal-state cost-sharing of the program. Previously, the federal government provided funding for 90 percent of the costs of the MFCU program. The new federal funding rate is 75 percent.

[6] Funding of $2,162,899 for 8 FTE positions for the State Fire Marshal is transferred from the Attorney General to the Insurance Commissioner. Funding removed in the Attorney General budget includes $887,685 from the general fund, $893,085 from the Attorney General operating fund, and $382,129 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.

[7] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Transfers $537,297 from the Attorney General refund fund for prior biennium State Crime Laboratory salary equity funding from a special line item to the salaries and wages line item	$0	$0	$0
Adds funding for salary equity increases from the Attorney General operating fund	0	22,368	22,368
Reduces funding for operating expenses from the Attorney General operating fund	0	(22,368)	(22,368)
Adjusts funding for Information Technology (IT) Division and Criminal Justice Information Sharing (CJIS) Division operating expenses by reducing funding from the Attorney General refund fund	856,262	(856,262)	0
Adds funding for the BCI, State Crime Laboratory, and Gaming Division inflationary increases, including funding from the charitable gaming operating fund	125,000	20,000	145,000
Adds funding for gaming, licensing, and deposit projects operating expenses, including funding from the charitable gaming operating fund	37,000	37,000	74,000
Adds funding for Information Technology Department rate increases	54,245	7,301	61,546
Adds funding to replace Attorney General IT servers	54,000	0	54,000
Reduces funding for bond payments for the State Crime Laboratory	(318,055)	0	(318,055)
Total	$808,452	($791,961)	$16,491

[8] Funding is added for software upgrades, maintenance, and subscription costs, as follows:

	General Fund	Other Funds	Total
Adds funding for increased software maintenance and subscription costs	$419,297	$0	$419,297
Adds federal funding for sexual assault kit tracking system software maintenance	0	180,000	180,000
Adds funding for the automated biometric identification system and data extraction software, of which $144,000 is from federal funds	384,000	144,000	528,000
Adds funding for legal case search software, also known as Discovery software	100,000	0	100,000
Total	$903,297	$324,000	$1,227,297

[9] Funding of $259,708 is added from the general fund for a new Capitol space rent model.

[10] One-time funding of $792,090 for operating expenses and capital assets for new FTE positions is added as follows:

	General Fund	Other Funds	Total
FTE attorney positions operating expenses	$12,520	$0	$12,520
FTE BCI cybercrime positions operating expenses ($159,717) and capital assets ($153,300)	313,017	0	313,017
FTE BCI criminal investigator positions operating expenses ($57,642) and capital assets ($153,300)	210,942	0	210,942
FTE MFCU positions operating expenses ($18,173) and capital assets ($51,100), of which $51,955 is from federal funds	17,318	51,955	69,273
FTE State Crime Laboratory operating expenses	186,338	0	186,338
Total	$740,135	$51,955	$792,090

[11] One-time funding of $2,818,877 is added for capital assets, as follows:

	General Fund	Other Funds	Total
State Crime Laboratory capital assets, including firearms and fingerprint software and testing equipment upgrades and the replacement of intoxilyzers. Of the total, $754,677 is from federal funds.	$886,000	$754,677	$1,640,677
Gaming Division and Consumer Protection and Antitrust Division vehicles and radios, of which $51,100 is from the Attorney General refund fund and $51,100 is from the charitable gaming operating fund	0	102,200	102,200
Gaming, licensing, and deposit software, including $699,000 from the charitable gaming operating fund	177,000	699,000	876,000
Replacement of 10 undercover BCI vehicles	200,000	0	200,000
Total	$1,263,000	$1,555,877	$2,818,877

[12] One-time funding of $156,463 is added from the general fund for BCI, State Crime Laboratory, and Gaming Division inflationary increases.

[13] One-time funding of $5,000,000 is added for the statewide litigation funding pool, of which $4,557,748 is from the general fund and $442,252 is from the gaming and excise tax allocation fund.

[14] One-time funding of $3.9 million is added from the general fund for law enforcement grant programs, including $3.5 million for a back the blue grant program and $400,000 for a law enforcement resiliency grant program.

[15] One-time funding of $250,000 is added from federal funds or other funds received during the 2023-25 biennium, the same amount provided for the 2017-19, 2019-21, and 2021-23 bienniums. This amount is appropriated in a separate section of the bill.

This amendment also adds sections to:

- Require the Attorney General to transfer funds appropriated in the statewide litigation funding pool line item to eligible state agencies for litigation expenses during the 2023-25 biennium and identifies $442,252 appropriated in the estimated income line item for the statewide litigation funding pool is from the gaming excise tax allocation fund;
- Identify $736,000 appropriated in the estimated income line item from the charitable gaming operating fund for the continued development and implementation of the charitable gaming technology system;
- Identify $1,111,480 appropriated from the general fund is for providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims. The Attorney General may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its program;
- Identify $252,872 appropriated from the general fund is for providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs. Any organization that receives a grant under this section is required to report to the Attorney General and the Appropriations Committees of the 69th Legislative Assembly on the use of the funds received and the outcomes of its programs;
- Identify $3.5 million appropriated from the general fund in the grants line item is for back the blue grants. Of this amount, $1.5 million is available exclusively to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. The Attorney General may spend funding for this program only to the extent the applicant has secured $1 for every $4 provided by the Attorney General;
- Identify $400,000 appropriated from the general fund in the law enforcement line item is for a law enforcement resiliency grant program to be provided to defray the administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel;
- Create a new section to North Dakota Century Code Chapter 50-06 to create an opioid settlement fund and deposit money received by the state as a result of opioid litigation in the fund;
- Amend Section 53-12.1-09 to increase transfers from the lottery operating fund to the multijurisdictional drug task force grant fund by $50,000, from $200,000 to $250,000 each quarter. This change will reduce general fund revenue by $400,000 for the 2023-25 biennium;
- Amend Section 54-12-11 to provide for the Attorney General's annual salary to increase from $169,162 to $175,928 effective July 1, 2023, and $182,965 effective July 1, 2024, to reflect the 4 percent and 4 percent approved salary increases;
- Require any person or entity requesting a criminal record check from BCI to pay a reasonable fee as determined by the Attorney General. The funding must be deposited in the general fund;
- Authorize the Attorney General to contract for legal services that are compensated by a contingent fee arrangement, relating to ongoing multistate technology litigation, during the 2023-25 biennium;
- Allow the Attorney General to retain the balance in the Attorney General refund fund at the end of the 2021-23 biennium to be used during the 2023-25 biennium, rather than transferring the balance to the general fund;
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the general fund during the 2015-17 biennium and continued into the 2017-19, 2019-21, and 2021-23 bienniums for a concealed weapon rewrite project into the 2023-25 biennium;
- Provide the Attorney General an exemption to continue any remaining funding of the $400,000 appropriated from the Attorney General refund fund during the 2021-23 biennium for the criminal history improvement project into the 2023-25 biennium;
- Provide the Attorney General an exemption to continue any remaining funding of the $2,082,871 appropriated from federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 biennium for justice assistance grants into the 2023-25 biennium;
- Provide the Attorney General an exemption to continue any remaining funding appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium for a missing persons database ($300,000), the replacement of the prosecuting case management system ($1 million), and charitable gaming IT costs ($50,000) into the 2023-25 biennium; and
- Provide for a Legislative Management study of the services and needs of the State Crime Laboratory.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2004 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Auditor			
Salaries and wages	$13,123,559	$3,294,346	$16,417,905
Operating expenses	1,371,703	522,368	1,894,071
Capital assets		70,550	70,550
Information technology consultants	450,000		450,000
Total all funds	$14,945,262	$3,887,264	$18,832,526
Less estimated income	5,826,152	2,335,579	8,161,731
General fund	$9,119,110	$1,551,685	$10,670,795
FTE	61.00	8.00	69.00
Bill total			
Total all funds	$14,945,262	$3,887,264	$18,832,526
Less estimated income	5,826,152	2,335,579	8,161,731
General fund	$9,119,110	$1,551,685	$10,670,795
FTE	61.00	8.00	69.00

Senate Bill No. 2004 - State Auditor - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$13,123,559	$3,294,346	$16,417,905
Operating expenses	1,371,703	522,368	1,894,071
Capital assets		70,550	70,550
Information technology consultants	450,000		450,000
Total all funds	$14,945,262	$3,887,264	$18,832,526
Less estimated income	5,826,152	2,335,579	8,161,731
General fund	$9,119,110	$1,551,685	$10,670,795
FTE	61.00	8.00	69.00

Department 117 - State Auditor - Detail of Senate Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adjusts Base Budget Funding[2]	Adds Funding for Salary and Benefit Increases[3]	Adds Salary Equity Funding for Elected Officials[4]	Adds Local Government Division Audit Positions[5]	Adds 1 FTE Education Coordinator Position[6]
Salaries and wages	$86,660	$17,593	$1,016,889	$26,748	$1,427,784	$218,672
Operating expenses		(17,593)			126,500	
Capital assets						
Information technology consultants						
Total all funds	$86,660	$0	$1,016,889	$26,748	$1,554,284	$218,672
Less estimated income	23,627	0	402,836	0	1,554,284	0
General fund	$63,033	$0	$614,053	$26,748	$0	$218,672
FTE	0.00	0.00	0.00	0.00	7.00	1.00

	Increases Funding for Temporary Salaries[7]	Increases Funding for Audit Software Upgrades[8]	Increases Funding for Information Technology[9]	Adds Funding for Capitol Space Rent Model[10]	Adds One-Time Funding for Local Government Auditors[11]	Adds One-Time Funding for Operating Expense Inflation[12]
Salaries and wages	$500,000					
Operating expenses		$115,564	$17,669	$178,228	$21,000	$81,000
Capital assets						
Information technology consultants						
Total all funds	$500,000	$115,564	$17,669	$178,228	$21,000	$81,000
Less estimated income	250,000	61,266	6,566	0	0	37,000
General fund	$250,000	$54,298	$11,103	$178,228	$21,000	$44,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Audit Software Upgrades[13]	Adds One-Time Funding for Equipment[14]	Total Senate Changes
Salaries and wages			$3,294,346
Operating expenses			522,368
Capital assets	$45,550	$25,000	70,550
Information technology consultants			
Total all funds	$45,550	$25,000	$3,887,264
Less estimated income	0	0	2,335,579
General fund	$45,550	$25,000	$1,551,685
FTE	0.00	0.00	8.00

[1] Funding is added for cost to continue salary increases.

[2] Base budget funding is adjusted to transfer $17,593 from operating expenses to salaries and wages.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$432,963	$318,639	$751,602
Health insurance increase	181090	84,197	265,287
Total	$614,053	$402,836	$1,016,889

[4] Funding is added for providing a salary equity increase for the State Auditor. The State Auditor's annual salary is increased from the current level of $114,486 to $130,000 (13.6 percent) effective July 1, 2023. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees.

[5] Funding is added from special funds in the agency's operating fund for local government audit positions and related ongoing operating expenses as follows:

- 1 FTE local government audit manager position ($308,364);
- 2 FTE local government auditor II positions ($415,480);
- 4 FTE local government auditor I positions ($703,940); and
- Ongoing operating expenses of $126,500 related to additional local government auditors.

[6] Funding is added for 1 FTE education coordinator position.

[7] Funding is added, including funding from special funds in the agency's operating fund, for temporary salaries for internships.

[8] Funding is increased, including funding from federal and special funds, for operating costs related to audit software upgrades.

[9] Funding is added, including funding from special funds in the agency's operating fund, for operating expenses related to Information Technology Department rate increases.

[10] Funding is added for operating expenses related to a new Capitol space rent model.

[11] One-time funding is added for operating expenses related to local government auditor positions.

[12] One-time funding, including funding from federal and special funds, is added for operating expenses related to travel and professional development inflationary increases.

[13] One-time funding is added for costs related to audit software upgrades.

[14] One-time funding is added for capital costs related to the replacement of equipment over $5,000.

This amendment also:

- Adds a section to provide a deficiency appropriation of $24,358 from the State Auditor operating account to the State Auditor to refund audit fees to local governments whose audit costs exceeded 1 percent of their revenues during the biennium ended June 30, 2023;
- Adds a section to provide the statutory changes necessary to increase the State Auditor's annual salary to $130,000 (13.6 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024; and
- Adds a section to declare the deficiency appropriation to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2005 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Treasurer			
Salaries and wages	$1,430,495	$121,511	$1,552,006
Operating expenses	157,423	128,923	286,346
Coal severance payments	118,000		118,000
Total all funds	$1,705,918	$250,434	$1,956,352
Less estimated income	0	0	0
General fund	$1,705,918	$250,434	$1,956,352
FTE	7.00	0.00	7.00
Bill total			
Total all funds	$1,705,918	$250,434	$1,956,352
Less estimated income	0	0	0
General fund	$1,705,918	$250,434	$1,956,352
FTE	7.00	0.00	7.00

Senate Bill No. 2005 - State Treasurer - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$1,430,495	$121,511	$1,552,006
Operating expenses	157,423	128,923	286,346
Coal severance payments	118,000		118,000
Total all funds	$1,705,918	$250,434	$1,956,352
Less estimated income	0	0	0
General fund	$1,705,918	$250,434	$1,956,352
FTE	7.00	0.00	7.00

Department 120 - State Treasurer - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Transfers Funding from Salaries to Operating[3]	Adds Funding for Operating Expenses[4]	Adds One-Time Funding for IT Costs[5]	Total Senate Changes
Salaries and wages	$11,768	$109,768	($25)			$121,511
Operating expenses			25	$107,898	$21,000	128,923
Coal severance payments						
Total all funds	$11,768	$109,768	$0	$107,898	$21,000	$250,434
Less estimated income	0	0	0	0	0	0
General fund	$11,768	$109,768	$0	$107,898	$21,000	$250,434
FTE	0.00	0.00	0.00	0.00	0.00	0.00

[1] Funding is added from the general fund for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$72,932	$0	$72,932
Health insurance increase	36,836	0	36,836
Total	$109,768	$0	$109,768

[3] Funding of $25 is transferred from the salaries and wages line item to the operating expenses line item related to increased operating expenses.

[4] Funding of $107,898 is added from the general fund for the following operating expenses:

- $10,802 for Information Technology Department rate increases;
- $12,000 for travel to professional development events;
- $82,936 for a new Capitol space rent model; and
- $2,160 for an electronic form subscription related to political subdivision reports submitted to the agency.

[5] One-time funding of $21,000 from the general fund is added for information technology programming costs.

A section is added to provide the statutory changes necessary to increase the State Treasurer's salary from the current salary of $114,486 to $119,065 (4 percent) effective July 1, 2023, and to $123,828 (4 percent) effective July 1, 2024.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Tax Commissioner			
Salaries and wages	$22,594,196	$1,656,202	$24,250,398
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000		6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' credit	16,300,000	2,445,000	18,745,000
Total all funds	$64,366,316	$6,648,452	$71,014,768
Less estimated income	125,000	0	125,000
General fund	$64,241,316	$6,648,452	$70,889,768
FTE	118.00	(1.00)	117.00
Bill total			
Total all funds	$64,366,316	$6,648,452	$71,014,768
Less estimated income	125,000	0	125,000
General fund	$64,241,316	$6,648,452	$70,889,768
FTE	118.00	(1.00)	117.00

Senate Bill No. 2006 - State Tax Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$22,594,196	$1,656,202	$24,250,398
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000		6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' credit	16,300,000	2,445,000	18,745,000
Total all funds	$64,366,316	$6,648,452	$71,014,768
Less estimated income	125,000	0	125,000
General fund	$64,241,316	$6,648,452	$70,889,768
FTE	118.00	(1.00)	117.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Removes an FTE Position[3]	Adds Salary Equity Funding for Elected Officials[4]	Adds Funding for Operating Expenses[5]	Adds Funding for Tax Credit Programs[6]
Salaries and wages	$159,434	$1,663,353	($167,444)	$859		
Operating expenses					$1,147,250	
Capital assets						
Homestead tax credit						$900,000
Disabled veterans' credit						2,445,000
Total all funds	$159,434	$1,663,353	($167,444)	$859	$1,147,250	$3,345,000
Less estimated income	0	0	0	0	0	0
General fund	$159,434	$1,663,353	($167,444)	$859	$1,147,250	$3,345,000
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds One-Time Funding for IT Costs[7]	Total Senate Changes
Salaries and wages		$1,656,202
Operating expenses	$500,000	1,647,250
Capital assets		
Homestead tax credit		900,000
Disabled veterans' credit		2,445,000
Total all funds	$500,000	$6,648,452
Less estimated income	0	0
General fund	$500,000	$6,648,452
FTE	0.00	(1.00)

[1] Funding is added from the general fund for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$1,110,808	$0	$1,110,808
Health insurance increase	552,545	0	552,545
Total	$1,663,353	$0	$1,663,353

[3] Funding of $167,444 from the general fund and 1 undesignated vacant FTE position are removed.

[4] Funding is added to provide a salary equity increase for the Tax Commissioner. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees. As a result, the Tax Commissioner's annual salary is increased from the current level of $124,250 to $130,000 (4.6 percent) effective July 1, 2023.

[5] Funding of $1,147,250 is added from the general fund for the following operating expenses:
- $36,596 for increases in Information Technology Department rates;
- $400,000 for GenTax support to provide total funding of $4.4 million;
- $96,000 for information technology data processing; and
- $614,654 for a new Capitol space rent model.

[6] Funding of $3,345,000 is added from the general fund to increase the funding for the homestead tax credit program by $900,000, from $18,000,000 to $18,900,000, and to increase the funding for the disabled veterans' tax credit program by $2,445,000, from $16,300,000 to $18,745,000.

[7] One-time funding of $500,000 is added from the general fund for GenTax support enhancements.

This amendment also adds sections to:
- Provide the statutory changes necessary to increase the Tax Commissioner's annual salary to $130,000 (4.6 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024.
- Create a sales and use tax exemption for materials to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel and provide effective and expiration dates related to the exemption. The sales and use tax exemption may decrease the collections deposited in the general fund and state aid distribution fund but the amount cannot be determined.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Labor Commissioner			
Salaries and wages	$2,394,979	$493,295	$2,888,274
Operating expenses	338,358	40,049	378,407
Total all funds	$2,733,337	$533,344	$3,266,681
Less estimated income	486,868	22,530	509,398
General fund	$2,246,469	$510,814	$2,757,283
FTE	13.00	0.00	13.00
Bill total			
Total all funds	$2,733,337	$533,344	$3,266,681
Less estimated income	486,868	22,530	509,398
General fund	$2,246,469	$510,814	$2,757,283
FTE	13.00	0.00	13.00

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$2,394,979	$493,295	$2,888,274
Operating expenses	338,358	40,049	378,407
Total all funds	$2,733,337	$533,344	$3,266,681
Less estimated income	486,868	22,530	509,398
General fund	$2,246,469	$510,814	$2,757,283
FTE	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding to Reclassify FTE Position[3]	Reduces Funding for Fringe Benefits and Operating Expenses[4]	Adds Funding for a New Capitol Space Rent Model[5]	Total Senate Changes
Salaries and wages	$16,463	$189,480	$310,862	($23,510)		$493,295
Operating expenses				(34,218)	$74,267	40,049
Total all funds	$16,463	$189,480	$310,862	($57,728)	$74,267	$533,344
Less estimated income	0	33,628	46,630	(57,728)	0	22,530
General fund	$16,463	$155,852	$264,232	$0	$74,267	$510,814
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$113,060	$23,811	$136,871
Health insurance increase	42,792	9,817	52,609
Total	$155,852	$33,628	$189,480

[3] Funding is added to reclassify an unfunded FTE compliance investigator II to a wage and hour division director position.

[4] Funding for fringe benefits and operating expenses is reduced.

[5] Funding is added for a new Capitol space rent model.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2008 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Public Service Commission			
Salaries and wages	$9,991,488	$1,956,555	$11,948,043
Operating expenses	1,801,570	296,167	2,097,737
Capital assets	25,000	100,000	125,000
Grants	20,000		20,000
Abandoned mined lands contractual	6,000,000		6,000,000
Rail rate complaint case	900,000		900,000
Railroad safety program	614,724	61,274	675,998
Specialized legal services	420,000		420,000
Total all funds	$19,772,782	$2,413,996	$22,186,778
Less estimated income	13,347,095	641,306	13,988,401
General fund	$6,425,687	$1,772,690	$8,198,377
FTE	43.00	4.00	47.00
Bill total			
Total all funds	$19,772,782	$2,413,996	$22,186,778
Less estimated income	13,347,095	641,306	13,988,401
General fund	$6,425,687	$1,772,690	$8,198,377
FTE	43.00	4.00	47.00

Senate Bill No. 2008 - Public Service Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$9,991,488	$1,956,555	$11,948,043
Operating expenses	1,801,570	296,167	2,097,737
Capital assets	25,000	100,000	125,000
Grants	20,000		20,000
Abandoned mined lands contractual	6,000,000		6,000,000
Rail rate complaint case	900,000		900,000
Railroad safety program	614,724	61,274	675,998
Specialized legal services	420,000		420,000
Total all funds	$19,772,782	$2,413,996	$22,186,778
Less estimated income	13,347,095	641,306	13,988,401
General fund	$6,425,687	$1,772,690	$8,198,377
FTE	43.00	4.00	47.00

Department 408 - Public Service Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Temporary Salaries and Railroad Safety Program[3]	Adds 4 FTE Positions[4]	Adds Salary Equity Funding for Elected Officials[5]	Adds Funding for ITD Increases[6]
Salaries and wages	$71,888	$715,983	$129,648	$919,018	$18,318	
Operating expenses				21,500		$42
Capital assets						
Grants						
Abandoned mined lands contractual						
Rail rate complaint case						
Railroad safety program	9,173	37,043	15,058			
Specialized legal services						
Total all funds	$81,061	$753,026	$144,706	$940,518	$18,318	$42
Less estimated income	27,589	309,523	106,706	209,330	0	0
General fund	$53,472	$443,503	$38,000	$731,188	$18,318	$42
FTE	0.00	0.00	0.00	4.00	0.00	0.00

	Adds Funding for Operating Expenses[7]	Adds Funding for Capitol Space Rent Model[8]	Adds One-Time Funding for Shortfall of Indirect Cost Recovery[9]	Adds One-Time Funding for Capital Assets[10]	Total Senate Changes
Salaries and wages			$101,700		$1,956,555
Operating expenses	$53,558	$221,067			296,167
Capital assets				$100,000	100,000
Grants					
Abandoned mined lands contractual					
Rail rate complaint case					
Railroad safety program					61,274
Specialized legal services					
Total all funds	$53,558	$221,067	$101,700	$100,000	$2,413,996
Less estimated income	(30,042)	0	0	18,200	641,306
General fund	$83,600	$221,067	$101,700	$81,800	$1,772,690
FTE	0.00	0.00	0.00	0.00	4.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary Increases	$314,322	$217,702	$532,024
Health insurance increase	129,181	91,821	$221,002
Total	$443,503	$309,523	$753,026

[3] Funding is increased for temporary salaries and the railroad safety program.

[4] Funding of $940,518, including $731,188 from the general fund and $209,330 from other funds, is added for 4 FTE positions and related operating expenses:

	FTE	Salaries and Wages	Operating Expenses	Total
Environmental scientist	1.00	$216,564	$0	$216,564
Legal assistant	1.00	164,482	3,000	167,482
Analyst and engineer	2.00	537,972	18,500	556,472
Total	4.00	$919,018	$21,500	$940,518

[5] Funding is added for providing a salary equity increase for the Public Service Commissioners. The Public Service Commissioners' annual salaries are increased from the current level of $117,610 to $124,800 (6 percent) effective July 1, 2023. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees.

[6] Funding is added for Information Technology Department rate increases.

[7] Funding for operating expenses is increased by $83,600 from the general fund and decreased by $30,042 from federal funds for dues and memberships.

[8] Funding is added from the general fund for a new Capitol space rent model.

[9] One-time funding is added for a shortfall of indirect cost recovery due to decreased federal indirect cost rates.

[10] One-time funding of $100,000 is added for a drone ($20,000), weights and measures equipment ($70,000), and copier replacement ($10,000).

This amendment also adds sections to:

- Provide for a line of credit at the Bank of North Dakota of $900,000 to pay costs associated with a rail rate complaint case. The section authorizing a $900,000 transfer from the beginning farmer revolving loan fund is removed;
- Amend North Dakota Century Code Section 57-43.2-19 to increase the deposit from special fuels taxes into the rail safety fund and to remove the sunset date; and
- Provide the statutory changes necessary to increase the Public Service Commissioners' annual salaries to $124,800 (6 percent) effective July 1, 2023, and to $129,792 (4 percent) effective July 1, 2024.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Agriculture			
Salaries and wages	$15,717,126	$1,693,446	$17,410,572
Operating expenses	6,848,052	588,121	7,436,173
Capital assets	15,000	(8,000)	7,000
Grants	9,031,774	1,922,195	10,953,969
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400	200,000	1,657,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	3,350,000	5,110,417
North Dakota trade office	1,600,000	500,000	2,100,000
Total all funds	$37,570,487	$8,245,762	$45,816,249
Less estimated income	24,110,775	6,025,073	30,135,848
General fund	$13,459,712	$2,220,689	$15,680,401
FTE	79.00	2.00	81.00
Bill total			
Total all funds	$37,570,487	$8,245,762	$45,816,249
Less estimated income	24,110,775	6,025,073	30,135,848
General fund	$13,459,712	$2,220,689	$15,680,401
FTE	79.00	2.00	81.00

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$15,717,126	$1,693,446	$17,410,572
Operating expenses	6,848,052	588,121	7,436,173
Capital assets	15,000	(8,000)	7,000
Grants	9,031,774	1,922,195	10,953,969
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400	200,000	1,657,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	3,350,000	5,110,417
North Dakota trade office	1,600,000	500,000	2,100,000
Total all funds	$37,570,487	$8,245,762	$45,816,249
Less estimated income	24,110,775	6,025,073	30,135,848
General fund	$13,459,712	$2,220,689	$15,680,401
FTE	79.00	2.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Salary Equity Funding for Elected Officials[3]	Adds Funding for FTE Positions[4]	Adjusts Base Level Funding[5]	Adds Funding for the Capitol Rent Model[6]
Salaries and wages	$115,069	$1,190,586	$2,535	$385,256		
Operating expenses				111,300	($221,315)	$198,136
Capital assets					(8,000)	
Grants					866,695	
State Board of Animal Health						
Wildlife services					200,000	
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota trade office						
Total all funds	$115,069	$1,190,586	$2,535	$496,556	$837,380	$198,136
Less estimated income	49,755	497,347	0	0	572,471	0
General fund	$65,314	$693,239	$2,535	$496,556	$264,909	$198,136
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adds Funding for a Royalty Oversight Program[7]	Adds Funding for Specialty Crop Block Grants[8]	Adds funding for APUC[9]	Adds One-Time Funding for APUC[10]	Adds One-Time Funding for the Trade Office[11]	Total Senate Changes
Salaries and wages						$1,693,446
Operating expenses	$500,000					588,121
Capital assets						(8,000)
Grants		$1,055,500				1,922,195
State Board of Animal Health						
Wildlife services						200,000
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission			$350,000	$3,000,000		3,350,000
North Dakota trade office					$500,000	500,000
Total all funds	$500,000	$1,055,500	$350,000	$3,000,000	$500,000	$8,245,762
Less estimated income	500,000	1,055,500	350,000	3,000,000	0	6,025,073
General fund	$0	$0	$0	$0	$500,000	$2,220,689
FTE	0.00	0.00	0.00	0.00	0.00	2.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$453,936	$309,206	$763,142
Health insurance increase	239,303	188,141	427,444
Total	$693,239	$497,347	$1,190,586

[3] Funding is added for providing a salary equity increase for the Agriculture Commissioner. The Agriculture Commissioner's annual salary is increased from the current level of $123,984 to $130,000 (4.9 percent) effective July 1, 2023. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees.

[4] Funding of $496,566 is added from the general fund for 2 FTE positions. Of the funding provided, $180,326 is for an FTE project manager and systems coordinator position, including $170,326 for salaries and wages and $10,000 for

operating expenses, and $316,230 is for an FTE marketing specialist position, including $214,930 for salaries and wages and $101,300 for operating expenses.

[5] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for information technology rate increases	$17,565	$12,568	$30,133
Adds funding for information technology data processing, communications, and services	10,078	215,059	225,137
Adjusts funding for travel, operating fees and services, and other operating expenses	47,266	(659,851)	(612,585)
Adds federal funding for the plant and potato cyst nematode program	0	26,000	26,000
Adds federal funding for the local food purchase assistance program for local underserved producers, including $110,000 for operating expenses and $868,000 for grants	0	978,000	978,000
Adjusts funding for capital assets to provide a total of $7,000 for capital assets from the environment and rangeland protection fund	(10,000)	2,000	(8,000)
Adds funding for noxious weeds grants, of which $80,000 is from federal funds and $118,695 is from the environment and rangeland protection fund to provide a total of $1,623,969, of which $170,000 is from federal funds and $1,453,969 is from the environment and rangeland protection fund	0	198,695	198,695
Reduces funding for the waterbank program to provide a total of $100,000 from the North Dakota outdoor heritage fund	0	(200,000)	(200,000)
Adds funding for aerial contract services for the Wildlife Services program to provide a total of $1,657,400 for the Wildlife Services program	200,000	0	200,000
Total	$264,909	$572,471	$837,380

[6] Funding of $198,136 is added from the general fund for a new Capitol space rent model.

[7] Funding of $500,000 is added from the abandoned oil and gas well plugging and site reclamation fund for a post-production royalty oversight program, allowing the Agriculture Commissioner to contract for ombudsmen to assist individuals and companies in royalty payment issues.

[8] Federal funding of $1,055,500 is added for the specialty crop block grant program to provide a total of $7,094,805 from federal funds. This amount does not include funding for the program from COVID-19 federal funds. A section is added to the bill to provide the Agriculture Commissioner an exemption to continue COVID-19 funding appropriated for the program for the 2019-21 biennium and continued into the 2021-23 biennium during the 2021 legislative session into the 2023-25 biennium.

[9] Funding of $350,000 is added from the Agricultural Products Utilization Commission (APUC) fund for the APUC program to provide total ongoing funding of $2,110,417 from the APUC fund.

[10] One-time funding of $3,000,000 is added from Bank of North Dakota profits for the APUC program to provide total funding of $5,110,417 for the program.

[11] One-time funding of $500,000 is added from the general fund for the North Dakota Trade Office to provide a total of $2.1 million from the general fund.

This amendment also:

- Adds a section providing for a $5.5 million transfer from the strategic investment and improvements fund to the bioscience innovation grant fund for the bioscience innovation grant program. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund;
- Adds a section providing for a $6.5 million transfer from the legacy earnings fund to the bioscience innovation grant fund for the bioscience innovation grant program to provide a total of $12 million for the bioscience program in Senate Bill No. 2009 for the 2023-25 biennium;
- Adds a section providing for a $250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund;
- Amends a section identifying the amount of funding ($7,344,029) appropriated from the environment and

rangeland protection fund;

- Amends a section identifying the amount of funding ($648,228) appropriated from the Game and Fish Department operating fund;
- Adds a section to transfer $3 million from Bank of North Dakota profits to the APUC fund.
- Amends a section to identify the amount of funding ($700,000) appropriated from the abandoned oil and gas well plugging and site reclamation fund;
- Amends a section identifying the amount of funding ($2,100,000) appropriated from the general fund for the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides $1 of matching funds from private or other public sources for every $1 provided by the Agriculture Commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistance program;
- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary to $130,000 (4.9 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024;
- Adds a new section to North Dakota Century Code Chapter 4.1-01 to establish a post-production royalty oversight program, allowing the Agriculture Commissioner to contract for ombudsmen to assist individuals and companies in royalty payment issues;
- Adds three sections to amend Sections 4.1-01-21.1, 49-22-09, and 49-22-09.2 relating to the environmental impact fund, factors to be considered in evaluating applications and designation of sites, corridors, and routes, and mitigating direct and indirect environmental impacts;
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program; and
- Adds a section to provide an exemption to authorize the Agriculture Commissioner to continue the $5 million appropriated by the 2021 Legislative Assembly for the COVID-19 specialty crop block grant program for the 2019-21 biennium, which was continued into the 2021-23 biennium into the 2023-25 biennium. The Agriculture Commissioner anticipates approximately $3.5 million will be continued into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2010 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Insurance Department			
Salaries and wages	$8,076,281	$3,376,478	$11,452,759
Operating expenses	1,507,359	1,396,627	2,903,986
Capital assets		75,000	75,000
Grants		2,400,000	2,400,000
Insurance tax payments	20,728,540	(20,728,540)	
Total all funds	$30,312,180	($13,480,435)	$16,831,745
Less estimated income	30,312,180	(13,480,435)	16,831,745
General fund	$0	$0	$0
FTE	38.00	11.00	49.00
Bill total			
Total all funds	$30,312,180	($13,480,435)	$16,831,745
Less estimated income	30,312,180	(13,480,435)	16,831,745
General fund	$0	$0	$0
FTE	38.00	11.00	49.00

Senate Bill No. 2010 - Insurance Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$8,076,281	$3,376,478	$11,452,759
Operating expenses	1,507,359	1,396,627	2,903,986
Capital assets		75,000	75,000
Grants		2,400,000	2,400,000
Insurance tax payments	20,728,540	(20,728,540)	
Total all funds	$30,312,180	($13,480,435)	$16,831,745
Less estimated income	30,312,180	(13,480,435)	16,831,745
General fund	$0	$0	$0
FTE	38.00	11.00	49.00

Department 401 - Insurance Department - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adjusts Funding for Salary and Benefit Increases[2]	Transfers an FTE for IT Unification[3]	Adjusts Funding for Salaries and Operating Expenses[4]	Transfers FTE for State Fire Marshal[5]	Adds FTE for State Fire Marshal[6]
Salaries and wages	$62,195	$593,139	($226,656)	$185,968	$1,797,805	$838,979
Operating expenses			148,164	(233,516)	365,094	368,122
Capital assets						
Grants						
Insurance tax payments						
Total all funds	$62,195	$593,139	($78,492)	($47,548)	$2,162,899	$1,207,101
Less estimated income	62,195	593,139	(78,492)	(47,548)	2,162,899	1,207,101
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	(1.00)	0.00	8.00	4.00

	Adds Salary Equity Funding for Elected Officials[7]	Adds Funding for Operating Expenses[8]	Removes Funding for Payments to Fire Departments[9]	Increases Funding to North Dakota Firefighters Association[10]	Adds One-Time Funding for Retirement Leave Payouts[11]	Adds One-Time Funding for Office Remodel[12]
Salaries and wages	$26,748				$98,300	
Operating expenses		$748,763				
Capital assets						$75,000
Grants				$2,400,000		
Insurance tax payments			($19,588,470)	(1,140,070)		
Total all funds	$26,748	$748,763	($19,588,470)	$1,259,930	$98,300	$75,000
Less estimated income	26,748	748,763	(19,588,470)	1,259,930	98,300	75,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	$3,376,478
Operating expenses	1,396,627
Capital assets	75,000
Grants	2,400,000
Insurance tax payments	(20,728,540)
Total all funds	($13,480,435)
Less estimated income	(13,480,435)
General fund	$0
FTE	11.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$414,226
Health insurance increase	178,913
Total	$593,139

[3] One FTE information technology (IT) position is transferred to the Information Technology Department for the IT unification initiative, including a decrease in salaries and wages and an increase in operating expenses.

[4] Funding is increased for salaries and wages and decreased for operating expenses.

[5] Eight FTE fire marshal positions are transferred from the Attorney General to the Insurance Commissioner. Funding is from the insurance regulatory trust fund and the reduced cigarette ignition propensity and firefighter protection act enforcement fund.

[6] Four FTE fire marshal positions are added, including related operating expenses.

[7] Funding is added from special funds for a salary equity increase for the Insurance Commissioner. The Insurance Commissioner's salary is increased from the current level of $114,486 to $130,000 (14 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024.

[8] Funding is increased for operating expenses, including $408,558 for IT data processing, $166,323 for travel, $108,025 for professional fees and services, and $26,775 for operating fees and services.

[9] Funding is removed for payments to fire departments and districts. Payments to fire departments and districts will be made pursuant to a continuing appropriation provided for in Senate Bill No. 2211.

[10] Funding is increased for payments to the North Dakota Firefighter's Association to provide a total of $2.4 million from the insurance regulatory trust fund rather than the insurance tax distribution fund.

[11] One-time funding of $98,300 from special funds is added for retirement leave payouts.

[12] One-time funding of $75,000 from special funds is added for an office remodeling project.

This amendment also adds sections to:

- Provide an appropriation of any federal funds received by the insurance commission in excess of the amount appropriated;
- Provide the statutory changes necessary to increase the Insurance Commissioner's annual salary to $130,000 (14 percent) effective July 1, 2023, and to $135,200 (4 percent) effective July 1, 2024; and
- Provide a transfer of any remaining balance from the unsatisfied judgment fund to the insurance regulatory trust fund contingent on the passage of Senate Bill No. 2295. The section identifying funding from the unsatisfied judgment fund included in the Insurance Commissioner's appropriation is removed.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2011 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Securities Department			
Salaries and wages	$2,213,881	$167,055	$2,380,936
Operating expenses	595,103	311,327	906,430
Total all funds	$2,808,984	$478,382	$3,287,366
Less estimated income	2,808,984	478,382	3,287,366
General fund	$0	$0	$0
FTE	10.00	0.00	10.00
Bill total			
Total all funds	$2,808,984	$478,382	$3,287,366
Less estimated income	2,808,984	478,382	3,287,366
General fund	$0	$0	$0
FTE	10.00	0.00	10.00

Senate Bill No. 2011 - Securities Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$2,213,881	$167,055	$2,380,936
Operating expenses	595,103	311,327	906,430
Total all funds	$2,808,984	$478,382	$3,287,366
Less estimated income	2,808,984	478,382	3,287,366
General fund	$0	$0	$0
FTE	10.00	0.00	10.00

Department 414 - Securities Department - Detail of Senate Changes

	Adds Funding for Base Payroll and Budget Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Information Technology Costs[3]	Adds Funding for Blockchain Analytics Software[4]	Adds Funding for Audit Costs[5]	Adds One-Time Funding for Technology Enhancements[6]
Salaries and wages	$15,805	$151,250				
Operating expenses	1		$1,326	$150,000	$10,000	$150,000
Total all funds	$15,806	$151,250	$1,326	$150,000	$10,000	$150,000
Less estimated income	15,806	151,250	1,326	150,000	10,000	150,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	$167,055
Operating expenses	311,327
Total all funds	$478,382
Less estimated income	478,382
General fund	$0
FTE	0.00

[1] Funding is adjusted for base payroll and budget changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$114,414
Health insurance increase	36,836
Total	$151,250

[3] Funding is added for information technology rate increases.

[4] Funding is added for blockchain analytics software licenses.

[5] Funding is added for agency audit expenses.

[6] One-time funding is added for enhancements to the case management system and securities filing portal.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Management			
Salaries and wages	$21,363,556	$3,045,900	$24,409,456
Operating expenses	151,161,924	89,904,000	241,065,924
Capital assets	75,000		75,000
Total all funds	$172,600,480	$92,949,900	$265,550,380
Less estimated income	92,905,426	93,255,417	186,160,843
General fund	$79,695,054	($305,517)	$79,389,537
FTE	97.85	16.05	113.90
DHHS - Program/Policy			
Salaries and wages	$122,081,310	$19,537,197	$141,618,507
Operating expenses	176,078,719	55,722,549	231,801,268
Capital assets	10,000		10,000
Grants	467,144,387	190,506,682	657,651,069
Grants - Medical assistance	3,028,666,463	556,176,867	3,584,843,330
Opioid prevention		2,000,000	2,000,000
Total all funds	$3,793,980,879	$823,943,295	$4,617,924,174
Less estimated income	2,499,452,627	489,283,991	2,988,736,618
General fund	$1,294,528,252	$334,659,304	$1,629,187,556
FTE	666.17	21.15	687.32
DHHS - County Social Services Financing			
County social services	$189,917,386	$35,444,200	$225,361,586
Total all funds	$189,917,386	$35,444,200	$225,361,586
Less estimated income	188,676,995	35,333,519	224,010,514
General fund	$1,240,391	$110,681	$1,351,072
FTE	159.00	5.00	164.00
DHHS - Field Services			
Human service centers	$163,213,829	$26,160,626	$189,374,455
Institutions	130,383,428	33,139,340	163,522,768
Total all funds	$293,597,257	$59,299,966	$352,897,223
Less estimated income	114,273,300	(18,574,719)	95,698,581
General fund	$179,323,957	$77,874,685	$257,198,642
FTE	1,342.31	51.80	1,394.11
Bill total			
Total all funds	$4,450,096,002	$1,011,637,361	$5,461,733,363
Less estimated income	2,895,308,348	599,298,208	3,494,606,556
General fund	$1,554,787,654	$412,339,153	$1,967,126,807
FTE	2,265.33	94.00	2,359.33

Senate Bill No. 2012 - DHHS - Management - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$21,363,556	$3,045,900	$24,409,456
Operating expenses	151,161,924	89,904,000	241,065,924
Capital assets	75,000		75,000
Total all funds	$172,600,480	$92,949,900	$265,550,380
Less estimated income	92,905,426	93,255,417	186,160,843
General fund	$79,695,054	($305,517)	$79,389,537
FTE	97.85	16.05	113.90

Department 326 - DHHS - Management - Detail of Senate Changes

	Adjusts Funding for Management[1]	Total Senate Changes
Salaries and wages	$3,045,900	$3,045,900
Operating expenses	89,904,000	89,904,000
Capital assets		
Total all funds	$92,949,900	$92,949,900
Less estimated income	93,255,417	93,255,417
General fund	($305,517)	($305,517)
FTE	16.05	16.05

[1] Funding for management is adjusted as follows:

2023-25 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes	14.55	$5,995,189	$11,524,138	$17,519,327
Adds funding for salary increases of 4 percent on July 1, 2023, and July 1, 2024		$862,063	$283,496	$1,145,559
Adds funding for increases in monthly health insurance rates from $1,429 to $1,648 per month		436,667	139,099	575,766
Converts 1 temporary position and adds an additional 0.50 FTE position for criminal background check processing	1.50	120,780	26,512	147,292
Adds funding for Americans with Disabilities Act coordination		55,200		55,200
Adds funding for a new Capitol space rent model		842,674		842,674
Reduces funding for overall agency operations		(19,900,262)		(19,900,262)
Total ongoing funding changes	16.05	($11,587,689)	$11,973,245	$385,556
One-Time Funding Items				
Adds one-time funding to continue to automate the criminal background check process		$1,000,000		$1,000,000
Provides one-time funding for operating inflation		10,282,172	$10,282,172	20,564,344
Adds one-time funding from the strategic investment and improvements fund for a procurement and grants software project			11,000,000	11,000,000
Provides one-time funding of $60.0 million, of which $20.4 million is from the community health trust fund and $39.6 million is from federal funds to replace the child support case management system			60,000,000	60,000,000
Total one-time funding changes	0.00	$11,282,172	$81,282,172	$92,564,344
Total changes to base level funding	16.05	($305,517)	$93,255,417	$92,949,900

Senate Bill No. 2012 - DHHS - Program/Policy - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$122,081,310	$19,537,197	$141,618,507
Operating expenses	176,078,719	55,722,549	231,801,268
Capital assets	10,000		10,000
Grants	467,144,387	190,506,682	657,651,069
Grants - Medical assistance	3,028,666,463	556,176,867	3,584,843,330
Opioid prevention		2,000,000	2,000,000
Total all funds	$3,793,980,879	$823,943,295	$4,617,924,174
Less estimated income	2,499,452,627	489,283,991	2,988,736,618
General fund	$1,294,528,252	$334,659,304	$1,629,187,556
FTE	666.17	21.15	687.32

Department 328 - DHHS - Program/Policy - Detail of Senate Changes

	Adjusts Funding for Program and Policy[1]	Total Senate Changes
Salaries and wages	$19,537,197	$19,537,197
Operating expenses	55,722,549	55,722,549
Capital assets		
Grants	190,506,682	190,506,682
Grants - Medical assistance	556,176,867	556,176,867
Opioid prevention	2,000,000	2,000,000
Total all funds	$823,943,295	$823,943,295
Less estimated income	489,283,991	489,283,991
General fund	$334,659,304	$334,659,304
FTE	21.15	21.15

[1] Funding for program and policy is adjusted as follows:

2023-25 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes	9.15	$11,576,010	$9,505,488	$21,081,498
Adds funding for salary increases of 4 percent on July 1, 2023, and July 1, 2024		2,661,463	3,528,496	6,189,959
Adds funding for increases in monthly health insurance rates from $1,429 to $1,648 per month		1,338,470	1,865,110	3,203,580
Adds funding for estimated cost and caseload increases		122,273,747	381,790,377	504,064,124
Adds funding for annual provider inflation increases of 4 percent		47,443,941	50,139,879	97,583,820
Adds funding for federal medical assistance percentage adjustments based on a rate of 52.50 percent for federal fiscal years 2024 and 2025.		21,621,657	(21,621,657)	0
Economic Assistance				
Transfers temporary assistance for needy families funding currently used for foster care funding			7,496,368	7,496,368
Adds funding to increase the utilization of the child care assistance program for children ages 0 to 3		22,000,000		22,000,000
Adds funding to improve the ability of low-income parents to obtain child care		12,900,000		12,900,000
Increases federal funds authority for the child care and development fund ($2,491,435) and the low-income home energy assistance program ($12,700,000)			15,191,435	15,191,435
Medical Services				
Adds positions to provide assistance to Medicaid providers that employ direct care workers	2.00	48,642	266,995	315,637
Increases the eligibility level for the children's health insurance program from 175 to 210 percent of the federal poverty level		1,389,270	2,878,042	4,267,312
Increases the eligibility level for medically needy individuals from 83 to 90 percent of the federal poverty level		6,300,000	4,200,000	10,500,000
Long-Term Care				
Increases funding for home- and community-based services, including an increase in the personal needs allowance, an increase in adult foster care rates, increasing the family home care rate to $72.50 per day, and other enhancements		8,288,319	2,402,565	10,690,884
Eliminates the autism spectrum disorder voucher program and increases funding for the autism waiver program		4,168,959	4,607,797	8,776,756
Increases the maximum benefit level and available slots for the medically fragile waiver		186,400	206,022	392,422

Aging Services				
Adds 2 FTE home- and community-based services navigator positions and 1 FTE home- and community-based services generalist position	3.00	143,912	143,912	287,824
Increases senior meal rates from $4.60 to $8.89 for home-delivered meals and from $4.60 to $7.62 for congregate meals and provides for up to two home-delivered meals per day		12,992,444		12,992,444
Adds funding to increase aging services guardianship rates		70,500		70,500
Adds an FTE position for compliance and quality assurance	1.00	103,868	103,868	207,736
Adds an FTE position using existing federal funds for services to be provided due to a federal Department of Justice lawsuit	1.00			0
Increases funding for dementia care services grants to provide a total of $1.6 million		305,000		305,000
Children and Family Services				
Adds general fund support for foster care to allow temporary assistance for needy families funding to be redirected to economic assistance programs		7,496,368	(7,496,368)	0
Increases funding for children's advocacy centers to provide total funding of $4.1 million		2,500,000		2,500,000
Adds funding to provide assistance to unlicensed kin caregivers		960,000		960,000
Adds funding for grants to organizations that provide family-to-family support services		175,000		175,000
Behavioral Health				
Adds 1 FTE service navigator position and 1 FTE voucher processor position	2.00	223,946		223,946
Increases funding for the free through recovery program for funds to be received from the Department of Corrections and Rehabilitation for the program to provide total funding of $15.5 million			8,326,380	8,326,380
Increases funding for the community connect program to provide total funding of $15 million		7,019,514		7,019,514
Adds funding related to an opioid settlement			2,000,000	2,000,000
Adds funding for pregnant and parenting women residential services		600,000		600,000
Adds funding for school behavioral health grants to provide total funding of $6.5 million		3,500,000		3,500,000
Adds funding for recovery housing		1,300,000		1,300,000
Adds federal funds spending authority for the B-HERO program			400,000	400,000

Increases the Medicaid reimbursement rate for behavioral health practitioners from 75 to 100 percent of the Medicaid professional services fee schedule effective the 2nd year of the 2023-25 biennium		1,362,070	1,505,446	2,867,516
Developmental Disabilities				
Adds funding for guardianship establishment		300,000		300,000
Adds 1 FTE position for compliance and quality assurance	1.00	103,868	103,868	207,736
Adds 1 FTE early intervention position	1.00	86,602	86,602	173,204
Adds additional funding to increase developmental disability provider rates by 7 percent the 1st year of the biennium		10,223,681	11,403,366	21,627,047
Increases corporate guardianship slots by 30 to provide for 529 total slots and increases the daily reimbursement rate by 5 percent per year		808,748		808,748
Early Childhood				
Expands the best in class program		12,000,000		12,000,000
Adds funding for early childhood career grants		2,000,000		2,000,000
Adds 1 FTE program administrator for early childhood programs	1.00	236,905		236,905
Total ongoing funding changes	21.15	$326,709,304	$479,033,991	$805,743,295
One-Time Funding Items				
Adds one-time funding for program integrity audits		$2,250,000	$2,250,000	$4,500,000
Adjusts funding for autism programs		(300,000)		(300,000)
Adds funding from the strategic investment and improvements fund for a pregnant and parenting women facility			1,000,000	1,000,000
Add one-time funding to increase capacity for the early childhood rating infrastructure		3,000,000		3,000,000
Add one-time funding to create quality tiers in the child care reimbursement program		3,000,000		3,000,000
Expands public-private child care benefits using one-time funding from the legacy earnings fund			1,000,000	1,000,000
Provides child care business operating grants using one-time funding from the legacy earnings fund			5,000,000	5,000,000
Creates a pilot program for child care during nontraditional hours using one-time funding from the legacy earnings fund			1,000,000	1,000,000
Total one-time funding changes	0.00	$7,950,000	$10,250,000	$18,200,000
Total changes to base level funding	21.15	$334,659,304	$489,283,991	$823,943,295

Senate Bill No. 2012 - DHHS - County Social Services Financing - Senate Action

	Base Budget	Senate Changes	Senate Version
County social services	$189,917,386	$35,444,200	$225,361,586
Total all funds	$189,917,386	$35,444,200	$225,361,586
Less estimated income	188,676,995	35,333,519	224,010,514
General fund	$1,240,391	$110,681	$1,351,072
FTE	159.00	5.00	164.00

Department 333 - DHHS - County Social Services Financing - Detail of Senate Changes

	Adjusts Funding for County Social Services Program[1]	Total Senate Changes
County social services	$35,444,200	$35,444,200
Total all funds	$35,444,200	$35,444,200
Less estimated income	35,333,519	35,333,519
General fund	$110,681	$110,681
FTE	5.00	5.00

[1] Funding is adjusted for the county social services program as follows:

2023-25 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes	(2.00)	$18,434	$1,240,493	$1,258,927
Adds funding for state employee salary increases of 4 percent on July 1, 2023, and July 1, 2024		61,440	1,486,858	1,548,298
Adds funding for increases in monthly health insurance rates from $1,429 to $1,648 per month		30,807	721,687	752,494
Adds funding for human service zone employee salary increases of 4 percent on July 1, 2023, and July 1, 2024			6,240,680	6,240,680
Adds funding for human services zone employee salary equity adjustments			1,000,000	1,000,000
Adjusts federal and special funds spending authority, including an additional $20 million for human service zone operations and $600,000 for increases in indigent burial assistance			23,541,770	23,541,770
Adds 4 FTE home- and community-based services management positions the 1st year of the biennium and 3 FTE positions the 2nd year of the biennium	7.00		1,102,031	1,102,031
Total ongoing funding changes	5.00	$110,681	$35,333,519	$35,444,200

Senate Bill No. 2012 - DHHS - Field Services - Senate Action

	Base Budget	Senate Changes	Senate Version
Human service centers	$163,213,829	$26,160,626	$189,374,455
Institutions	130,383,428	33,139,340	163,522,768
Total all funds	$293,597,257	$59,299,966	$352,897,223
Less estimated income	114,273,300	(18,574,719)	95,698,581
General fund	$179,323,957	$77,874,685	$257,198,642
FTE	1,342.31	51.80	1,394.11

Department 349 - DHHS - Field Services - Detail of Senate Changes

	Adjusts Funding for Field Services[1]	Total Senate Changes
Human service centers	$26,160,626	$26,160,626
Institutions	33,139,340	33,139,340
Total all funds	$59,299,966	$59,299,966
Less estimated income	(18,574,719)	(18,574,719)
General fund	$77,874,685	$77,874,685
FTE	51.80	51.80

[1] Funding is adjusted for field services as follows:

2023-25 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes	(21.70)	$5,365,003	$7,438,385	$12,803,388
Adds funding for salary increases of 4 percent on July 1, 2023, and July 1, 2024		8,926,423	2,830,652	11,757,075
Adds funding for increases in monthly health insurance rates from $1,429 to $1,648 per month		4,161,185	1,449,231	5,610,416
Converts 28.5 temporary human service center positions to FTE positions to provide behavioral health services	28.50	950,906		950,906
Increases funding for crisis support services to convert 16 temporary positions to FTE peer support positions, to add 1 FTE nurse for residential crisis services, to add 4 FTE mobile crisis positions, to increase funding for locum tenens contracts, and to increase funding for contracted providers	21.00	11,375,536		11,375,536
Adds funding for annual provider inflation increases of 4 percent		1,417,491		1,417,491
Adds funding for three human service centers to become certified community behavioral health clinics	24.00	9,650,000		9,650,000
Total ongoing funding changes	51.80	$41,846,544	$11,718,268	$53,564,812
One-Time Funding Items				
Provides one-time funding from the strategic investment and improvements fund for the architectural design of a new state hospital			$5,000,000	$5,000,000
Provides one-time funding from the strategic investment and improvements fund to replace the fire alarm system and resurface the parking lot at the Southeast Human Service Center			735,154	735,154
Adds one-time funding to replace federal and special fund revenue with funding from the general fund due to decreased revenues and increased operating costs at human service centers and the State Hospital		$36,028,141	(36,028,141)	0
Total one-time funding changes	0.00	$36,028,141	($30,292,987)	$5,735,154
Total changes to base level	51.80	$77,874,685	($18,574,719)	$59,299,966

Senate Bill No. 2012 - Other Changes - Senate Action

This amendment also:

- Transfers $21.6 million from the strategic investment and improvements fund to the human service finance fund;
- Identifies $221.6 million from the human service finance fund for the county social services program;
- Identifies $20.4 million from the community health trust fund for the child support case management system project;
- Identifies $7 million from the legacy earnings fund for child care assistance program;
- Identifies $17,735,154 from the strategic investment and improvements fund for the procurement and grants computer project ($11,000,000), the design of a new state hospital ($5,000,000), pregnant and parenting women residential facilities ($1,000,000), and Southeast Human Service Center deferred maintenance projects ($735,154);
- Authorizes capital payments for special assessment costs at the State Hospital and Life Skills and Transition Center;
- Authorizes the demolition of certain buildings at the State Hospital;
- Authorizes direct assistance for beneficiaries of child care assistance;
- Provides guidelines for the the use of behavioral health facility grants;
- Identifies $4,672,536 from the general fund for permanent supportive housing grants;
- Provides that expenditures for the Medicaid Expansion program may not exceed legislative appropriations;
- Amends North Dakota Century Code Section 50-06-42 to remove the moratorium on new substance use disorder voucher program providers;
- Amends Section 50-24.1-26 to increase the eligible age of the autism waiver program from 16 to 18;
- Amends Section 50-29-04 to increase the eligibility level of the children's health insurance program from 175 to 210 percent of the federal poverty level;
- Repeals Section 50-06-32.1 relating to the autism voucher;
- Authorizes DHHS to enter into agreements with vendors to build two human service center buildings;
- Authorizes DHHS to lease land at the State Hospital to the National Guard to construct a training and storage building;
- Requires providers receiving funding from DHHS to submit process and outcome measures;
- Provides guidelines for three human service centers to become certified behavioral health clinics;
- Provides exemptions to authorize unexpended appropriations to continue into the 2023-25 biennium;
- Provides an exemption for procurement requirements for an early childhood information system;
- Provides an exemption for procurement for consumables at department residential facilities during low–census time periods;
- Provides intent that DHHS seeks a deficiency appropriation from the 69th Legislative Assembly if utilization rates exceed estimates;
- Identifies provider inflation increases included in the amendment;
- Provides that an individual may not appeal a denial or reduction of service by DHHS if federal COVID-19 funding is no longer available;
- Provides for a Legislative Management study of early childhood programs; and
- Provides for DHHS to provide reports to the Legislative Management regarding the status of early childhood programs.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Salaries and wages	$17,854,747	$1,459,112	$19,313,859
Operating expenses	33,098,149	195,171	33,293,320
Integrated formula payments	2,131,825,000	316,826,200	2,448,651,200
Grants - Special education contracts	27,000,000		27,000,000
Grants - Transportation	58,100,000		58,100,000
Grants - Other grants	312,738,893	70,000,000	382,738,893
Grants - Program and passthrough	10,387,064	(10,387,064)	
Grants - Program grants		13,780,000	13,780,000
Grants - Passthrough grants		2,229,764	2,229,764
PowerSchool	5,250,000	525,000	5,775,000
National board certification	176,290		176,290
Total all funds	$2,596,430,143	$394,628,183	$2,991,058,326
Less estimated income	938,233,270	154,404,811	1,092,638,081
General fund	$1,658,196,873	$240,223,372	$1,898,420,245
FTE	86.25	0.00	86.25
State Library			
Salaries and wages	$4,139,907	$345,606	$4,485,513
Operating expenses	1,822,703	415,770	2,238,473
Grants	2,233,528	50,000	2,283,528
Total all funds	$8,196,138	$811,376	$9,007,514
Less estimated income	2,364,417	(221,410)	2,143,007
General fund	$5,831,721	$1,032,786	$6,864,507
FTE	26.75	0.00	26.75
School for the Deaf			
Salaries and wages	$8,332,820	$855,432	$9,188,252
Operating expenses	1,705,586	120,171	1,825,757
Capital assets	158,678	843,500	1,002,178
Total all funds	$10,197,084	$1,819,103	$12,016,187
Less estimated income	2,790,528	887,693	3,678,221
General fund	$7,406,556	$931,410	$8,337,966
FTE	44.61	0.75	45.36
Vision Services - School for the Blind			
Salaries and wages	$4,992,194	$445,666	$5,437,860
Operating expenses	792,671	103,015	895,686
Capital assets	39,192	439,000	478,192
Total all funds	$5,824,057	$987,681	$6,811,738
Less estimated income	1,062,178	602,245	1,664,423
General fund	$4,761,879	$385,436	$5,147,315
FTE	27.75	0.00	27.75
Bill total			
Total all funds	$2,620,647,422	$398,246,343	$3,018,893,765
Less estimated income	944,450,393	155,673,339	1,100,123,732
General fund	$1,676,197,029	$242,573,004	$1,918,770,033
FTE	185.36	0.75	186.11

Senate Bill No. 2013 - Department of Public Instruction - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$17,854,747	$1,459,112	$19,313,859
Operating expenses	33,098,149	195,171	33,293,320
Integrated formula payments	2,131,825,000	316,826,200	2,448,651,200
Grants - Special education contracts	27,000,000		27,000,000
Grants - Transportation	58,100,000		58,100,000
Grants - Other grants	312,738,893	70,000,000	382,738,893
Grants - Program and passthrough	10,387,064	(10,387,064)	
Grants - Program grants		13,780,000	13,780,000
Grants - Passthrough grants		2,229,764	2,229,764
PowerSchool	5,250,000	525,000	5,775,000
National board certification	176,290		176,290
Total all funds	$2,596,430,143	$394,628,183	$2,991,058,326
Less estimated income	938,233,270	154,404,811	1,092,638,081
General fund	$1,658,196,873	$240,223,372	$1,898,420,245
FTE	86.25	0.00	86.25

Department 201 - Department of Public Instruction - Detail of Senate Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding for Information Technology[3]	Adds Funding for Capitol Space Rent Model[4]	Adjusts Funding for Integrated Formula Payments[5]	Adjusts Funding Source of Integrated Formula Payment[6]
Salaries and wages	$123,661	$1,335,451				
Operating expenses			$54,272	$140,899		
Integrated formula payments					$316,626,200	
Grants - Special education contracts						
Grants - Transportation						
Grants - Other grants						
Grants - Program and passthrough						
Grants - Program grants						
Grants - Passthrough grants						
PowerSchool						
National board certification						
Total all funds	$123,661	$1,335,451	$54,272	$140,899	$316,626,200	$0
Less estimated income	81,573	828,410	32,128	0	0	77,840,000
General fund	$42,088	$507,041	$22,144	$140,899	$316,626,200	($77,840,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for Federal Grants[7]	Adjusts Funding for Program and Passthrough Grants[8]	Increases Funding for Leveraging the Senior Year Program[9]	Increases Funding for PowerSchool[10]	Adds One-Time Funding for School Board Training[11]	Adds One-Time Funding for Cybersecurity Training[12]
Salaries and wages						
Operating expenses						
Integrated formula payments						
Grants - Special education contracts						
Grants - Transportation						
Grants - Other grants	$70,000,000					
Grants - Program and passthrough		($10,387,064)				
Grants - Program grants		7,480,000	$300,000		$2,000,000	$1,000,000
Grants - Passthrough grants		2,229,764				
PowerSchool				$525,000		
National board certification						
Total all funds	$70,000,000	($677,300)	$300,000	$525,000	$2,000,000	$1,000,000
Less estimated income	70,000,000	(677,300)	300,000	0	2,000,000	1,000,000
General fund	$0	$0	$0	$525,000	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for a Grow-Your-Own Teacher Program[13]	Increases Funding for Grants to Regional Education Associations[14]	Total Senate Changes
Salaries and wages			$1,459,112
Operating expenses			195,171
Integrated formula payments		$200,000	316,826,200
Grants - Special education contracts			
Grants - Transportation			
Grants - Other grants			70,000,000
Grants - Program and passthrough			(10,387,064)
Grants - Program grants	$3,000,000		13,780,000
Grants - Passthrough grants			2,229,764
PowerSchool			525,000
National board certification			
Total all funds	$3,000,000	$200,000	$394,628,183
Less estimated income	3,000,000	0	154,404,811
General fund	$0	$200,000	$240,223,372
FTE	0.00	0.00	0.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$341,779	$570,572	$912,351
Health insurance increase	165,262	257,838	423,100
Total	$507,041	$828,410	$1,335,451

[3] Funding is increased for Information Technology Department rate increases.

[4] Funding is added for operating expenses related to a new Capitol space rent model.

[5] Funding for integrated formula payments is adjusted as follows:

	General Fund
Savings related to cost to continue integrated formula payments	($35,329,144)
Senate Bill No. 2284:	
Increases the integrated payment rate 3 percent in the 1st year and 3 percent in the 2nd year of biennium	119,907,953
Removes transition maximum payment adjustments	14,767,391
Implements on-time funding based on fall enrollment	5,300,000
Senate Bill No. 2328 - Increases school size weighting factors for school districts operating two plants at least 14 miles apart	8,880,000
Senate Bill No. 2066 - Increases the state's share of the state school aid formula by reducing local property tax deducted in the formula	203,100,000
Increase in integrated formula payments	$316,626,200

[6] The funding source for integrated formula payments is adjusted to increase funding from the state tuition fund and the common schools trust fund to provide a total of $510.86 million.

[7] Funding for other grants is increased for anticipated increases in United States Department of Agriculture food program funding ($50 million) and for anticipated increases in United States Department of Education programs ($20 million).

[8] Funding from special funds of $10,387,064 in the base budget is reduced for certain passthrough grants and $9,709,764 is transferred from the grants - program and passthrough line item to the grants - passthrough grants line item ($2,229,764) and the grants - program grants line item ($7,480,000). Funding is made available from carryover funds continued from the 2021-23 biennium and deposited in the department's operating fund for passthrough and program grants as follows:

	Special Funds from Carryover
Passthrough grants:	
Teacher mentoring program	$2,125,764
"We the People" program	70,000
Cultural heritage grants	34,000
Total passthrough grants	$2,229,764
Program grants:	
Adult education matching grants	$5,000,000
School food service matching grants	1,380,000
Free breakfast program	200,000
Program grant pool	900,000
Total program grants	$7,480,000

[9] Increases funding for the leveraging the senior year program in the program grant pool to provide a total of $1.2 million for the program grant pool. The program grant pool is used by the Superintendent of Public Instruction for the leveraging the senior year program, a leadership program, and family engagement initiatives.

[10] Funding for PowerSchool is increased to provide a total of $5,775,000 from the general fund.

[11] One-time funding from carryover deposited in the department's operating fund is added for program grants for school board training.

[12] One-time funding from carryover deposited in the department's operating fund is added for program grants for cybersecurity training for teachers.

[13] One-time funding from carryover deposited in the department's operating fund is added for program grants for a grow-your-own teacher program.

[14] Funding is added to increase grants to regional education associations to provide a total of $700,000. The section related to regional education grants is amended to provide annual grants of $50,000 to each regional education association.

This amendment also:

- Amends a section to increase regional education association grants to provide a total of $700,000 and to provide annual grants of $50,000 to each regional education association;
- Adds a section to require no more than one-half of the passthrough grants included in the grants - passthrough grants line item may be expended during the fiscal year ending June 30, 2024, and provides for reporting requirements;
- Adds a section to require school districts use 70 percent of increased funding related to any increases in the integrated formula payment rate for compensation increases for nonadministrative personnel and the Superintendent of Public Instruction to provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2023-25 biennium;
- Amends a section to allow, notwithstanding Section 54-44.1-15, the department may deposit indirect cost recoveries, any money collected by DPI for general educational development fees, and displaced homemakers deposits in its operating account;
- Adds a section to provide that if, after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2021-23 biennium, any money remains in the integrated formula payments line item, the lesser of $16,009,764 or the remaining amount must be continued into the 2023-25 biennium and the Office of Management and Budget must transfer this amount into the public instruction fund for the purpose of providing program and passthrough grants. This change will reduce the estimated July 1, 2023, general fund balance by $16,009,764;
- Adds a section to provide COVID-19-related funds appropriated to the department from the ESSER Fund and other federal funds during the 2021-23 biennium are not subject to Section 54-44.1-11 and any unexpended funds may be continued into the 2023-25 biennium; and
- Adds a section to provide the statutory changes to increase the Superintendent of Public Instruction's salary. The Superintendent's annual salary would increase from the current level of $130,323 to $135,536, effective July 1, 2023, and to $140,957, effective July 1, 2024, to reflect legislative salary increases of 4 percent each year of the biennium.

Senate Bill No. 2013 - State Library - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$4,139,907	$345,606	$4,485,513
Operating expenses	1,822,703	415,770	2,238,473
Grants	2,233,528	50,000	2,283,528
Total all funds	$8,196,138	$811,376	$9,007,514
Less estimated income	2,364,417	(221,410)	2,143,007
General fund	$5,831,721	$1,032,786	$6,864,507
FTE	26.75	0.00	26.75

Department 250 - State Library - Detail of Senate Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adjust Base Budget Funding[2]	Adds Funding for Salary and Benefit Increases[3]	Increases Funding for Information Technology[4]	Increases Funding for Operating Expenses[5]	Adds Funding for Capitol Space Rent Model[6]
Salaries and wages	$28,233	($57,742)	$335,115			
Operating expenses		(214,864)		$7,440	$65,559	$264,635
Grants						
Total all funds	$28,233	($272,606)	$335,115	$7,440	$65,559	$264,635
Less estimated income	4,809	(272,606)	46,387	0	0	0
General fund	$23,424	$0	$288,728	$7,440	$65,559	$264,635
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for Library Visions Grants[7]	Adds One-Time Funding for Retirement Payouts[8]	Adds One-Time Funding for Maintenance of Effort[9]	Adds One-Time Funding for IT Equipment[10]	Adds One-Time Funding for Building Renovations[11]	Total Senate Changes
Salaries and wages		$40,000				$345,606
Operating expenses			$100,000	$43,000	$150,000	415,770
Grants	$50,000					50,000
Total all funds	$50,000	$40,000	$100,000	$43,000	$150,000	$811,376
Less estimated income	0	0	0	0	0	(221,410)
General fund	$50,000	$40,000	$100,000	$43,000	$150,000	$1,032,786
FTE	0.00	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for the cost to continue salary increases.

[2] Base level funding for salaries and wages and operating expenses is adjusted for estimated federal and other funds.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$162,432	$30,600	$193,032
Health insurance increase	126,296	15,787	142,083
Total	$288,728	$46,387	$335,115

[4] Funding is increased for Information Technology Department rate increases.

[5] Funding is increased for various operating expenses.

[6] Funding is added for operating expenses related to a new Capitol space rent model.

[7] Funding is added for Library Vision grants to tribal libraries.

[8] One-time funding is added for salaries and wages for accrued leave payments.

[9] One-time funding is added for operating expenses to replace funding lost due to not meeting federal maintenance of effort requirements in fiscal year 2020.

[10] One-time funding is added for information technology equipment.

[11] One-time funding is added for State Library building renovations.

This amendment also adds a section to provide statutory changes to allow the State Library to provide library vision grants to tribal libraries.

Senate Bill No. 2013 - School for the Deaf - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$8,332,820	$855,432	$9,188,252
Operating expenses	1,705,586	120,171	1,825,757
Capital assets	158,678	843,500	1,002,178
Total all funds	$10,197,084	$1,819,103	$12,016,187
Less estimated income	2,790,528	887,693	3,678,221
General fund	$7,406,556	$931,410	$8,337,966
FTE	44.61	0.75	45.36

Department 252 - School for the Deaf - Detail of Senate Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adjusts Funding for Base Budget Changes[2]	Adds Funding for Salary and Benefit Increases[3]	Adds a 0.75 FTE Education Services Position[4]	Increases Funding for Teacher Salaries[5]	Adds One-Time Funding for Operating Expense Inflation[6]
Salaries and wages	$59,165	($935)	$510,018	$115,294	$171,890	
Operating expenses						$120,171
Capital assets						
Total all funds	$59,165	($935)	$510,018	$115,294	$171,890	$120,171
Less estimated income	824	(935)	14,218	0	0	30,086
General fund	$58,341	$0	$495,800	$115,294	$171,890	$90,085
FTE	0.00	0.00	0.00	0.75	0.00	0.00

	Adds One-Time Funding for Boiler Replacement[7]	Adds One-Time Funding for Fire Alarm and Controls[8]	Adds One-Time Funding for Equipment[9]	Total Senate Changes
Salaries and wages				$855,432
Operating expenses				120,171
Capital assets	$650,000	$150,000	$43,500	843,500
Total all funds	$650,000	$150,000	$43,500	$1,819,103
Less estimated income	650,000	150,000	43,500	887,693
General fund	$0	$0	$0	$931,410
FTE	0.00	0.00	0.00	0.75

[1] Funding is adjusted for the cost to continue salary increases.

[2] Base level funding for salaries and wages is adjusted for estimated federal funds.

[3] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$244,575	$7,589	$252,164
Health insurance increase	251,225	6,629	257,854
Total	$495,800	$14,218	$510,018

[4] A 0.75 FTE education services position is added.

[5] Funding for teacher salaries is increased.

[6] One-time funding, including funds from special funds available from trust fund distributions, rents, and service revenue, is added for inflationary increases to operating expenses.

[7] One-time funding from special funds, available from trust fund distributions, rents, and service revenue, is added for boiler replacement.

[8] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for pneumatic controls and fire alarm.

[9] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added to replace equipment over $5,000.

Senate Bill No. 2013 - Vision Services - School for the Blind - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$4,992,194	$445,666	$5,437,860
Operating expenses	792,671	103,015	895,686
Capital assets	39,192	439,000	478,192
Total all funds	$5,824,057	$987,681	$6,811,738
Less estimated income	1,062,178	602,245	1,664,423
General fund	$4,761,879	$385,436	$5,147,315
FTE	27.75	0.00	27.75

Department 253 - Vision Services - School for the Blind - Detail of Senate Changes

	Adjusts Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Increases Funding for Teacher Salaries[3]	Increases Funding for Temporary Salaries[4]	Increases Funding for Information Technology[5]	Increases Funding for Operating Expenses[6]
Salaries and wages	$37,066	$284,762	$93,838	$30,000		
Operating expenses					$7,015	$60,000
Capital assets						
Total all funds	$37,066	$284,762	$93,838	$30,000	$7,015	$60,000
Less estimated income	921	29,309	0	30,000	7,015	60,000
General fund	$36,145	$255,453	$93,838	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for a Database[7]	Adds One-Time Funding for Equipment[8]	Adds One-Time Funding for Roof Repair and Replacement[9]	Adds One-Time Funding for South Wing Gutters[10]	Adds One-Time Funding for Parking Lot Updates[11]	Adds One-Time Funding for Door and Air Conditioner Repair[12]
Salaries and wages						
Operating expenses	$10,000	$26,000				
Capital assets			$150,000	$50,000	$50,000	$29,000
Total all funds	$10,000	$26,000	$150,000	$50,000	$50,000	$29,000
Less estimated income	10,000	26,000	150,000	50,000	50,000	29,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Electrical Panel Replacement[13]	Adds One-Time Funding for East Wing Flooring and Cabinets[14]	Adds One-Time Funding for Front Entrance Updates[15]	Add One-Time Funding for Student Commons Area Updates[16]	Total Senate Changes
Salaries and wages					$445,666
Operating expenses					103,015
Capital assets	$10,000	$45,000	$55,000	$50,000	439,000
Total all funds	$10,000	$45,000	$55,000	$50,000	$987,681
Less estimated income	10,000	45,000	55,000	50,000	602,245
General fund	$0	$0	$0	$0	$385,436
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$118,632	$13,522	$132,154
Health insurance increase	136,821	15,787	152,608
Total	$255,453	$29,309	$284,762

[3] Funding for teacher salaries is increased.

[4] Funding from special funds, available from trust fund distributions, rents, and service revenue, is increased for temporary salaries.

[5] Funding, from special funds, available from trust fund distributions, rents, and service revenue, is increased for Information Technology Department rate increases.

[6] Funding, from special funds, available from trust fund distributions, rents, and service revenue, is increased for operating expenses.

[7] Funding, from special funds, available from trust fund distributions, rents, and service revenue, is added for a database.

[8] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for equipment.

[9] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for roof repair and replacement.

[10] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for south wing gutters.

[11] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for parking lot updates.

[12] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for door and air conditioner repair.

[13] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for electrical panel replacement.

[14] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for east wing flooring and cabinets.

[15] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for front entrance updates.

[16] One-time funding, from special funds available from trust fund distributions, rents, and service revenue, is added for student commons area updates.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Protection and Advocacy Project			
Protection and advocacy operations	$7,402,940	$260,111	$7,663,051
Total all funds	$7,402,940	$260,111	$7,663,051
Less estimated income	4,263,590	44,081	4,307,671
General fund	$3,139,350	$216,030	$3,355,380
FTE	28.50	0.00	28.50
Bill total			
Total all funds	$7,402,940	$260,111	$7,663,051
Less estimated income	4,263,590	44,081	4,307,671
General fund	$3,139,350	$216,030	$3,355,380
FTE	28.50	0.00	28.50

Senate Bill No. 2014 - Protection and Advocacy Project - Senate Action

	Base Budget	Senate Changes	Senate Version
Protection and advocacy operations	$7,402,940	$260,111	$7,663,051
Total all funds	$7,402,940	$260,111	$7,663,051
Less estimated income	4,263,590	44,081	4,307,671
General fund	$3,139,350	$216,030	$3,355,380
FTE	28.50	0.00	28.50

Department 360 - Protection and Advocacy Project - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for ITD Rate Increase[3]	Decreases Federal Funds Authority[4]	Total Senate Changes
Protection and advocacy operations	$45,900	$434,880	$9,013	($229,682)	$260,111
Total all funds	$45,900	$434,880	$9,013	($229,682)	$260,111
Less estimated income	25,304	243,794	4,665	(229,682)	44,081
General fund	$20,596	$191,086	$4,348	$0	$216,030
FTE	0.00	0.00	0.00	0.00	0.00

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$125,739	$161,815	$287,554
Health insurance increase	65,347	81,979	147,326
Total	$191,086	$243,794	$434,880

[3] Funding is added for information technology rate increases.

[4] Federal funds spending authority is decreased due to reflect estimated federal grant funding.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Office of Management and Budget			
Salaries and wages	$21,926,979	$2,932,075	$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	$42,754,708	$126,100,799	$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	$33,926,399	$58,017,935	$91,944,334
FTE	108.00	3.00	111.00
Bill total			
Total all funds	$42,754,708	$126,100,799	$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	$33,926,399	$58,017,935	$91,944,334
FTE	108.00	3.00	111.00

Senate Bill No. 2015 - Office of Management and Budget - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$21,926,979	$2,932,075	$24,859,054
Operating expenses	15,663,214	3,598,079	19,261,293
Capital assets	764,515	14,768,640	15,533,155
Emergency commission contingency fund	400,000		400,000
Guardianship grants	2,450,000	3,650,000	6,100,000
Targeted market equity pool		75,000,000	75,000,000
Prairie Public Broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000		350,000
State student internship		700,000	700,000
Governor's emergency education relief		3,659,555	3,659,555
Deferred maintenance funding pool		20,000,000	20,000,000
Total all funds	$42,754,708	$126,100,799	$168,855,507
Less estimated income	8,828,309	68,082,864	76,911,173
General fund	$33,926,399	$58,017,935	$91,944,334
FTE	108.00	3.00	111.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Other Salary Adjustments[4]	Adds Funding for a Targeted Equity Pool[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	$151,408	$1,618,624	$664,786	$497,257		
Operating expenses						$3,008,165
Capital assets						
Emergency commission contingency fund						
Guardianship grants						
Targeted market equity pool					$75,000,000	
Prairie Public Broadcasting						
Community service supervision grants						
State student internship						
Governor's emergency education relief						
Deferred maintenance funding pool						
Total all funds	$151,408	$1,618,624	$664,786	$497,257	$75,000,000	$3,008,165
Less estimated income	24,024	238,955	0	26,000	34,000,000	849,498
General fund	$127,384	$1,379,669	$664,786	$471,257	$41,000,000	$2,158,667
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Rent Model[7]	Adjusts Funding for Capital Assets[8]	Adds Funding for a Deferred Maintenance Pool[9]	Adjusts Funding for Grants and Other Programs[10]	Total Senate Changes
Salaries and wages					$2,932,075
Operating expenses	$389,914	$200,000			3,598,079
Capital assets		14,768,640			14,768,640
Emergency commission contingency fund					
Guardianship grants				$3,650,000	3,650,000
Targeted market equity pool					75,000,000
Prairie Public Broadcasting				1,792,450	1,792,450
Community service supervision grants					
State student internship				700,000	700,000
Governor's emergency education relief				3,659,555	3,659,555
Deferred maintenance funding pool			$20,000,000		20,000,000
Total all funds	$389,914	$14,968,640	$20,000,000	$9,802,005	$126,100,799
Less estimated income	4,101,552	5,183,280	20,000,000	3,659,555	68,082,864
General fund	($3,711,638)	$9,785,360	$0	$6,142,450	$58,017,935
FTE	0.00	0.00	0.00	0.00	3.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$931,273	$158,966	$1,090,239
Health insurance increase	448,396	79,989	528,385
Total	$1,379,669	$238,955	$1,618,624

[3] Funding of $664,786 from the general fund is added to the salaries and wages line item as follows:
- $190,862 for 1 FTE business development position;
- $255,452 for 1 FTE talent acquisition manager position; and
- $218,472 for 1 FTE total rewards specialist position.

[4] Funding of $497,257 is added to the salaries and wages line item as follows:
- $396,888 from the general fund to reclassify 2 existing FTE positions to 1 FTE public improvements manager position and 1 FTE lease administrator position.
- $100,369 of one-time funding, including $74,369 from the general fund and $26,000 from other funds, for accrued leave retirement payouts.

[5] Funding of $75 million, including $41 million from the general fund and $34 million from other funds, is added for a targeted market equity pool.

[6] Funding of $3,008,165 is added to the operating expenses line item as follows:
- $25,891, including $25,067 from the general fund and $824 from other funds, for Information Technology Department rate increases.
- $1 million from the general fund for new procurement software licensing and maintenance agreements.
- $831,774, including $323,100 from the general fund and $508,674 from other funds for inflationary increases.
- $12,000 from the general fund for classification system administration contracts.
- $95,000 from the general fund for LinkedIn recruitment tools.
- $358,500 of one-time funding, including $18,500 from the general fund and $340,000 from other funds, for inflationary increases.
- $100,000 of one-time funding from the general fund for an Americans with Disabilities Act compliance study.
- $150,000 of one-time funding from the general fund for automatic doors in legislative areas of the Capitol.
- $100,000 of one-time funding from the general fund for Capitol tour digital enhancements.
- $335,000 of one-time funding from the general fund for a state employee leave management system.

[7] Funding is decreased by $3,711,638 from the general fund and increased by $4,101,552 from other funds for a new Capitol space rent model resulting in an increase of $389,914 from other funds for operating expenses.

[8] Funding for capital assets is adjusted to provide the following:
- A transfer of $200,000 from the capital assets line item to the operating expenses line item related to base budget adjustments.
- A decrease of $280,640 from the general fund related to the final year of bond payments for outstanding bonds.
- $500,000 from the general fund for electrical and mechanical repairs.
- $24,480 from other funds for Central Services Division software and equipment.
- $2,500,000 of one-time funding from the general fund for new procurement software.
- $800,000 of one-time funding from the general fund for automation upgrades at the Capitol.
- $100,000 of one-time funding from the general fund for electrical and mechanical repairs.
- $451,000 of one-time funding from the general fund to demolish the State Office Building.
- $5,500,000 of one-time funding from the general fund for Capitol space utilization improvements.
- $573,800 of one-time funding, including $215,000 from the general fund and $358,800 from other funds, for Central Services Division software and equipment.
- $300,000 of one-time funding from the Capitol building fund for exterior repairs at the Governor's residence.
- $500,000 of one-time funding from the Capitol building fund for a remodeling project in the Brynhild Haugland Room in the Capitol;
- $4,000,000 of one-time funding from the Capitol building fund for a Capitol window replacement project.

[9] One-time funding of $20 million from the strategic investment and improvements fund is added for a deferred maintenance funding pool, including $12 million for a boiler replacement project at the Capitol.

[10] Funding of $9,802,005 is adjusted as follows:
- $3,650,000 from the general fund for guardianship grants is added to provide total funding of $6,100,000 for guardianship grants.
- $1,792,450 of one-time funding from the general fund is added for Prairie Public Broadcasting to provide total funding of $2,992,450, including $1,200,000 of ongoing base-level funding from the general fund.
- $700,000 of one-time funding from the general fund is added for the state student internship program.
- $3,659,555 of one-time funding from the federal Governor's Emergency Education Relief (GEER) fund is added for education grants.

This amendment also:

- Appropriates additional funding from the community service supervision fund for distributions;
- Transfers $200 million from the tax relief fund to the human service finance fund;
- Authorizes the Office of Management and Budget to transfer state student internship funding to other state agencies;
- Identifies $20 million from the strategic investment and improvements fund for a deferred maintenance funding pool, designates up to $12 million for a boiler replacement project, and authorizes the Office of Management and Budget to transfer funding to other state agencies;
- Identifies $4.8 million from the Capitol building fund for exterior repairs at the Governor's residence ($300,000), a remodeling project in the Brynhild Haugland Room ($500,000), and a Capitol window replacement project ($4 million);
- Identifies funding for statewide memberships and dues, unemployment insurance, and the Capitol Grounds Planning Commission;
- Provides guidelines for a targeted market equity funding pool, authorizes the Office of Management and Budget to transfer the funding to other state agencies, requires a report to the Budget Section, and includes an emergency clause related to the distribution of the equity increases;
- Provides guidelines for state employee compensation increases;
- Increases the amount available each biennium from the Capitol building fund to the Capitol Grounds Planning Commission from $250,000 to $750,000;
- Authorizes agency rental payments for space used on the Capitol grounds by executive branch agencies receiving general fund appropriations and creates an operating fund for facility management operations related to the new rent model;
- Allocates 50 percent of the motor vehicle excise tax collections to the state highway fund decreasing the amount deposited in the general fund by $169,250,000 for the 2023-25 biennium;
- Provides an exemption allowing 2021-23 biennium appropriation authority for the Fiscal Management Division of the Office of Management and Budget to continue to be available in the 2023-25 biennium; and
- Provides an exemption allowing unexpended appropriations for an assessment of state lands and facilities and a facility consolidation study to continue to be available in the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Adjutant General			
Salaries and wages	$7,150,489	$757,309	$7,907,798
Operating expenses	3,048,313	251,148	3,299,461
Capital assets	224,046	19,500,000	19,724,046
Grants	210,916	374,776	585,692
Civil air patrol	309,125	78,030	387,155
Tuition, recruiting, and retention	3,042,235	320,000	3,362,235
Air guard contract	8,490,161	531,148	9,021,309
Army guard contract	48,203,473	2,971,364	51,174,837
Veterans' cemetery	1,325,998	69,290	1,395,288
Reintegration program	925,524	(14,129)	911,395
Total all funds	$72,930,280	$24,838,936	$97,769,216
Less estimated income	56,326,564	21,716,184	78,042,748
General fund	$16,603,716	$3,122,752	$19,726,468
FTE	152.00	4.00	156.00
Department of Emergency Services			
Salaries and wages	$12,232,240	$2,662,351	$14,894,591
Operating expenses	6,502,334	1,313,233	7,815,567
Capital assets	660,000	300,000	960,000
Grants	14,550,000	13,868,000	28,418,000
Disaster costs	51,485,736	165,448,359	216,934,095
Total all funds	$85,430,310	$183,591,943	$269,022,253
Less estimated income	79,151,794	180,105,176	259,256,970
General fund	$6,278,516	$3,486,767	$9,765,283
FTE	70.00	7.00	77.00
Bill total			
Total all funds	$158,360,590	$208,430,879	$366,791,469
Less estimated income	135,478,358	201,821,360	337,299,718
General fund	$22,882,232	$6,609,519	$29,491,751
FTE	222.00	11.00	233.00

Senate Bill No. 2016 - Adjutant General - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$7,150,489	$757,309	$7,907,798
Operating expenses	3,048,313	251,148	3,299,461
Capital assets	224,046	19,500,000	19,724,046
Grants	210,916	374,776	585,692
Civil air patrol	309,125	78,030	387,155
Tuition, recruiting, and retention	3,042,235	320,000	3,362,235
Air guard contract	8,490,161	531,148	9,021,309
Army guard contract	48,203,473	2,971,364	51,174,837
Veterans' cemetery	1,325,998	69,290	1,395,288
Reintegration program	925,524	(14,129)	911,395
Total all funds	$72,930,280	$24,838,936	$97,769,216
Less estimated income	56,326,564	21,716,184	78,042,748
General fund	$16,603,716	$3,122,752	$19,726,468
FTE	152.00	4.00	156.00

Department 540 - Adjutant General - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions for Dickinson Readiness Center[3]	Adds FTE Position for Air National Guard Security Forces[4]	Adds Funding for ITD Increases[5]	Adjusts Funding Between Line Items[6]
Salaries and wages	$201,801	$472,422				($6,914)
Operating expenses			$183,500		$27,457	40,191
Capital assets						
Grants						
Civil air patrol		12,057				1,058
Tuition, recruiting, and retention						
Air guard contract		383,510		$142,638		
Army guard contract		1,123,941	153,088			9,335
Veterans' cemetery		69,290				
Reintegration program		53,519				(67,648)
Total all funds	$201,801	$2,114,739	$336,588	$142,638	$27,457	($23,978)
Less estimated income	313,326	1,453,734	161,794	142,638	18,670	(23,978)
General fund	($111,525)	$661,005	$174,794	$0	$8,787	$0
FTE	0.00	0.00	3.00	1.00	0.00	0.00

	Adds Funding for Armory Rent Increases[7]	Adds Funding for Civil Air Patrol Operating Costs Increase[8]	Adds Funding for ND1000 Recruiting Program[9]	Adds Funding for State Active Duty Training Funds[10]	Adds Funding for Maintenance and Repairs[11]	Adds One-Time Funding for Leave Payouts[12]
Salaries and wages						$90,000
Operating expenses						
Capital assets						
Grants	$374,776					
Civil air patrol		$4,915				
Tuition, recruiting, and retention			$320,000			
Air guard contract						5,000
Army guard contract				$40,000	$1,500,000	145,000
Veterans' cemetery						
Reintegration program						
Total all funds	$374,776	$4,915	$320,000	$40,000	$1,500,000	$240,000
Less estimated income	0	0	0	0	0	150,000
General fund	$374,776	$4,915	$320,000	$40,000	$1,500,000	$90,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for National Guard Capital Assets[13]	Adds One-Time Funding for Hanger Purchase[14]	Total Senate Changes
Salaries and wages			$757,309
Operating expenses			251,148
Capital assets	$19,500,000		19,500,000
Grants			374,776
Civil air patrol		$60,000	78,030
Tuition, recruiting, and retention			320,000
Air guard contract			531,148
Army guard contract			2,971,364
Veterans' cemetery			69,290
Reintegration program			(14,129)
Total all funds	$19,500,000	$60,000	$24,838,936
Less estimated income	19,500,000	0	21,716,184
General fund	$0	$60,000	$3,122,752
FTE	0.00	0.00	4.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$444,962	$901,530	$1,346,492
Heath insurance increase	216,043	552,204	768,247
Total	$661,005	$1,453,734	$2,114,739

[3] Funding of $336,588, including $174,794 from the general fund and $161,794 from other funds, is added for 3 FTE positions ($153,088) and related operating expenses ($183,500). Funding for these positions begins in January 2025.

[4] Funding of $142,638 is added for 1 FTE Air National Guard security forces position from federal funds.

[5] Funding is added for Information Technology Department rate increases.

[6] Funding is adjusted between line items for base budget changes.

[7] Funding is added from the general fund for rent increases at the seven city-owned armories.

[8] Funding is added from the general fund for Civil Air Patrol fuel cost increases (3 percent).

[9] Funding of $320,000 is added from the general fund for the ND1000 recruiting program.

[10] Funding is added from the general fund for state active duty training related to wildland fire training.

[11] Funding is added from the general fund for necessary repairs and updates to National Guard facilities statewide.

[12] One-time funding is added for accrued leave payouts for retirements.

[13] Funding of $19.5 million is added for National Guard capital assets. Funding of $2.7 million is from the strategic investment and improvements fund for statewide interoperable radio network equipment. Funding of $16.8 million is from the federal State Fiscal Recovery Fund, of which $5.3 million is for the construction of billets at Camp Grafton, $8.9 million is for the completion of the Dickinson Readiness Center, and $2.6 million is for the design and engineering for the Williston Readiness Center.

[14] One-time funding is added from the general fund to purchase a hangar at the Minot airport for the Civil Air Patrol.

Senate Bill No. 2016 - Department of Emergency Services - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$12,232,240	$2,662,351	$14,894,591
Operating expenses	6,502,334	1,313,233	7,815,567
Capital assets	660,000	300,000	960,000
Grants	14,550,000	13,868,000	28,418,000
Disaster costs	51,485,736	165,448,359	216,934,095
Total all funds	$85,430,310	$183,591,943	$269,022,253
Less estimated income	79,151,794	180,105,176	259,256,970
General fund	$6,278,516	$3,486,767	$9,765,283
FTE	70.00	7.00	77.00

Department 542 - Department of Emergency Services - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Watch Center[3]	Adds FTE Position for State Radio[4]	Adjusts Funding for State Radio FTE[5]	Adjusts Funding Between Line Items[6]
Salaries and wages	$84,442	$952,117	$1,233,992	$255,456		$101,344
Operating expenses			234,600			(77,367)
Capital assets						
Grants						
Disaster costs		63,448				
Total all funds	$84,442	$1,015,565	$1,468,592	$255,456	$0	$23,977
Less estimated income	(118,473)	615,865	0	102,182	(168,286)	23,977
General fund	$202,915	$399,700	$1,468,592	$153,274	$168,286	$0
FTE	0.00	0.00	6.00	1.00	0.00	0.00

	Adds Funding for ITD Increases[7]	Removes Funding for Federal Equipment[8]	Adds Funding for Homeland Security Grants[9]	Adds One-Time Funding for Leave Payouts[10]	Adds One-Time Funding for STORM Act[11]	Adds One-Time Funding for Capital Assets[12]
Salaries and wages				$35,000		
Operating expenses	$156,000				$1,000,000	
Capital assets		($660,000)				$960,000
Grants			$13,240,000			
Disaster costs						
Total all funds	$156,000	($660,000)	$13,240,000	$35,000	$1,000,000	$960,000
Less estimated income	0	(660,000)	13,240,000	25,000	1,000,000	660,000
General fund	$156,000	$0	$0	$10,000	$0	$300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Disaster Grants[13]	Adds Funding for Cybersecurity Grant Program[14]	Adds Funding for Disaster Grants[15]	Total Senate Changes
Salaries and wages				$2,662,351
Operating expenses				1,313,233
Capital assets				300,000
Grants		$628,000		13,868,000
Disaster costs	$142,652,500		$22,732,411	165,448,359
Total all funds	$142,652,500	$628,000	$22,732,411	$183,591,943
Less estimated income	142,652,500	0	22,732,411	180,105,176
General fund	$0	$628,000	$0	$3,486,767
FTE	0.00	0.00	0.00	7.00

[1] Funding is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$275,621	$413,698	$689,319
Health insurance increase	124,079	202,167	326,246
Total	$399,700	$615,865	$1,015,565

[3] Funding of $1,468,592 is added from the general fund for 6 FTE positions ($1,233,992) and operating costs ($234,600) for establishment of a State Watch Center.

[4] Funding of $255,456 is added for 1 FTE operations manager position for State Radio.

[5] Funding is adjusted for 2 FTE State Radio dispatch positions previously funded by local matching funds.

[6] Funding is adjusted between line items for base budget changes.

[7] Funding is added from the general fund for Information Technology Department administrative cost increases.

[8] Ongoing federal funding is removed for disaster response equipment (added as one-time funding in footnote 12 below).

[9] Funding of $13.24 million is added for increases in federal Emergency Management Performance, Homeland Security, and HazChem grants.

[10] One-time funding is added for accrued leave payouts for retirements.

[11] One-time funding from the state disaster relief fund is added for the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act to provide the 10 percent required match for a loan program utilized through the Federal Emergency Management Agency.

[12] One-time funding from the general fund is added for the replacement of State Radio consoles ($300,000) and from federal funds for disaster response equipment ($660,000).

[13] One-time funding of $142,652,500 is added for disaster costs, of which $136,947,500 is from federal funds and $5,705,000 is from the state disaster relief fund. Funding from presidential disaster declarations include the 2022 spring storm ($47,600,000), COVID-19 hazard mitigation ($64,500,000), 2022 winter storm ($2,847,500), and 2022 Building Resilient Infrastructure and Communities ($22,000,000).

[14] Funding of $628,000 is added from the general fund for the cybersecurity grant program to provide a local 10 percent match.

[15] Funding is added from federal funds for disaster costs.

This amendment also:

- Allows 2021-23 biennium unexpended authority for the Fraine Barracks automation system, Dickinson Readiness Center construction, communication bridge training site, COVID-19 response line item, state active-duty software and maintenance, tuition assistance, computer-aided dispatch equipment, Camp Grafton housing enhancements, and the purchase of options to purchase or lease land for the expansion of Camp Grafton into the 2023-25 biennium;
- Adds a section to continue legislative intent for the Adjutant General to purchase options for the purchase or lease of land for the expansion of Camp Grafton;
- Identifies $16.8 million from the federal State Fiscal Recovery Fund, of which $5.3 million is for construction of billets at Camp Grafton, $8.9 million is for the completion of the Dickinson Readiness Center, and $2.6 million is for the design and engineering of a new Williston Readiness Center;
- Identifies $2.7 million from the strategic investment and improvements fund for statewide interoperable radio network equipment;
- Adds a section to provide a transfer of $26,656 of unexpended funding from the general fund for payment of adjusted compensation to veterans; and
- Adds a section to provide an emergency clause related to $628,000 for the cybersecurity grant program.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2017 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Game and Fish Department			
Salaries and wages	$33,741,592	$4,686,592	$38,428,184
Operating expenses	16,276,782	1,543,716	17,820,498
Capital assets	6,774,770	1,773,891	8,548,661
Grants - Game and fish	8,923,343	1,166,633	10,089,976
Land habitat and deer depredation	17,995,597	8,926,706	26,922,303
Noxious weed control	725,000		725,000
Missouri River enforcement	296,999	20,588	317,587
Grants - Gifts - Donations	670,133	14,824	684,957
Nongame wildlife conservation	100,000		100,000
Lonetree reservoir	1,818,409	367,205	2,185,614
Wildlife services	500,000		500,000
Shooting sports grant program	250,000		250,000
Aquatic nuisance species program	1,509,009	1,450,655	2,959,664
Contingent Funding		27,150,000	27,150,000
Total all funds	$89,581,634	$47,100,810	$136,682,444
Less estimated income	89,581,634	47,100,810	136,682,444
General fund	$0	$0	$0
FTE	164.00	13.00	177.00
Bill total			
Total all funds	$89,581,634	$47,100,810	$136,682,444
Less estimated income	89,581,634	47,100,810	136,682,444
General fund	$0	$0	$0
FTE	164.00	13.00	177.00

Senate Bill No. 2017 - Game and Fish Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$33,741,592	$4,686,592	$38,428,184
Operating expenses	16,276,782	1,543,716	17,820,498
Capital assets	6,774,770	1,773,891	8,548,661
Grants - Game and fish	8,923,343	1,166,633	10,089,976
Land habitat and deer depredation	17,995,597	8,926,706	26,922,303
Noxious weed control	725,000		725,000
Missouri River enforcement	296,999	20,588	317,587
Grants - Gifts - Donations	670,133	14,824	684,957
Nongame wildlife conservation	100,000		100,000
Lonetree reservoir	1,818,409	367,205	2,185,614
Wildlife services	500,000		500,000
Shooting sports grant program	250,000		250,000
Aquatic nuisance species program	1,509,009	1,450,655	2,959,664
Contingent Funding		27,150,000	27,150,000
Total all funds	$89,581,634	$47,100,810	$136,682,444
Less estimated income	89,581,634	47,100,810	136,682,444
General fund	$0	$0	$0
FTE	164.00	13.00	177.00

Department 720 - Game and Fish Department - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Additional Emphasis on Wildlife Habitat[4]	Adds Funding for Aquatic Nuisance Species Program[5]	Adjusts Funding in Line Items[6]
Salaries and wages	$295,116	$2,550,796	$457,592			$1,383,088
Operating expenses			87,934			185,442
Capital assets						(1,374,109)
Grants - Game and fish						1,166,633
Land habitat and deer depredation		170,354		$4,657,974		1,285,000
Noxious weed control						
Missouri River enforcement		6,834				13,754
Grants - Gifts - Donations		14,824				
Nongame wildlife conservation						
Lonetree reservoir		60,620				306,585
Wildlife services						
Shooting sports grant program						
Aquatic nuisance species program		43,816			$1,198,589	
Contingent Funding						
Total all funds	$295,116	$2,847,244	$545,526	$4,657,974	$1,198,589	$2,966,393
Less estimated income	295,116	2,847,244	545,526	4,657,974	1,198,589	2,966,393
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	2.00	3.00	1.00	0.00

	Adds Funding for ITD Increases[7]	Adds Funding for Motor Pool Increases[8]	Adds Funding for Midterm Conservation Agreements[9]	Adds One-Time Funding for Supplies for New FTE Positions[10]	Adds One-Time Funding for Capital Assets[11]	Adds Contingent Funding for Recovering America's Wildlife Act[12]
Salaries and wages						
Operating expenses	$80,908	$1,157,192		$32,240		
Capital assets				18,000	$3,130,000	
Grants - Game and fish						
Land habitat and deer depredation			$2,777,778	35,600		
Noxious weed control						
Missouri River enforcement						
Grants - Gifts - Donations						
Nongame wildlife conservation						
Lonetree reservoir						
Wildlife services						
Shooting sports grant program						
Aquatic nuisance species program				208,250		
Contingent Funding						$27,150,000
Total all funds	$80,908	$1,157,192	$2,777,778	$294,090	$3,130,000	$27,150,000
Less estimated income	80,908	1,157,192	2,777,778	294,090	3,130,000	27,150,000
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	7.00

	Total Senate Changes
Salaries and wages	$4,686,592
Operating expenses	1,543,716
Capital assets	1,773,891
Grants - Game and fish	1,166,633
Land habitat and deer depredation	8,926,706
Noxious weed control	
Missouri River enforcement	20,588
Grants - Gifts - Donations	14,824
Nongame wildlife conservation	
Lonetree reservoir	367,205
Wildlife services	
Shooting sports grant program	
Aquatic nuisance species program	1,450,655
Contingent Funding	27,150,000
Total all funds	$47,100,810
Less estimated income	47,100,810
General fund	$0
FTE	13.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$1,937,848
Health insurance increase	909,396
Total	$2,847,244

[3] The following FTE positions and related funding are added:

Position	FTE	Salaries and Wages	Operating Expenses	Total
Fisheries biologist II	1.00	$228,958	$9,790	$238,748
Warden investigator	1.00	228,634	78,144	306,778
Total	2.00	$457,592	$87,934	$545,526

[4] Funding is added for the additional emphasis on wildlife habitat and access on private lands including 3 FTE positions and the following:

Line Item	Other Funds
Salaries and wages	$622,604
Operating expenses	35,370
Habitat/non-access payments	1,000,000
PLOTS payments	3,000,000
Total	$4,657,974

[5] Funding is added for the aquatic nuisance species program, including 1 FTE biologist I position and the following:

Line Item	Other Funds
Salaries and wages	$197,648
Temporary salaries	245,000
Operating expenses	687,941
Grants	68,000
Total	$1,198,589

[6] Funding is added from federal funds from various line items to adjust the base budget.

[7] Funding is added for Information Technology Department shared software and rate increases.

[8] Funding is added from other funds for motor pool cost increases.

[9] Funding is added from federal and special funds for midterm conservation agreements.

[10] One-time funding is added from federal and special funds for the following supplies and equipment related to new FTE positions:

Description	Position	Other Funds
Uniforms, laptop, and other supplies	Fisheries biologist II	$3,250
Uniforms, computer, radio, weapons, and vehicle package	Warden investigator	46,990
Uniforms, computers, ATV, and other equipment	Wildlife habitat biologists	35,600
Uniforms, laptop, and other equipment	Aquatic nuisance species biologist	3,250
Wash stations and other equipment	Aquatic nuisance species biologist	205,000
Total		$294,090

[11] One-time funding of $3,130,000 is added for the following capital assets:

	Other Funds
In-car video system and body cameras	$550,000
Fisheries pond liners	1,000,000
Aquatic nuisance species laboratory and storage facility	850,000
Devils Lake bunkhouse improvements	350,000
Fisheries dam repairs	380,000
Total	$3,130,000

[12] A section is added providing a contingent appropriation from federal funds for 7 FTE positions, operating expenses, and grant payments to administer programs approved under the federal Recovering America's Wildlife Act contingent on the passage of the federal Recovering America's Wildlife Act.

This amendment adds a section authorizing the Game and Fish Department to transfer up to $2 million between the operating expenses, capital assets, and grants - game and fish line items, during the 2023-25 biennium. The department must report any transfers to the Legislative Council.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Historical Society			
Salaries and wages	$15,791,624	$1,757,194	$17,548,818
Operating expenses	4,473,663	(512,832)	3,960,831
Capital assets	1,251,015	4,883,413	6,134,428
Grants	600,000	1,203,340	1,803,340
Cultural heritage grants	500,000		500,000
America's 250th		750,000	750,000
Exhibits		595,000	595,000
Total all funds	$22,616,302	$8,676,115	$31,292,417
Less estimated income	3,229,952	6,073,389	9,303,341
General fund	$19,386,350	$2,602,726	$21,989,076
FTE	78.75	3.25	82.00
Bill total			
Total all funds	$22,616,302	$8,676,115	$31,292,417
Less estimated income	3,229,952	6,073,389	9,303,341
General fund	$19,386,350	$2,602,726	$21,989,076
FTE	78.75	3.25	82.00

Senate Bill No. 2018 - State Historical Society - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$15,791,624	$1,757,194	$17,548,818
Operating expenses	4,473,663	(512,832)	3,960,831
Capital assets	1,251,015	4,883,413	6,134,428
Grants	600,000	1,203,340	1,803,340
Cultural heritage grants	500,000		500,000
America's 250th		750,000	750,000
Exhibits		595,000	595,000
Total all funds	$22,616,302	$8,676,115	$31,292,417
Less estimated income	3,229,952	6,073,389	9,303,341
General fund	$19,386,350	$2,602,726	$21,989,076
FTE	78.75	3.25	82.00

Department 701 - State Historical Society - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Funding in Various Line Items[3]	Adds FTE to Fully Fund Interpretive Resource Specialist Position[4]	Adds 3 FTE Positions[5]	Adds Funding for ITD Increases[6]
Salaries and wages	$106,849	$1,112,346	($296,853)	$64,814	$770,038	
Operating expenses			(1,120,944)			$24,072
Capital assets			165,809			
Grants			328,340			
Cultural heritage grants						
America's 250th						
Exhibits						
Total all funds	$106,849	$1,112,346	($923,648)	$64,814	$770,038	$24,072
Less estimated income	10,449	116,500	(923,648)	0	770,038	50
General fund	$96,400	$995,846	$0	$64,814	$0	$24,022
FTE	0.00	0.00	0.00	0.25	3.00	0.00

	Adds Funding for Operating Expenses[7]	Adjusts Funding for Bond Payments[8]	Adds Funding for Historic Building Improvements[9]	Adds One-time Funding for Inflationary Costs[10]	Adds One-time Funding for Geographic Information System Upgrades[11]	Adds One-time Funding for Medora Site Planning[12]
Salaries and wages						
Operating expenses	$26,445			$120,795	$250,000	$150,000
Capital assets		($586,640)	$500,000			
Grants						
Cultural heritage grants						
America's 250th						
Exhibits						
Total all funds	$26,445	($586,640)	$500,000	$120,795	$250,000	$150,000
Less estimated income	0	0	0	0	25,000	0
General fund	$26,445	($586,640)	$500,000	$120,795	$225,000	$150,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-time Funding for Federal Grants[13]	Adds One-time Funding for Newspaper Preservation[14]	Adds One-time Funding for Improving Exhibit Engagement[15]	Adds One-time Funding for Historical Building Improvements[16]	Adds One-time Funding for America's 250th Celebration[17]	Total Senate Changes
Salaries and wages						$1,757,194
Operating expenses	$30,000	$6,800				(512,832)
Capital assets		229,244	$75,000	$4,500,000		4,883,413
Grants	875,000					1,203,340
Cultural heritage grants						
America's 250th					$750,000	750,000
Exhibits			595,000			595,000
Total all funds	$905,000	$236,044	$670,000	$4,500,000	$750,000	$8,676,115
Less estimated income	905,000	0	670,000	4,500,000	0	6,073,389
General fund	$0	$236,044	$0	$0	$750,000	$2,602,726
FTE	0.00	0.00	0.00	0.00	0.00	3.25

[1] Funding is added for the cost to continue salary increases.

[2] The following is funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$643,530	$91,244	$734,774
Health insurance increase	352,316	25,256	377,572
Total	$995,846	$116,500	$1,112,346

[3] Funding is adjusted in various line items due to reduction in federal funding.

[4] Funding of $64,814 from the general fund is added for a 0.25 FTE interpretive resource specialist position to provide for the position as 1.00 FTE.

[5] Funding of $770,038 is added for 3 FTE positions, of which 1 FTE is for a trade services III position ($216,688), 1 FTE is for a trade services IV position ($244,142), and 1 FTE is for a program management II position ($309,208). Funding for these positions will be from museum store revenues.

[6] Funding is added for Information Technology Department rate increases.

[7] Funding of $26,445 is added from the general fund for software and maintenance contracts for:
- Geographic information system ($14,400)
- Newspaper preservation ($12,045)

[8] Funding is decreased from the general fund due to bond payments relating to the research collections expansion and the Chateau de Mores interpretive center ending in 2024.

[9] Funding is added from the general fund for ongoing historic building improvements and repairs.

[10] One-time funding of $120,795 is added from the general fund for increases in utilities at historic sites.

[11] One-time funding of $250,000 is added to update the geographic information system to allow remote access to ensure all contractors can obtain culturally sensitive information.

[12] One-time funding of $150,000 is added from the general fund for Medora area planning to coordinate with the Theodore Roosevelt Presidential Library.

[13] One-time funding of $905,000 is added for the following federally funded programs:
- Digital humanities advancement grant ($30,000)
- Paul Bruhn historical revitalization grant ($750,000)
- Underrepresented community grant ($125,000)

[14] One-time funding of $236,044 is added from the general fund for a scanner and microfilm plotter to assist in the newspaper preservation project.

[15] One-time funding of $670,000 is added for improving exhibit engagement at historical properties, of which $595,000 is from the strategic investment and improvements fund and $75,000 is from funds received by the Historical Foundation.

[16] One-time funding of $4.5 million is added from the strategic investment and improvements fund for historic building improvements, repair, and maintenance.

[17] One-time funding of $750,000 from the general fund is added to allow the America 250 Commission to plan and monitor events relating to America's 250th celebration and to provide grants to communities to help in their commemorations.

This amendment also:
- Adds a section to identify $5,095,500 from the strategic investment and improvements fund, of which $4,500,000 is for critical repairs to historic site structures and $595,000 is for creating new and repairing existing exhibits;
- Adds a section to identify $100,000 of funding in the estimated income line item from the Department of Transportation for defraying the expenses of the Lewis and Clark Interpretive Center for the 2023-25 biennium;
- Adds sections to amend and reenact North Dakota Century Code Sections 55-03-01 and 55-03-01.1 allowing the Director of the State Historical Society to set filing and permit fees;
- Adds a section to allow continuation of funding from the federal State Fiscal Recovery Fund from the 2021-23 biennium for deferred maintenance and extraordinary repair projects in the 2023-25 biennium; and
- Provides for a Legislative Management study related to records retention compliance of records deemed historic in value.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2019 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Parks and Recreation Department			
Administration	$2,765,070	$240,756	$3,005,826
Park operations and maintenance	21,155,523	15,305,776	36,461,299
Recreation	11,126,162	4,338,887	15,465,049
International Peace Garden	876,329	250,000	1,126,329
Total all funds	$35,923,084	$20,135,419	$56,058,503
Less estimated income	22,599,593	18,818,687	41,418,280
General fund	$13,323,491	$1,316,732	$14,640,223
FTE	57.75	7.25	65.00
Bill total			
Total all funds	$35,923,084	$20,135,419	$56,058,503
Less estimated income	22,599,593	18,818,687	41,418,280
General fund	$13,323,491	$1,316,732	$14,640,223
FTE	57.75	7.25	65.00

Senate Bill No. 2019 - Parks and Recreation Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Administration	$2,765,070	$240,756	$3,005,826
Park operations and maintenance	21,155,523	15,305,776	36,461,299
Recreation	11,126,162	4,338,887	15,465,049
International Peace Garden	876,329	250,000	1,126,329
Total all funds	$35,923,084	$20,135,419	$56,058,503
Less estimated income	22,599,593	18,818,687	41,418,280
General fund	$13,323,491	$1,316,732	$14,640,223
FTE	57.75	7.25	65.00

Department 750 - Parks and Recreation Department - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Position for Cabin Construction Project[3]	Converts Temporary Seasonal Positions to FTE Positions[4]	Adds Funding for Capitol Space Rent Model[5]	Adds Funding for ITD Increases[6]
Administration		$115,082			$125,674	
Park operations and maintenance	$85,913	679,938	$65,175	$131,928		$5,270
Recreation		83,094				
International Peace Garden						
Total all funds	$85,913	$878,114	$65,175	$131,928	$125,674	$5,270
Less estimated income	4,209	50,327	0	131,928	0	3,663
General fund	$81,704	$827,787	$65,175	$0	$125,674	$1,607
FTE	0.00	0.00	1.00	6.25	0.00	0.00

	Adjusts Funding for Bond Payments[7]	Decreases Funding for Park Operations and Maintenance[8]	Adds Special Fund Spending Authority[9]	Adds Funding for Equipment Life Cycle Replacement[10]	Adds Funding for Recreation[11]	Adds Funding for International Peace Garden[12]
Administration						
Park operations and maintenance	($35,215)	($635,933)	$1,750,000	$858,700		
Recreation					$255,793	
International Peace Garden						$250,000
Total all funds	($35,215)	($635,933)	$1,750,000	$858,700	$255,793	$250,000
Less estimated income	0	(635,933)	1,750,000	858,700	255,793	0
General fund	($35,215)	$0	$0	$0	$0	$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Cabin Construction Project[13]	Adds One-Time Funding for Lake Metigoshe Reimagined Project[14]	Adds One-Time Funding for State Park Matching Grant Program[15]	Adds One-Time Funding for Local Park System Grants[16]	Adds One-Time Funding for Deferred Maintenance and Capital Projects[17]	Total Senate Changes
Administration						$240,756
Park operations and maintenance	$2,400,000				$10,000,000	15,305,776
Recreation		$250,000	$3,000,000	$750,000		4,338,887
International Peace Garden						250,000
Total all funds	$2,400,000	$250,000	$3,000,000	$750,000	$10,000,000	$20,135,419
Less estimated income	2,400,000	250,000	3,000,000	750,000	10,000,000	18,818,687
General fund	$0	$0	$0	$0	$0	$1,316,732
FTE	0.00	0.00	0.00	0.00	0.00	7.25

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$557,311	$34,470	$591,781
Health insurance increase	270,476	15,857	286,333
Total	$827,787	$50,327	$878,114

[3] Funding of $65,175 from the general fund is added for 1 FTE position for a cabin construction project during the 2nd year of the biennium.

[4] Funding is added from special funds to convert temporary seasonal employees to 6.25 FTE positions.

[5] Funding is added from the general fund for a new Capitol space rent model.

[6] Funding is added for Information Technology Department rate increases.

[7] Funding is decreased from the general fund due to bond payments relating to the Turtle River State Park administrative office ending in 2024.

[8] Funding is decreased from the park operations and maintenance line item due to reduction in federal funding.

[9] Funding of $1.75 million is added from the parks operating fund due to higher park visitation revenue.

[10] Funding is added from the parks operating fund for equipment life cycle replacement.

[11] Funding is added from federal funds for base budget changes in the recreation line item.

[12] Funding is added from the general fund for an International Peace Garden ongoing operating grant to provide a total of $1,126,329.

[13] Funding of $2.4 million is added from the legacy earnings fund for the construction of cabins.

[14] Funding of $250,000 is added from the strategic investment and improvements fund for the Lake Metigoshe reimagined project.

[15] Funding of $3 million is added for the state park matching grant program, of which $1.5 million is from the strategic investment and improvements fund and $1.5 million is from federal funds.

[16] Funding of $750,000 is added from the strategic investment and improvements fund for city, county, and tribal park system grants.

[17] One-time funding of $10 million is added from the strategic investment and improvements fund for deferred maintenance and capital projects.

This amendment also adds sections to:

- Provide an appropriation of any additional federal funds or other funds which become available to the Parks and Recreation Department for the 2023-25 biennium;
- Provide $122,000 from the game and fish operating fund, or other funds available to the Game and Fish Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the 2023-25 biennium;
- Identifies $2.4 million from the legacy earnings fund for cabin construction at a state park designated by the Director of the Parks and Recreation Department;
- Identifies $12.5 million from the strategic investment and improvements fund, of which $10 million is for deferred maintenance and capital projects, $250,000 is for the Lake Metigoshe reimagined project, $1.5 million is for state park matching grants, and $750,000 is for city, county, and tribal park system grants;
- Identifies that city, county, and tribal park system grants are limited to $100,000 per entity;
- Allows any funds remaining in the International Peace Garden line item for repair of the Peace Tower in Section 30 of Chapter 15 of the 2013 Session Laws to be available for capital projects, extraordinary repairs, and equipment into the 2023-25 biennium;
- Allows any funds remaining for trail lease renewals and construction or purchasing trail easements from the appropriation in subdivision 1 of Section 1 of Chapter 19 of the 2021 Session Laws to be available for trail lease renewals and construction and repairs or purchasing trail easements into the 2023-25 biennium;
- Allows any funds remaining for extraordinary repairs from the appropriation in subdivision 1 of Section 1 of Chapter 44 of the 2019 Session Laws to be available for extraordinary repairs into the 2023-25 biennium;
- Allows any funds remaining for parks capital project and International Peace Garden capital projects from the appropriation in subdivision 1 of Section 1 of Chapter 44 of the 2019 Session Laws to be available for any capital project and equipment into the 2023-25 biennium;
- Allows any funds remaining for Fort Abraham Lincoln viewshed lease from the appropriation in subdivision 1 of Section 1 of Chapter 19 of the 2021 Session Laws to be available for plantings to improve the viewshed in the 2023-25 biennium;
- Allows any funds remaining for extraordinary repairs and capital projects from the appropriation in subdivision 1 of Section 1 of Chapter 19 of the 2021 Session Laws to be available for extraordinary repairs and capital projects in the 2023-25 biennium;
- Allows any funds remaining from the federal State Fiscal Recovery Fund the appropriation in subsection 9 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to be available for deferred maintenance and capital projects in the 2023-25 biennium;
- Allows any funds remaining from the federal State Fiscal Recovery Fund the appropriation in subsection 5 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to be available for grants to local park districts to renovate and upgrade existing facilities in the 2023-25 biennium; and
- Allows any funds remaining from the federal State Fiscal Recovery Fund the appropriation in Section 7 of Chapter 19 of the 2021 Session Laws as amended by section 4 of chapter 548 of 2021 Special Session Session Laws to be available for capital project improvements at state parks, subject to the department obtaining matching funds from nonstate sources for each project on a dollar-for-dollar basis in the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Water Commission			
Salaries and wages	$20,537,867	$2,927,459	$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - Grants	125,000,000	158,000,000	283,000,000
Rural water supply - Grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
General water - Grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation		1,000,000	1,000,000
Discretionary funding		1,000,000	1,000,000
Loan repayment		30,000,000	30,000,000
Total all funds	$409,199,129	$455,729,215	$864,928,344
Less estimated income	409,199,129	455,729,215	864,928,344
General fund	$0	$0	$0
FTE	90.00	3.00	93.00
Bill total			
Total all funds	$409,199,129	$455,729,215	$864,928,344
Less estimated income	409,199,129	455,729,215	864,928,344
General fund	$0	$0	$0
FTE	90.00	3.00	93.00

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$20,537,867	$2,927,459	$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - Grants	125,000,000	158,000,000	283,000,000
Rural water supply - Grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
General water - Grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation		1,000,000	1,000,000
Discretionary funding		1,000,000	1,000,000
Loan repayment		30,000,000	30,000,000
Total all funds	$409,199,129	$455,729,215	$864,928,344
Less estimated income	409,199,129	455,729,215	864,928,344
General fund	$0	$0	$0
FTE	90.00	3.00	93.00

Department 770 - State Water Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Other Operations and Compensation[4]	Makes Other Base Budget Adjustments[5]	Adds One-Time Funding[6]
Salaries and wages	$148,098	$1,509,354	$703,398	$576,609	($10,000)	
Operating expenses			2,000	5,512,584	7,744,789	$2,853,145
Capital assets					(7,740,789)	3,800,000
Water supply - Grants						
Rural water supply - Grants						
Flood control projects						
General water - Grants					6,000	
Basinwide plan implementation						
Discretionary funding						
Loan repayment						30,000,000
Total all funds	$148,098	$1,509,354	$705,398	$6,089,193	$0	$36,653,145
Less estimated income	148,098	1,509,354	705,398	6,089,193	0	36,653,145
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Adjusts Funding for Water Projects[7]	Total Senate Changes
Salaries and wages		$2,927,459
Operating expenses		16,112,518
Capital assets	$205,857,302	201,916,513
Water supply - Grants	158,000,000	158,000,000
Rural water supply - Grants	(19,600,000)	(19,600,000)
Flood control projects	66,600,000	66,600,000
General water - Grants	(2,233,275)	(2,227,275)
Basinwide plan implementation	1,000,000	1,000,000
Discretionary funding	1,000,000	1,000,000
Loan repayment		30,000,000
Total all funds	$410,624,027	$455,729,215
Less estimated income	410,624,027	455,729,215
General fund	$0	$0
FTE	0.00	3.00

[1] Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Federal Funds	Other Funds	Total
Salary increase	$23,689	$1,025,704	$1,049,393
Health insurance increase	12,102	447,859	459,961
Total	$35,791	$1,473,563	$1,509,354

[3] The following FTE positions and funding of $2,000 for related travel expenses are added:

	FTE Positions	Other Funds
Natural resources services	2.00	$505,772
Engineering and planning services	1.00	197,626
Total	3.00	$703,398

[4] Funding for operations and salaries and wages is adjusted as follows:

	Salaries and Wages	Operating Expenses	Total
Northwest area water supply temporary salaries	$170,000	$0	$170,000
Temporary employee benefits	61,609	0	61,609
Staff training and development	0	$80,000	80,000
Information technology unification	0	4,082,784	4,082,784
Pushing remote sensors (PRESENS) installations	345,000	1,227,800	1,572,800
Groundwater modeling and hydrologic analysis software maintenance	0	22,000	22,000
RiskMAP (federal funds)	0	100,000	100,000
Total	$576,609	$5,512,584	$6,089,193

[5] Funding is adjusted for other changes as follows:

	Other Funds
Reduces funding for salaries and wages	($10,000)
Increases funding for operating expenses, including $5.9 million for professional fees and services	7,744,789
Reduces funding for capital assets	(7,740,789)
Increases funding for general water grants	6,000
Total	$0

[6] One-time funding is added as follows:

	Other Funds
New FTE equipment	$19,320
Information technology unification	1,532,980
Increased motor pool rates	118,180
Drilling supplies inflation	180,000
Navigability study	180,000
Airborne electromagnetic survey data collection	750,000
Ground water modeling and hyrdological analysis software	72,665
Agency relocation	200,000
Drilling rig replacement	1,800,000
Bowman radar system	1,800,000
Total	$6,653,145

A section is also added to appropriate $30 million from the water projects stabilization fund to repay loans issued by the Bank of North Dakota for the Western Area Water Supply Authority.

[7] Funding for water projects is adjusted as follows:

	Total Funds
Increase funding for capital assets, including $47.8 million from federal funds for the Northwest Area Water Supply Project and $100 million from a line of credit	$205,857,302
Increase funding for water supply grants	158,000,000
Decrease funding for rural water supply grants	(19,600,000)
Increase funding for flood control projects	66,600,000
Decrease funding for general water grants	(2,233,275)
Add one-time funding for basinwide plan implementation	1,000,000
Add one-time funding for discretionary water projects	1,000,000
Total	$410,624,027

This amendment also adds sections to:

- Appropriate any additional funds in the resources trust fund to the Department of Water Resources for expenses of the department, excluding operating expenses and salaries and wages;
- Appropriate $30 million from the water projects stabilization fund to repay Bank of North Dakota loans for the Western Area Water Supply Authority;
- Provide that the discretionary funds line item may be used as necessary, except for salaries and wages;
- Provide that $1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects;
- Identify $120 million of the amount appropriated in Section 1 is from the water projects stabilization fund;
- Provide for the Bank to extend a $100 million line of credit to the Department of Water Resources, of which $50 million may be used for the Northwest Area Water Supply Project and $50 million may be used for the Southwest Pipeline Project;
- Amend 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages;
- Provide legislative intent for a total of $953 million for the Red River Water Supply Project, of which $175 million is provided during the 2023-25 biennium.
- Provide legislative intent for a total of $380.5 million for the Mouse River flood control project, of which $76.1 million is provided during the 2023-25 biennium;
- Provide legislative intent that the 69th Legislative Assembly appropriate $40 million for the Southwest Pipeline Project;
- Provide authority for the Department of Water Resources to transfer up to $13.3 million between the operating expenses and capital assets line items;
- Provide that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium; and
- Declare the bill to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Workforce Safety and Insurance			
WSI operations	$62,122,928	$12,763,904	$74,886,832
Total all funds	$62,122,928	$12,763,904	$74,886,832
Less estimated income	62,122,928	12,763,904	74,886,832
General fund	$0	$0	$0
FTE	260.14	0.00	260.14
Bill total			
Total all funds	$62,122,928	$12,763,904	$74,886,832
Less estimated income	62,122,928	12,763,904	74,886,832
General fund	$0	$0	$0
FTE	260.14	0.00	260.14

Senate Bill No. 2021 - Workforce Safety and Insurance - Senate Action

	Base Budget	Senate Changes	Senate Version
WSI operations	$62,122,928	$12,763,904	$74,886,832
Total all funds	$62,122,928	$12,763,904	$74,886,832
Less estimated income	62,122,928	12,763,904	74,886,832
General fund	$0	$0	$0
FTE	260.14	0.00	260.14

Department 485 - Workforce Safety and Insurance - Detail of Senate Changes

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Information Technology Costs[3]	Adds One-Time Funding for the CAPS Replacement Project[4]	Adds One-Time Funding for the myWSI Enhancement Project[5]	Total Senate Changes
WSI operations	$379,160	$3,769,928	$1,834,816	$4,950,000	$1,830,000	$12,763,904
Total all funds	$379,160	$3,769,928	$1,834,816	$4,950,000	$1,830,000	$12,763,904
Less estimated income	379,160	3,769,928	1,834,816	4,950,000	1,830,000	12,763,904
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$2,553,097
Health insurance increase	1,216,831
Total	3,769,928

[3] Funding of $1,834,816 from the Workforce Safety and Insurance fund is added for information technology rate increases from the Information Technology Department ($197,244) and increases for information technology contractual services for software support of agency systems and projects ($1,637,572).

[4] One-time funding of $4,950,000 is added from the Workforce Safety and Insurance fund for the claims and policy system replacement project. The agency has spent $16,745,803 on the project since July 2015 and anticipates $20,101,118 is needed to complete the project by May 2031 at a total cost of $36,846,921.

[5] One-time funding of $1,830,000 is added from the Workforce Safety and Insurance fund for the myWSI enhancement project. The agency has spent $3,900,036 on the project since November 2016 and anticipates $2,762,244 is needed to complete the project by September 2026 at a total cost of $6,662,280.

This amendment also adds a section to provide Workforce Safety and Insurance an exemption to continue $291,000 transferred from the Office of Management and Budget from the federal State Fiscal Recovery Fund for deferred maintenance of state-owned buildings during the 2021-23 biennium into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2022 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Retirement and Investment Office			
Salaries and wages	$6,785,839	$3,764,387	$10,550,226
Operating expenses	1,323,528	1,546,409	2,869,937
Contingencies	100,000	100,000	200,000
Total all funds	$8,209,367	$5,410,796	$13,620,163
Less estimated income	8,209,367	5,410,796	13,620,163
General fund	$0	$0	$0
FTE	25.00	9.00	34.00
Bill total			
Total all funds	$8,209,367	$5,410,796	$13,620,163
Less estimated income	8,209,367	5,410,796	13,620,163
General fund	$0	$0	$0
FTE	25.00	9.00	34.00

Senate Bill No. 2022 - Retirement and Investment Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$6,785,839	$3,764,387	$10,550,226
Operating expenses	1,323,528	1,546,409	2,869,937
Contingencies	100,000	100,000	200,000
Total all funds	$8,209,367	$5,410,796	$13,620,163
Less estimated income	8,209,367	5,410,796	13,620,163
General fund	$0	$0	$0
FTE	25.00	9.00	34.00

Department 190 - Retirement and Investment Office - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds FTE Positions[3]	Adds Funding for Other Salary Adjustments[4]	Transfers Funding from Operating to Salaries[5]	Adds Funding for Operating Expenses[6]
Salaries and wages	$41,345	$532,547	$1,547,947	$1,012,827	$143,721	
Operating expenses					(143,721)	$1,551,230
Contingencies						
Total all funds	$41,345	$532,547	$1,547,947	$1,012,827	$0	$1,551,230
Less estimated income	41,345	532,547	1,547,947	1,012,827	0	1,551,230
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	9.00	0.00	0.00	0.00

	Increases Funding for Contingencies[7]	Adds One-Time Funding Items[8]	Total Senate Changes
Salaries and wages		$486,000	$3,764,387
Operating expenses		138,900	1,546,409
Contingencies	$100,000		100,000
Total all funds	$100,000	$624,900	$5,410,796
Less estimated income	100,000	624,900	5,410,796
General fund	$0	$0	$0
FTE	0.00	0.00	9.00

[1] Funding derived from the income of funds under management is added for cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,643 per month:

	General Fund	Other Funds	Total
Salary increase	$0	$401,009	$401,009
Health insurance increase	0	131,538	131,538
Total	$0	$532,547	$532,547

[3] Funding of $1,547,947 derived from the income of funds under management and FTE positions are added as follows:

- $374,621 for 2 FTE investment assistant positions.
- $1,173,326 for 7 FTE positions, including 5 investment positions, 1 fiscal position, and 1 administrative position. The funding is only for the 2nd year of the biennium.

[4] Funding of $1,012,827 derived from the income of funds under management is added for other salary adjustments as follows:

- $506,929 for FTE positions approved during the November 2021 special legislative session.
- $383,540 for salary equity increases.
- $122,358 for other salary increases and internships.

[5] Funding of $143,721 is transferred from the operating expenses line item to the salaries and wages line item related to cost-savings from operating expenses and increases in salaries.

[6] Funding of $1,551,230 derived from the income of funds under management is added for operating expenses as follows:

- $6,721 for Information Technology Department rate increases.
- $100,000 for executive search expenses.
- $167,500 for inflationary increases.
- $977,419 for pension administration software fees.
- $32,750 for staff development and marketing materials.
- $266,840 for other operating expense increases related to rent, travel, and data processing.

[7] Funding derived from the income of funds under management is increased by $100,000 for contingencies to provide total funding of $200,000.

[8] One-time funding of $624,900 derived from the income of funds under management is added as follows:

- $436,000 for temporary salaries to implement new pension administration software.
- $50,000 for additional temporary salaries.
- $138,900 for operating expenses related to the implementation of new pension administration software.

This amendment also adds sections to:

- Amend North Dakota Century Code Section 54-44.3-20 to exempt the investment staff of the Retirement and Investment Office from the state employee classification system;
- Amend Section 54-52.5-03 to clarify the Retirement and Investment Office administrative expenses are from the earnings available from the funds under management;
- Create a new section to Chapter 54-52.5 relating to an incentive compensation program; and
- Provide an exemption for a pension administration information technology project to continue any unexpended 2019-21 biennium funds into the 2023-25 biennium, which are estimated to be $6.7 million.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Public Employees Retirement System			
Salaries and wages	$7,209,060	$1,262,868	$8,471,928
Operating expenses	2,396,236	147,476	2,543,712
Contingencies	250,000		250,000
Defined benefit plan closure		1,006,839	1,006,839
Total all funds	$9,855,296	$2,417,183	$12,272,479
Less estimated income	9,855,296	2,417,183	12,272,479
General fund	$0	$0	$0
FTE	35.50	6.00	41.50
Bill total			
Total all funds	$9,855,296	$2,417,183	$12,272,479
Less estimated income	9,855,296	2,417,183	12,272,479
General fund	$0	$0	$0
FTE	35.50	6.00	41.50

Senate Bill No. 2023 - Public Employees Retirement System - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$7,209,060	$1,262,868	$8,471,928
Operating expenses	2,396,236	147,476	2,543,712
Contingencies	250,000		250,000
Defined benefit plan closure		1,006,839	1,006,839
Total all funds	$9,855,296	$2,417,183	$12,272,479
Less estimated income	9,855,296	2,417,183	12,272,479
General fund	$0	$0	$0
FTE	35.50	6.00	41.50

Department 192 - Public Employees Retirement System - Detail of Senate Changes

	Adds Funding for Costs to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adds Funding for Salary Equity Increases[3]	Adds Funding for FTE Positions[4]	Adds Funding for Contingent FTE Positions[5]	Adjusts Base Level Funding[6]
Salaries and wages	$53,963	$560,063	$258,000	$501,210		($110,368)
Operating expenses				2,175		16,301
Contingencies						
Defined benefit plan closure		35,412			$643,427	
Total all funds	$53,963	$595,475	$258,000	$503,385	$643,427	($94,067)
Less estimated income	53,963	595,475	258,000	503,385	643,427	(94,067)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	3.00	3.00	0.00

	Adds One-Time Funding for Contingent Temporary Staff[7]	Adds Contingent One-Time Funding for the PERSLink Business System[8]	Adds One-Time Funding to Upgrade the PERSLink Business System[9]	Adds One-Time Funding for New FTE Position Operating Expenses[10]	Total Senate Changes
Salaries and wages					$1,262,868
Operating expenses			$125,000	$4,000	147,476
Contingencies					
Defined benefit plan closure	$200,000	$125,000		3,000	1,006,839
Total all funds	$200,000	$125,000	$125,000	$7,000	$2,417,183
Less estimated income	200,000	125,000	125,000	7,000	2,417,183
General fund	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	6.00

[1] Funding is added for the cost to continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	Other Funds
Salary increase	$379,719
Health insurance increase	215,756
Total	$595,475

[3] Funding is added for salary equity increases.

[4] Funding is added for the following FTE positions:

	Other Funds
One FTE retirement processing position	$215,357
One FTE receptionist position	125,711
One FTE member services representative position	162,317
Total	503,385

[5] Funding is added for the following FTE positions, including $640,352 for salaries and $3,075 of related ongoing operating expenses. This funding is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

	Other Funds
One FTE benefit manager position	$294,451
One FTE counselor position	186,359
One FTE member services representative position	162,617
Total	$643,427

[6] Base level funding is adjusted to add $16,301 for Information Technology Department rate increases and to reduce temporary salaries by $110,368 to provide a total of $150,000 of ongoing funding for temporary salaries during the 2023-25 biennium.

[7] One-time funding of $200,000 is added for temporary salaries, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

[8] One-time funding of $125,000 is added to hire a third-party developer to modify the PERSLink business system software, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

[9] One-time funding of $125,000 is added to hire a third-party developer to upgrade the PERSLink business system software.

[10] One-time funding of $7,000 purchasing is added for chairs for new FTE positions. Of this amount, $3,000 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

This amendment also adds a section to identify $1,006,839 appropriated in the defined benefit plan closure line item in Section 1 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2024 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Ethics Commission			
Ethics commission	$623,984	$427,992	$1,051,976
Total all funds	$623,984	$427,992	$1,051,976
Less estimated income	0	0	0
General fund	$623,984	$427,992	$1,051,976
FTE	1.00	1.00	2.00
Bill total			
Total all funds	$623,984	$427,992	$1,051,976
Less estimated income	0	0	0
General fund	$623,984	$427,992	$1,051,976
FTE	1.00	1.00	2.00

Senate Bill No. 2024 - Ethics Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Ethics commission	$623,984	$427,992	$1,051,976
Total all funds	$623,984	$427,992	$1,051,976
Less estimated income	0	0	0
General fund	$623,984	$427,992	$1,051,976
FTE	1.00	1.00	2.00

Department 195 - Ethics Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll and Budget Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Converts Temporary Position to FTE Position[3]	Adds Funding for Temporary Salaries[4]	Increases Operating Funding[5]	Total Senate Changes
Ethics commission	$3,072	$32,524	$60,798	$100,000	$231,598	$427,992
Total all funds	$3,072	$32,524	$60,798	$100,000	$231,598	$427,992
Less estimated income	0	0	0	0	0	0
General fund	$3,072	$32,524	$60,798	$100,000	$231,598	$427,992
FTE	0.00	0.00	1.00	0.00	0.00	1.00

[1] Funding is adjusted for base payroll and budget changes.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund
Salary increase	$27,262
Health insurance increase	5,262
Total	$32,524

[3] Funding from the general fund is added to convert a temporary FTE position to an executive assistant FTE position.

[4] Funding is added for temporary salaries to assist with education and outreach efforts.

[5] Funding from the general fund is increased for the following operating expenses:
- Travel funding is increased by $6,724 to provide total funding of $22,016.
- Information technology funding is increased by $8,874 to provide total funding of $48,939.
- Professional fee services funding is increased by $216,000 to provide total funding of $236,000.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2026 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
State Hospital building demolition		$5,000,000	$5,000,000
Total all funds	$0	$5,000,000	$5,000,000
Less estimated income	0	0	0
General fund	$0	$5,000,000	$5,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$5,000,000	$5,000,000
Less estimated income	0	0	0
General fund	$0	$5,000,000	$5,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2026 - DHHS - Other - Senate Action

The bill appropriates $5 million of one-time funding from the general fund for demolishing buildings at the State Hospital.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2032 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Para-to-teacher program		$3,000,000	$3,000,000
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	0	0
General fund	$0	$3,000,000	$3,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	0	0
General fund	$0	$3,000,000	$3,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2032 - Department of Public Instruction - Senate Action

This bill appropriates $3 million from the general fund to the Department of Public Instruction for grants to accredited institutions of higher education for a para-to-teacher program.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2033 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Teacher loan forgiveness		$3,000,000	$3,000,000
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	0	0
General fund	$0	$3,000,000	$3,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	0	0
General fund	$0	$3,000,000	$3,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2033 - Department of Public Instruction - Senate Action

This bill appropriates $3 million from the general fund to the Department of Public Instruction for teacher shortage student loan forgiveness payments.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2128 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Community behavioral health clinics		$1,000,000	$1,000,000
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2128 - DHHS - Other - Senate Action

This bill appropriates $1 million of one-time funding from the general fund for a certified community behavioral health clinic planning grant.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2129 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Alternatives to abortion		$400,000	$400,000
Total all funds	$0	$400,000	$400,000
Less estimated income	0	0	0
General fund	$0	$400,000	$400,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$400,000	$400,000
Less estimated income	0	0	0
General fund	$0	$400,000	$400,000
FTE	0.00	0.00	0.00

Senate Bill No. 2129 - DHHS - Other - Senate Action

This bill provides a $400,000 general fund appropriation to the Department of Health and Human Services for the alternatives-to-abortion program.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2136 - Funding Summary

	Base Budget	Senate Changes	Senate Version
State Tax Commissioner			
Homestead tax credit		$135,000,000	$135,000,000
Total all funds	$0	$135,000,000	$135,000,000
Less estimated income	0	135,000,000	135,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$135,000,000	$135,000,000
Less estimated income	0	135,000,000	135,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Senate Bill No. 2136 - State Tax Commissioner - Senate Action

This bill expands the homestead tax credit program to increase the income limits by replacing the current six thresholds of varying income levels up to a maximum of $42,000 with one threshold of up to $100,000 and to increase the amount of taxable value exemption from the current limit of $5,625 to $9,000. A taxable value exemption of $5,625 relates to an exemption of $125,000 of true and full value while a taxable value exemption of $9,000 relates to an exemption of $200,000 of true and full value. This bill also appropriates $135 million of ongoing funding from the strategic investment and improvements fund to the State Tax Commissioner to pay for the additional credits as a result of the expansion of the program. Funding for the homestead tax credit program totals $153.9 million, including $18.9 million of ongoing funding from the general fund included in Senate Bill No. 2006.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2142 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Commerce			
Office of immigration		$485,000	$485,000
Total all funds	$0	$485,000	$485,000
Less estimated income	0	242,500	242,500
General fund	$0	$242,500	$242,500
FTE	0.00	1.00	1.00
Bill total			
Total all funds	$0	$485,000	$485,000
Less estimated income	0	242,500	242,500
General fund	$0	$242,500	$242,500
FTE	0.00	1.00	1.00

Senate Bill No. 2142 - Department of Commerce - Senate Action

This bill appropriates $485,000, of which $242,500 is one-time funding from the general fund and $242,500 is ongoing funding from the economic development fund, to the Department of Commerce for the purpose of providing salaries and benefits for the newly created Office of Immigration. The department is authorized 1 FTE position to administer the office.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2149 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Crisis hotline		$50,000	$50,000
Total all funds	$0	$50,000	$50,000
Less estimated income	0	0	0
General fund	$0	$50,000	$50,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$50,000	$50,000
Less estimated income	0	0	0
General fund	$0	$50,000	$50,000
FTE	0.00	0.00	0.00

Senate Bill No. 2149 - DHHS - Other - Senate Action

This bill provides a $50,000 general fund appropriation to the Department of Health and Human Services to establish a 988 crisis hotline program.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2155 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Health center grants		$1,000,000	$1,000,000
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2155 - DHHS - Other - Senate Action

This bill provides a $1 million general fund appropriation to the Department of Health and Human Services to provide grants to federally qualified health centers.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2185 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Pregnancy and parenting website		$100,000	$100,000
Total all funds	$0	$100,000	$100,000
Less estimated income	0	0	0
General fund	$0	$100,000	$100,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$100,000	$100,000
Less estimated income	0	0	0
General fund	$0	$100,000	$100,000
FTE	0.00	0.00	0.00

Senate Bill No. 2185 - DHHS - Other - Senate Action

This bill provides a $100,000 general fund appropriation to the Department of Health and Human Services for a pregnancy and parenting resource website.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2197 - Funding Summary

	Base Budget	Senate Changes	Senate Version
University System Office			
Re-energize North Dakota scholarship		$5,125,000	$5,125,000
Total all funds	$0	$5,125,000	$5,125,000
Less estimated income	0	0	0
General fund	$0	$5,125,000	$5,125,000
FTE	0.00	1.00	1.00
Bill total			
Total all funds	$0	$5,125,000	$5,125,000
Less estimated income	0	0	0
General fund	$0	$5,125,000	$5,125,000
FTE	0.00	1.00	1.00

Senate Bill No. 2197 - University System Office - Senate Action

This bill appropriates $5,125,000 from the general fund to the State Board of Higher Education for the re-energize North Dakota scholarships program, including $125,000 and 1 new FTE position for student financial assistance and scholarship programs coordination and marketing.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2200 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Governor's school		$1,000,000	$1,000,000
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	0	0
General fund	$0	$1,000,000	$1,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2200 - Department of Public Instruction - Senate Action

This bill appropriates $1 million from the general fund to the Department of Public Instruction for North Dakota Governor's School grants at North Dakota State University and the University of North Dakota.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2202 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Attorney General			
Forensic medical examination grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00

Senate Bill No. 2202 - Attorney General - Senate Action

This bill appropriates one-time funding of $250,000 from the general fund to the Attorney General to provide domestic violence forensic medical examination program grants to community-based or hospital-based domestic violence examiner programs and related administrative costs.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2215 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Recreation center grants		$150,000	$150,000
Total all funds	$0	$150,000	$150,000
Less estimated income	0	0	0
General fund	$0	$150,000	$150,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$150,000	$150,000
Less estimated income	0	0	0
General fund	$0	$150,000	$150,000
FTE	0.00	0.00	0.00

Senate Bill No. 2215 - DHHS - Other - Senate Action

This bill provides a $150,000 general fund appropriation to the Department of Health and Human Services for providing grants for recreation services for individuals with developmental disabilities.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2230 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Adoption assistance		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00

Senate Bill No. 2230 - DHHS - Other - Senate Action

This bill provides a $250,000 general fund appropriation to the Department of Health and Human Services to provide financial assistance for adoptive families.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2239 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Public Employees Retirement System			
Pension unfunded liability reduction		$250,000,000	$250,000,000
Total all funds	$0	$250,000,000	$250,000,000
Less estimated income	0	0	0
General fund	$0	$250,000,000	$250,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$250,000,000	$250,000,000
Less estimated income	0	0	0
General fund	$0	$250,000,000	$250,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2239 - Public Employees Retirement System - Senate Action

This bill:

- Increases employee contributions to the Public Employees Retirement System (PERS) main system defined benefit retirement plan by 1 percent effective January 1, 2024 to provide a total employee statutory rate of 8 percent.
- Increases employer contributions to the PERS main system defined benefit retirement plan by the actuarially determined employer contribution (ADEC) rate, effective January 1, 2024, which is estimated to be 4 percent for the 2023-25 biennium. The total employer statutory rate would be approximately 11.12 percent.
- Appropriates $250 million from the general fund and transfers the funding to the PERS fund for the purpose of reducing the unfunded liability of the PERS main system defined benefit plan.
- Does not close the PERS main system defined benefit retirement plan to new hires.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2240 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Commerce			
Base retention grants		$1,900,000	$1,900,000
Total all funds	$0	$1,900,000	$1,900,000
Less estimated income	0	0	0
General fund	$0	$1,900,000	$1,900,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,900,000	$1,900,000
Less estimated income	0	0	0
General fund	$0	$1,900,000	$1,900,000
FTE	0.00	0.00	0.00

Senate Bill No. 2240 - Department of Commerce - Senate Action

This bill provides a one-time appropriation of $1.9 million from the general fund to the Department of Commerce for providing base retention grant funding to communities with an air force base or air national guard facilities. Of the total, $900,000 is to be distributed to eligible organizations in Minot and $1 million is to be distributed equally to eligible organizations in Grand Forks and Fargo.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2248 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Fentanyl awareness		$1,500,000	$1,500,000
Total all funds	$0	$1,500,000	$1,500,000
Less estimated income	0	1,500,000	1,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,500,000	$1,500,000
Less estimated income	0	1,500,000	1,500,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Senate Bill No. 2248 - DHHS - Other - Senate Action

This bill appropriates $1.5 million from the opioid settlement fund to the Department of Health and Human Services to expand statewide awareness of the fentanyl drug and overdose epidemic.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2265 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Medicaid dual special needs		$237,516	$237,516
Total all funds	$0	$237,516	$237,516
Less estimated income	0	0	0
General fund	$0	$237,516	$237,516
FTE	0.00	1.00	1.00
Bill total			
Total all funds	$0	$237,516	$237,516
Less estimated income	0	0	0
General fund	$0	$237,516	$237,516
FTE	0.00	1.00	1.00

Senate Bill No. 2265 - DHHS - Other - Senate Action

This bill provides a general fund appropriation of $237,516 to the Department of Health and Human Services to implement a Medicaid dual special needs plan. The bill also authorizes 1 FTE position for planning and implementation purposes.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2273 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Commerce			
Rural grocery grants		$2,000,000	$2,000,000
Total all funds	$0	$2,000,000	$2,000,000
Less estimated income	0	0	0
General fund	$0	$2,000,000	$2,000,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$2,000,000	$2,000,000
Less estimated income	0	0	0
General fund	$0	$2,000,000	$2,000,000
FTE	0.00	0.00	0.00

Senate Bill No. 2273 - Department of Commerce - Senate Action

This bill appropriates one-time funding of $2 million from the general fund to the Department of Commerce for establishing a pilot program to provide grants for the preservation of rural grocery stores and increasing access to food in the state.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2283 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Basic care payment system		$27,102,569	$27,102,569
Basic care study		600,000	600,000
Total all funds	$0	$27,702,569	$27,702,569
Less estimated income	0	7,984,183	7,984,183
General fund	$0	$19,718,386	$19,718,386
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$27,702,569	$27,702,569
Less estimated income	0	7,984,183	7,984,183
General fund	$0	$19,718,386	$19,718,386
FTE	0.00	0.00	0.00

Senate Bill No. 2283 - DHHS - Other - Senate Action

This bill appropriates $19,118,386 from the general fund and $7,984,183 from special funds to the Department of Health and Human Services to rebase basic care rates and provide inflationary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024. The bill also provides a $600,000 general fund appropriation to the Department of Health and Human Services to study the basic care rate system.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2284 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Science of reading		$1,000,000	$1,000,000
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	1,000,000	1,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$1,000,000	$1,000,000
Less estimated income	0	1,000,000	1,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Senate Bill No. 2284 - Department of Public Instruction - Senate Action

This bill allows the Department of Public Instruction to continue $1 million of unexpended funding provided for integrated formula payments during the 2021-23 biennium to the 2023-25 biennium and requires the funding to be deposited in the department's operating fund. In addition, the bill appropriates the funding from the department's operating fund to the Department of Public Instruction to support professional learning related to the science of reading and implement literacy instruction.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2288 - Funding Summary

	Base Budget	Senate Changes	Senate Version
University System Office			
Nursing program matching grants		$250,000	$250,000
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$250,000	$250,000
Less estimated income	0	0	0
General fund	$0	$250,000	$250,000
FTE	0.00	0.00	0.00

Senate Bill No. 2288 - University System Office - Senate Action

This bill appropriates $250,000 from the general fund to the State Board of Higher Education to provide matching grants to providers of nursing education.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2290 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Agriculture			
Grasslands grazing grants		$3,000,000	$3,000,000
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	3,000,000	3,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$3,000,000	$3,000,000
Less estimated income	0	3,000,000	3,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Senate Bill No. 2290 - Department of Agriculture - Senate Action

This bill:

- Appropriates $3 million of one-time funding from the strategic investment and improvements fund (SIIF) to the Agriculture Commissioner for the purpose of providing grasslands grazing grants to an organization representing cooperative grazing associations in the state. The organization must provide $1 of matching funds for every $4 provided by the Agriculture Commissioner; and
- Provides the Agriculture Commissioner an exemption to continue the $5 million appropriated from SIIF for grassland grazing grants for the 2021-23 biennium into the 2023-25 biennium.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2344 - Funding Summary

	Base Budget	Senate Changes	Senate Version
DHHS - Other			
Health care professional loan repayment		$96,000	$96,000
Total all funds	$0	$96,000	$96,000
Less estimated income	0	0	0
General fund	$0	$96,000	$96,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$96,000	$96,000
Less estimated income	0	0	0
General fund	$0	$96,000	$96,000
FTE	0.00	0.00	0.00

Senate Bill No. 2344 - DHHS - Other - Senate Action

This bill appropriates $96,000 from the general fund to the Department of Health of Human Services for the health care professional student loan repayment program. Funding is provided for 4 public health professional loan slots and 4 registered nurse loan slots.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2345 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Judicial Branch			
Guardianship monitoring task force		$290,000	$290,000
Total all funds	$0	$290,000	$290,000
Less estimated income	0	0	0
General fund	$0	$290,000	$290,000
FTE	0.00	1.00	1.00
Bill total			
Total all funds	$0	$290,000	$290,000
Less estimated income	0	0	0
General fund	$0	$290,000	$290,000
FTE	0.00	1.00	1.00

Senate Bill No. 2345 - Judicial Branch - Senate Action

This bill appropriates $290,000 from the general fund and 1 new FTE position to the judicial branch for the task force on guardianship monitoring to address matters of guardianship accountability and further protections of individuals under guardianship.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2354 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Foreign language stipends		$25,000	$25,000
Total all funds	$0	$25,000	$25,000
Less estimated income	0	0	0
General fund	$0	$25,000	$25,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$25,000	$25,000
Less estimated income	0	0	0
General fund	$0	$25,000	$25,000
FTE	0.00	0.00	0.00

Senate Bill No. 2354 - Department of Public Instruction - Senate Action

This bill appropriates $25,000 from the general fund to the Department of Public Instruction for a pilot program to provide stipends to kindergarten through grade 3 teachers who teach students a foreign language.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2380 - Funding Summary

	Base Budget	Senate Changes	Senate Version
Department of Public Instruction			
Administrative cost-sharing		$100,000	$100,000
Total all funds	$0	$100,000	$100,000
Less estimated income	0	0	0
General fund	$0	$100,000	$100,000
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$0	$100,000	$100,000
Less estimated income	0	0	0
General fund	$0	$100,000	$100,000
FTE	0.00	0.00	0.00

Senate Bill No. 2380 - Department of Public Instruction - Senate Action

This bill appropriates $100,000 from the general fund to the Department of Public Instruction to provide administrative cost-sharing reimbursements to eligible school districts and special education units.

From: Robert Heitkamp
Sent: Monday, March 6, 2023
Subject: Community Development Grants

Dear Chairman & ND Leaders,
My name is Bob Heitkamp, and I am the Executive Director of Marketplace for Kids (MFK). MFK recently received a VIBRANCY GRANT with/for the City of Valley City for our first Marketplace for Kids Education Day. The results were phenomenal! There were 347 students (our first year) who were actively engaged in entrepreneurial education and career choices that were too numerous to count! There were also another 150 teachers, chaperones, volunteers, presenters, Business Owners, Chamber, and Development personnel on hand to ensure that these students not only had an opportunity to look at what their local community has to offer but also help develop those critical first choices young minds make when deciding WHAT they want to do, WHERE they want to live, and HOW can they get to the culmination of those goals when they reach those first years of employment and visionary dreams of making their community GREAT!!!

This Vibrancy Grant had a direct impact on shaping the future of Valley City by planting the seeds of community business, growth, and workforce development in the crucial sector of the population we seldom think of as "LEADERS". But it's these students in grades 3-8 that can and WILL be the driving force in the local community in only 4+ years!

Please do everything you can to support, increase, and grow these opportunities for ALL of this State's communities in an effort to encourage, retain, and grow our State's workforce and business community…the heart of North Dakota!

Thanks,
Bob

Robert Heitkamp
Executive Director

Marketplace for Kids
106 Mathews St. Suite B, PO Box 9 | Mantador, ND 58058
Phone 701.242.7744 | Toll-Free 1.855.434.KIDS(5437) | Fax 701.242.7754
RHeitkamp@marketplacend.org | marketplaceforkids.org

"The Entrepreneurs of Tomorrow Are Preparing Today!"

Marketplace of Ideas/Marketplace for Kids, Inc is a 501 © 3 non-profit organization and an equal opportunity program.

Testimony of Carol Peterson

Economic Development Coordinator, City of Milnor

701-427-9414 milnoreconomicdev@hotmail.com

March 10, 2023

I come before you today as the Economic Development Coordinator and a citizen of Milnor, ND to support funding the Department of Commerce.

We are asking the Senate to return the grant funding for the Department of Commerce to:

- $800,000 for the grant line item. This funding will be used for vibrancy, planning and additional grants to implement community planning.
    - We were not able to provide funding to all the great projects and planning this past biennium. With the reduction of this fund, we would need to do more cuts to the grant line item, thus hurting the state to create communities that attract and retain workforce.
- $15M for slum and blight removal for commercial and housing.
    - The house combined both programs, which is workable, but then cut the funding in half. This pilot program has a great opportunity to help communities remove the blighted areas both on in their commercial areas as well as support the removal of housing stock and replace it with workforce housing.
- Return the additional one full time employee the governor had budgeted for the Main Street Program.
    - We are seeing incredible connection between state and federal government programs along with support to rural communities who do not have professional staff. This additional person will help in developing and implementing planning along with grant support.

Milnor has in the past been able to take part in the many programs and grants that the Department of Commerce has used to give our community the opportunity to grow and focus on our future. Small communities do not need a hand-out but a hand-up to become more appealing and self-sufficient.

We need assistance with programs that will help rural communities address the issues we are faced today. Milnor is within a ten-minute drive to one of the biggest manufacturing companies in the state, Doosan Bobcat. There are many other businesses and spinoff industries in the area that support the Bobcat factory with components and services that go into the manufacture of the Bobcat machines. These companies include Comstock Construction, Lunseth Plumbing, HA Thompson & Sons, Gates Inc., Job Erection, Grotberg Electric, ICS, (which all work on-site at the Bobcat factory) along with support industries such as Thompson Customizing, Ray Mac, Wurth Service Supply, Fargo Assembly, J & M Printing, Briton Manufacturing, trucking companies and many other auxiliary businesses working with Bobcat. We need assistance to help our area be prepared to meet the needs of today's workforce and support our citizens, our youth and our seniors.

We want you to know that small communities are not sitting idly by waiting for "hand-outs". We are looking for "hands-ups". Here are a few of our accomplishments to show how active and growth oriented we are. Many of these projects are the culmination of elbow grease, local funding and

programs and grants from the State of North Dakota. Please fund programs that can help us keep this type of momentum going so that we continue to grow.
(Programs and improvements using State grants and State programs are in **bold print**).

2018-2022

- **City purchased the grocery store, replaced all the refrigeration/freezers and made other improvements, and leased the building to entrepreneur**
- Installed natural gas throughout our community (MDU)
- **Built wildlife observation deck on Storm Lake Wildlife Refuge (west edge of town in city limits)**
- Built a pocket park next to the City Hall/Senior Center
- Fire Department built a new 8,700 sq ft fire hall in 2016. Because of this new facility with more space/training/equipment/improvements, Milnor's classification has now dropped form a Class 7 to Class 4 for insurance purposes, giving everyone better rates.
- **Painted a mural on Main Street**
- **City planted 228 trees in public spaces**
- Improvements made to our golf course and clubhouse
- A dilapidated building was removed on Main Street (old VFW building)
- **Airport installed an additional 1,000' runway to the existing runway which compliments the hanger and terminal**
- 7 new businesses added
- 10 business successions
- One business expanded multiple times (elevator)
- One business closed (barber)
- Four Businesses built new buildings - Green Iron JD (22,500 sq ft), U Stor It (3,600 sq ft), Dakota Dirt Coffee (2,560 sq ft) and IBBG (1,920 sq ft)
- City worked with the Sargent County JDA to build two spec homes in Northview Subdivision. This subdivision opened in 2016 with 49 residential lots with infrastructure to all lots. Additional homes built by private individuals.

2023 Future Plans

- **City will replace 6.5 blocks of curb, gutter, sidewalks and lighting on Milnor's Main Street business district**
- **A non-profit will be building a $1M addition to the childcare that currently has over 50 children attending (16 employees). Original building built in 2014 (5,000 sq ft)**
- **City will plant 92 trees in our new Northview residential subdivision**
- The Veterans organizations will be building a new building
- A community group will be building a new ice cream shop, replacing a dilapidated building
- The veterinarian will finish building her 3,128 sq ft kennel (this is in addition to the 5,000 sq ft veterinarian business constructed in 2011)
- **City will build a playground in the Northview residential subdivision**
- **City will work with Hometown Housing to do a housing study**
- **City will work with Confluence Architects to do an Urban Plan for our business district and park district**
- **City plans to extend our Renaissance Zone program for an additional 5 years. RZ Program started in 2003**

Milnor is a thriving community that has grown its business district in the last twelve years with 25 new businesses. Some of these new businesses are small, one-person business, but several are anchor businesses that employ numerous people. Some of our new, larger anchor businesses are Crossroads Electric/HVAC (15 employees) Sheyenne Valley Veterinary (4 full-time and 6 part-time), Camryn's Clubhouse Childcare Center (16 employees), Swede's Plumbing (5 employees), and Dakota Dirt Coffee (new business with 4 employees, doubling their sales in one year).

Businesses that have historically been located in Milnor are still thriving and building their base such as Green Iron Equipment, which has been a part of Milnor for over 75 years and has recently built a new 22,500 square foot building in our new Ruby Industrial Addition, with plans to expand with additional construction in 2023. Milnor Grain, a main stay in our agricultural community, has seen 4 different expansions in the last twelve years. Stock Growers Bank, a part of Milnor since 1906, still working in the community also expanded and remodeled their facility in 2012, employing 8 staff. These are just a few of our lasting businesses.

Help us to continue to grow by giving us opportunities to make the improvements we need and give us the necessary tools to build by funding the ND Department of Commerce. North Dakota needs vibrant communities and with the assistance from the Commerce Department, we will make changes and grow, which will be a win/win for all of us.

Thank you for your time.

March 7, 2023

Honorable Brad Bekkedahl
Senator and Appropriations Commitee Chair

Senator Bekkedahl and Members of the Committee:

I'm writing to express my continued and enthusiastic support for the proposed $50-million Destination Development Fund, as well as—at a minimum—the increased funding for Tourism Marketing included in the Governor's budget. I say "minimum" because the proposed increase would still leave North Dakota well short of the tourism spending done by most of our competitors around the country, including those closest to us. Destination marketers in the state have been asking for the Destination Development Fund since the 2019 session, and see it as even more important today as North Dakota struggles to find people to fill thousands of open jobs. This matching grant fund will support place-making through the enhancement of existing facilities and attractions, as well as to new amenities we haven't even thought of yet. And those developments won't just attract visitors but will also be an incentive for people thinking about moving to the state.

It's well-established that Tourism Marketing lifts the national and international profile of the entire state, including for purposes of economic and workforce development. Very few people ever decide to move to a state to take a job unless they've had a chance to visit, and the visits that influence those decisions don't always come during a specific job search. Sometimes they come during a family vacation, or a trip to a conference, or to a Squirt Hockey Tournament. People who visit ND for any reason whatsoever are far more likely to consider working, living, or starting a business here, and make no mistake about it—*marketing drives the vast majority of the first visits*. You have a great team in the Tourism Division of the Commerce Department, and I believe I can speak for all my travel, tourism, and economic development colleagues around the state when I implore you to give them the tools, and the funds they need to raise North Dakota and all it has to offer to the place it deserves in the national consciousness. I would be delighted to answer any questions, either in person before your committee or via email or a phone call.

Sincerely,

President & CEO

Fargo-Moorhead
Convention & Visitors Bureau

2001 44th St S
Fargo ND 58103

800 • 235 • 7654
701 • 282 • 3653
(fax) 701 • 282 • 4366

info@fargomoorhead.org

www.fargomoorhead.org

March 6, 2023

Dear Chair & Members of Appropriations Committee:

Thank you for all that you do for the State of North Dakota! Your service to the citizens of this great state deserves recognition and admiration.

I was born and raised in Dickinson and have dedicated much of my adult life in the Fargo area. The western and the eastern parts of the State both have so much potential. Because of our mutual love of North Dakota, I know we both have a vision of sharing our culture, environment, communities, and amenities to as many people as possible and presenting ourselves with the pride that we feel.

To make us more competitive in attracting tourists to boost our economies and residents to fill our thousands of open positions, a dramatic increase in support for quality-of-life amenities is needed. A solution to this is in our hands – through this appropriation from the State and through individual philanthropy. North Dakota's cultural amenities like our museums, zoos and like organizations can take a giant leap forward through generosity and vision. This is why I would like to encourage you to consider supporting the Destination Development Fund appropriation.

At Plains Art Museum specifically, an organization that I lead as Director & CEO, we have a vision for the future. Our *Connecting Campaign* will expand and unify our campus, including the Museum and our Katherine Kilbourne Burgum Center for Creativity, allowing us to increase the number of people that we attract to the region by tens-of-thousands each year. More art, more interactivity for families, more classes – it is all possible with the fulfillment of our vision. With investment, we are poised for growth.

Thank you again for all that you do, and for considering this tremendous investment in our future.

Sincerely,

Andrew J. Maus, Director & CEO
Plains Art Museum
701.551.6123 – amaus@plainsart.org

Dickinson Museum Center

Badlands Dinosaur Museum
Joachim Regional Museum
Pioneer Machinery Hall
Prairie Outpost Park

March 7, 2023

Chairman Nathe and members of the House Appropriations – Education and Environment Committee:

My name is Robert Fuhrman and I am the director of the Dickinson Museum Center, writing to lend my support for HB 1018.

I have been a museum director for over 30 years, working in four different states for museums of various sizes in small and medium-sized cities. While the challenge of a new locale led me to work in North Dakota, over the past six years I have come to appreciate the energy and enthusiasm of my fellow North Dakotans for both their history and pre-history – and how enthusiastic the traveling public is for visiting our museums.

Every summer our attendance swells and the weeks speed by as visitors from across our nation and beyond come through our doors – many of them new hires in various North Dakota industries who, I like to believe, appreciate the quality of life attractions and centers of learning represented by ours and the many fine museums across our state. I also believe that our museums compare very favorably to attractions throughout our region and can only take the next steps to rise above other state's offerings by a dramatic increase in support for quality of life initiatives that will expand and improve our cultural amenities such as museums, zoos and performing arts spaces. It is this belief that spurs me to encourage you to consider supporting the Destination Development Fund appropriation.

In Dickinson, we have been asked to consider how we might grow to better serve our visitors, expand our offerings and continue to develop our vibrant paleontology program to continue the upward attendance track that began six years ago when we became a department of the City of Dickinson. Our potential to grow, and indeed the growth of all of North Dakota's attractions can be realized by a robust Destination Development Fund appropriation.

Thank you for your kind attention to my testimony.

Sincerely,

Robert Fuhrman

Robert Fuhrman, Director
Dickinson Museum Center

1700 River Road N.
Bismarck, North Dakota 58503

Date: March 10, 2023

Attn: North Dakota Senator Terry Wanzek
Chair, Senate Appropriations Committee
Government Operations Division
North Dakota State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505
tmwanzek@ndlegis.gov

Good afternoon, State Senator Wanzek,

My name is Aaron L. Barth, and I am the executive director of the Missouri Valley Heritage Alliance/Fort Abraham Lincoln Foundation, the Northern Plains Heritage Foundation, and the Missouri Riverboat, Inc., DBA *Lewis & Clark* Riverboat.

Because I appreciate and respect your time, I will get right to the point. I am writing and submitting this letter of support to recommend the restoration of a total of $50 million for tourism infrastructure projects, and to support the $5 million investment for North Dakota Tourism's marketing budget during this 68th legislative assembly.

Thank you so very much for your strong consideration of this request.

Sincerely,

Aaron L. Barth, PhD
Executive Director

CITY OF WALHALLA

PEMBINA COUNTY

NORTH DAKOTA

Phone: (701) 549-3176
Fax: (701) 549-2410

58282

P. O. Box 318
1103 Central Ave.

Testimony of Melissa Gapp in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am Melissa Gapp, Auditor, City of Walhalla

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of **housing, workforce, and childcare**. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

The regional council is dire in our area of the state. We as a small city cannot afford to fund an employee for economic development. The Red River Regional Council helps our local communities in so many ways that cities alone just cannot afford to do anymore. They are a bright spot in our rural areas and work tirelessly to help small communities and businesses grow succeed.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

New Rockford Area Betterment Corporation

117 1st St. S. New Rockford, ND 58356 (701) 947-2205 www.cityofnewrockford.com

March 8, 2023

Testimony for Senate Appropriations Government Operations Division
Friday March 10, 2023, 8:00 am
IN SUPPORT

My name is Amanda Hegland and I work as the Executive Director for the New Rockford Area Betterment Corporation.

Thank you for considering my testimony. I encourage you to support returning the funding to the Governor's amount for grants and planning; slum and blight removal; and staff. On behalf of the New Rockford Area Betterment Corporation, I want to extend our support for:

- $800,000 for the grant line item. This funding will be used for vibrancy, planning and additional grants to implement community planning.
- $15M for slum and blight removal for commercial and housing.
- Return the additional one full time employee the governor had budgeted for the Main Street Program.

This bill would greatly benefit our rural communities by providing grant funding to many great projects and planning in our rural communities. It also has the opportunity to remove the slum and blight housing stock and replace it with workforce housing that is much needed in our communities. The Main Street program and staff has provided New Rockford with exceptional support to our rural community. They have helped guide us and have offered much needed support to help progress our city. We are in support of returning the additional full-time employee.

New Rockford has had the privilege of taking part in the many programs and grants that the Department of Commerce has used to give our community the opportunity to grow and thrive. We encourage you to continue to fund programs that offer opportunities for rural communities like New Rockford to continue to advance and flourish. Please help us continue to grow and thrive by supporting and funding the Department of Commerce.

I respectfully request that you support the valuable work the Department of Commerce is doing to support the communities of North Dakota.

Thank you so much for all you do, and for your support of economic development throughout the state of North Dakota!

Respectfully submitted,

Amanda Hegland

Amanda Hegland

Executive Director, New Rockford Area Betterment Corporation

March 10, 2023

To: Senate Appropriations Government Operations Committee
Re: HB 1018 – ND Tourism Division

Dear Senator Wanzek and Committee Members,

I am Kaelee Wallace, marketing and communications manager for the Theodore Roosevelt Medora Foundation. TRMF supports the tourism efforts in Medora as basecamp to TR National Park, host to the Maah Daah Hey Trail, and home to the Medora Musical.

As a partner of the ND Tourism Division and on behalf of the Theodore Roosevelt Medora Foundation, I am writing to voice support for HB 1018.

$50 million for the Destination Development Fund would help enrich tourism offerings across the state. Specifically in Medora there is a great opportunity to grow and expend tourism offerings through funding such as this. Future projects on our radar include growing our western heritage footprint, expanding outdoor trail experiences, and offering even more entertainment than we do now. All of these are earmarked with the intent to grow the tourism economy to and through Medora and North Dakota.

I also support the requested budget for the ND Tourism Division. As a partner of ND Tourism we endlessly appreciate their advocating for our destination, the marketing effort they are making beyond the bound of North Dakota, and the partner programs they host. All of this while also making a strategic pivot to linking workforce development and tourism development is no easy feat and requires an investment to do so.

We all understand the joys of living and working in North Dakota, I'm sure it's a main reason you have taken up an elected seat. By passing this bill we will allow the team at ND Tourism to share that experience with even more great folks that will put dollars back into our state.

Please support the Governor's recommendation for ND Tourism HB 1018

North Valley
Career and Technology Center

Michael Hanson
michael.hanson@k12.nd.us

1540 School Road
Grafton, ND 58237-1715

Phone: (701) 352-3705
Fax: (701) 352-3170
Website: www.northvalleyctc.org

Testimony of Michael Hanson in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am Michael Hanson, Director of North Valley Career and Technology Center in Grafton.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

In Region 4, there is a dire need to continue the work our Regional Council has accomplished these last two years, especially in the areas of workforce, childcare and housing. North Valley Career and Technology Center has partnered with the Regional Council for the past eight years to provide students (k-12) meaningful career exploration and work-based learning experiences. The connections of our Regional Council with business and industry has been maximized to provide a model for work-based learning that is being replicated by educators across the State of North Dakota in an effort to help workforce. The lack of childcare and housing in Region 4 is a real concern for attracting teachers to our schools. The good news is that in Region 4, an action plan to tackle these needs is ready to go and can only be accomplished through staff to lead.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

UKRAINIAN CULTURAL INSTITUTE
ІНСТИТУТ УКРАЇНСЬКОЇ КУЛЬТУРИ

1221 W. Villard PO Box 6
Dickinson ND 58602-0006
Phone: (701) 483-1486

Fax: (701) 483-4366
E-Mail: uci@ndsupernet.com
Web: www.ucitoday.org

March 10, 2023

ND Legislature
Bismarck, ND

Dear Senators,

My name is Kate Kessel, Director at the Ukrainian Cultural Institute in Dickinson.

The Ukrainian Cultural Institute is a proud organization that has not only withstood the past years of struggle, but has also persevered to become a solid institution of Ukrainian history and cultural experiences.

The idea of a $50 million Development Fund would be a blessing for our organization to be able to submit an application for our needs of expansion. Our rooms are full, and the new technologies that we could be able to incorporate would be our dream.

The ND Tourism Division works well with our local CVB, the marketing that ND Tourism has done for us and all of North Dakota is very important. We rely on their marketing efforts to help us since we do not have a large budget for marketing.

I hope that you will give ND Tourism the funds that they need to help us and other tourism businesses.

Vote "YES" for $50 million Development Fund and Marketing Funds for our ND Tourism!

Thank you!

Kate Kessel

Kate Kessel
Ukrainian Cultural Institute

Badlands. Good Times.™
VisitWatfordCity.com

03/08/23

To: Senate Appropriations Government Operations Committee

Re: HB 1018 – ND Tourism Division

Dear Senator Wanzek and Committee Members,

My name is Doug Bolken and I am with McKenzie County Tourism in Watford City. I feel that it is crucial for the committee to support the ND Tourism Budget as we are, and have been, far below our neighboring states tourism budgets. Please include:

- $50 million support for the Destination Development Fund that the Governor recommended.
- $25 million for marketing for recruiting and marketing campaign for workforce with the Dept. of Commerce.
- $5 million one-time funding for ND Tourism destination awareness marketing.

The Destination Development Fund would greatly benefit the attraction of workforce to our state and our local community. All marketing of attractions, lodging properties, restaurants and other community amenities paints a welcoming picture of North Dakota.

Please support the Governor's recommendation for ND Tourism HB 1018.

Kind Regards,

Doug Bolken
McKenzie County Tourism

CAVALIER

City of Cavalier
301 Division Ave N
P.O. Box 750
Cavalier, ND 58220
Ph. 701.265.8800
Fax 701.265.8720

Testimony of Casey Krieg in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am Casey Krieg, Auditor, City of Cavalier.
I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of **housing, workforce, and childcare**. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

Our region has opportunity ahead if we can solve the critical issues related to housing, workforce, childcare and implement the Destination Red River Action Plan. Red River Regional Council has identified and onboarded new, highly skilled staff around workforce, housing and the Destination Red River Action Plan – this funding would provide the stability and long-term funding solution to allow us to focus on these key issues hampering today's growth potential.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

Sincerely,

Casey Krieg
Cavalier City Auditor

Mayor
Lacey Hinkle

Council Ward I
Craig Vaughn
Sara Carter

Council Ward II
Mike Carpenter
Kelly Cluchie

Council Ward III
Tom Beard
Al Berry

March 09, 2023

To: Senate Appropriations Government Operations Committee
Re: HB 1018 – ND Tourism Division

Dear Senator Wanzek and Committee Members:

I am Phyllis Burckhard, Director of Sales, at the Staybridge Suites in Minot, ND. Our management company, National Hospitality Services, is located in Fargo, ND. We have numerous hotels throughout the state.

I am writing today to express the importance and need for ND Tourism marketing and projects which the Destination Development Fund could be a resource if funded. We are also in need of workforce to help in all areas of the hospitality industry.

Tourism and the number of visitors coming to our state directly affect our hotel, as well as restaurants, local attractions, and retail businesses. Our hotel relies not only on corporate travelers, but also on leisure travelers. We are greatly impacted by the marketing of our state and respectfully request your support.

Please support the Governor's recommendation for ND Tourism HB 1018.

Respectfully submitted,

Phyllis Burckhard
Minot, ND

Dunn County
Jobs Development Authority
Bridging People and Opportunities

March 8, 2023

Dear Senator Wanzek and Committee Members,

My name is Carie Boster and I am the Dunn County Jobs Development Authority Economic Development Director.

I am writing today to support the work of the North Dakota Tourism Division and the influence their work has on rural communities.

The Dunn County JDA works to encourage and assist in the development of employment opportunities and tourism promotion in Dunn County. We believe that developing recreation opportunities is an important part of our workforce attraction and retention program. Simply put, employees want to be able to recreate where they live – and opportunities to recreate often drive the family's decision as to where to live.

The Dunn County JDA has been a key partner in the redevelopment of the Little Missouri Campground and Day Use Recreation Area at the Little Missouri Bay on Lake Sakakawea, the building of a Nature Playscape and public park and trails at the Lake Ilo National Wildlife Refuge, and the development and implementation of the Killdeer Mountain Four Bears Scenic Byway. These attractions were made possible because of cooperative partnerships between our community and local, state, and federal governmental agencies that developed through an understanding of the roles we each play in our collective success.

The North Dakota Tourism Division provides infrastructure funding, expertise, and marketing support to all of North Dakota. Their efforts to bring visitors to our state is often the first introduction to North Dakota that our future workforce sees. Their ability to tell the North Dakota story is our story, and their reach far exceeds that which any rural community or county can do on its own.

HB 1018 provides an avenue for funding that creates a means for ongoing collaboration and partnerships that will help to build rural North Dakota.

If I can be of any assistance, or answer any questions, please do not hesitate to reach out.

Sincerely,

Carie Boster

Carie Boster
Economic Development Director
Dunn County Jobs Development Authority
O – 701.573.6092
C – 701.690.7628

Dunn County is an equal opportunity provider and employer.

Nelson County Health System

McVille, ND 58254

Testimony of Steve Forde in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am a Board Member of both the Red River Regional Council and Nelson County Job Development Authority and am a Nelson County Commissioner. I am the CFO of Nelson County Health System in McVille, ND, which is a nursing home, assisted living, hospital, and two rural clinics.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our northeast region of North Dakota needs more than 1,500 new employees in our small towns. We need to address the critical needs of **housing, workforce, and childcare**. In 2021/2022, Red River Regional Council enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

Increased staff for our Regional Council to crucial for effective implementation of housing and workforce goals and investment in our communities. Red River Regional Council is the first stop for new or existing business looking for help in a variety of areas. The resources provided by their staff leads to improvements in each business or organization. Our healthcare facility has received assistance in several ways including ADA upgrades which has helped our patients and community members.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

Sincerely,
Steve Forde, CFO

McVille Clinic
108 North Main
PO Box 307
701-322-4347
Fax 701-322-2244

Assisted Living
514 N. Olsgard St.
701-322-4314
Fax 701-322-5533

Hospital
200 North Main
PO Box 367
701-322-4328
Fax 701-322-2250

Care Center
108 E. Nyhus Ave.
701-322-4314
Fax 701-322-5533

Megan Langley
280 102nd St NW
Souris, ND 58783
(701) 303-0840

Dear members of the Senate Appropriations - Government Operations Division,

Thank you for taking my testimony into consideration today. My name is Megan Langley. I am representing myself - not an organization - and I am testifying in support of HB 1018 with restored funding for the North Dakota Department of Commerce's funding pools for communities and the people power needed to administer them.

I have been a rural development practitioner for over 10 years, working all across the state to help communities be better. During that time, I have seen the growth and continued positive evolution of the North Dakota Department of Commerce through its Main Street Program.

Through the Main Street Program, we have seen time and time again the benefit of nonprofit/public/private partnerships to support and accelerate community development. To really make an impact in rural North Dakota, Commerce has taken an "all of government" approach, which has been a game changer in connecting communities to the resources they need, cultivating broader community visions, and creating more sustainable solutions.

As a part of supporting HB 1018, it is important to ensure that Commerce has the resources they have to continue that forward momentum. Please consider the following restorations:

- **$800,000 for the community grant line item.** This funding will be used for vibrancy, planning and additional grants to implement community planning. Over the last biennium, Commerce wasn't able to provide funding to all the great projects and planning taking place in communities. With the reduction of this fund, Commerce would need to do more cuts to the grant line item, thus hurting the state to create communities that attract and retain workforce.
- **$15M for slum and blight removal for commercial and housing.** This pilot program has a great opportunity to help communities remove the blighted areas both in their commercial areas as well as support the removal of housing stock to replace it with workforce housing.
- **Additional one full time employee budgeted for the Main Street Program.** There is an incredible connection between state and federal government programs,

along with a need for support to rural communities who do not have professional staff. This additional person will help in developing and implementing planning along with grant support.

Your support of HB 1018 with the above-mentioned funding restorations will ensure that North Dakota's communities have access to an entire toolbox to attract and retain workforce while maintaining a high quality of life.

Sincerely,

Megan Langley

Testimony of Julie Rygg, Executive Director
Visit Greater Grand Forks Executive Director
House Bill 1018
March 9, 2023

Senator Wanzek and Committee Members:

I understand the Senate Appropriations Government Operations Committee will be discussing House Bill 1018 Friday, March 10, and I am writing on behalf of Visit Greater Grand Forks to share our support for Governor Burgum's recommendation for North Dakota Tourism & Marketing funding.

As you know, the bill originally invested $50 million in a Destination Development Fund to expand unique attractions and bring new visitors, new money and new residents to the state by enhancing the quality of life current and future citizens enjoy.

Added partnerships through the Destination Development Fund will help create more attractions and activities that motivate out-of-state travel, keep visitors in the state longer and aid in workforce recruitment and retention. This is a perfect time for North Dakota to enhance and grow our offerings, and this opportunity could also be of great benefit to Grand Forks as there is work to build a children's museum, destination park and new athletic facilities.

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 vital workforce. We continue to compete for visitors and residents with other states in our region that have considerably higher budgets. If we want to attract people, we need the resources to do it.

Again, please support the Governor's recommendation for HB 1018.

Thank you for your time and consideration.

4251 Gateway Drive, Grand Forks, ND 58203
701.746.0444 (ph) 800.866.4566 (toll free) 701.746.0775 (fax)
julie@visitgrandforks.com | www.visitgrandforks.com

Carie Boster
Dunn County Job Development Authority
205 Owens St.
Manning, ND 58642

March 10, 2023

RE: **SUPPORT $8 MILLION FOR REGIONAL DEVELOPMENT CAPACITY**
AMENDMENT TO ND DEPARTMENT OF COMMERCE APPROPRIATIONS BILL 1018

Dear Legislators:

Please accept this letter of support for state appropriations to support Regional Councils statewide. The Regional Councils have been partners in local and regional economic and community development for the past fifty years and are led by local elected officials and key partners.

While the Regional Councils were created by the state in 1973, **the flaw was the lack of a long-term consistent funding mechanism** to meet the purpose and objectives outlined in the North Dakota Century Code:

> *to establish consistent statewide policy for planning, economic development programs, operations, coordination, and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.*

Today, 70% of the state's population growth is concentrated in only three counties: Cass, Burleigh, and Williams. Thirty (30) counties in North Dakota continue to lose population which is resulting in increased costs for basic governmental functions whereby increasing local property taxes and state funding requests. Existing Regional Council budgets support only a fraction of the necessary staff to address regional needs to elevate the entire state when compared to our urban centers' professional teams. These budgets come from numerous sources (including every county in the state), rely heavily on short-term grants, and do not provide long-term funding to address long-term needs.

North Dakota Regional Councils provide access to programs and opportunities across rural and urban centers of our state while supplying the essential support to those of us working at the grass roots level to build our communities. Please support providing a long-term funding mechanism for Regional Councils and the important work they do to connect people with opportunities.

Sincerely,

Carie Boster
Director
Dunn County Job Development Authority

Dunn County is an equal opportunity provider and employer

March 8, 2023
Shirley Brentrup, Retired
635 Oak Street
Dickinson, ND 58601

RE: Support $8 million for Regional Development, Amendment to ND Dept. of Commerce Bill 1018

I recall a story about a university that hired someone to work on funding. Well, there was no immediate evidence that this was working so they let him go after about a year. Years later monetary bequests from university alumni began to pour in a due to the work of this short term employee. Imagine if they had recognized development is a long term game.

Economic and community development from Regional Councils are long-term games, too. Here is one example: The Roosevelt Custer Regional Council worked with communities, the USDA Rural Development and the Department of Commerce in the 1990's to establish wind monitors. Over a decade later, a wind farm was established in Adams County with over a decade of data to support that development.

There needs to be trained professional people locally to help businesses and communities know about funding and get funding. Roosevelt Custer Regional Council did that. They helped rural communities to apply for grants and raise funds that supported local volunteer groups to have community grocery stores and theaters. They helped with grants to support the renovation of multifamily housing, elderly and low-income housing and community facilities. They provided the first ADA plans for most southwest communities and some businesses to comply with the Americans with Disabilities Act. They assisted in the funding the original business plan for Red Trail Energy. The assisted in the successful application of federal funds and foundation funds for sustainability which provided over $8 million for planning and services to communities in western North Dakota which eventually became a long term group, Vision West ND.

The Roosevelt Custer Regional Council dwindled down to one employee due to a lack of funding. During that time, it became ineligible for EDA funds. A very sad lesson to learn as this region lost out on millions in COVID dollars for local businesses. Yes, millions.

I strongly support long-term funding from the State of North Dakota to Regional Councils. We need to support rural North Dakota - Regional Councils do that.

To play and win the game, we need players.

WOODLAND RESORT

Testimony of Kyle Blanchfield

Owner, Woodland Resort, Devils Lake, ND

In Support of HB 1018

March 9, 2023

Senator Brad Bekkendahl, Chairman and Senate Appropriations Committee Members:

My name is Kyle Blanchfield, along with my wife Karin, we own Woodland Resort, a lakeside resort on the shores of Devils Lake, ND.

Or family and business support HB 1018 and ask this committee to show your support but fully funding the Destination Development Fund to $50 Million dollars and to support the targeted workforce program and the one time funding of $5 Million dollar awareness marketing for State Tourism.

Our family-owned business started in 1988. With the support of our community and the State of ND, we have managed to grow our business from zero to over 5 million dollars in yearly sales attracting visitors from 48 states. We proudly employee over 30 staff and see a bright future in tourism for our community and State.

HB 1018 is the most amazing and ambitious bill regarding the future of tourism for North Dakota that I have witnessed in my 35 years of business. Finally, people are recognizing that tourism is a producer of true economic gains and employment opportunity for North Dakotan's. We are turning an exciting corner for the future of tourism in our State.

The future of growth of tourism in North Dakota will be in the exciting new developments of attractions and by growing and expanding existing tourism businesses. The future is bright, but we need the full 50-million-dollar commitment to make true progress. Build it and they will come! Please support this to it's full 50 Million dollar investment into our great North Dakota tourism potential.

Please support HB1018.

Sincerely,

Kyle Blanchfield

Owner, Woodland Resort

Roosevelt Custer
REGIONAL COUNCIL

PO Box 1199
Bowman, ND 58623
rooseveltcuster.com
701.483.1241

Testimony of Joshua Buchmann, Chairman
Roosevelt Custer Regional Council
In Support of HB 1018 with an Amendment
March 9, 2023

Senator Wanzek and members of the Committee

My name is Joshua Buchmann, Chairman for Roosevelt Custer Regional Council in Region 8.

On behalf of our region, I'm asking you to **support an amendment to HB 1018 for $8 million to support regional councils across the state ($1 million per region).** We serve the counties of Adams, Billings, Bowman, Dunn, Hettinger, Stark, Golden Valley, and Slope with a collective population of more than 46,000.

Rural support is necessary across our state. In our region, we face similar challenges as the rest of the state with workforce, housing, and childcare but we are also seeing many communities facing outmigration and population decline. Our rural communities would benefit greatly from added professional support in securing funding, providing resources, and leadership to help combat population decline.

Roosevelt Custer is determined to lead a regional approach for economic and community development. We have a significant opportunity to support workforce development with the addition of the CTE Center in Dickinson, increase tourism opportunities across the whole region with the addition of the TR Library, and help with initiatives that can be used region wide for housing, childcare, and workforce.

Regional Councils are the best boots on the ground support for our regions. We would greatly appreciate your support on this amendment.

Thank you for your consideration. Please let me know if I can answer any additional questions.

DMAND | DESTINATION MARKETING ASSOCIATION OF NORTH DAKOTA

March 9, 2023

To: Senator Terry Wanzek
Senate Appropriations Government Operations Committee

Re: HB 1018

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

I am writing to you in support of House Bill 1018, the Department of Commerce Bill, which includes the opportunity for enhanced funding for the Tourism Division.

The bill would invest $50 in a Destination Development Fund to assist North Dakota's travel industry by expanding and/or creating unique attractions and experiences. Visitors, current residents, and new potential workforce all look for that fun, exciting experience that creates an outlet of personal satisfaction. Projects through the Destination Development Fund will keep visitors in the state longer and assist in workforce recruitment and retention that our state needs to fulfill the job opportunities in North Dakota. This proposal in the bill is vital to the growth of our visitor industry, the appetite for development has been demonstrated.

Support for $25 million for workforce marketing and recruitment is much needed for our visitor industry. Workforce is a large topic for all industries, including the hospitality industry.

The proposed additional one-time funding of $5 million for destination awareness marketing enhances the image of North Dakota, providing tools to draw additional visitors to the state.

Please support House Bill 1018.

Sincerely,

Julie Obrigewitsch
Destination Marketing Association of North Dakota, President

dakota western bank

RE: **SUPPORT $8 MILLION FOR REGIONAL DEVELOPMENT CAPACITY**

AMENDMENT TO ND DEPARTMENT OF COMMERCE APPROPRIATIONS BILL 1018

Dear Legislators:

My name is Duane Bowman, President of Dakota Western Bank. I am writing in support of an amendment to HB 1018 that would fund Regional Councils across the state.

Our business primarily serves the southwest corner of North Dakota. I have been a long-term supporter of economic and community development efforts in our region. As a business that greatly relies on the growth of our communities, these efforts are critical. The communities in our region are mostly rural and have continued to see population decline over the last several census counts. Population decline puts a larger burden on taxpayers and makes it more difficult for our city and county leaders to continue forward with growth investments in our communities. I firmly believe that supporting efforts locally through regional efforts will provide the most significant benefit for our region, and other regions across the state.

Throughout my 25-year banking career, I have first-hand worked with our regional council on a number of projects. This partnership resulted in stronger projects by providing additional funding sources, business plan development and enhancement, and technical support to new and expanding businesses. All of these resulted in stronger projects, more successful businesses, regional economical boosts, strengthened community growth, and additional job creation.

When looking at the purpose and objective outlined in the North Dakota Century Code from fifty years ago, the need of "*consistent statewide policy for planning, economic development programs, operations, coordination, and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions*" still exists today. When the state rolled out the much needed RWIP (Regional Workforce Impact Program), many communities lacked the staffing to apply and to implement these programs. The SWCTE (Southwest Area Career and Technical Education Academy) is an extremely valuable asset to our region but needs partners like Regional Councils to help get the resources of the CTE out to the communities. The Theodore Roosevelt Presidential Library is going to provide a huge boost to the tourism industry in Southwest ND and all of the state. Regional Councils will

serve as an integral part of growing and developing the tourism plan for this exciting addition to our state.

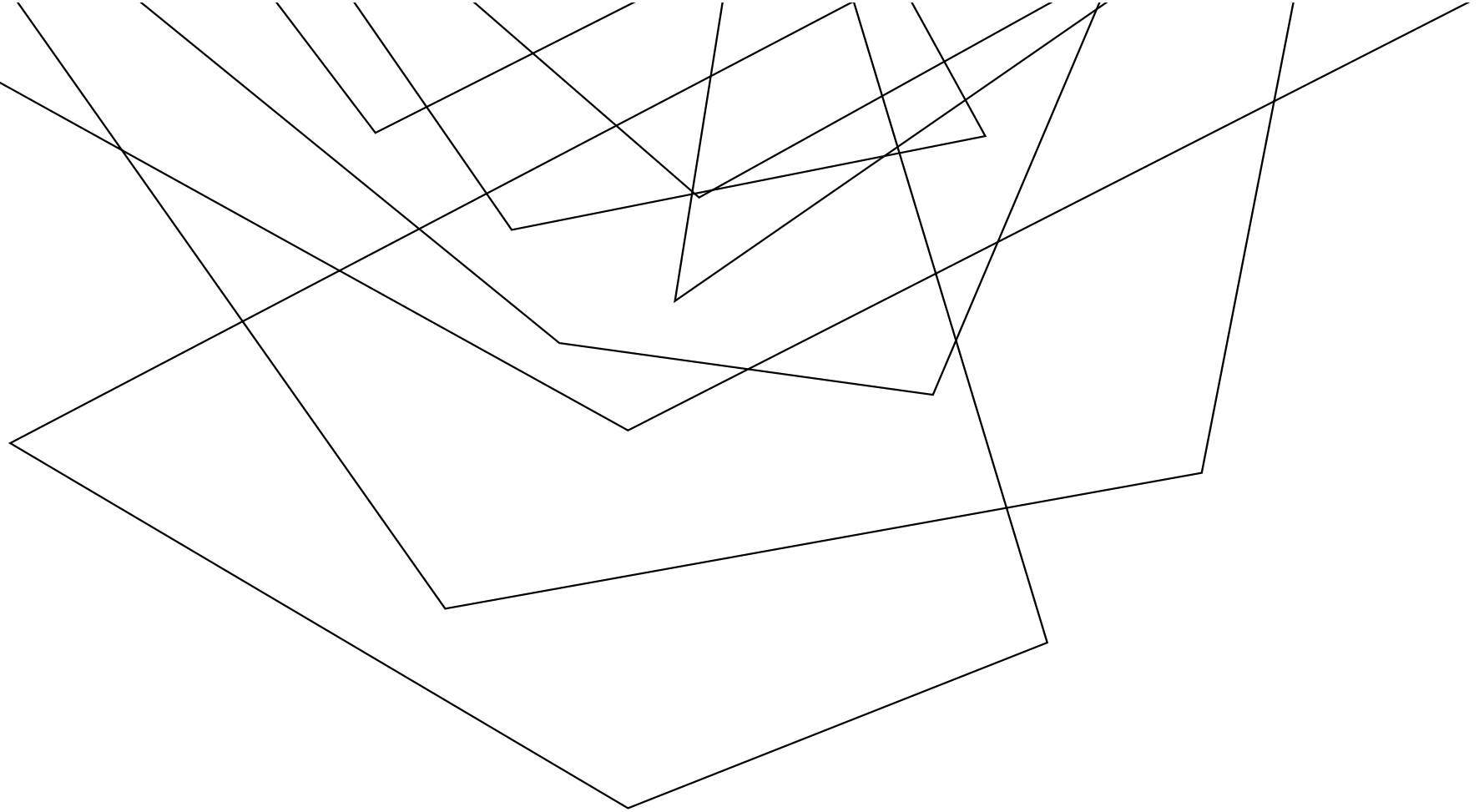
Regional Councils are a needed and trusted network for providing regional economic and community development. The purpose for establishing the Regional Councils fifty years ago still exists today. Providing consistent and long-term funding will allow the Regional Councils to adequately staff their offices while ensuring growth to economic and community development and tourism throughout or regions and state.

Please support providing a long-term funding mechanism for Regional Councils.

Sincerely,

Duane Bowman

Duane Bowman
President/CEO
Dakota Western Bank
Bowman, ND 58623



BISON WORLD SUMMARY

DATA AS OF Q4, 2022

BASIS FOR ANALYSIS

- State Tourism Figures: From State of North Dakota
- State tax rates, GDP, Output, Indirect & Induced jobs: Derived from the State of North Dakota REMI results conducted in 2021.
- Market Penetration, Revenue/Expense, Capital Expenditures: From Apogee Attractions, an industry leading theme park design, developer & operating firm

SCENARIOS

Based upon 2021 ND Tourism total tourism: 21.7m

Tourists visiting Bison world in the first 12 months of operations:

Scenario 1: Capture 1.00% - 217,100

Scenario 2: Capture 1.50% - 325,650 – Target

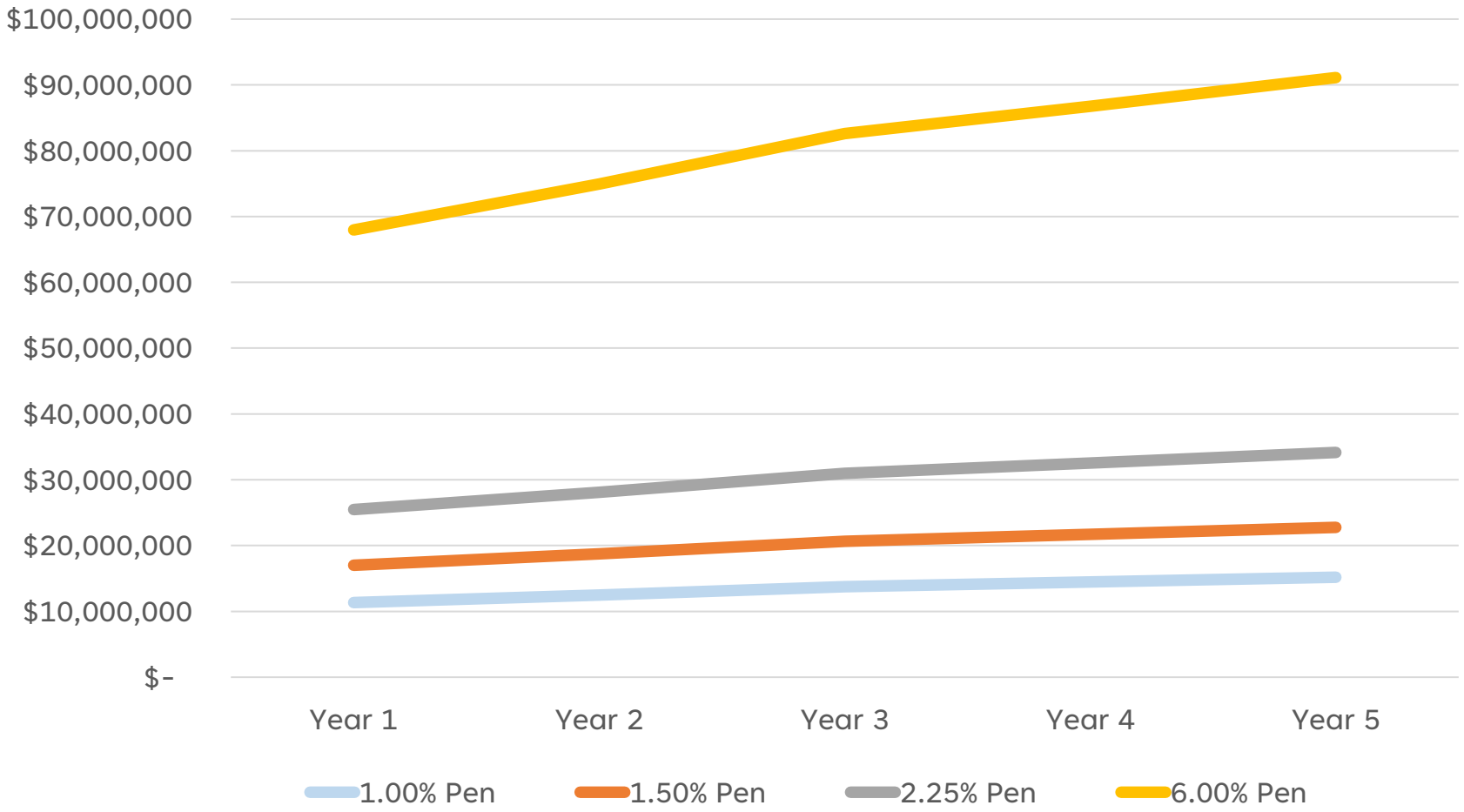
Scenario 3: Capture 2.25% - 488,475

CAN BISON WORLD BE PROFITABLE? – **YES.**

% Capture	Paying Visitors	Revenue $m	EBITDA $m	EBITDA %
1.00%	217,100	$11.3	$2.8	23%
1.50%	325,650	$17.0	$4.2	23%
2.25%	488,475	$25.5	$6.3	23%

Figures reflect first year of operations

GROSS REVENUE (EX. SALES TAX) PROJECTIONS



WILL BISON WORLD CREATE JOBS? – **YES.**

% Capture	Paying Visitors	Full Time BW Jobs	Part Time BW Jobs
1.00%	217,100	30	63
1.50%	325,650	30	244
2.25%	488,475	30	516

Figures reflect first year of operations

WILL BISON WORLD BENEFIT NORTH DAKOTA? – **YES.**

% Capture	Paying Visitors	Indirect / Induced Jobs	GDP	Output	Taxes
1.00%	217,100	415	$30.2	$49.5	$3.4
1.50%	325,650	622	$45.3	$74.2	$4.6
2.25%	488,475	933	$68.0	$111.3	$6.4

Figures reflect first year of operations

Bison World
A LEGENDARY EXPERIENCE

IS THE INVESTMENT CAPITAL PLANNING JUSTIFIED? – **YES.**

% Capture	Paying Visitors	IRR %	NPV $m
1.00%	217,100	11%	$9.8
1.50%	325,650	18%	$46.1
2.25%	488,475	26%	$100.6

Figures reflect first year of operations
IRR & NPV discount rate used was 8% with a terminal growth rate of 5%
Results reflect $76m Project Development, increasing to $85m still yields positive results

Bison World
A LEGENDARY EXPERIENCE

RECAP / DISCUSSION

- ✓ Bison World is profitable
- ✓ Bison World creates hundreds of jobs
- ✓ Bison World brings millions of additional dollars to North Dakota
- ✓ Bison World passes all capital budgeting tests

NOTES & DISCLOSURES

The financial forecast presents, to the best of management's knowledge and belief, the proposed projects expected results of operations for the forecasted periods and is based upon the insights and data of Apogee Attractions, LLC and the State of North Dakota. Thus, any information from these sources which may or may not be accurate could materially impact the results of these analyses. Accordingly, the forecast reflects managements' judgement, based on present circumstances, of the expected conditions and its expected course of action.

The presentation is designed to provide information to management of the Jamestown/Stutsman Development Corporation, Bison World Foundation and other relevant stakeholders concerning the financial viability of Bison World. It should be noted, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

The economic performance will be contingent upon multiple factors, the specifics of which are unknown to-date, including but not limited to: the national and world economic condition, the financing of the project, the planning and design of the project, the management efficiency after opening, and the aggressiveness of the advertising and promotions programs. Possession of this study, or the information it contains, in any form, does not allow
reproduction or disclosure by the holder. This presentation, by itself, is not intended as, nor should it be used as a private or public offering of securities, or as an investment prospectus. This report is limited and is qualified in its entirety by, and should be viewed in light of, these limitations and considerations.

The financial results of Bison World contained in this presentation are shown on a cash accounting basis. If Bison World begins operations, the nature of accounting may move to accrual basis which would impact financial reporting recognition.

This presentation is for informational purposes only. You should not construe any such information or other material as legal, tax, investment, financial, or other advice. Further, nothing contained in this presentation constitutes a solicitation, recommendation, endorsement, or offer by any person or any third party service provider to buy or sell any securities or other financial instruments in this or in in any other jurisdiction in which such solicitation or offer would be unlawful under the laws of such jurisdiction.

Aerlig Associates LLC

Aerlig Associates, LLC
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Bison World
A LEGENDARY EXPERIENCE

Mr. Chairman and Members of the Committee:

My name is Brian Lunde and I'm a member of the volunteer board of directors of the Bison World Fund, a non-profit North Dakota corporation. With me today is the President of our Board, Alex Schweitzer, who many of you know from his years managing our state hospital system. And David Haukass who is the President of Aerling Associates who you will hear from shortly.

We appreciate this opportunity to give you a brief update on the Bison World project.

We have now completed a 2 ½ year planning process at a cost of over 1 million dollars. We have reached the point, that, with your support, we are ready to start the project.

But first, it's probably helpful for you to know what led us to being here today.

Back in 2020, a city councilwoman in Jamestown asked if we would take a fresh look at the Frontier Village and adjoining world's largest buffalo monument. She wanted to know how we could grow this roadside attraction into a major regional or even national tourist destination. After all, she said, the city did have 60 years invested in the bison theme.

Our answer to her -- as a group of volunteers along with the Jamestown Stutsman Development Corporation - was yes - we would help -- but only if we brought in Disney-level thinking. And we meant that literally.

So we brought in Apogee Attractions – considered by many in the tourism industry to be the leading firm that designs, develops and operates cultural theme parks -- like a Bison World. Apogee is the firm that's comprised of some of the most successful former executives at The Walt Disney Company, Sea World, Knotts Berry Farm, Universal Studios, and many others.

They have assigned a team of 19 people to our project alone. And the team is being led by the President of the company himself – Bob Mctyre. His accolades in the industry include creating the most profitable attraction in Disney's history. McTyre - who Senator Wanzek knows well - will be here next Friday and, hopefully, all of you will have the opportunity to talk with him then.

To make a long story short – we found that the current Frontier Village and buffalo monument sat adjacent to hundreds of acres of vacant, non-producing state land along I-94 – with 8.8 million people going by it every year - where a new destination attraction could be built within three blocks of an interstate exit.

Apogee also said that we just happened to be on the cutting edge of the future of the tourism industry – that there are no more Disney World's or Six Flags to be done in the United States.

The future is in niche tourism attractions –based on things like an animal (the Kentucky Horse Park – in our case Bison World). A toy (Legoland) A football which is happening right now in Ohio. Even children's TV characters at an attraction like Sesame Place.

Plus, Apogee pointed out a number of advantages we have going into the project. We are sitting on what could be the last best exit in the country for a destination tourism attraction – that we already have a running head start. Land at no cost – which to them is unheard of. An attraction that millions of people see each year as they drive by on an interstate highway. And 60 years of what they call "brand equity" - where you have a pre-existing tourism theme that just needs to be expanded upon and modernized.

Having the only bison-centered theme park in the world – the only theme park based on our national mammal -- is just sitting here to be done in North Dakota.

It's also important to note that, from the very beginning - back in early 2020, when we saw this tourism opportunity on state land, we immediately reached out to Sara Otte Coleman and have been working with her and her team every step of the way. We also began working with Commissioner Teigen long before he became Commerce Commissioner. And because of Josh and Sara, this project has become a case study in how a model public-private partnership can work.

Before I turn this over to David Haukaas I just want to highlight this one-page summary along with this 100-plus page plan. These documents should provide you with much of the detail - but, of course, we will spend as much time as any of you would like to go through all the specifics.

So, our final step in the planning process was to bring in a leading outside investment advisor to do an independent financial analysis of all our work. We wanted someone who would look at the project from your point of view…. and try to anticipate some of the key questions you may have.

I will let David Haukaas tell you a little more about himself and explain his findings…but we are very fortunate that he has returned to the United States after serving as a senior executive at one of the world's largest sovereign wealth funds….David.

STIFEL

February 12, 2023

Bison World Board Members

Subject: Expression of Interest for Debt Underwriter or Placement Agent Services – Bison World Project

Dear Bison World Board Members:

Stifel, Nicolaus & Company, Incorporated ("Stifel"),[1] headquartered in St. Louis, Missouri with a Public Finance Investment Banking Office in Minneapolis, Minnesota, is pleased to provide this letter of interest to work with Bison World, Inc. ("Bison World") on a potential debt financing for a cultural, educational and entertainment facility that is expected to be called "Bison World" (the "Project"). The form of the prospective debt financing may be in the form of a combination of tax-exempt or taxable bonds, loans or other debt structures (the "Debt"). Stifel's expected role would be expected to be that of an underwriter or placement agent of the Debt, which would be utilized with any other capital sources to finance the Project.

It is currently contemplated that the State of North Dakota would contribute a minimum of $50 million in the form of a grant and/or appropriation towards the Project. Given that level of State support for the anticipated approximately $85 million in project costs (excluding monies for reserve funds, construction interest, fees, etc.), Stifel has strong interest in working with Bison World on the senior debt financing, which per the above, may be in one or more type of debt structure(s) to fund the balance of the Project costs.

Founded in 1890, Stifel is a large publically held investment bank/broker dealer (NYSE: SF). Stifel employs over 8,500 employees globally and has approximately $4.3 billion in annual revenue. Stifel is one of the largest public finance underwriters in the nation (#1 nationally by total number of issues each year since 2014).

Stifel's Public Finance Department has over 200 employees servicing clients across the nation through 39 offices and 6 municipal bond underwriting desks in 23 states. Stifel's Public Finance Department provides underwriting, placement and financial advisory services to hundreds of municipal, non-profit and for profit clients on an annual basis including securities backed by a wide variety of revenue, security pledges and credit attributes.

Stifel is very interested in working with Bison World to develop a cost-effective financing structure for the Project. We feel that our group's financing structuring creativity, unparalleled bond/loan distribution network and experience with cultural related projects will provide a good option for your Project.

Please note that this letter is not an offer to buy or sell securities, a commitment to provide underwriting or placement agent services to finance the Project, and may not be relied upon as an indication that such an offer will be made in the future. Such an underwriting or placement commitment could only be made after items such as the completion of satisfactory due diligence, review of satisfactory documentation, and approval by our Commitment Committee. Additionally, results cannot be guaranteed.

Respectfully,

Tyler Hoch
Managing Director

[1] Stifel is a wholly-owned subsidiary of Stifel Financial Corp., a New York Stock Exchange traded company (ticker symbol SF).

60 SOUTH SIXTH STREET, SUITE 3000 – MINNEAPOLIS, MINNESOTA 55402
Tyler Hoch P: 612.455.5592 Email: hocht@stifel.com – www.stifel.com

STIFEL

February 12, 2023

Disclaimer

Stifel, Nicolaus & Company, Incorporated ("Stifel") has prepared the attached materials. Such material consists of factual or general information (as defined in the SEC's Municipal Advisor Rule). Stifel is not hereby providing a municipal entity or obligated person with any advice or making any recommendation as to action concerning the structure, timing or terms of any issuance of municipal securities or municipal financial products. To the extent that Stifel provides any alternatives, options, calculations or examples in the attached information, such information is not intended to express any view that the municipal entity or obligated person could achieve particular results in any municipal securities transaction, and those alternatives, options, calculations or examples do not constitute a recommendation that any municipal issuer or obligated person should effect any municipal securities transaction. Stifel is acting in its own interests, is not acting as your municipal advisor and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the municipal entity or obligated party with respect to the information and materials contained in this communication.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's- length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its' own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.

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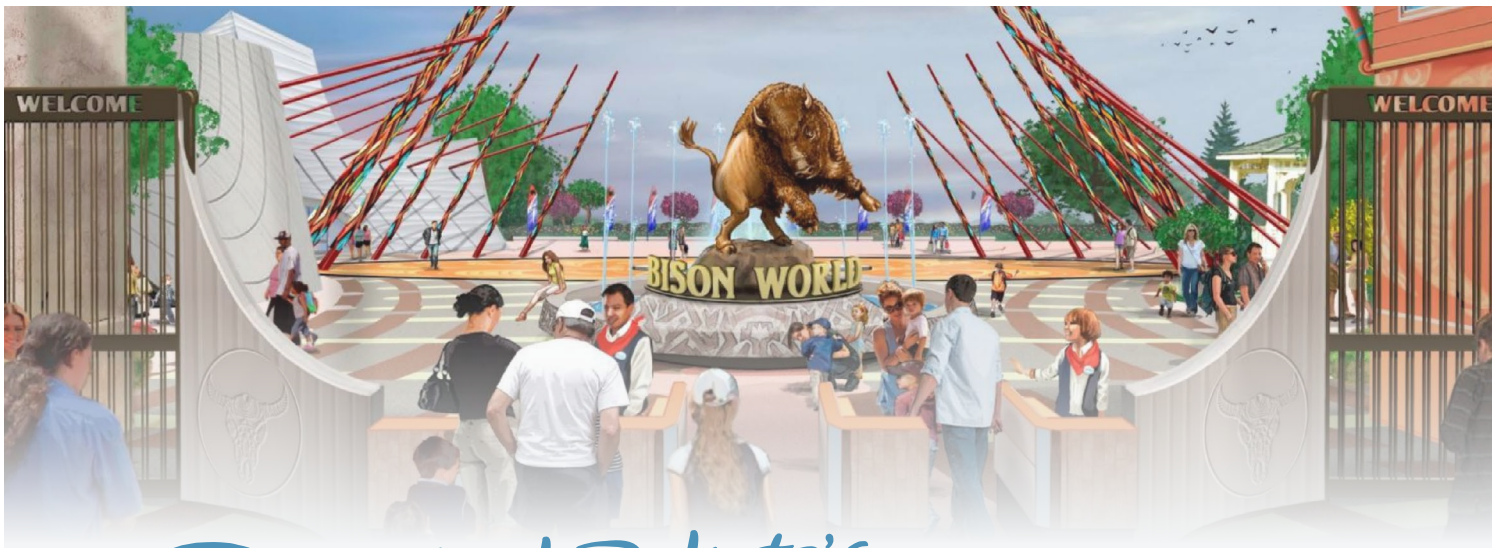

North Dakota's BISON WORLD

TOURISM | REVENUE | ENTERTAINMENT | EDUCATION

Bison World is a planned "destination attraction" that will captivate and inspire visitors from all over the world. As the only theme park centered around America's national mammal, Bison World will deliver dynamic guest experiences featuring a Bison Discovery Center filled with interactive exhibits, a children's immersive play area, live entertainment, an aerial skyway and a safari ride offering guests "up close and personal" encounters with the majestic American Bison. Bison World offers visitors of all ages an exciting variety of entertaining and educational experiences at a world-class destination.

Attendance and Financial Highlights

325K VISITORS = 1.5% of ND visitor market share

First year projection of 1.5% of the North Dakota visitor market share consisting of 21.7 million visitors in 2021.

Adjacent Frontier Village draws an average of 240,000 visitors (without much promotion) to take picture with Bison monument annually.

$17M FIRST YEAR REVENUES

23% FIRST YEAR EBITA %

To learn more, scan or click the QR code below.

Location, Location, Location

Best Interstate Exit Left for Tourism Development

The 140 acres of vacant, state-owned land at Exit 258 is the only undeveloped interstate exit left in the country that would have a destination tourism attraction within three blocks of the exit ramp.

Building Upon 60 years of "Brand Equity"

WELL-KNOWN AS THE "BUFFALO CITY" The Jamestown area has over 60 years of 'brand equity" which is waiting to be leveraged and monetized with a new, modern tourism attraction. It is already well-known as the "Buffalo City" with the National Buffalo Museum and the world's largest buffalo monument. **240,000 tourists from all 50 states and 20 foreign countries already visit this roadside attraction annually,** but virtually no revenue is captured for the state from these visitors.

Tourism Gateway

8.8M PEOPLE **TRAVEL PAST EXIT 258 EVERY YEAR,** according to federal and state DOT data. Most of them are west-bound travelers – capturing them early at a destination attraction provides the state with an opportunity to promote other tourist attractions like Medora and the new TR Presidential Library... and everything in between. A separate attendance model shows that Bison World will capture over 3.6% of these travelers.

No Competition

A formal market study found that there is **virtually no competition for a regional themed destination in the eastern part of our state.** Bison World also sits at a "tourism crossroads" where east/west I-94 and north/south U.S 281 intersect.

Millions in Economic Impacts

An independent financial analysis of Bison World found that it passes the capital budgeting test, creates jobs and adds millions of dollars of value to the state of North Dakota.

Highest and Best Use of Land

The state is losing millions of dollars every year – and has been for 65 years since President Eisenhower built the interstate highway system – because it has not turned this extremely productive location into an economic development opportunity that produces revenue. **Real estate advisors have determined that the "highest and best use" for this tract of land is tourism.**

Can Bison World be profitable?

Yes. At 1.5% capture (325k visitors) means $17 million in operating revenue and a 23% profit margin/EBITDA.

Will Bison World Benefit the State of North Dakota?

Yes. At 1.5% capture, the result is 622 indirect jobs. GDP is $45.3 million and $4.6 million in state and local taxes.

Will Bison World Create Jobs?

Yes. A 1.5% capture creates between 30-44 year-round full-time employees and at least 244 part-time jobs.

Additional attendance and financial information along with formal disclosure and disclaimer statements for any information cited above can be attained from The Bison World Fund, P.O Box 293, Jamestown, ND 58402.

BISON WORLD

Designed, Planned and Analyzed by Leading National/International Experts

During the two-year planning process, The Bison World Fund Board of Directors brought in a number of national leaders in their respective fields. They include Apogee Attractions, considered by many to be the #1 theme park designer, developer and operator in the country; David Haukaas, a former senior executive at one of the world's largest sovereign wealth funds; and Eide Bailly, one of the nation's leading accounting and business advisory firms.

CITY OF Bowman

Testimony of Lyn James in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 9, 2023

Senator Wanzek and members of the Committee:

As President of the Bowman City Commission, I would like to offer my support for an **amendment to HB 1018, $8 million for regional councils across the state.** The capacity this would add to each of our regions, specifically for our rural communities, would be one of the best return on investment opportunities the state could make.

Until recently, our regional council had struggled to continue operations. In the last year, we have seen a revival of the council, and a renewed interest from our counties and cities to support regional development. Our counties are excited about the opportunity to work together to support tourism growth across our region, collaborate on workforce initiatives, and support efforts to solve issues in housing, childcare, and outmigration.

In our community, we have seen a population decline in our last three census counts. This is very concerning, and other communities in our region are seeing the same. We have an opportunity to work collectively on regional development, but without added capacity to seek out resources, develop programs and initiatives, and make this work happen, forward momentum will be difficult.

Regional Councils are able to focus uniquely on the strengths and challenges in a region. In Region 8, we have a different set of opportunities than any of our neighboring regions, and this allows for an individualized approach to development.

I urge you to add this amendment to HB 1018, for the continued appropriation to regional councils. Please let me know if you have any questions.

PO Box 12 • 101 First Street NE • Bowman, ND 58623 • 701-523-3309 • Fax 701-5235716 • bowmanauditor@ndsupernet.com

Golden Valley Veterinary Clinic

Testimony of Britt Jacobson in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am Britt Jacobson, Practice Manager for Golden Valley Veterinary Clinic, Park River, ND.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of **housing, workforce, and childcare**. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

As an employer who has made a significant commitment our rural community by building a new veterinary clinic, I see the need for this type of continued economic development in our community and our region. I have staff members waiting six months to find appropriate housing. I have additional staff that are unable to work even part-time due to the lack of childcare in our region. In order to grow our business, we need to address these critical needs in order to retain

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current employees and attract future employees. Funding for the eight regional councils would help our communities be even more vibrant, healthy, and sustainable.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

Maah Daah Hey Trail Association

PO Box 156
Bismarck, ND 58502-0156
Email: hello@mdhta.com
Website: MDHTA.COM

March 9, 2023

HB 1018 Support Letter

Chairman Nathe and Committee members:

My name is Curtis Glasoe and I am the President of the Maah Daah Hey(MDH) Trail Association. Our non profit organization's mission is to promote and help maintain the MDH trail system. We have around 150 members from all over the United States and Canada. MDH trail usage has really gone up the last few years, for many reasons. COVID, social media presence, ND Tourism and local CVBs promotions are some of the main ones. According to actual trail counters at Sully Creek Camp south of Medora, during the 3 month period, June-August, in 2022 over 7500 users were on the trail from this trailhead. Using a conservative estimating procedure, we estimate over 35,000 people used the non-motorized 144 mile MDH trail during the 2022 calendar year. The addition of the Theodore Roosevelt Presidential Library, located next to the MDH, will also have a large impact on the MDH trail system, so this bill comes at a very appropriate time.

The MDHTA has numerous contacts and requests for trail information and additional guided services on the MDH trail system. Our organization is completely driven by volunteers and we can only do so much without additional outside help and marketing of the great recreation opportunities that exist in Southwestern North Dakota.

We support HB 1018 and appreciate this opportunity to comment on the bill.

Thank You very much. Happy Trails.

Sincerely,

Curtis W. Glasoe, PLS, PE

President - MDHTA

GRANDSKY
GRAND FORKS COUNTY, ND

GrandSKY Budget Request
2023-2025 Biennium

GrandSKY respectfully requests $22M from the State of North Dakota, in the upcoming biennium, for investment in infrastructure at the business park located on Grand Forks AFB, Grand Forks County, ND.

The State of North Dakota has invested $28 million in GrandSKY since 2013. Those funds have gone towards infrastructure at the park. Specifically, the funds have been used for new roads, stormwater and wetlands management, electric distribution, natural gas, potable water, sanitary sewer, security, fire suppression water systems, fire trucks, fire station, security gatehouse, micro-weather forecasting tools and the development of small UAS capabilities for infrastructure, building, perimeter and natural resource assessment and mapping at the park.

Previous funding efforts have been through the Department of Commerce and labeled "EUL Grant." The "EUL Grant" label is used because the land is leased from the US Air Force using a tool called Enhanced Use Leasing (EUL), which allows the Department of Defense to grant long-term land leases to public and private organizations for terms of up to 50-years. The land that GrandSKY is built on is leased by the Air Force to Grand Forks County and then sub-leased to Grand Sky Development Company LLC. GrandSKY is in year eight of its fifty-year lease.

An economic impact report was commissioned in 2022 for the 2023-2025 biennium so that the State could measure the return on its investment. More detailed information, including the full report is available upon request. To date, the state's $28M investment has yielded development at the park which supports the following key metrics:

- GrandSKY's economic impact includes 330.5 direct, indirect, and induced jobs in 2021-2022. This number represents a reduction in indirect and induced jobs due to Covid impacts over that time period. However, Direct jobs, those working directly for GrandSKY and our tenants, grew from 192 to 231.7.
- GrandSKY's state and local tax payments from annual operations grew from $1.309 to $2.106M over the past 2 years.
- GrandSKY also contributed $952,127 in taxes from construction activities in the last two years.
- The private sector has invested over $100M in facilities because of the State's $28M investment.
- Total wages attributable to GrandSKY grew from $29.18M to $40.78M (Direct, Indirect, Induced wages) with an average salary for Direct employees at GrandSKY growing from $90,586.05 to $123,422.70.

Since the commissioning of the previous economic impact report, GrandSKY has enjoyed significant growth and new mission announcements. Specifically, General Atomics, an anchor tenant at GrandSKY has begun, and as of 1/1/2023, close to completing construction on a new, larger hangar. General Atomics has listed 22 more positions within their GrandSKY operation. Northrop Grumman has been awarded a contract to repurpose and modernize 24 former US Air Force Global Hawk aircraft and turn them into Range Hawks to support a crucial national defense mission. Northrop Grumman has posted 18 new positions for employment at GrandSKY as they work to increase the size of their operations to support this new contract. Between all the GrandSKY tenants, we expect to open and fill over 100 new positions in the coming 36 months.

In furtherance of the Northrop Grumman contract, a Department of Defense organization, the Test Resource Management Center (TRMC) has announced that GrandSKY will be the future home of its "Sky Range" operation. Northrop Grumman and General Atomics both provide support to this effort as well as Kellogg Brown and Root, Blue Halo, Honeywell, Stratolaunch, and a variety of other companies. TRMC has already moved 24 former Air Force Global Hawks to GrandSKY at record speed. These aircraft are conservatively valued at just over $1.5B and without the generous investment from the State of North Dakota for infrastructure, the Air Force, Northrop and GrandSKY would not have been able to ensure delivery of those aircraft to GrandSKY instead of other locations around the country thus securing the Sky Range mission in North Dakota. TRMC has begun negotiations with GrandSKY for the development of hangars to house the 24 aircraft once they are modernized. These hangars will be used for storage as well as ongoing maintenance, sustainment and integration of new sensors and communication equipment. TRMC also plans a new operations center at GrandSKY that will support Sky Range operations around the world on a 24/7 basis. There are numerous smaller projects that will result from TRMC and Sky Range being located at GrandSKY but current estimates are for approximately $80 million in operations facilities and hangars. All of these new facilities will be developed with private sector capital and leased on a long-term basis to TRMC.

Photo of RQ-4 Global Hawks at GrandSKY. GrandSKY is the largest Global Hawk base in the world..

GrandSKY's future looks very bright. The announcements made by TRMC to establish the Sky Range program at GrandSKY represents a significant financial commitment to North Dakota. Sky Range will require roughly $80M in new facilities that will begin construction in 2023. These facilities include a state-of-the-art operations center that will facilitate mission management anywhere in the world. TRMC is currently negotiating with GrandSKY to secure private financing for the construction of these facilities. GrandSKY is prepared to provide the private capital needed to develop these facilities and is working with local banks and the Bank of North Dakota to execute the transaction. The Sky Range program will grow GrandSKY's economic impact in the following ways:

- Construction tax revenue (during construction period) over $3M
- Increase in taxes from ongoing operations from $2.1M per year to over $3.5M
- An additional 100 or more Direct employees at an annual salary of $100,000 or more

These economic impacts suggest full payback of the $22M requested in less than seven years.

Photo of Grand Sky and its connection to the Grand Forks AFB runway with inset detail of the Grand Sky ramp.

GrandSKY requests $22 million to support specific investment at the park:

- $12M for the construction of a new taxiway that will extend to the west, on existing GrandSKY property and offer multiple new hangar locations. This project includes the design and construction of the taxiway, supporting aprons, diversion of a stormwater drainage ditch, a new perimeter road around the new taxiway, new stormwater culverts, relocation of wetlands, and a new security perimeter compliant with US Air Force and FAA security requirements.
    - This project is a true "one-time" investment.
    - The land and environmental permits are already in place and the project will begin construction as soon as funding is secured.
    - The taxiway is needed to support the new TRMC missions coming to GrandSKY.

- $10M for the construction of additional infrastructure around the park which includes new utilities (natural gas, electric, sewer, water, roads, security, fire support, weather support, snow plowing, etc.). This sum also includes new flight operations support structures like antenna towers at the north end of the park and elevated command and control towers for safe flight observation and support.
    - When GrandSKY was originally proposed, total infrastructure requirements were estimated to be about $43.5M total. Inflation and changes in types and size of facilities required at GrandSKY may change that original estimate but the $10M requested would bring the total State investment to $38M for infrastructure.
    - This investment will allow GrandSKY the flexibility to meet tenant requests for flight support infrastructure (that all tenants can use) as well as utility infrastructure. GrandSKY anticipates the need for significantly more power and fiber optics for communications to support the headquarters operation center for a worldwide, 24/7 mission like Sky Range.

Some key points about how State infrastructure investments are used:

1. No state funds are used for GrandSKY or GrandSKY tenant sustainment or salaries. GrandSKY is self-sufficient for its and its tenant's operations. However, infrastructure is a difficult cost to recover through traditional tenant rents which is why GrandSKY requests funding support specifically for infrastructure.
2. GrandSKY does not provide infrastructure to tenants on their leased property. GrandSKY brings infrastructure to a property line and then it is the financial responsibility of the tenant through their lease or use of their own funds to connect their facilities to the infrastructure.
3. All infrastructure is available for use by ALL tenants. A key proponent of our philosophy on how best to use state funds is that they should go toward projects that all tenants can benefit from. For example, aircraft pavement improvements benefit all apron accessible tenants. The weather system under development allows all tenants to make flight decisions with highly accurate information.

GrandSKY looks forward to continuing the growth trend the park and overall UAS ecosystem has been on. The $22M in continued support will help accelerate the ability of GrandSKY to bring more, high quality jobs to North Dakota as well as provide deeper links into DoD activities that cement North Dakota as a premier location for UAS related support.

GrandSKY 2023-2024 funding request

One-time ask for Taxiway extension

1900 LF of 75' wide 12" Concrete taxiway	4,023,117.00
1900 LF of 100' wide 7" Asphalt Taxiway Shoulder	3,343,655.00
Stormwater Culverts East End	639,000.00
Stormwater conveyence relocation west end	533,000.00
Perimeter Access Road	2,062,260.00
Utility Extensions	1,400,000.00
	12,001,032.00

Ongoing infrastructure investments

Concrete Apron Repair	1,500,000.00
Lady Hawk extension south	1,750,000.00
Utility extensions south and west	900,000.00
Alert Road Gate Replacement	450,000.00
Secure communications install	400,000.00
Site Security system upgates	550,000.00
C2 antenna and operations tower support system	600,000.00
Advanced Air Mobility Test Center	1,950,000.00
2 acre Drone pad expansion	1,900,000.00
	10,000,000.00

* - GrandSKY will take any risk of overrun over $12M for taxiway extension

Additional information and News clips:

https://www.msn.com/en-us/news/technology/global-hawk-has-left-beale-air-force-base-for-good/ar-AA10xk3a?ocid=msedgdhp&pc=U531&cvid=26db0728d5d147499cbf52569b2e90e7

https://www.defensenews.com/unmanned/2022/09/16/skyrange-uncrewed-aircraft-to-speed-hypersonic-testing-by-2024/

https://www.washingtonpost.com/climate-environment/2022/09/17/first-drone-collect-weather-data-us-launches-this-fall/

https://uasmagazine.com/articles/2586/creating-a-powerful-ecosystem-to-support-advancements-in-new-technology

https://news.northropgrumman.com/news/releases/northrop-grummans-rq-4-rangehawks-embark-on-new-mission

Frequently Asked Questions:

How much is GrandSKY asking for in 2023 and how will the funds be used?
GrandSKY is asking for $22M from the legislature. $10M will be used for continued infrastructure investment (roads, aircraft operating areas, support systems like weather and security, and utilities). grandSKY is also asking for $12M in "one-time" funding for extension of a taxiway to create more developable property with access to the Air Force Base runway.

How much has the State invested so far?
North Dakota has invested $28M to date. This investment has been leveraged with over $100M in private sector investment to date. Investment requested in the current legislative session will be used for additional utilities and infrastructure to leverage $80M in expected investment over the next 24 months.

How much private sector investment is in the project?
Northrop Grumman, General Atomics, and Grand Sky MT1 LLC have all invested in facilities with a total value of approximately $100M at Grand Sky. These investments represent facilities, parking lots, physical plant and associated costs. The companies have another $100M in equipment like simulators, aircraft, ground equipment and other capabilities that allow them to conduct work at GrandSKY. Finally, the US Government has entrusted the GrandSKY team with managing over $1.5B in aircraft that will be retrofitted and upgraded for new missions beginning in 2023.

How much money does the developer have in the project?
Grand Sky Development Company LLC and our affiliated companies, Grand Sky Airfield Operations and Grand Sky MT1 LLC have invested over $10M in facilities and infrastructure at Grand Sky. The bulk of the private investment at GrandSKY currently is from General Atomics and Northrop Grumman. Grand Sky Development Company is currently arranging financing for the new tenant

facilities to support TRMC in the future and expect to invest the $80M needed to construct those facilities.

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 Brad Hooey
Auditor Amie Vasichek
City Attorney Jayme Tenneson
City Superintendent Josh Ulland

Council Members
Bill Solberg, President
Jim Vasichek, Vice President
Dennis Mattern, Dennis Fahey,
Dan Ferguson & Josh Nelson

Testimony of Amie Vasichek in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division
March 8, 2023

Chairman Wanzek and members of the Committee:

I am Amie Vasichek, City Auditor for the City of Lakota and Board Member for the Nelson County JDA.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of **housing, workforce, and childcare**. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

The current team at the Red River Regional council has identified and onboarded new, highly skilled staff around workforce, housing and the Destination Red River Action Plan provided by Roger Brooks – this funding would provide the stability and long-term funding solution to allow them to focus on these key issues hampering today's growth potential. WE NEED THIS!

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

Stands for Jobs
WESTERN NORTH DAKOTA AHEC
P0 Box 615 109 South Main Hettinger, ND 58639 • 701.637.0177
western.ndahec.org

North Dakota Area Health Education Center Testimony on HB 1018

Senate Appropriations-Government Operations Division
Chairman, Senator Wanzek

Denise Andress – Director, Western Area Health Education Center

Mister Chairman and members of the committee, my name is Denise Andress, I have a nursing background and I am the Director of the Western North Dakota Area Health Education Center.

The North Dakota Area Health Education Centers (ND AHEC), based on federal guidelines, must be housed in rural areas, where citizens served by the ND AHEC reside. The regional centers based in Mayville, ND and Mandan, ND to provide the rural opportunities at the grass roots level separated from the major urban areas of ND. The ND AHEC has leveraged dollars from Federal, state and private funds for rural health care programs. The ND AHEC has three core focus areas: Kindergarten through college, rural clinical rotations for health profession students, and continuing education for health care professionals. Each of these core areas is vital for meeting the health care workforce needs of rural North Dakota.

I am excited to share the accomplishments since the last biennium, ND AHEC has:

- Reached over 39,973 participants and in every county in ND;
- Supported $277,861 in health occupation activities for students;
- Assisted 738 students in rural and underserved clinical rotations;
- Contributed towards continuing education for health professionals; and
- Increased the number of HOSA-Future Health Professionals student led high school organization chapters to 21; with 607 student members and since 2012 have had 2322 non duplicate HOSA members.

In the last three biennium our funding for the ND AHEC has been placed in the Department of Commerce, Workforce Division (NDDOC). In these years, we have met the contractual requirements of the program requests. Within the Workforce Division of the NDDOC, ND AHEC has been the healthcare component identifying the workforce needs in rural areas. The following is a list of the biennium with financial state contributions as follow to provide health care development, employment and recruitment:

- 2013-2015 Biennium: $400,000
- 2015-2017 Biennium: $200,000
- 2017-2019 Biennium: $0 allocated from the legislature; $300,000 provided from North Dakota Department of Commerce - Commissioners Discretionary funds

- 2019-2021 Biennium: $0 allocated from legislature; $200,000 provided from North Dakota Department of Commerce-Commissioners Discretionary funds
- 2021-2023 Biennium: $250,000 allocated from the grants section from the North Dakota Department of Commerce

Currently, ND AHEC funding was amended in the house to $444,000. This funding will allow a dollar-for-dollar federal match for the AHEC program (the ND AHEC cannot match with other federal funds-only state and private funding), consolidate workforce resources, add one additional staff, allow for expansion of rural HOSA programs and evaluate legacy data to prove impact for workforce in ND.

We are very proud of our accomplishments because of the funding we have received.

I will highlight three key programs:

HOSA-Future Health Professionals is a student led high school organization. It is the ONLY health care specific student organization in the state. As I previously mentioned, we currently are working with 607 students and have begun tracking them as they participate in HOSA activities. Currently, in the 164 public high schools in the state, only 46 offer a health career course; with only 28 health career instructors; 22 of which are in our four large or urban communities and only 6 serving rural. HOSA-Future Health Professionals program fills the gap in rural communities by utilizing rural health care professionals to mentor students. Through this program we are working to grow the pipeline of students who become heath care providers in the state of North Dakota.

ND AHEC also supports health profession students in existing rural experiences and also assists with arranging new rural clinical rotations. More importantly, we work directly with these students to engage them in local activities outside of work. Recruitment of health care providers is easier if they have had the opportunity to 'live local' and get to know the people and the community environment. We are also tracking these students in an effort to identify what health care related activities they participated in and where they put roots down. This program is becoming more critical to the healthcare organizations in our state. We have had several critical access hospitals requesting housing and travel support for healthcare students. Because of an increase of locum travel support, increase demands on preceptors and unavailability of housing for students, some students are having to pay to live in these areas. As you can imagine, this has become more so during Covid. Housing for our students has not been the option for students that have normally stayed with an elderly couple or in a room at the hospital. These students are now looking into hotels so they can complete their rural rotation. This has become especially true during and post Covid. We are utilizing funds from other programs to assist student in rural and underserved clinical rotations.

A new program AHEC has is the AHEC Scholars program. Requirements for this program include the last 2 years of a health care program (or last one year if a technical program), each year

complete both 40 hours of a rural clinical rotation and 40 hours of didactic education and training directly related to rural and underserved populations. Because these student receive a $500 stipend per participation year, as this program grows to more students, we will have to cap the number of students participating. We will not have the funding to add other students which will limit the opportunity to recruit health care students to rural ND. With legislative support, the ND AHEC could expand this program to support students going to rural areas where the healthcare professionals are in critical need.

The nursing shortage that we are experiencing is much more crucial in our rural areas than in our urban counterparts. The ND AHEC is working with our rural healthcare facilities, organizations, and businesses to consider implementing a rural workforce program. We make connections with academic institutions to bring rural workforce programs to their community. We are making that link. We are working with these facilities to plan ahead and solve workforce shortages. We help them to identify community resource and local talent so our rural students can continue to work for their facility, make an income and be with their families. We are asking too much of them to travel miles from their home for an education when we can bring it right to their hometown. It is imperative that we are out there to work with these communities.

With all our additional programs, we are continuously evaluating them to ensure effectiveness in achieving our mission. We need to improve evaluation with students in high school and college to identify what health care career path they are pursuing, and whether they would like to work in primary care or in a rural and/or an underserved community. To receive federal funds, we are obligated to report specific program data; however, we need to expand our data collection efforts to better identify the reach of the AHEC and to best meet the needs of our rural communities.

A sincere thank you, for your support in the last legislative session. To continue the successful work of North Dakota AHEC, and on behalf of our rural communities, please support House Bill 1018.

If you have questions, feel free to contact me anytime.

Thank you,

Denise Andress, BSN, MBA
Director, Western ND AHEC
Mandan, ND 58554
Phone - 701.928.0830
Email – denise@ndahec.org

NORTH DAKOTA AREA HEALTH EDUCATION CENTER

The ND Area Health Education Center is comprised of a Program Office and two regionals centers in Mayville (East) & Mandan(West)

$277,861

Contributed toward health occupation education for students and professionals

39,973

Participants reached across every county in North Dakota

$132,000

By leveraging state, federal, and private funding for HOSA-Future Health Professionals

2322

Non-duplicate HOSA members since 2013

HOSA 2022

- 524 HOSA Members
- 16 Chapters
- 21 Advisors

$263,000

Assisted students in rural and underserved clinical rotations in North Dakota

738

Students assisted in rural & underserved clinical rotations in the following disciplines:

dentistry
lab technician
dietetics
nursing
physical therapy
occupational therapy
addiction counseling
psychology
radiology
medicine
social work
pharmacy
administration
public health

29

Resiliency Trainers in ND

44 HappiGenius Trainers
+ 95 soon-to-be trained!

**data from the inception of the ND AHEC program*

Recommendations

Commerce Initial Proposal $444,000

- **DOLLAR FOR DOLLAR Federal match for the ND AHEC Program**
- Increase ND AHEC staffing by 1 FTE for implementing health care workforce education in grades 7-12 in rural ND schools
- Consolidation of workforce development resources
- Continue expansion of HOSA chapters & membership in rural ND schools
- Enhance evaluation to include tracking participants

Governor's Proposal $250,000

- Maintaining program at current state
- Continue health career awareness
- Seek out grants where available

Return on Investment

- State funds double the investment from the federal government
- 1:1 Federal match required
- Retention of health care professionals in critical and underserved rural areas

Budget History

ND AHEC Funding Stream (2018-2022)												
	2018-2019			2019-2020			2020-2021			2021-2022		
Funding Source	Eastern	Western	Program Office	Eastern	Western	Program Office	Eastern	Western	Program Office	Eastern	Western	Program Office
HRSA, Federal AHEC funding (required 1:1 non-federal match)	$77,250	$77,250	$51,500	$101,955	$101,955	$51,500	$111,000	$111,000	$74,000	$108,188	$108,188	$72,124
CDC/DHS Federal Funds (No required match)	n/a	n/a	n/a	n/a	n/a	n/a	$0	$172,765	n/a	$0	$123,715	n/a
*HRSA, Federal BHWET Funding	$19,708	$19,708	$335,586	$19,999	$19,999	$40,313	$5,797	$5,797	n/a	$6,080	$6,080	n/a
1:1 non-federal (required) match												
State/ DoC Funding	$50,000	$50,000	$0	$50,000	$50,000	$0	$62,500	$62,500	$0	$62,500	$62,500	$0
State/ DoC Funding to support/ promote	$25,000	$25,000	$0	$0	$0	$0	$62,500	$62,500	$0	$62,500	$62,500	$0
Sanford for HOSA Chapter	$0	$12,000	$0	$0	$12,000	$0	$0	$12,000	$0	$0	$0	$0
Total Budget	$171,958	$183,958	$387,086	$171,954	$183,954	$91,813	$241,797	$426,562	$74,000	$239,268	$362,983	$72,124

Area Health Education Center Program - Funding Restrictions

- Not less than 75% of the total federal funding shall be allocated to the regional Area Health Education Centers.
- Not more than 25% of the total federal funding shall be allocated to the AHEC Program Office.
- Indirect costs are limited to 8%, as a result of being categorized as a training grant.
- Match requirement is 1:1 (federal funds to non-federal contributions).
- 25% of non-federal match contributions shall be in cash.

Brad Gibbens
Director ND AHEC
Center for Rural Health UND SOMHS
1301 N. Columbia Road, Stop 9037
Grand Forks, ND 58202-9037

Katie Thompson
Eastern AHEC Director
katie.thompson.1@mayvillestate.edu
330 3rd St NE
Mayville, ND 58257

Denise Andress
Western AHEC Director
denise@ndahec.org
404 Mia Court Ct Se
Mandan, ND 58554

March 10, 2023
Senator Terry Wanzek
Senate Appropriations Committee

Dear Senator Wanzek and Committee Members,

The Candlewood Suites in Dickinson is a travel industry partner with the ND Tourism Division. The funding that our state tourism receives for marketing directly benefits our property. It is a best practice to maintain and increase marketing to attract business, and we believe at the Candlewood Suites that ND Tourism delivers that for us.

Programs that can be developed to assist with new and exciting projects that attract new and returning visitors bring us business! The proposed $50 million for a Destination Development Fund could be that tool that our local attractions or businesses need to move forward.

We support increasing the ND Tourism Division's marketing budget.
We support the proposed $50 million Destination Marketing Fund.
Please support House Bill 1018!

Sincerely,

Tammy Jackson
Director of Sales
Candlewood Suites

March 8, 2023

RE: HB 1018 TESTIMONY ON APPROPRIATIONS FOR WORKFORCE ATTRACTION

Chairman Wanzek and Members of the Senate Appropriations Committee:

My name is David Farnsworth, recently retired Manager of North Dakota Power Generation and Engineering for Great River Energy, and also Industry Chair for North Dakota's Workforce Development Council. The Workforce Development Council, required by Federal law and State Statue consists of majority Private Industry leaders in key industries located throughout the State. The Council also contains a number of key players involved in Workforce such as Senate and House representation, Economic Development, Organized Labor, Commerce, Job Service, K-12, and Higher Education.

In addition to providing oversight and coordination of various Federal and State workforce funds and requirements, the Workforce Development Council is tasked with providing strategic workforce recommendations to the Governor and Legislature that the Council feels could have the greatest impact on solving our critical workforce issues and growing our economy. One of the core pillars of the Council's recommendations is the "recruitment and retention" of workers.

As you are well aware, North Dakota suffers from a severe shortage of workers in nearly all industry sectors and all areas of the state. With more than 30,000 open jobs and one of the highest labor participation rates in the nation, North Dakota does not have the ability to produce enough workers internally to fill the demand. This inability to have a sufficient workforce impedes our ability to attract new businesses to the state and grow our economy. It should be noted that post-pandemic all the other states in the nation are also suffering from a shortage of qualified workers, and many states have launched aggressive campaigns to attract workers to their states.

From the Workforce Development Council's Report of Recommendations, I would like to highlight a few sentences regarding the attraction of new residents to our State to fill our workforce needs: "*Effective talent attraction and retention initiatives are comprehensive and may include contracted marketing and talent attraction services, partnership with local leaders and employers, grants for local*

talent attraction and retention programs, staff to support a robust initiative that effectively recruits new North Dakotans, and more. This multi-faceted approach requires significant investment by the state and by industry partners."

Currently the Department of Commerce is administering "Find the Good Life in North Dakota," a talent attraction initiative that includes a system for generating and tracking leads and connecting them with community leaders and employers. It is critical that talent attraction initiatives are data driven and trackable to demonstrate the impact of the state's investment. The request of $24 million by Commerce for talent attraction, while a significant ask, is crucial in attracting new workers and their families to our state in order to fill the great need for skilled workers and realize North Dakota's economic potential.

In your deliberations of House Bill 1018, I highly recommend full funding for the talent attraction request. I view it as a critical component toward addressing the significant Workforce shortages we are experiencing in North Dakota.

Thank you for your consideration,

David E. Farnsworth
Bismarck, North Dakota

Grand Forks Region ECONOMIC DEVELOPMENT

March 9, 2023
Testimony of Ms. Becca Cruger
Grand Forks Region Economic Development Corporation
Director of Workforce Development
House Bill 1018

Senator Bekkedahl and members of the Appropriations Committee,

I have served as the Director of Workforce Development for the Grand Forks Region Economic Development Corporation for the past six years and have worked directly with industry who are impacted daily by labor shortages across our great state.

Today, I am asking you to support House Bill 1018 and specifically am writing to ask you to increase the support for talent attraction funding. This is crucial to the future success of being able to retain current businesses and recruit new industry to our state.

In the work that I do, I often hear the refrain, "Nobody wants to work anymore." And that simply isn't true in North Dakota. The challenge, frankly, is that we do not have the number of people who live here to fill the open positions. Numbers do not lie. In Grand Forks County alone we currently have 1,459 published job openings on the ND Job Service website. If you look at the number of people unemployed, there are 714. **Even if every single person took a job tomorrow, we would still have .47 of a person for every open job.** Half of a person for every open job.

This isn't just limited to Grand Forks County. If you look at statewide numbers, we currently have 17,111 open jobs with just 8,347 collecting unemployment. Again, that's half of a person for every open job. The problem isn't that nobody wants to work anymore, the problem is that our state simply does not have enough people to work.

You as state leaders have done an exceptional job of supporting programs like Operation Intern and Career Builders that help keep North Dakotans in North Dakota. But the only solution to our population problem is to begin an aggressive tactic and become a leader in recruiting people from outside of our state.

What the Workforce Division at the Department of Commerce is proposing to do with the talent attraction funding should be lauded and applauded for the novel approach that it is. We need to be innovative and competitive in the national war on talent and the Workforce Division has decisively put together a pilot program that is well thought through, intentional, involves expert organizations, and – most importantly – includes trackable metrics to ensure taxpayer dollars are being spent wisely.

Even more, they've built out a statewide network of community champions who are thinking about how to make their talent attraction initiatives strong enough to partner with Commerce's. From East to West, Commerce has empowered community champions to take workforce attraction seriously.

As you are making decisions today, I know you are thinking about our state's future. At Grand Forks Economic Development Corporation, we often host site selectors who are evaluating our state and region for business opportunity. I can tell you that on the last two large visits, we spent an entire day talking with site selection teams about labor.

If we don't continue to take action and be bold when it comes to talent attraction, we will fall behind and lose out on future industry growth. I implore you to support the talent attraction funding.

Thank you for your consideration.

Sincerely,

Becca Cruger, Director of Workforce Development
Grand Forks Region Economic Development Corporation

CITY OF GRAFTON

www.graftongov.com
PO Box 578 | 5 East 4th Street | Grafton, ND 58237
Phone: 701.352.1561 | Fax: 701.352.2730 | TDD: 701.352.1411

Testimony of Jennifer Dusek in support of HB 1018 – with an amendment

To Senate Appropriations Committee – Government Operations Division

March 8, 2023

Chairman Wanzek and members of the Committee:

I am Jennifer Dusek, Community Development Director for the City of Grafton.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination, and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of **housing, workforce, and childcare**. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on **destination development** to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

Increased staff capacity in this region would allow us to complete larger scale projects to address housing and workforce issues. We have already created solutions to increase business attraction, tourism efforts, and make our area an appealing destination. However, we cannot implement these proactive solutions without the necessary staffing. It is not sustainable or realistic to expect volunteers to steer a regional project. We simply do not have the manpower. Our region has an action plan ready to move forward, but we need the funding for professional staff to implement it.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

Respectfully submitted by Jennifer Dusek, District 19

TESTIMONY OF JENNIFER FEIST, DIRECTOR OF DEVELOPMENT, VALLEY CITY-BARNES COUNTY DEVELOPMENT CORPORATION, VALLEY CITY, ND

HB 1018

SENATOR TERRY M. WANZEK
Senate Appropriations – Government Operations Division

Senator Wanzek and Members of the Committee,

Please accept this testimony in support of $8 Million that would be provided in equal amounts to the eight Regional Councils across the State. The $8 Million was originally part of HB 1018.

As the Director of Economic Development, I have worked with South Central Dakota Regional Council, Jamestown and Lake Agassiz Regional Council, Fargo on economic development projects.

Communities are beneficiaries of Regional Council technical and financial support that are interrelated with other agencies that are working together with the same end goal.

In Barnes County alone, we have received assistance with:

1. Job creation
2. I-94 Regional Development Corridor, an industrial park located off Exit 294
3. Primary sector industrial development
4. Small business development
5. Low-income housing
6. Water supply systems
7. Childcare facilities
8. Bridge repair
9. Flood mitigation and flood buyouts
10. EDA grant funds utilized to construct the Regional Technology Center, a business technology center for new and growing businesses

The value of the technical assistance that communities receive from Regional Councils cannot be overstated. Regional Council staff work diligently to ensure State and Federal funding requirements are met, which vary greatly from one agency to another. In certain cases, such as EDA and CDBG/CDLF funds, communities must apply for funds through the Regional Council. Communities also do not have the professional staff to administer programs, which can be difficult and time consuming.

Testimony offered by Maria Effertz outlined the many programs and services offered by and administered by the Division of Community Services, Department of Economic Development & Finance, ND Department of Commerce. Regional Councils provide the critical linkage from Federal and State programs and services to the communities, especially to the many smaller communities across the State. Communities can access funds for basic infrastructure, specifically water and sewer systems, with assistance from the Regional Councils.

Please support the $8 Million that was originally included in HB 1018 and provide financial support to the Regional Councils. Thank you.

economic development association of north dakota

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

Testimony of Dana Hager
Economic Development Association of North Dakota
In Support of HB 1018
March 10, 2023

Chairman Wanzek and members of the Senate Appropriations - Government Operations Division:

I'm Dana Hager, executive director of the Economic Development Association of North Dakota (EDND). 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. It is a premier partner providing valuable tools, programs and resources for economic developers in our state. This strong partnership helps us recruit and retain new and expanding businesses locally, bring vibrancy to our communities, train North Dakota's workforce, and compete in national and international markets.

While EDND supports the continuation of all Department of Commerce programs, and we've supplied previous testimony, we want to take this opportunity to express our support for an amendment for regional councils specifically. Created by NDCC 54-40.1 in 1973, regional councils support consistent statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments.

We are asking for the consideration of an amendment to HB 1018 for $8 million to support the eight regional councils across the state.

Support for this amendment will help secure the regional councils and the future of rural communities across North Dakota. Each region is unique in the various federal, state and local programs implemented. This amendment will increase the capacity to access additional resources, strategies and funding for our rural communities.

Your support of HB 1018, along with an amendment for regional councils, will ensure that North Dakota's communities have access to an entire toolbox to support North Dakota communities.

City of McVille
PO Box 275/113 N Main St
McVille, ND 58254
701-322-4343
mcvillend@gotndtc.com

Testimony of Chanda Arneson in support of HB 1018 – with an amendment
To Senate Appropriations Committee – Government Operations Division
March 8, 2023

Chairman Wanzek and members of the Committee:

I am Chanda Arneson, City Auditor of the City of McVille.

I'm seeking your consideration of an amendment to support $8 million ($1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions. Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

Today, our region can have a rural renaissance with the need for more than 1,500 new employees in our small towns – but only if we address the critical needs of housing, workforce, and childcare. In 2021/2022, we enlisted Roger Brooks, a renowned national expert on destination development to secret shop our region and develop an action plan that would support visitor, resident, and investment attraction to northeastern North Dakota. The plan is ready to go – it calls for six professional staff to lead – which is currently not available due to the lack of funding.

Increased staffing opportunities would offer the ability to focus more directly on marketing and social media, grant funding and offering assistance with small businesses writing business plans. Our rural communities are a great place to live but extremely underrated. Funding these positions would be giving a fresh perspective of our lifestyles to the quality community members and business owners we long to attract.

I urge your support for increasing the rural development capacity across the state by supporting this amendment for $8 million for the eight regional councils.

The City of McVille is an equal-opportunity provider and employer.

Bismarck-Mandan
Convention & Visitors Bureau
1600 Burnt Boat Drive
Bismarck, ND 58503
701-222-4308
800-767-3555

March 6, 2023

Senator Brad Bekkedahl
Senate Appropriations Committee Chair

Senator Bekkedahl and Members of the Committee:

I would like to offer our support for HB 1018.

All indicators show that people want to travel, and we are back to 2019 levels or above. They will go somewhere; we need to have the funding to inspire them to choose North Dakota. If not, we are letting other states derive 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. North Dakota cannot continue to let our neighbors capture these visitors and risk losing the economic impact that they could bring to North Dakota. It is imperative to attract this business to fill our hotels, restaurants, gas stations and stores.

The $25 million request for a strategic marketing and workforce recruitment campaign investment in destination North Dakota awareness marketing is a significant step in the right direction. This will allow them to expand marketing channels and length of time in markets.

In addition to marketing to get visitors here, we need to have adequate offerings to aid in enticement and increase the length of stay. The funding for the Destination Development Fund will do just that. I don't think there will be any shortage of projects for Bismarck-Mandan with groups like the North Dakota Equestrian & Ag Center and Bismarck Riverfront Idea already expressing interest in exploring new venues to consider for development.

Thank you for your time and consideration.

Sincerely,

Sheri J. Grossman, CDME
CEO

Senate Appropriations Committee
Government Operations Division
HB 2018
March 10, 2023

Chairman Wanzek and members of the Committee. My name is Dave Kleppe, Program Manager of the North Dakota Procurement Technical Assistance Center (PTAC), now called by a new name, the North Dakota APEX Accelerator (APEX). The program is hosted by the University of North Dakota's Center for Business Engagement and Development (led by Tiffany Ford) within the Nistler College of Business and Public Administration. Federal program funding is provided by the Department of Defense (DoD) Office of Small Business Programs (OSBP). Match funding has been provided by the North Dakota Department of Commerce (DOC).

The APEX Accelerators program (formerly PTAC) was established in 1985 to expand the number of businesses capable of participating in government contracts. It is administered by DoD OSBP in cooperation with the states, local governments, and nonprofit organizations. Under the program, we assist businesses with pursuing and performing in contract awards with the Department of Defense, other federal agencies, state and local governments, and also subcontracting with government prime contractors.

Our services are provided at no cost to businesses based in North Dakota and include:

- Assisting with state and federal registrations in procurement systems such as the federal System for Award Management (SAM)

- Creation of a bidmatch search profile unique to each business to help identify contracting and subcontracting opportunities
- Providing training on federal and state contracting and cybersecurity requirements
- Guiding them through government certifications
- Conducting solicitation reviews and providing advice on preparing bid proposals

APEXs have a local presence nationwide with 96 locations. The North Dakota APEX currently operates with three full-time positions: a senior procurement specialist located in Fargo, a procurement specialist located in Minot, and a program manager located in the Entrepreneur Center at the Bank of North Dakota.

The federal APEX Accelerator Program provides 65% federal funding with a 35% match requirement. For the past many years, the required state match has been provided by the Department of Commerce from within their **discretionary funds line**. Without the required state match funds, the ND APEX Accelerator program will cease to exist. While the amount of the state's investment is small, the economic impact of this program is not. During July 2020 – June 2022, the **ND PTAC assisted 413 small and large North Dakota businesses**. Many of them have been successful in the government marketplace and have been awarded more than **$279 million** in government contracts during the period, meaning **expansion and diversification of revenue streams**, **creating jobs in our state, and positively impacting our communities**. Program return-on-investment is **$1,713 in contracts for every state dollar invested**.

We have a very good working relationship with DOC. Without the matching funds DOC provides, there would be no APEX program to assist our businesses in navigating the complex path involved with government contracting. Thank you, Mr. Chairman and committee members, for your time and for your support of the North Dakota APEX Accelerator.

Link to 3 ½ minute video about the DoD APEX Accelerator Program:

https://assets.apexaccelerators.us/videos/APEX_Final2.mp4

North Dakota APEX Accelerator website: https://ndptac.org/

This APEX Accelerator is funded in part through a cooperative agreement with the Department of Defense. The North Dakota APEX Accelerator is hosted by the University of North Dakota Nistler College of Business and Public Administration. State matching funds are provided by the North Dakota Department of Commerce.

Senate Appropriations - Government Operations Division Public Hearing HB1018

Dear Members of the North Dakota Senate Appropriations Committee,

I am writing on behalf of Underwood Area Economic Development Corporation, Underwood ND in support of returning funding for the Commerce Department requested under Governor Burgan's budget request.

First, please restore funding for a full-time position for the Main Street Program. As a small city, we rely heavily on our ability to work with Commerce on local projects. We partnered with Commerce for grant funding for a Comprehensive Plan for our City. The Main Street initiative has been key in allowing us to work through this process. Having staff in place knowledgeable with the components of the Initiative is vital to its continued success and I strongly encourage you to continue funding that position.

Secondly, as it applies to the $ 15 million funding for blight and slum removal for commercial and residential, these funds are imperative for ALL communities large and small. Because of greater infrastructure needs, these types of buildings have for to long gone by the wayside and are now in the way of growth and development.

Speaking for small cities such as Underwood, our limited finances must be directed to the basic infrastructure such as water, sewer, streets and storm water. The City of Underwood has taken on back-to-back multi-million dollar projects since 2014 for storm water and streets. Our City Commission is currently working on a water tower/ water systems replacement/upgrade. While grant funding is being sought to assist with the costs, the city will need to cover the match requirements. As with a lot of other communities we just don't have the funds available to address the blighted buildings.

Blighted/slum buildings have long been on the list of what our residents want to see handled. But again, priorities dictate needed infrastructure takes precedent. I'm sure this is the case in most North Dakota cities.

Most small towns do not have an economic development group, JDA or professional grant writer at their disposal. Federal grant writing is daunting at best and impossible for most. Having grant funding available at the State level would be a great benefit to any community successful in getting those dollars.

Again, slum and blight stand directly in the way of not only progress but the making and maintaining of healthy, vibrant communities. Please reinstate the $ 15M funding for this process.

Thirdly, please return the $ 800,000 in grant funding that would be used to fund projects and community planning. Cutting this funding at a time when workforce is a major issue not only in North Dakota but country wide is a mistake. This funding is used to help create communities that can attract and retain workforce.

There are so many aspects to creating these types of communities but each city must be able to come up with a plan to best utilize its resources toward this goal. Not having the means on its own directly impacts those small towns looking to improve their lot for current residents as well as any future transplants they can attract.

I believe a fundamental job of government is to provide the infrastructure for it's residents. When we have the opportunity to assist communities because we are blessed with the resources we have, it is imperative we do so.

The state has a stake in every community. Monies spent reviving and renewing our communities will improve the livability for existing and potential new residents. We are looking for assistance in making dreams into plans that can develop into reality for the betterment of the state as a whole.

March 10, 2023

Dear Chairman Wanzek and Members of the Government Operations Appropriations Committee:

My name is Andrea Olson and I'm the Executive Director of Community Action Partnership of North Dakota (CAPND). CAPND represents the collective interests of the seven Community Action Agencies who serve the low-income families in all 53 counties. CAPND provides a plethora of services, include the Weatherization Assistance Program (WAP), which is offered through a decades-long and productive partnership with the North Dakota Department of Commerce, Division of Community Services.

CAPND fully supports HB1018 and are in complete agreement of establishing authority to receive and expend the additional Federal WAP funds available to North Dakota via the Infrastructure Investment and Jobs Act (IIJA). Consideration of an Emergency Clause will expedite the ability for CAPND to deploy the funds to help citizens who are in need.

Additionally, CAPND emphatically supports an increase to DCS staff by at least 2.0 FTEs for WAP and at least 1.0 FTE for the State Energy Program. HB1018 is an extraordinary opportunity for WAP; an appropriate number of staff are needed and lack of sufficient capacity will hinder success.

Historically, WAP has been strongly supported and has shown itself to be a successful, cost-effective investment to the State of North Dakota and our nation. As the largest residential energy efficiency program, it plays a vital role in reducing the burden of energy costs for families, while also providing economic and environmental benefits to our communities and leading the way in industry innovation and technology. Additionally, the State Energy Program promotes energy efficiency and conservation through a variety of measures including energy education, installations of energy efficient measures, and renewable energy technologies.

Each region across North Dakota has been impacted by WAP: over 1,200 homes statewide weatherized since January 1, 2020, including 495 senior families and additional 623 families with children; a return of investment of $2.78 in non-energy benefits for every $1.00 invested in the program; and significant contribution to economic growth via over 60 specialized WAP staff and an additional 280+ area contractors and vendors throughout the state to aid in the completion of our work.

The Weatherization Assistance Program is of utmost importance to the state; WAP helps preserve our existing housing stock and allows homes to remain affordable. A recent statewide study conducted by the North Dakota Housing Finance Agency and North Dakota State University showed that the need for affordable housing stock across the state will continue to remain a need over for the foreseeable future. The study reports that, based on estimated change in population by age and the state's current housing inventory, the state would need to add an additional 9,285 housing units by 2025 to meet the potential

need, a 3% increase from 2020. Projections indicate a growing need for more affordable housing for lower-income households. Extremely low-income households in are projected to grow by 6% or 3,621 households by 2025. Very low-income households are projected to grow by 5% or 2,566 households and low-income households will grow by 2% or 1,768 households." WAP serves a purpose in helping meet this projected demand.

We have seen first-hand the benefits that WAP has had and believe this additional funding via HB1018 will allow us to help many more. We appreciate your support of WAP in North Dakota.

Sincerely,

Andrea Olson
Executive Director

Huff Hills Ski Area Testimony in Support of SB 1018

Good morning, Chairmen Wanzek and members of the committee,

My name is Andrew Beck, and I am the Mountain Operations Manager for Huff Hills Ski Area, inc. I am here today in support of SB 1018.

Many of our tourism destinations, like Huff Hills, are private businesses and provide various recreation and cultural opportunities to residents and visitors to ND. They are a unique and integral part of the North Dakota business landscape by providing quality of life for residents, supporting workforce development, and increasing visitation to our towns and cities across the state.

Many of these businesses are seasonal and weather dependent, making it challenging to have a reliable source of capital for significant projects. By fully funding the tourism development grants at the original $50 million –

- Money can flow toward legacy projects that impact destination tourism businesses.
- These improvements and expansions can be made at the proper times to grow options for activities further and coordinate with other developments and tourism efforts in the region and across the state.

Without this additional support, projects often wait for the "perfect year" of weather, visitor numbers, and many other factors out of our control. By providing funds toward these projects, projects can be jumpstarted, and our tourism businesses can offer additional reasons for people to visit, stay or relocate to ND.

Spending time outdoors is essential for improving the health and well-being of all of us in ND. The recent renewed focus from state tourism on year-round outdoor recreation has been well received, and we hope to continue to see the state emphasize winter recreation. Huff Hills has seen an increase in the number of young families that are embracing wintertime, rather than waiting for the season to end. Huff Hills supports fully funding state tourism's marketing budget.

Thank you, and please support SB 1018.

Andrew Beck
Mountain Operations Manager
Huff Hills Ski Area, Inc

To: The Senate Appropriations Committee – Government Operations Division
From: Hugh Alan Drexler
Date: Friday March 10th, 2023
Re: Testimony in support of HB 1018

My name is Hugh Drexler and I represent the North Dakota Horse Park in Fargo, North Dakota. I'm providing written testimony in support of HB 1018. I have just completed my first year with the horse park and truly appreciate the immense impact that tourism has, not only for our venue but for other local businesses. The people of North Dakota have a unique opportunity to expand tourism while maintaining that "small town feel" that many seek when deciding where to visit.

With additional funding from the Destination Development Fund, businesses like the North Dakota Horse Park can create additional opportunities to provide jobs and establish year-round venues that will attract tourists for a variety of reasons. Our goal at the Horse Park is to create a year-round, multi-use facility surrounded by entertainment opportunities, restaurants, bars, and retail space. This will create an opportunity to marry different amenities with the experience of professional live horse racing.

The North Dakota horse park is a seasonal tourism destination that directly impacts the dollars spent and wagered in the State of North Dakota. The benefit from these funds to the North Dakota Horse Park would be significant to further develop the tourism offerings of the state.

I would like to thank the Senate Appropriations Committee for the opportunity to testify and for listening. I urge you to support HB 1018 and help continue the promotion of tourism in North Dakota.

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VANTIS PPP
Business Opportunity & ROI

March 2022

DISCLOSURE STATEMENT
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COMMERCIALLY SENSITIVE

Vantis – Return on Investment to North Dakota

Thales tasked to create business plan for ND in December 2020

- Comprehensive look at the UAS Market
- Revenue model assumptions based on demand

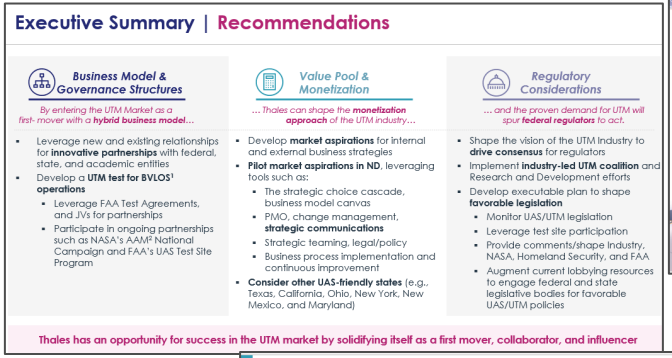
Intermediate revenue share today

- General fund + Royalties in place

New business model = more revenue

- Additional return on investment comes with FAA validation and approvals
- Partnership between Thales - ND
- A PPP structure with 25% stake results in $22M/yr over 9 years

Goal → Commercial partnership with State of North Dakota



Executive Summary | Recommendations

Business Model & Governance Structures

By entering the UTM Market as a first- mover with a ***hybrid business model…***

- Leverage new and existing relationships for **innovative partnerships** with federal, state, and academic entities
- Develop a **UTM test for BVLOS[1] operations**
  - Leverage FAA Test Agreements, and JVs for partnerships
  - Participate in ongoing partnerships such as NASA's AAM[2] National Campaign and FAA's UAS Test Site Program

Value Pool & Monetization

… Thales can shape the ***monetization approach*** *of the UTM industry…*

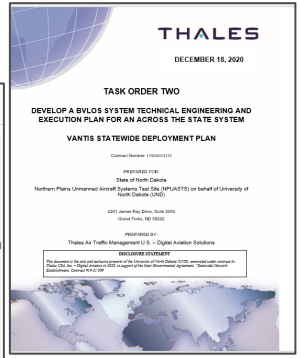
- Develop **market aspirations** for internal and external business strategies
- **Pilot market aspirations in ND**, leveraging tools such as:
  - The strategic choice cascade, business model canvas
  - PMO, change management, **strategic communications**
  - Strategic teaming, legal/policy
  - Business process implementation and continuous improvement
- **Consider other UAS-friendly states** (e.g., Texas, California, Ohio, New York, New Mexico, and Maryland)

Regulatory Considerations

… and the proven demand for UTM will spur ***federal regulators*** *to act.*

- Shape the vision of the UTM Industry to **drive consensus** for regulators
- Implement **industry-led UTM coalition** and Research and Development efforts
- Develop executable plan to shape **favorable legislation**
  - Monitor UAS/UTM legislation
  - Leverage test site participation
  - Provide comments/shape industry, NASA, Homeland Security, and FAA
  - Augment current lobbying resources to engage federal and state legislative bodies for favorable UAS/UTM policies

Thales has an opportunity for success in the UTM market by solidifying itself as a first mover, collaborator, and influencer



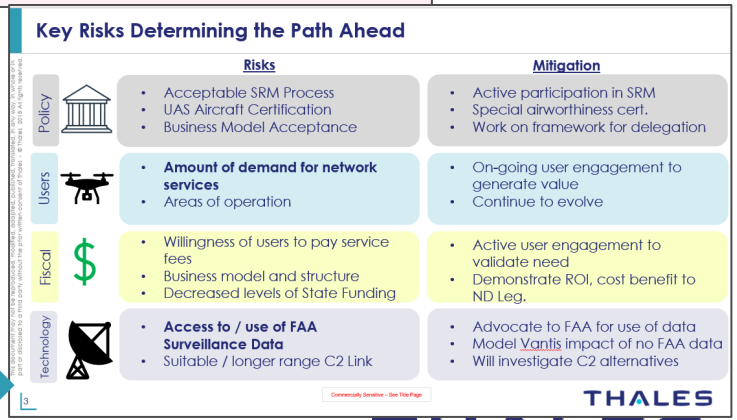
THALES

DECEMBER 18, 2020

TASK ORDER TWO

DEVELOP A BVLOS SYSTEM TECHNICAL ENGINEERING AND EXECUTION PLAN FOR AN ACROSS THE STATE SYSTEM

VANTIS STATEWIDE DEPLOYMENT PLAN



Key Risks Determining the Path Ahead

	Risks	Mitigation
Policy	• Acceptable SRM Process • UAS Aircraft Certification • Business Model Acceptance	• Active participation in SRM • Special airworthiness cert. • Work on framework for delegation
Users	• **Amount of demand for network services** • Areas of operation	• On-going user engagement to generate value • Continue to evolve
Fiscal	• Willingness of users to pay service fees • Business model and structure • Decreased levels of State Funding	• Active user engagement to validate need • Demonstrate ROI, cost benefit to ND Leg.
Technology	• **Access to / use of FAA Surveillance Data** • Suitable / longer range C2 Link	• Advocate to FAA for use of data • Model Vantis impact of no FAA data • Will investigate C2 alternatives

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Vantis Return on Investment – Current Construct

Vantis is close to commercialization but requires additional FAA approvals

- Economic development driving the major returns to the State today
  - Over 100 direct jobs attributable to Vantis today with $8.5M in tax revenue collected over 10 years
- Tech platform & partnership strengthening
  - Thales & Partner Companies establishing sustainable presence in ND

Current Agreements on Payback to the State

- Century Code Requirement
  - 3% return to General Fund
- Thales made additional commitments to the State
  - Software component royalty payments for Vantis components sold outside ND
  - 5% up to 200% of initial investment
  - 3% until end of Master Agreement with Thales
- Subcontracts from Thales
  - Leverage State's UAS experts outside the State
  - Michigan, Texas, DoD
  - International Opportunities

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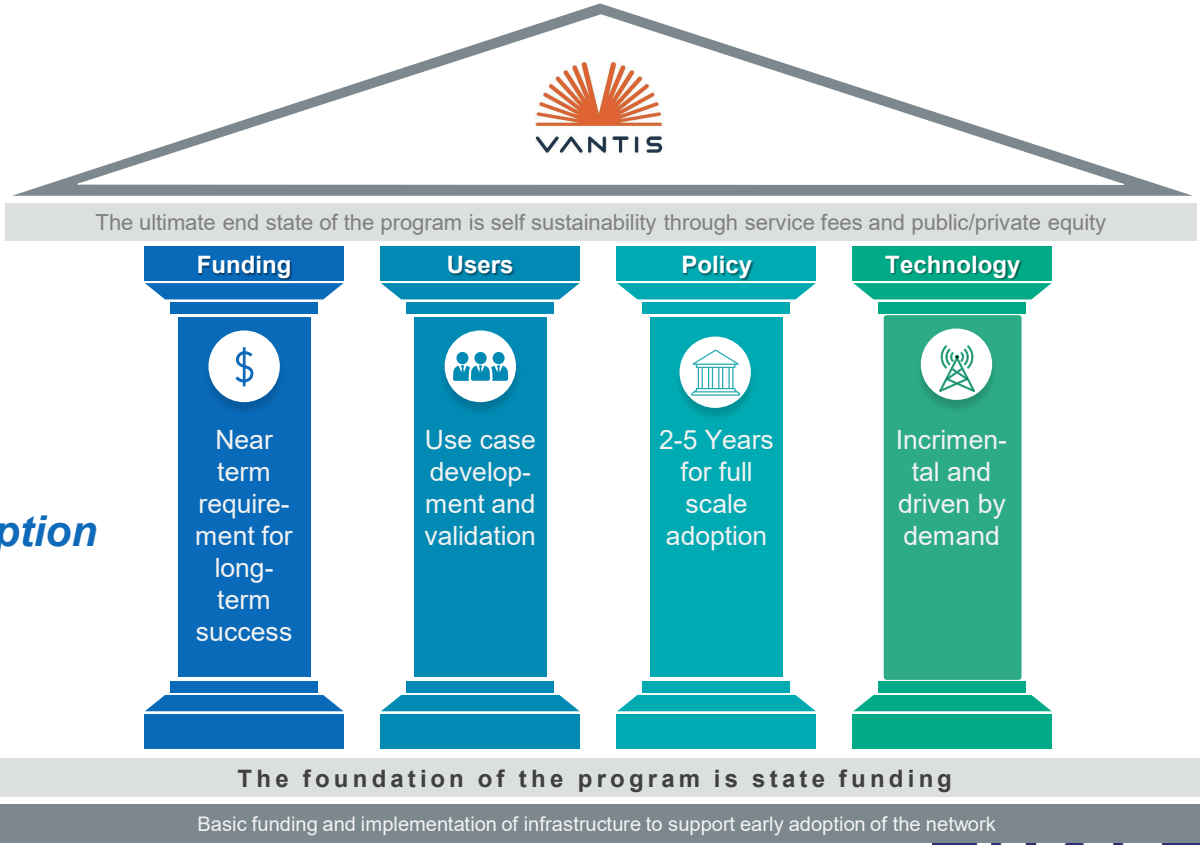
Pillars for Vantis Network Sustainability in ND and Beyond

- ***Strategic Investment***
- ***Vantis Sustainment***
- ***Regulatory/Policy Adoption***
- ***Scalable Operations***



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UAS Operations Market Demand & Vantis Offerings

Market Demand Across:

- Recreational Use (not included)
- Commercial Delivery
- Agriculture
- Inspection (Linear & Structure)
- Emergency Response

Market Structure

- Cities (grouping by - SM, MD, LG)
- Rural (by area)

Market Offering:

- Infrastructure (not included)
- Airspace Manager
- Emergency Services Manager
- C-UAS / Threat Manager (not included)
- Local Community Manager
- Supplemental Services Provider

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Market Demand Exists

	Use Case Description		Flights				Fleet		
			2022	2027	2032		2022	2027	2032
Recreational Use	• Based upon population and UAS adoption statistics / trends • Average 4 flights per month / UAS • Estimate adoption / penetration (1-5%)	Low	0.4 K	73 K	156 K	Low	8	1.5 K	3.2 K
		High	0.9 K	178 K	379 K	High	19	3.7 K	7.9 K
			2022	2027	2032		2022	2027	2032
Commercial Delivery	• Estimate retail portion of commercial delivery (15%) • Estimate of portion suitable for delivery by UAS (5%) • Estimate adoption / penetration (1-5%)	Low	3.3 K	658 K	1,399 K	Low	2	0.5 K	1.0 K
		High	16.5 K	3,292 K	6,996 K	High	11	2.3 K	4.9 K
			2022	2027	2032		2022	2027	2032
Agriculture Use	• Estimate number of agriculture locations across the state • Assume 4 flights per location per year • Estimate adoption penetration (5-50%)	Low	0.1 K	13 K	27 K	Low	8	1.6 K	3.5 K
		High	0.6 K	125 K	267 K	High	0.1 K	16 K	35 K
			2022	2027	2032		2022	2027	2032
Linear Inspection	• Estimate amount of linear infrastructure • Inspections per year (infrastructure type dependent) • Estimate adoption penetration (25-50%)	Low	0.0 K	6.8 K	15 K	Low	1	0.2 K	0.3 K
		High	0.1 K	14 K	29 K	High	2	0.3 K	0.6 K
			2022	2027	2032		2022	2027	2032
Structure Inspection	• Estimate structures and construction sites • Inspections per year (structure type dependent) • Estimate adoption penetration (5-50%)	Low	0.2 K	31 K	65 K	Low	1	0.1 K	0.1 K
		High	1.5 K	305 K	648 K	High	3	0.6 K	1.2 K
			2022	2027	2032		2022	2027	2032
Emergency Response	• Covers search & rescue and other emergency responses • Estimates based on emergency frequency and land area • Estimate adoption penetration (5-50%)	Low	0.0 K	8.4 K	18 K	Low	1	41	86
		High	0.4 K	84 K	178 K	High	2	0.4 K	0.9 K
			2022	2027	2032		2022	2027	2032
TOTALS		Low	3.9 K	791 K	1,680 K	Low	21	3.9 K	8.2 K
		High	20 K	4,002 K	8,505 K	High	0.1 K	24 K	50 K

Notes:
- *Low/High refers to Ivalue associated with lower/upper bound of UAS adoption/penetration rate in the use case demand*
- *Statewide rollout and use case growth are modelled as a logistics curve; assumes network complete by 2025 and full market penetration by 2032*

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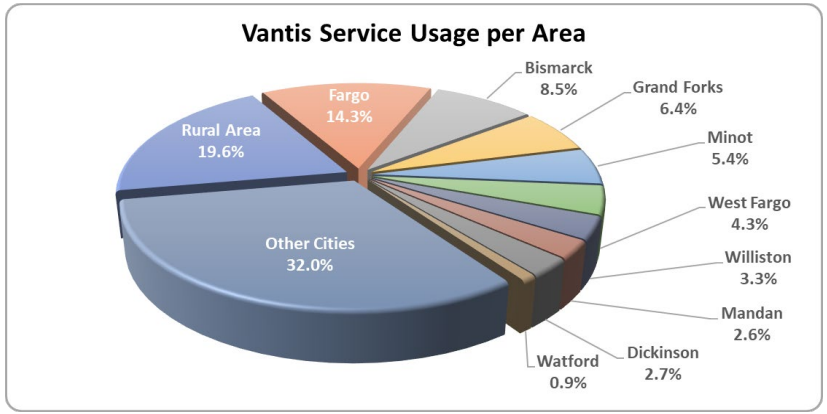
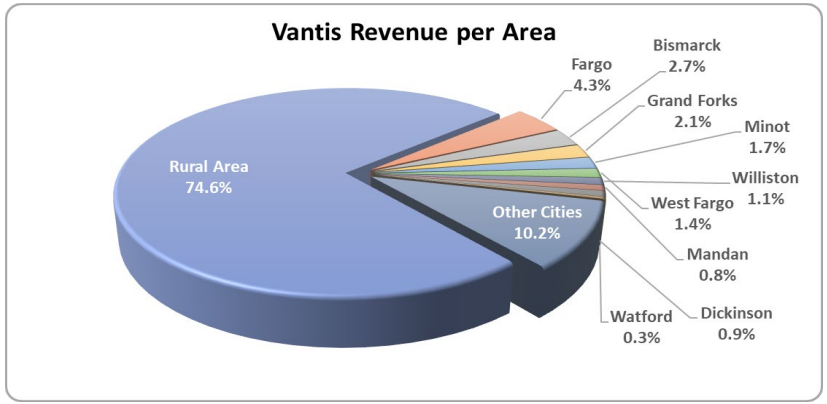
Market Demand Forecast & Revenue Potential



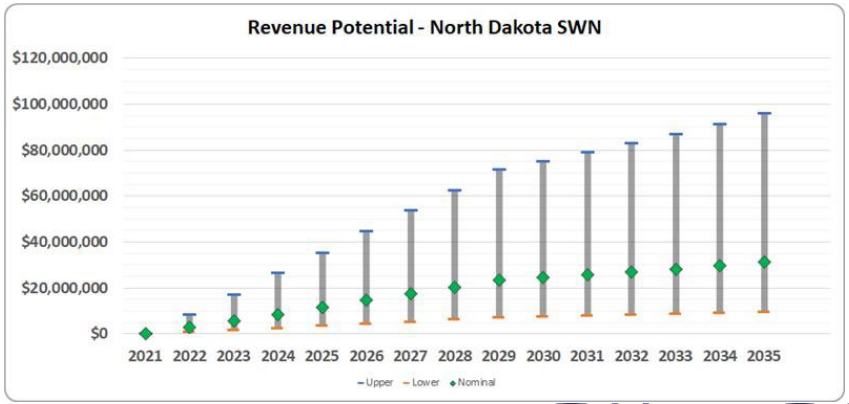


Demand translates into revenue

1. Core services pricing
2. Value-added services

ND Service Fees Conservatively Estimated to be ~$30M/year

**Does not include C-UAS & Emergency Services*



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Thales Supports Creation of PPP with ND to Serve the Full US Market

Notional Structure (basis of financial forecast)

- "VANTIS, Inc." – a JV with Thales and ND as partners (and potentially others) set up to operate the Vantis network and deliver UAS integration services to UAS operators.
  - The focus will be ND first
  - This company will be established to pursue all the US market
  - This may include "white-labeling" services for other States
- "BVLOS Infrastructure, Inc." – a Infrastructure-as-a-service business to be established with a) value added partners and b) external financing sources
  - High CAPEX business – could/should be structured so off balance sheet
  - ND not likely interested in investing in Infrastructure in other States
  - Different partners may be needed vs VANTIS, Inc.

Should provide flexible platform to address US market which is estimated to be 40-50% of global market – multi-billion per year opportunity

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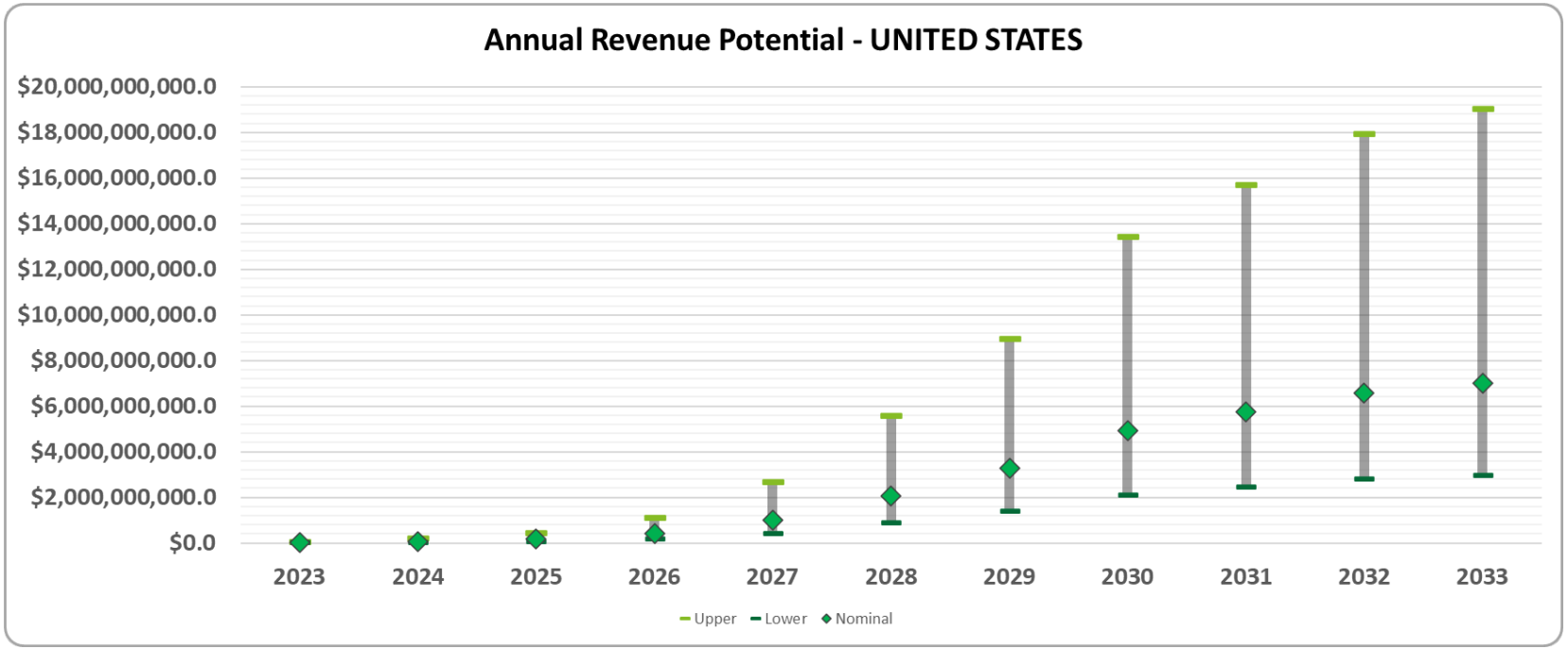
US Nationwide UAS Integration Service Potential is Substantial



Applied same methodology used for North Dakota forecast during Business Case Development

Net Result: Multi-Billion $ Annual Service Fee Business

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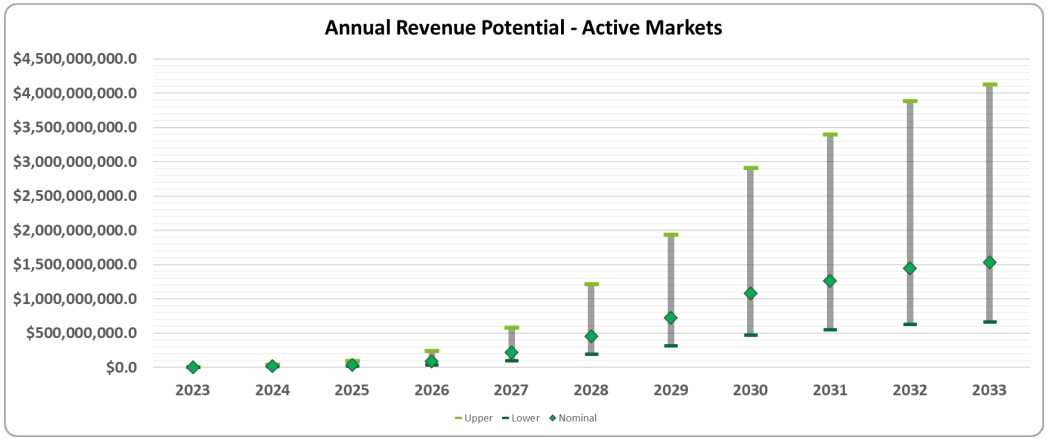
Strong ROI for ND Assuming Success in Just Currently Active Markets

Leverage Ongoing Efforts

- North Dakota
- Logical Neighbors (MN, SD)
- States with Thales Contracts (MI, NY, TX)

Key Takeaways

- Grows to $1-2B/year business
- Assuming ND takes 25% of profit - $200M returned to ND in first 10 years
- And ND retains 25% (assumption) ownership of a business generating $200M+ in profit per year



$M	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Cumm
Nominal Revenue	$ 3.5	$ 17.3	$ 36.0	$ 90.1	$ 216.2	$ 450.4	$ 720.7	$ 1,081.0	$ 1,261.1	$ 1,441.3	$ 5,317.6
Nominal Profit (15%)	$ 0.5	$ 2.6	$ 5.4	$ 13.5	$ 32.4	$ 67.6	$ 108.1	$ 162.1	$ 189.2	$ 216.2	$ 797.6
ND Share (25%)	$ 0.1	$ 0.7	$ 1.4	$ 3.4	$ 8.1	$ 16.9	$ 27.0	$ 40.5	$ 47.3	$ 54.0	$ 199.4

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COMMERCIALLY SENSITIVE – SEE TITLE PAGE

THALES
Building a future we can all trust

Thank You

March 10, 2023

Testimony to the SENATE APPROPRIATIONS COMMITTEE – GOVERNMENT OPERATIONS DIVISION for House Bill No. 1018

Frank Matus on behalf of the Northern Plains UAS Test Site and Vantis Program
Frank.matus.e@thalesdigital.io

315-664-9510

Mr. Chairman and members of the committee, my name is Frank Matus and I run the Air Traffic Control business for Thales USA, Inc, the State's systems integrator partner for the Vantis Beyond Visual Line of Site drone program. As many of you are aware, the Vantis program represents the first of its kind infrastructure program supporting unmanned aircraft systems or UAS integration into the national airspace system. Vantis is developing and implementing a commercially operational UAS BVLOS flight system to serve our communities. North Dakota continues to lead industry in the development of UAS aviation infrastructure and operations with the support of our State and Federal partners.

The Governor's 2023-2025 budget request is for $30,000,000 in new funding for Vantis that will drive our vision to the next level. This funding enables program management oversight, sustains the Mission and Network Operations Center (MNOC) in Grand Forks, supports operations and maintenance of Vantis infrastructure, design and deployment of new operational sites and services across the State, and onboarding of commercial/public UAS operators with appropriate Federal Aviation Administration (FAA)/government approvals.

The Vantis program not only represents the first of its kind infrastructure program supporting UAS integration into the national airspace system, but it is also a major driver of economic growth and job creation in the State. The program has already attracted significant private sector investment of $400 million and has the support of federal partners such as the

DoD, CBP, and FAA. Nearly 50 UAS companies are currently based in North Dakota, employing over 1,000 people in the industry.

I am pleased to report that the Vantis program is making enormous strides because of the trust and the investments the legislature has made. Other states and countries from around the world have approached us in hopes of emulating the approach we are taking on this monumental program. Just last week, Executive Director Woods and I, along with Aeronautics Commissioner Wanner, had the opportunity to brief more than 30 state aviation officials at the National Association of State Aviation Officials (NASAO) where Vantis is seen as the "gold standard" for UAS integration. In less than a week, we have had five requests to help other states set up programs that mimic Vantis. In one state alone, programs in excess of $25 million are being established to do what we are doing here. We are doing this together – the State, Thales, and Grand Sky. This replication means that each time we deploy Vantis services, a portion of the sale of a similar system is returned to the State as a royalty to recover its initial investment. Changes to the Century Code will allow the Northern Plains UAS Test Site to work directly with Thales to determine the royalty or percentage of the revenue will come back to the State and UAS Fund.

However, this is just a start. To eliminate unnecessary red tape and to increase efficiency, we are recommending changes to the Commerce Century Code to ensure that the Northern Plains UAS Test Site be given the authority to act independently under the Department of Commerce. This will reduce many layers of unnecessary bureaucracy that were not envisioned originally but are stifling the efficiency of the North Dakota State government and Thales alike. I urge you to support those changes.

The Vantis program is not only significant for North Dakota, but it also has broader implications for the entire UAS industry. By developing and implementing a commercially

operational UAS BVLOS flight system, we are setting a standard for the safe and efficient integration of UAS into the national airspace system. This will pave the way for a multitude of applications and use cases, from package delivery and infrastructure inspection to emergency response and public safety.

In addition to the economic benefits, the Vantis program will also create new job opportunities in areas such as UAS operation, maintenance, and design and deployment of new operational sites and services across the State. It is important to note that this program was so important to not only me but Thales that my family and I have relocated to the State so that I can personally ensure the mission and vision of the Vantis program is realized and to increase the number of jobs that will unlock the potential of UAS. The program will attract more commercial/public UAS operators to the State, which will in turn lead to even more job opportunities. This is truly a win-win situation for both the State and the UAS industry.

In conclusion, I would like to express my gratitude to the committee for your continued support of the Vantis program. With your help, we can drive our vision to the next level and unlock the full potential of UAS for North Dakota and beyond. I urge you to support those changes. Thank you..

8 March 2023

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

Dear Chairman Bekkedahl and Members of the Senate Appropriations Committee,

We thank you for your commitment to the people and communities of North Dakota.

We are the Grand Forks Children's Museum Board of Directors. Our organization seeks to build a children's museum in Grand Forks. We strongly urge your support of House Bill 1018 for the full $50 million toward the North Dakota Destination Development Fund.

HB 1018 will provide the means by which so many communities across North Dakota can continue to attract and retain residents. Grand Forks is one such area. There is a significant need for cultural attractions in the Grand Forks region. A 2020 Grand Forks Metropolitan Statistical Area (MSA) Retail and Attractions Economic Analysis found that there is a need for cultural tourist attractions not being met. While there is a $5.2 million demand for museums, historical sites, and institutions in Grand Forks, 89% of our residents leave our community to seek out cultural entertainment elsewhere.

The Grand Forks Children's Museum seeks to be a part of this solution. The museum will provide a destination for children and families to engage in interactive STEAM (science, technology, engineering, arts and mathematics) learning activities that highlight our unique regional industries. Workforce retention begins at an early age where children can visualize themselves in that field. Our mission is to engage minds through play.

We know that building a livable, connected community creates a sense of belongingness and makes for a vibrant community. HB 1018 provides the means to develop more vibrant communities across the state of North Dakota.

Respectfully,

Center for Exploration Board of Directors

Alex Reichart, President
Sally Miskavige, Vice President
Jared Vigen, Treasurer
Natalie Muth, Secretary
Brittany Callier
Jill Nelson
Dean Opp
Kelly Quigley
Maura Tanabe
Carmen Wald

TESTIMONY OF
TREVOR WOODS
EXECUTIVE DIRECTOR, NORTHERN PLAINS UAS TEST SITE
BEFORE THE
SENATE APPROPRIATIONS COMMITTEE – GOVERNMENT OPERATIONS DIVISION
March 10, 2023

HOUSE BILL NO. 1018

Mr. Chairman and Members of the Committee:

I am Trevor Woods, Executive Director of the Northern Plains Unmanned Aircraft Systems Test Site (NPUASTS). I have been part of the UAS community since 2010 and helped to establish the Test Site on behalf of the State when it was officially designated in December 2013. I have been the Executive Director since October 2021. I am testifying today in support of the Governor's funding request for the NPUASTS, which includes funding in the Commerce operating budget, and for Vantis, the State's beyond visual line of sight (BVLOS) unmanned aircraft system (UAS) program. The North Dakota UAS Program (i.e., NPUASTS) was established 10 years ago by the State Legislature, received federal designation by the Federal Aviation Administration (FAA), and is overseen by the Authority Board. We thank you for your continued support.

The Northern Plains UAS Test Site is recognized as a leader in the UAS industry. In moving forward, we will continue and expand this leadership throughout the State of North Dakota and beyond. The 2023-2025 North Dakota budget request is for $6 Million for Test Site baseline operations, currently at $3 Million as part of the Commerce general operating budget, $30 Million in new funding for Vantis, and authorization to spend $8 Million in external federal funding (NASA-AFRC-UAS) that will drive our vision to the next level. This funding supports the NPUASTS effort to:

- Provide for the development and building of capabilities in order to bring UAS programs and industry to the State.
- Guide regulatory and policy development needed to build and evolve a framework for industry to thrive in North Dakota.
- Enable the development of Government-to-Government agreements to enhance capabilities through a collaborative approach.
- Advance the state of the art in capabilities, procedures, and technology to support Advanced Air Mobility (AAM) and electric vertical take-off and landing (eVTOL) operations.
- Support Industry expansion across the State to address use case demand.
- Leverage opportunities with adjacent States to grow system capabilities into a regional capability for the betterment of North Dakota citizens.

2021-2023 KEY METRICS

- Northern Plains UAS Test Site
    - The 2021-2023 NPUASTS state appropriations was $3 Million.
    - The NPUASTS was granted 23 new projects totaling $6 Million of external funds being generated and supported 16 subcontractors; 10 of which are North Dakota based companies.
    - Approximately 46 jobs consisting of private industry and a mix of government jobs were supported.
    - The NPUASTS coordinated oversight of 32 regulatory approvals – 8 of which were directly approved to partners/clients. There are 10 additional pending regulatory approvals.

- Vantis Statewide BVLOS System
    - Competitive down select to Thales USA as long-term systems integrator.
    - System and flight testing and validation to support FAA regulatory approval.
    - Began on-boarding UAS companies to operate in North Dakota.
    - Expanding Mission and Network Operations Center capabilities.
    - Upgraded "key sites" and expansion to eastern North Dakota.
    - Vantis being recognized by other states and countries.
    - Partnership under development with Thales USA.
    - Initial FAA approval to allow a private sector partner to fly a drone BVLOS using Vantis.

MOVING FORWARD (July 2023 through June 2025)

Northern Plains UAS Test Site

- Entering calendar year 2023, the NPUASTS is already scheduled for more activities than there are current resources.
    - Time lag between proposal opportunities to funded initiatives can exceed 6+ months. The NPUASTS uses State funds to attract external funding opportunities for the organization, partners, and subcontractors.
    - The NPUASTS is making efforts to increase resources to support the growth of funding opportunities.
- Entering the new biennium with 13 projects already on contract and 9 more in the queue. Almost matching the number of projects of 2021-2023 as the organization starts 2023-2025. Additional State funding helps to:
    - Ensure local resources are available to execute to high levels of performance.
    - Provides ability to respond to funding opportunities like the FAA Broad Agency Announcement program to ensure more projects are continuing to come to the State.
    - Supports building foundational aspects of the NPUASTS, including policy development, regulatory advancement, marketing, and other activities that benefit all programs.
    - Supports acquiring assets and building capabilities to further enhance NPUASTS offerings.
- Department of Defense UAS Traffic Management program was authorized and is now being funded annually. This program is in addition to the work already mentioned previously.
    - Significant portion of the funding (~$1.5 to $3 Million) is expected to be contracted to the NPUASTS and other North Dakota UAS entities (e.g., Grand Sky).
    - Funding will occur annually and can increase.
    - Infrastructure is required – space for employees, contractors, bench testing, and engineering activities.

    - Employees and contractors need to be hired now as work needs to execute immediately on award.
- Continue to support initial capability development to industry.
    - FAA programs – UAS Test Site and FAA Beyond require resources to staff, execute, and report out to advance regulatory frameworks.
    - Local industry – "Potluck" projects where teams come together to solve immediate, high-return problems.
- Key subcontracts
    - FAA's Federally Funded Research and Development Center (FFRDC) providing specialized support for Advanced Aviation, Autonomy, and other high interest areas for the State.
    - Federal government relations are key for advising and steering the future of the industry – requires input to legislative language, supporting documentation, and funding requests that enable industry developments.
    - Local logistics support and agreements enabling access to controlled ranges and other resources of the North Dakota National Guard.
    - Marketing and communications

Vantis

The NPUASTS is also responsible for the administration of the Vantis program. The Vantis mission is to develop and implement a commercially operational UAS BVLOS flight system throughout North Dakota and other states. Vantis funding supports program management oversight, sustains the Mission and Network Operations Center (MNOC), supports operations and maintenance of Vantis infrastructure, design and deployment of new operational sites and services, and on-boarding of commercial/public UAS operators with appropriate Federal Aviation Administration (FAA)/government approvals. The following outlines the Vantis program plans for moving forward.

- Continued program management by State and Thales to drive Vantis program.
    - Continued contractual oversight with development and evolution of public private partnership (PPP)
    - Management and coordination of State assets (e.g., North Dakota Information Technology Department (NDITD) STAGEnet, North Dakota Department of Transportation (NDDOT) towers, MNOC).
    - Development of resources for legal, intellectual property, and commercialization
- Operational components of the system
    - Regulatory, safety, and security oversight of the system
    - Test Site operational and safety processes and staff for testing and validation
    - Operations and maintenance (O&M) staffing and other direct costs (ODC) for MNOC and system to include development of Vantis Standard Operational Procedures
- Continued engagement of Federal and State regulatory officials for approvability and commercialization
    - FAA/Federal Government collaboration in establishing standards, policies, and operational approvals.
    - Integration of FAA/DoD radar data into MNOC
- Infrastructure expansion
    - Site preparation including Tribal notification, site selection, installation engineering drawings and set to work. Support installation, permitting, access, Federal

Communications Commission (FCC) licenses with focus on reuse of NDDOT towers and local airport sites.
    - NDITD connectivity – continued growth, connections, and management into STAGEnet as system expands.
    - Expand western and eastern regional installations toward central North Dakota (e.g., Bismarck, Minot) driven by use cases ~4 additional radar sites plus 14 communications locations to connect drones to Vantis.
    - Systems engineering to connect FAA/DoD and third-party radars to Vantis and other technology advancements.
- Community engagement
    - Supporting of local/regional conferences, meetings, STEM, etc., through State and local economic development corporations, chambers of commerce, and ND Dept of Commerce
    - Public agencies and commercial companies support for leveraging Vantis investment.
    - Federal and Tribal nations use case expansion (e.g., leverage UND & Federal DoT grants)
- Development of opportunities in and out of state
    - Building North Dakota UAS ecosystem and bringing companies to North Dakota
    - State government-to-government services from NPUASTS and Vantis to other states/customers
    - Support expansion to other states – contracts back to North Dakota for regulatory support, research & development (R&D) of local systems, and MNOC services

BENEFITS TO THE STATE

- The state's revenue return from NPUASTS/Vantis can include: 1) revenue share on Vantis services, 2) royalties on software intellectual property, 3) additional commercial and governmental contracts/agreements (e.g., DOD), and 4) tax revenues with creation of new jobs. Over the next 10 years these revenues are estimated to grow from millions to tens of millions annually.

- Creation of a diversified, high tech work force and industry within the State.

- Developing public-private partnerships will enable royalties, funding options, and cost-share, while distributing program risk.

- Vantis sites installed in McKenzie, Williams, Cass, and Grand Forks counties with local leaders and economic development corporations well engaged to bring services to local communities.

- Mission and Network Operations Center (MNOC) operational at Grand Sky as a State asset and can be leveraged for system expansion to other states.

- Multiple new UAS companies establishing presence in North Dakota (e.g., Thales, uAvionix, Airspace Link, Capital Science, Phoenix Air Unmanned, Asylon).

- Evolution of Grand Sky Ground Based Sense and Avoid System (GBSAA) with Thales upgrading based on Vantis architecture. This leads to a long-term seamless continuity between Grand Sky and rest of Vantis.

- Multiple states connecting with NPUASTS and Thales to support their in-state developments.

- Interests internationally with 10+ countries received Vantis demonstrations brought forth by FAA.

JOBS AND TAX REVENUE

There are currently ~1000-1200 jobs and 40-50 companies related to UAS in North Dakota that were largely created over the past 10 years. This North Dakota "UAS ecosystem" can create thousands of more jobs over the next 10 years. To quote AUVSI (world's largest non-profit organization dedicated to the advancement of uncrewed systems and robotics):

> "Through strong investment into this emerging technology, North Dakota is creating space for a new industry that will create new jobs and bring in outside commercial investment. North Dakota remains one of the fastest growing states, and by welcoming the UAS industry they are diversifying their economy away from their traditional top sectors to ensure long-term economic stability."

Below are employment and tax economic impact estimates to the State of North Dakota.

- Direct employment from Test Site and Vantis (State and subcontractors) is estimated at 177 by 2033 to support the Test Site Integration mission, Vantis Mission and Network Operations Center, in-field maintenance and technical support, and additional jobs to support new development and capabilities.
    - Estimated tax revenue from direct jobs supporting Vantis over the next 10 years is ~$8.5M with sustained yearly tax revenue of $1.1M per year after that
- The North Dakota UAS ecosystem to include NPUASTS and Vantis is projected to create ~3,000 additional UAS industry direct jobs by 2033 that support UAS operations, data collection/analysis, logistics, manufacturing and engineering.
    - Estimated tax revenue from ~3000 UAS industry direct jobs over the next 10 years is ~$139M with sustained yearly tax revenue of $32M per year after that.

NORTH DAKOTA CENTURY CODE

To continue to move NPUASTS/Vantis forward in an effective and efficient way, a need has been identified for revisions to the North Dakota Century Code (54-60-28, 54-60-29, 54-60-29.1) to:

1. Allow the Northern Plains UAS Test Site (NPUASTS) to operate and act in a more efficient manner that aligns closer to Industry. There will still be governance, oversight, and audit capabilities. Today, Commerce must sign off on every decision as the legally responsible entity but with the proposed changes to the NDCC, a more efficient contracting mechanism can be employed that creates efficiency for the State and for Industry. Given the maturity of this industry, the ability to maintain a government component is critical.
2. Authorize ability to enter into contracts or agreements with federal, state, private, and nonprofit organizations to carryout partnerships, joint ventures, or other appropriate legal business relationships with industry. This ability to enter into Public-Private Partnerships will diversify funding opportunities and increase revenue stream potential to sustain growth in the marketplace. Industry needs the public sector to lead inherently governmental conversations at Federal and State levels, and North Dakota needs industry ability to invest and capitalize.
3. Authorize ability to explore and develop in adjacent and related opportunities of autonomy and uncrewed systems. Industry and other states are already exploring Advanced Air Mobility and eVTOL opportunities. This builds on the foundation already in existence with uncrewed aircraft systems.

The language of NDCC 54-60-28, 54-60-29, and 54-60-29.1 was amended in the House to reflect the identified goals.

Thank you for your time and consideration.

Trevor Woods,
Executive Director
Northern Plains UAS Test Site

THE CHAMBER
FARGO MOORHEAD WEST FARGO

FMWF Chamber Support for HB 1018

March 10th, 2023

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

For the record, my name is Katherine Grindberg and I have the pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. Today, on behalf of our over 1,900 members, I offer testimony in support of House Bill 1018 along with a suggestion.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This is the number one issue we hear from our businesses. This challenge is not unique to our state though, businesses across the United States are in desperate need of qualified workers to fill their open positions. Every state in the nation is competing to attract, acclimate, retain, and develop workforce. According to the latest federal Job Openings and Labor Report, the national average was nearly 1.9 job openings per available worker. In December, a U.S. Chamber study categorized North Dakota in the "most severe" workforce shortage category with 2.2 job openings per available worker.
North Dakota must remain committed to identifying creative and multi-pronged solutions to addressing this shortage. For example, during the 2021 Special Session, the 67th Legislative Assembly provided a $15 million appropriation to the Department of Commerce to establish a Regional Workforce Impact Program (RWIP) in SB 2345 for the "purpose of adding or expanding a local workforce development incentive grant program to recruit, retain, and retain workers". Under this innovative program, organizations, like the FMWF Chamber Foundation, will be able to establish and further expand regional workforce programs to address the specific needs of our community.

Through creative and regional-based solutions, like the RWIP program, communities can assist North Dakota businesses with the acclimation, retention, and development of qualified workers, while helping job seekers prepare for and connect to high-quality and good-paying jobs here in our state. The FMWF Chamber supports the continued investment into the RWIP program and would ask the legislature to increase funding to 20 million dollars to keep this program sustainable, so our state can remain competitive in a global marketplace.

The Chamber believes the state should continue to invest in state-based workforce programs and we applaud the Workforce Development Council and the Department of Commerce for their leadership in expressing the need for workforce attraction in North Dakota. We recognize the desire to have a uniform voice when it comes to talent attraction, but the reality is that jobs in West Fargo are different from those in Willison. We know talent attraction looks vastly different across our communities. From Minot to Minto, Fargo to Fessenden, and every city or township in between, each community is presented with unique opportunities and challenges regarding workforce attraction.

Finally, as we discuss workforce attraction, I would be remised to not emphasize the importance of quality-of-life assets and placemaking infrastructure to enhance the State's attraction and retention efforts. As many business owners know, employees are in the driver's seat, and now, more than ever, they are prioritizing quality-of-life assets and placemaking infrastructure when considering employment. We support strategic efforts to energize our communities, like the proposed Destination Development Fund, which helps attract new residents and retain youth and the existing workforce.

On behalf of our members, I would like to thank the committee for their time and consideration this morning.

Respectfully,

Katherine Grindberg

Executive Vice President
FMWF Chamber of Commerce
kgrindberg@fmwfchamber.com

Support for HB 1018
Senate Appropriations Committee
Chairman – Senator Brad Bekkedahl
March 10, 2023

Chairman Bekkedahl and members of the Senate Appropriations Committee,

I am Brekka Kramer, President | CEO of the Minot Area Chamber EDC. The Minot Area Chamber EDC's 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. Our vision is to be the go-to organization for our business community to drive key initiatives that build and strengthen our economy. On behalf of our nearly 700 member-investors, I am here today to testify in support of House Bill 1018.

In January 2023 we adopted a new five-year strategic plan and developed five pillars of focus. Those pillars are Economic Development, Community Development, Workforce Development Measurements, Military Support, and Member Investor Services. Workforce Development is a new pillar due to the major challenges facing nearly every business across our great state.

An investment into workforce development where organizations can partner with Commerce will be critical. One example of early success is the Find the Good Life program under the Department of Commerce's Workforce Division. The first person to move to North Dakota moved to Minot last summer. We have seen good success in working with the many organizations tied to promoting our state as a great place to move to for employment and a high quality of life.

Our region also saw great success through the Department of Commerce's North Dakota Regional Workforce Impact Program, or ND-RWIP, that was approved by the State Legislature and executed last year. This effort is being used right now toward childcare expansions, Career and Technical Education expansions, healthcare training, CDL training simulators, and exposure at the high school level for more in-demand job fields.

When it comes to four of our five pillars, the Department of Commerce is a lead partner. These initiatives are supported throughout the various programs, grants, and personnel that are referenced in House Bill 1018.

We are very appreciative the hard-working staff throughout all levels of the North Dakota Department of Commerce and would urge the committee and Senate to provide the Commerce team with the resources to manage the many great initiatives that are being proposed to grow our state and attract and support additional workforce.

Thank you for your service to our state and for your dedication to using taxpayer funds to best benefit our state for decades to come. We would echo the many others, in asking for a Do Pass recommendation on the executive budget requests tied to House Bill 1018.

Brekka Kramer
President | CEO
Minot Area Chamber EDC
brekka@minotchamberedc.com

HB 1018

Description	Commerce Ask	House Approved	House Adjustments (+ or -)	Additions not requested
Base payroll changes	727,512	727,512	0	
Cost to continue salary increase	100,495	100,495	0	
Salary increase	1,021,284	751,106	(270,178)	
Health insurance	303,792	305,518	1,726	
Salary equity increases	100,000	0	(100,000)	
Underfunded salaries	140,000	140,000	0	
Funds for temporary salaries	591,000	591,000	0	
Global Engagement Office - includes 1 FTE	619,404	619,404	0	
Travel	490,534	490,534	0	
Operating expenses, primarily professional development, services, and fees	1,004,666	1,004,666	0	
Discretionary funds- includes $150,000 for state magazine support		350,000		350,000

Description	Commerce Ask	House Approved	House Adjustments (+ or -)	Additions not requested
FTE position for the Main Street Initiative community development program	226,922	0	(226,922)	
Weatherization and furnace cooling assistance programs	2,085,834	2,085,834	0	
Rural Health Care Grant Program	250,000	444,000	194,000	
Homeless Shelter Program to HFA	1,330,212	1,330,212	0	
Emergency Shelter Grant Program to HFA	1,387,341	1,387,341	0	
Rural workforce housing grant program	5,500,000	7,000,000	1,500,000	
Main Street Initiative community development grants	800,000	400,000	(400,000)	
Rural revitalization and redevelopment grants	10,000,000	0	(10,000,000)	
Energy conservation grant program	14,081,719	14,081,719	0	
Heating and cooling grant program	1,172,250	1,172,250	0	
BVLOS UAS grant program	30,000,000	30,000,000	0	
Enhanced use lease grant program	7,000,000	28,000,000	21,000,000	

Description	Commerce Ask	House Approved	House Adjustments (+ or -)	Additions not requested
Automation workforce equipment grants (Automation grant)	10,000,000	5,000,000	(5,000,000)	
Office of Automation - includes 1 FTE	1,000,000	1,000,000	0	
Transfer from OMB: Legacy Investment fund for technology	20,000,000	20,000,000	0	
Transfer from OMB: SIIF - North Dakota Development Fund	30,000,000	30,000,000	0	
Transfer from OMB: SIIF - Fertilizer development program		120,000,000		120,000,000
Tourism awareness marketing	5,000,000	5,000,000	0	
Tourism destination development initiative	50,000,000	25,000,000	(25,000,000)	
Parks and recreation administered - EDA tourism grant	1,550,000	1,550,000	0	
FTE position for the workforce talent attraction initiative	202,940	202,940	0	
FTE position for the workforce investment grant program	202,940	202,940	0	
Workforce talent attraction initiative operating expenses	24,797,060	8,000,000	(16,797,060)	
Workforce investment program grants	20,000,000	15,000,000	(5,000,000)	

Description	Commerce Ask	House Approved	House Adjustments (+ or -)	Additions not requested
Automation workforce transition training grants	5,000,000	5,000,000	0	
Technical skills training grants	2,000,000	2,000,000	0	
AmeriCorps volunteer generation fund grant program	878,571	0	(878,571)	
AmeriCorps workforce community services program	785,000	785,000	0	
Workforce safety grant		1,500,000		1,500,000
New Americans workforce development and training grants		2,000,000		2,000,000
Workforce grants to tribally controlled community colleges		5,000,000		5,000,000
Transfer from OMB: Operation Intern	1,000,000	1,006,896	6,896	

Administration
Community Services
Economic Development & Finance
Tourism & Marketing
Workforce Development

NORTH Dakota | Commerce
Be Legendary.

House Bill 1018

1) **Commerce Ask and House Approved**
   a) Base payroll changes
   b) Health Insurance
   c) Underfunded Salaries
   d) Funds for Temp Salaries
   e) Travel
   f) Operating expenses, primarily professional development, services, and fees
   g) Weatherization and heating / cooling assistance programs
   h) Automation workforce transition training grants
   i) Technical skills training grants
   j) Tourism awareness marketing
   k) BVLOS UAS grant program

   Approved previously at Emergency Commission meetings in the 21-23 biennium added as an appropriation to the Commerce budget for the 23-25 biennium
   l) AmeriCorps Workforce Community Services program: $785,000 (Federal)
   m) Parks and Recreation grant program: $1.55 Million (Federal)
   n) Energy Conservation grant program: $14,081,719 (Federal)
   o) Heating and Cooling grant program: $1,172,250 (Federal)

   Transfers
   Transfer - General fund to internship fund (Operation Intern)
   Transfer - Legacy earnings fund to Legacy Investment Fund for technology
   Transfer - SIIF to North Dakota Development Fund

   House removed/changed
   p) Salary Increase: 6%/4% --- House Approved (4%/4%)
   q) FTE: 5 --- House Approved (4)
      i) 4 House Approved
         (1) Workforce talent attraction initiative
         (2) Workforce investment grant program
         (3) Office of Automation
         (4) Global Engagement Office
      ii) 1 house removed
         (1) Main Street Initiative Community Development program
   r) Equity: $100,000 – House removed all
   s) Rural workforce housing grant program: $5.5 Million / Combined the rural revitalization and redevelopment grants $10 million = $15.5 Million --- House approved ($7 million)
   t) Workforce talent attraction initiative operating expenses $ 24,797,060 --- House approved ($8 million)

u) Workforce investment program grants: $20 Million --- House approved ($15 million)
v) Tourism destination development initiative: $50 Million --- House approved ($25 million)
w) Main Street Initiative community development grants: $800,000 --- House approved ($400,000)
x) Enhanced use lease grant program: $7 Million --- House approved ($28 Million)
y) Transfer - SIIF to North Dakota Development Fund - Fertilizer development program --- House approved ($120 Million)

2) Additional Request after Crossover

a) FTE – Requesting 3 additional (DCS)

3) House Additions to Budget (not requested by Commerce)

a) Rural health care grant program: $194,000
b) New American workforce development and training grants: $2 Million
c) Workforce grants to tribally controlled community colleges: $5 Million
d) Workforce safety grant: $1.5 Million
e) Discretionary funds: $350,000
f) State magazine (ND Horizons) support from discretionary: $150,000

4) Standalone Bills with Financial Impact to Commerce (affect/coming)

a) Office of immigration SB2142 - $242,500
b) Base retention grants SB2240 - $1,900,000
c) Rural grocery grants SB2273N- $2,000,000

1. **Cite the North Dakota Century Code chapter(s) associated with the agency and list its major statutory responsibilities.**
    1. Chapter 54-60: ND Department of Commerce
    2. Chapter 54-34.3: Economic Development - The Department of Commerce Division of Economic Development and Finance is established to assume the functions, powers, and duties of the department of economic development and finance with respect to programs and other efforts intended to enhance the economic development of the state. The mission of the division is to develop strategies and programs to:
        1. Facilitate the growth, diversification, and expansion of existing enterprises and the attraction and creation of new wealth-generating enterprises in the state;
        2. Promote economic diversification and innovation within the basic industries and economic sectors of this state, including strategies and programs designed to specialize and focus the state's economy on identified target industries;
        3. Promote increased productivity and value-added products, processes, and services in the state, and the export of those goods and services by North Dakota enterprises to the nation and to the world;
        4. Maintain and revitalize economically depressed rural areas by working in close collaboration with local communities and by encouraging communities to enter into cooperative relationships for more efficient and effective education, health care, government service, and infrastructure maintenance;
        5. Forge a supportive partnership with the Bank of North Dakota, the board of higher education and the state's institutions of higher education, regional planning councils, local development organizations and authorities, the state's nonprofit development corporations, and other appropriate private and public sector organizations in achieving the economic goals of the state; and
        6. Identify those statutes, administrative rules, and policies that impede the attraction, creation, and expansion of businesses and job creation in this state.
    3. Chapter 54-34.4: Division of Tourism- The division of tourism is established to foster and promote tourism to, and within, the state and the full development of the state's tourism resources and to serve as a planning and coordinating agency for tourism-related programs of the state and the state's tourism partners. The director shall supervise and control the division of tourism.
    4. Chapter 54-44.5: Division of Community Services - The division of community services is established in the department to provide technical assistance to local governments, state agencies, and the executive branch in the area of community and rural planning and development, policy research and development, and grant program implementation
    5. Chapter 54-60-09. Division of Workforce Development - 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.

2. **Explain the purpose of the agency's various divisions/programs - Attach organizational chart.**
    1. **Commerce Mission**: The North Dakota Department of Commerce works to improve the quality of life for North Dakota citizens by leading efforts to attract, retain and expand wealth. Commerce serves businesses and communities statewide through committed people and partners who offer valuable programs and dynamic services.
    Commerce assists our citizens to live, work, do business and play in North Dakota.

2. **Community Services** 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.
   We provide the people of North Dakota with effective, efficient, and customer-oriented administration of federal and state programs for:
   (1) Community Development
   (2) Energy Efficiency
   (3) Housing
   (4) Self Sufficiency
3. **Economic Development & Finance** is charged with coordinating the state's economic development resources to attract, retain and expand wealth.
   Strategic economic development is important to communities across North Dakota. This proactive work to support economic diversification, community building and workforce development keeps North Dakota growing.
   Business incentives, government accessibility, and workforce performance, combined with North Dakota's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in North Dakota.
4. **Tourism & Marketing Mission:** We build the positive public image of North Dakota as a dynamic place to live and work. By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.
5. The North Dakota Department of Commerce **Workforce Development Division** partners with other state agencies and public sector industry to deliver specialized programs and services to assist in enhancing the workforce of North Dakota. It monitors and delivers workforce strategies for North Dakota such as:
   (1) Ensuring employers have access to a skilled talent pool.
   (2) Growing opportunities for youth in careers and civic engagement.
   (3) Expanding volunteerism.

3. Report any audit findings included in the most recent audit of your department or institution and action taken to address each finding.

- **Commerce LIHEAP Finding – lack of subrecipient risk assessments**.
  - Finding relates to the global pandemic.
  - Corrective action plan has been completed as of December 31, 2022.
- **Statewide Coronavirus Relief Fund (CRF) Total of Three Findings**
  - Eight duplicate grant payments totaling $174,422.48 out of $82,387,566 (6,139 payments).
  - One beneficiary did not provide support for applicable COVID-19 expenditures. Beneficiary has been turned over the ND Attorney General's Office.
  - Capital Improvement Project Finding as it relates to Legislative Intent.

4. Discuss current biennium accomplishments and challenges and next biennium goals and plans.
Community Services

<u>Community Development Block Grant (CDBG)</u>

- Provide grants to local governments with public facilities, economic development, housing and public services. Primary beneficiaries must be low to moderate income.
  - 2020 Award from HUD $3,961,967
  - 2021 Award from HUD $4,023,769
- CDBG CARES Funding - DCS received an additional $6.1M

<u>Community Services Block Grant (CSGB)</u>

- Locally designed to promote self-sufficiency, family stability and community revitalization.

- Impacted 35,246 low-income individuals
  - 13,000 children; 5,605 persons with disabilities; 5,379 people who lacked health insurance

CSGB CARES Funding - DCS received additional $4,209,178.50

- Community Action Agencies assisted 4,984 low-income clients in 2020 and 2021

Weatherization/LIHEAP

- Goals are to increase energy efficiency in homes for low-income persons across the state
  - 1,200 homes have been weatherized since January 1, 2020, including 623 families with children.
  - Weatherization program shows an ROI of $2.78 in non-energy benefits for every $1 invested in the program.

ESG and NDHG

- Provide financial assistance to facilities and programs across the state.
  - 10,471 persons served by Homeless grants
  - CARES ESG - An additional $5,142,580 was received and distributed to provide support to the ESG grant.

State Energy

- Promoting energy conservation and efficiency with a variety of grant resources including energy education, installation of energy efficient features and new and expanding energy technology.
  - $1.34M in project funding to 42 projects across the state

Main Street Initiative

- 99 communities engaged through the Main Street program
- Partners in Planning Grants
  - 20 communities in the amounts of $169,587.
  - ROI 25:1 - The total state and local investment for these grants totaled over $10M
- Vibrancy Grants
  - 59 grants totaling $73,528
  - ROI 10:1
- Youth involvement
  - Launching leadership, youth participation in community meetings, active engagement in tribal areas
- EDA funded six communities with $506,000 in Placemaking grants

Goals:

MSI Statewide Targeted Outcomes

- Population gain
- Workforce attraction and retention
- Increased understanding regarding effective zoning regulation
- Awareness of taxpayer burden due to development decisions and impacts
- Increased value per acre of development
- Involvement of youth in discussions around community evolution
- Enhanced community culture
- Funding program criteria changes across state funding programs and potentially federal.

MSI Community Action Targeted Outcomes

- Zoning and ordinance reform
- Infill development (housing, multi-use, recreation, density) using existing infrastructure
- Blight reduction
- Residential housing inventory study and growth

- Effective use of planning- strategic, comprehensive, land use
- Policy changes
- Reduced property taxes without reducing revenues

Targeted Outcomes by Main Street Pillar

Pillar 1: Smart, Efficient infrastructure

- Increase infill development and mixed use
- Transportation design, including but not limited to traffic calming, streetscape, street width
- Potential policy changes to Renaissance Zone, ETZ, Special assessments
- Encouragement of programs through North Dakota state agencies to incentivize infill versus greenfield development, including but not limited to:
  - BND
  - NDHFA
  - NDDOT
  - ND Department of Water Resources
  - ND Parks and Recreation Department
- Engage subject matter experts, i.e., developers, Rural Development Council, Economic Development Foundation, and NDSU Extension Service to determine what programming and policy changes would encourage rural development.
- **Outcome: property tax reduction**

Pillar 2: 21st Century Workforce (Commerce Workforce, CTE, Higher Ed, K-12, Workforce Development Council, ND Job Service)

- Increase quantity of employable residents
- Minimize skill and education gaps
- Educate incoming workforce on high need jobs
- Reskilling for future workforce needs
- **Outcome: Skillset and workforce expansion**

Pillar 3: Healthy, Vibrant Communities

- Zoning updates
- Blight reduction
- Renovation of historical buildings
- Walkability improvements
- Community amenities
- **Outcome: increase in community offerings resulting designed for workforce attraction**

Pillar 4: Economic Diversification

- Diversifying the economy- sustainability
  - Raw commodities to value added
  - Expand our leading industries, ag and energy
  - Enhance entrepreneurial ecosystems
  - Increase businesses on Main Street
  - GDP per capita highest in the country
- **Outcome: GDP per capita**

Additional FTE support grant research for rural communities; coordination of state and federal programs with local communities; develop partnerships and training with state, federal and nonprofit organizations that provide funding; create and expand educational work including bringing together best practices and pilot programs.

Economic Development & Finance

- Gas to liquids project
- Sustainable plastics project
- Soy processing plants X 4
- Grand Farm
- Grand Sky
- Nickel processing facility
- Produced water processing
- Growing portfolio
- Local resistance to development
- Misinformation on projects
- Incentive values
- Compensation

Goals:

- Carbon capture, sequestration and use projects
- Develop several hubs (parks)
- Establish fertilizer producer
- Develop natural gas pipeline to east
- Support hydrogen hub
- Continue to bring in various projects seeking more business-friendly environment
- Support the existing incentives and help mature the portfolio of incentives to match the current project load
- UAS/Autonomy
- Energy & Economic Coordination Office

Tourism and Marketing

Find the Good Life

- Updated logo, website and targeting
- Campaign drives interested relocators into pipeline
  - $438,000 resulted in 11M impressions, 55,000 visitors and 5,150 conversions
  - Synergies between tourism, talent attraction and economic development

Tourism business development

- Focus on recruiting and attracting new tourism businesses and offerings

Goals:

Marketing to address – Lack of Awareness for North Dakota

- $5M (one-time) addition to tourism marketing
- $12-$15M – Find the Good Life marketing
- Break-through creative
- Synergy between tourism and workforce
  - 76% of new residents visited North Dakota prior to moving
  - Cross-sell to both audiences
  - Using best from 2022, to grow conversions and visitation
  - Potential new channels and longer campaigns

Destination Development

- Dedicated staff person and plan
- Value-added recreation and tourism
- Destination development fund - $50M
  - Encourage non-state investments (1:1 match) in new and expanded attractions
  - New visitors, revenue, new residents, quality of life
  - Destination Development Council – goal legacy projects

Workforce Development

Regional Workforce Impact Program

Accomplishments

- Awarded 58 projects to date
- Areas of focus: infrastructure investments, talent attraction, affordable housing, career exploration, career and technical education, workforce training, and child care.
- Supported expansion of 33 child care facilities; 1,590 new slots statewide

Challenges

- Limitations within federal funding source
- Modifying program during application window to accommodate applicant concerns
- Timeline to review and approve applications took longer than expected due to gaps and ineligibilities in proposals
- Program end date is causing concern for recipients

Technical Skills Training Grant

Accomplishments

- Expanded program to include incumbent worker training
- 20 programs supported this biennium
- Examples: welding, CNA, CDL, software development and cyber security, UAS, and more.
- Training providers include businesses, community colleges, area career and technology centers

Workforce Innovation Grant

Accomplishments

- Working to identify most innovative opportunities within ARPA guidelines

Challenges

- Administrative burden and challenges with RWIP caused Workforce Innovation Grant to stall
- Initial vision for grant is not allowable under ARPA guidelines
- Challenges in hiring a temporary employee to administer ARPA grant programs

Operation Intern

Accomplishments

- 148 businesses
- 470 interns

Challenges

- Demand was higher than available funding
- $824,358

AMERICORPS

Accomplishments

- Increased number of projects; now at six
- Recruited 150+ AmeriCorps members
- 62 service locations

Find the Good Like in ND

Accomplishments

- Have 1,446 leads in the pipeline in six months
  - 28% to move immediately
  - 66% to move within 0-6 months
  - 77% new to ND
  - 12 relocated participants
  - 433 resumes
- Built a network of 75 community champions to assist job seekers
  - 433 leads connected to champions

Challenges

- Establishing direct connections between job seekers and employers

Goals:

- Build on FTGL to expedite conversion timeline and increase number of job seekers/families who relocate to ND
- Create more flexibility and opportunities for innovation in RWIP
- Lean into skilled workforce training and be more proactive in pursuing new programs

5. Compare the agency's first chamber totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.

1. Current: 58.8 FTEs – Fully Funded with Benefits
2. 2023-2025: 63.8 FTEs – Fully Funded with Benefits – House Approved 4: 62.8 FTEs
   (1) Request:
      (a) Workforce Division (2 FTEs)
      (b) Office of Automation (1 FTE)
      (c) Community Services (4 FTE) - 3 FTEs are being asked for in an amendment – fully funded by federal dollars.
      (d) Global Engagement (1 FTE)
3. Now requesting 2023-2025: 66.8 FTEs

6. Explain the funding included in each program/line item either in total or by division depending on the size of the agency:

1. Amounts included in the base budget and their purpose and use

Object/Revenue Description	**2023-25 Total Budget Recommended**
Administration	5,725,555
Tourism & Marketing	67,951,539
Workforce Development	69,136,507
Economic Development & Finance	65,968,256

Community Services	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 262,373,002**
Salaries and Wages	17,229,540
Operating Expenses	50,275,941
Grants	188,120,689
COVID-19 Response	2,085,834
Discretionary Funds	2,150,000
Uncrewed Aircraft System	-
ND Trade Office	-
Partner Programs	1,562,531
Entrepreneurship Grants	948,467
CARES Act Funding - 2020	-
TOTAL BY OBJECT SERIES	**$ 262,373,002**
General	119,274,111
Federal	46,555,556
Special	96,543,335
TOTAL BY FUNDS	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**63.80**

Object/Revenue **Description**	**2021-23 Biennium Appropriations**	**2023-25 Total Budget Recommended**
Administration	6,112,340	5,725,555
Tourism & Marketing	24,222,308	67,951,539
Workforce Development	8,351,003	69,136,507
Economic Development & Finance	104,946,354	65,968,256
Community Services	42,814,122	53,591,145
TOTAL BY APPROPRIATIONS ORGS	**$ 186,446,127**	**$ 262,373,002**
Salaries and Wages	12,835,431	17,229,540
Operating Expenses	23,883,192	50,275,941
Grants	87,832,330	188,120,689
COVID-19 Response	56,234,176	2,085,834
Discretionary Funds	3,150,000	2,150,000
Uncrewed Aircraft System	-	-
ND Trade Office	-	-
Partner Programs	1,562,531	1,562,531
Entrepreneurship Grants	948,467	948,467
CARES Act Funding - 2020	-	-
TOTAL BY OBJECT SERIES	**$ 186,446,127**	**$ 262,373,002**
General	34,667,572	119,274,111
Federal	112,320,270	46,555,556
Special	39,458,285	96,543,335

TOTAL BY FUNDS	**$ 186,446,127**	**$ 262,373,002**
TOTAL AUTHORIZED EMPLOYEES	**58.80**	**63.80**

2. Amounts included in the first chamber budget and justification for the change from the base budget. Discuss changes relating to:
   a. Salary Increase: 6%/4% --- House Approved (4%/4%)
   b. FTE: 5 --- House Approved (4)
      i. 4 House Approved
         1. Workforce talent attraction initiative
         2. Workforce investment grant program
         3. Office of Automation
         4. Global Engagement Office
      ii. 1 House Removed
         1. Main Street Initiative community development program
   c. Equity: $100,000 – House removed all
   d. Rural workforce housing grant program: $5.5 million / Combined the rural revitalization and redevelopment grants $10 million = $15.5 million --- House approved ($7 million)
   e. Workforce talent attraction initiative operating expenses $ 24,797,060 --- House approved ($8 million)
   f. Workforce investment program grants: $20 million --- House approved ($15 million)
   g. Tourism destination development initiative: $50 million --- House approved ($25 million)
   h. Main Street Initiative community development grants: $800 thousand --- House approved ($400 thousand)
   i. Enhanced use lease grant program: $7 Million --- House approved ($28 million)

7. Discuss the purpose and use of any one-time funding items for the current biennium.

- Beyond Visual Line of Sight Unmanned Aircraft System Enhanced Use Lease Grant: $19 million was appropriated from the Strategic Investment and Improvements fund for Beyond Visual Line of Sight unmanned aircraft system grants.
- COVID-19 Response – State Small Business Credit Initiative: $56 million of federal funding authority was appropriated in HB 1395 for purposes of funding state small business investment programs.
- Discretionary Funds - Tourism Planning Grants: $1 million supported five Tourism Planning Grants to support tourism development.
- Job Development and Economic Growth Grant: $1.5 million of specialized investment funds to the Cavalier County Job Development Authority, $900,000 to the Frost Fire Park, and $600,000 for the redevelopment of the Stanley Mickelson Safeguard Complex (SRMSC) at Nekoma (purchased by Bitzero). At the SRMSC site they removed asbestos $386,336.30, performed electrical upgrades $52,738.29, did ice blasting $48,717.76, detailed plat prepared $28,455.25 and created a concept building design & hazardous material specifications $71,140.42.

- Motion Picture Production and Recruitment Grant: $100,000 has been expended
- Technical Skills Training Grant: $1 million to support the launch and expansion of accelerated skilled workforce training programs. This program requires a 1:1 match.
- Tourism Marketing: $6,565,432 of Cares Act dollars utilized to support tourism marketing (expanded campaign to shoulder season, new test markets, new partnerships with media, improved website)
- Tourism Transportation Improvement Grant: $1 million grant made up of $565,432 of general funds and $434,568 of Coronavirus Relief Funds to an organization dedicated to preserving and promoting a historic tourism destination in a ND city for the purpose of offsetting the costs for tourism transportation improvement related costs. The Theodore Roosevelt Medora Foundation (TRMF) was only response to the RFP. The TRMF used the funds to build a high-capacity elevator and improve existing escalators. See slide for additional funding.
- Travel Agency and Tour Operator Emergency Resiliency Grants: $1.4 million of $2 million awarded to 24 applicants.
- Event Center Emergency Resiliency Grants: $2 million awarded to 28 applicants
- Uncrewed Aircraft Systems Grant: $1 million grant was awarded to TrainND NW for the purpose of expanding workforce opportunities, training and education related to the beyond visual line of sight aircraft system industry.
- Workforce Grants to Tribally Controlled Community Colleges - $500,000 allows for the development and enhancement of programs in high demand occupations. This was awarded to Turtle Mountain Community College.
- Workforce Safety Grant: This $1.5 million grant was provided to the ND Safety Council The grant was used to prevent injuries and save lives by supporting community and workplace safety training and advocacy throughout North Dakota primarily through four focus areas: 1. Workforce Safety 2. Community Safety 3. Driver Safety 4. First Aid/Emergency Response.

8. Identify and justify the need for any one-time funding included or being requested.

1. 2023-25 Biennium (Executive Budget Recommendation)
    - Rural workforce housing grant program $5,500,000
    - Workforce talent attraction initiative $24,797,060
    - Workforce investment program grants $20,000,000
    - Automation workforce transition training grants $5,000,000
    - Automation grants $10,000,000
    - Technical skills training grants $2,000,000
    - Tourism awareness marketing $5,000,000
    - Main Street Initiative community development grants $800,000
    - Rural revitalization and redevelopment $10,000,000

9. Discuss agency collections that are deposited in the general fund or a special fund, and any anticipated changes from 2021 legislative session estimates during the 2021-23 biennium and estimated changes for the 2023-25 biennium. – N/A

10. **Discuss the need for any other sections that are included or are requested to be included in the agency appropriation bill.**

    We are requesting an amendment to accept and administer $15,131,495 funding along with the ability to hire two full-time employees to support both the fiscal and program administration. The federal government provides 100% of funding for projects and employees. We would like to have this funding on its own line item called Infrastructure Investment and Jobs Act (IIJA) Weatherization
    The amendment request is:
    - To accept and administer $15,131,495 funding for the weatherization program
    - 2 FTE's for fiscal and program administration

    We are asking for an amendment to accept and administer up to $120 million of funding along with the authority to hire one full-time employee to support the coordination and grant distribution of these dollars. The amount requested is higher than our known dollars as several states have indicated they will be turning back their dollars which will result in larger projected funds for the states which have plans for using the funds. The regular allocation requires a 20% match from state and local, but the additional federal funds allocated under the IIJA will not require a match or state funds.
    The amendment request is:
    - $20 million IIJA SEP
    - $90 million IRA SEP rebate program
    - 1 FTE

11. **Discuss any other bills being considered by the Legislative Assembly and their potential budgetary impact on the agency.**
    - Office of immigration SB2142 - $242,500
    - Base retention grants SB2240 - $1,900,000
    - Rural grocery grants SB2273 - $2,000,000
    - Workforce development and enrichment fund HB1379 - $10,000,000

12. **Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the budget as approved by the first chamber.**

    We would like our request restored to the Governor's executive budget recommendations.

13. **Identify the purpose and amount of federal state fiscal recovery funding appropriated to your agency during the November 2021 special legislative session, the amount of funds spent to date, the timeline for obligating and spending the remaining funds, and any amounts that will not be obligated by December 2024.**

    Below is a summary of the state fiscal recovery funding appropriated to our agency; with the expenditures to date as of January 2023. All appropriated federal funding to our agency will be obligated and/or spent by December 2024.

	SB 2345	Amount	January 2023
ND Development Fund	Section 35	$5,000,000.00	Transfer Completed
Autonomous Agriculture Matching Grants	Section 37	$10,000,000.00	$279,697.25
Workforce Development Incentive Grant Program	Section 38	$15,000,000.00	$2,196,692.71
Technical Skills Training Grant Program	Section 39	$5,000,000.00	$233,800.82
	HB 1506		
Workforce Community Services Program	Section 19 (60163)	$1,074,888.00	
Community Development Planning Grant Program	Section 20 (60164)	$1,000,000.00	$163,773.95
Workforce Innovation Network Grant Program	Section 21 (60167)	$100,000.00	$41,257.49

14. Identify the amount of federal funding available to your agency for the 2023-25 biennium, the purpose of the funding, federal deadlines for spending the funds, and your agency's plan for spending the funds.

The below information was provided to legislative council in a September information request.

Program Name/Description	Estimated Federal Funds to be Received
Community Development Block Grant/State's Program	$8,200,000
Emergency Shelter Grants Program	$1,000,000
Shelter Plus Care (Special Needs Assistance)	$500,000
State Energy Program	$881,360
Weatherization Assistance for Low-Income Persons	$6,000,000
LIHEAP	$10,000,000
Community Services Block Grant	$7,000,000
SHOPP	$5,000
State Commission	$269,135
AmeriCorps	$2,000,000
Commission Investment Fund (CIF)	$250,000
Apprenticeship Grants	$347,160
National Aeronautics and Space Administration	$10,000,000
Total	**$54,018,402.50**

March 10th, 2023

Mr. Chairman and members of the committee,

My name is Sally Jacobson, I am a proud to be the President and CEO of the Red River Zoo in Fargo. I am here today on behalf of my zoo and attractions across the state to encourage you to support the Destination Development Fund. It would be a game changing opportunity and ignite growth for attractions across the state.

I would be remiss if I did not take a moment to tell you how unique our zoo is. We specialize in caring for cold adapted species, animals from around the world that live in environments just like ours in North Dakota. This niche has allowed us to have tremendous success in breeding and rearing some of the world most rare and endangered cold adapted species. We are leaders in our industry, accredited by the Association of Zoo's and Aquariums, less than ten percent of institutions that exhibit animals meet these rigorous standards for animal welfare, scientific research, safety, and guest experience (to name a few)

Each year approximately 150,000 guests visit the zoo. But if you were to ask them why they visit, I would venture to guess that most would not mention our credentials. They would talk about experiences, seeing unique animals and amenities, enjoying educational programming, and making memories with their friends and families…. quality of life. It's what draws people to communities and what keeps them there.

The zoo is poised for greatness. In fact, the biggest critique we receive is that people want to see more! We have a dynamic master plan and a vision for innovative events and exhibits that will knock your socks! But we do face challenges to growth. One of the biggest challenges we experience is weather. We have a relatively short season to earn enough revenue to care for our animals and staff, maintain the zoo and set funds aside for capitol improvements. We are proud of what we have created through earned revenue, volunteerism, and philanthropic support but to continue to reach our full potential, we need support.

Our Zoo is not alone! There are unique attractions and amenities across the state that drive economic growth, improve quality of life, and attract workers to our communities. The tourism industry is a strong source of employment and revenue. To remain strong and truly thrive, we need to invest in growth.

By supporting appropriation for the Destination Development Fund, you can ignite innovation, transform our industry, and spur economic growth.

Your support will make a tangible difference in the lives of our citizens and communities and help us achieve our goals of a thriving tourism industry.

Thank you for your time and consideration.

Respectfully,

Sally Jacobson
President and CEO
Red River Zoo
sally@redriverzoo.org

Economic Development Association of North Dakota

As the voice of economic development in North Dakota, EDND convenes members and other stakeholders around key issues and opportunities.

EDND

105 MEMBERS STRONG FROM ACROSS NORTH DAKOTA

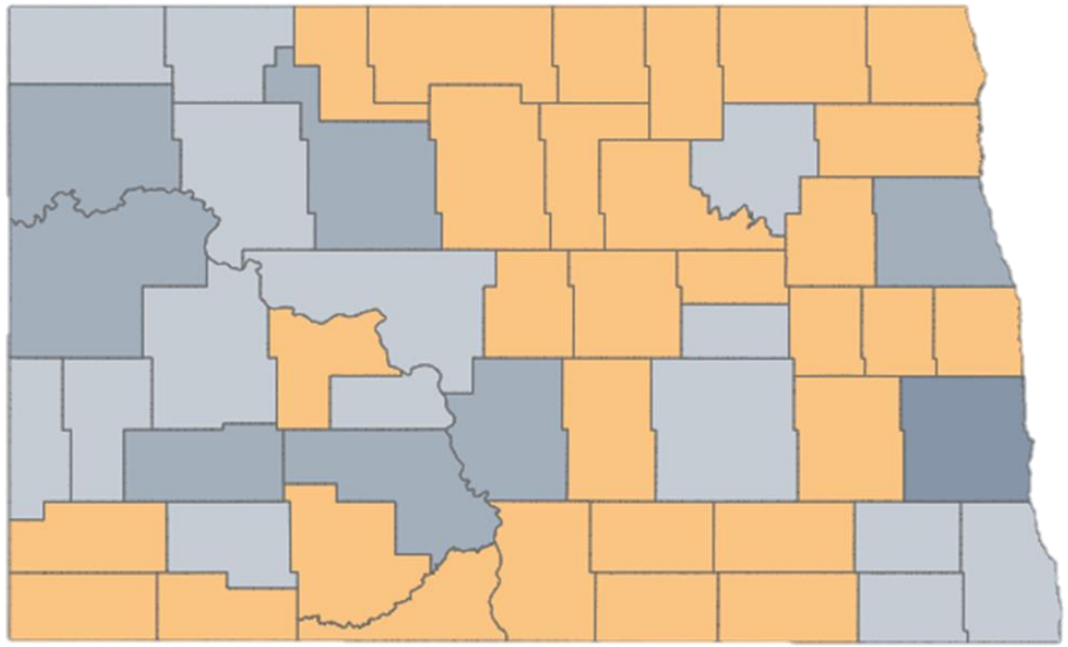
TO CHAMPION THE GROWTH AND DIVERSIFICATION OF NORTH DAKOTA'S ECONOMY THROUGH PROFESSIONAL DEVELOPMENT, NETWORKING AND ADVOCACY.

PROMOTING THE CREATION OF NEW WEALTH THROUGHOUT NORTH DAKOTA AND DEVELOP MORE VIBRANT COMMUNITIES TO IMPROVE QUALITY OF LIFE FOR ALL.

Support for 1018

- Is comprehensive approach to supporting growth and prosperity in the state's economy.
  - Business attraction
  - Workforce development
  - Community Development
  - Tourism
  - Additional talent in all areas of the state to drive growth

Fully funding workforce and the rest of the 1018 requests can control costs and increase services.



Counties that **Lost Population 2010-2020 – 30**

Now home to only:

17% of population

13% of prime workforce (ages 20 to 49)

on 52% of state's land area

Heavy strains on existing industry

Higher tax burdens

Aging infrastructure

- Though North Dakota is benefiting from population growth due to birth rates outpacing deaths, we are seeing net migration losses state wide and large geographic regions still loosing population.

The pathway to growth!

- Workforce is the #1 issue considered by most companies looking to invest in current or new locations.
- North Dakota is NOT guaranteed a company's investment.
  - Why growth throughout the state matters to communities large and small
    - Helps to stabilize property tax rates and deliver higher levels of service.
    - In most cases commercial property taxes subsidize residential payers
    - Ensures efficient use of infrastructure.
    - Migration patterns show residents moving from rural communities to more populated cities.
    - Declining counties require increased statewide support.
    - Helps to support non primary sector industries that create communities people want to live in.
      - Basic services
      - Regional attractions

Community Example

What 125 needed workers would mean to Grafton ND.

Marvin Windows would add lines and increase capacity if workers could be found.

Induced and indirect impacts would add $8.8 million to the ND/Local economy

North Dakota Annual Impact of Wood Product Manufacturing (Event Size = 125 Employees in Walsh County, North Dakota)

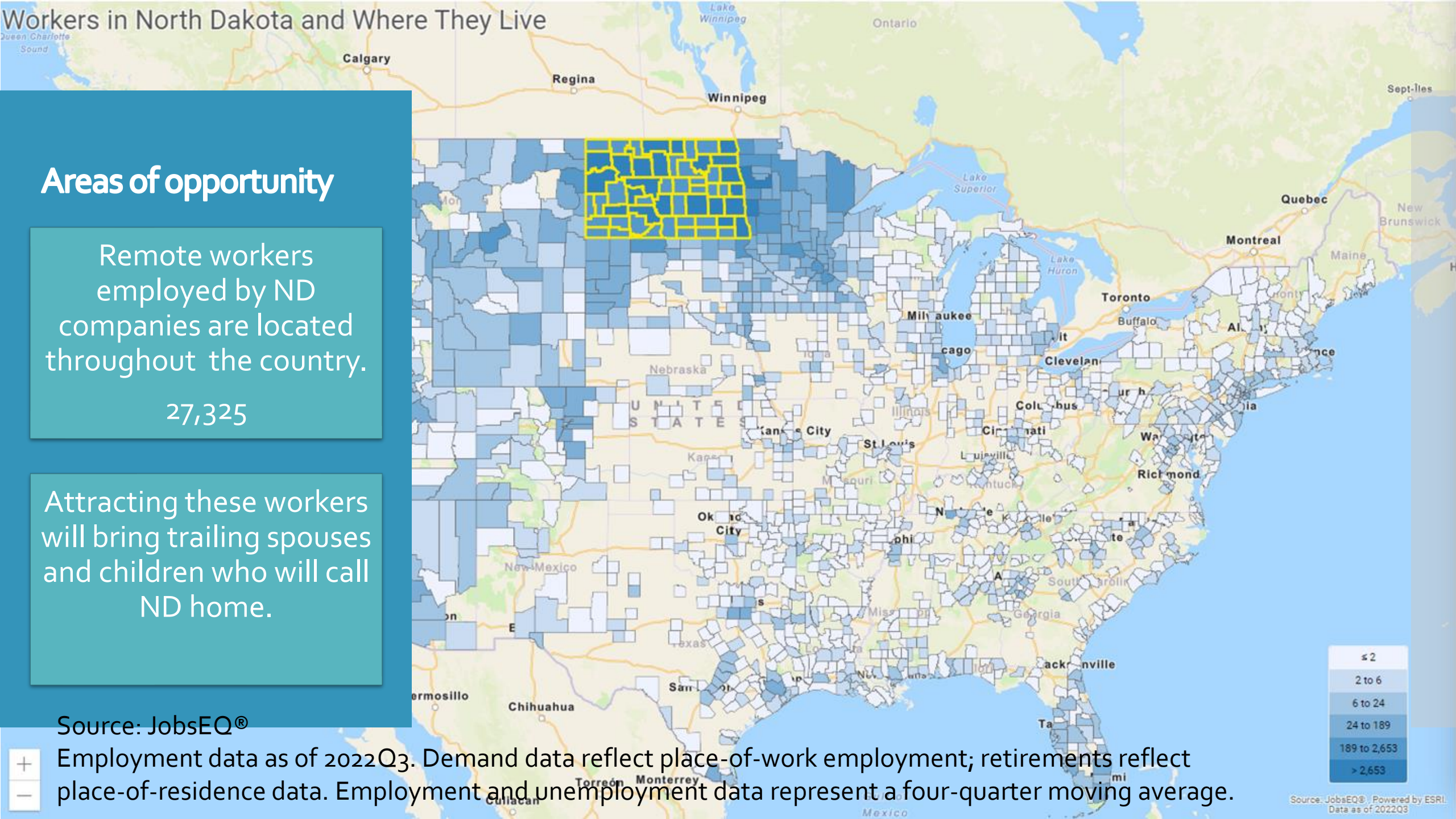
	Direct	Indirect	Induced	Total
Employment	125	14	35	174
Sales/Output	$25,297,376	$2,835,122	$5,991,493	$34,123,991
Compensation	$8,252,706	$1,025,476	$2,006,588	$11,284,771

Source: JobsEQ®
Data as of 2022Q3

Industry Details

		Employment			Sales/Output		
NAICS	Industry	Indirect	Induced	Total Ripple Effects	Indirect	Induced	Total Ripple Effects
321911	Wood Window and Door Manufacturing	2	0	2	$457,190	$3,991	$461,181
722511	Full-Service Restaurants	0	2	2	$5,747	$85,327	$91,074
622110	General Medical and Surgical Hospitals	0	2	2	$0	$318,906	$318,906
722513	Limited-Service Restaurants	0	2	2	$6,922	$106,213	$113,135
517111	Wired Telecommunications Carriers	0	1	2	$22,592	$575,259	$597,851
321215	Engineered Wood Member Manufacturing	1	0	1	$275,864	$1,858	$277,722
493110	General Warehousing and Storage	1	0	1	$75,222	$4,799	$80,021
531110	Lessors of Residential Buildings and Dwellings	0	1	1	$0	$689,623	$689,623
623110	Nursing Care Facilities (Skilled Nursing Facilities)	0	1	1	$0	$45,220	$45,220
517112	Wireless Telecommunications Carriers (except Satellite)	0	1	1	$1,962	$307,138	$309,100
813110	Religious Organizations	0	1	1	$0	$28,703	$28,703
458110	Clothing and Clothing Accessories Retailers	0	1	1	$0	$56,393	$56,393
621111	Offices of Physicians (except Mental Health Specialists)	0	1	1	$1	$161,664	$161,665
551114	Corporate, Subsidiary, and Regional Managing Offices	0	0	1	$47,448	$55,880	$103,328
321219	Reconstituted Wood Product Manufacturing	1	0	1	$144,573	$890	$145,464
611310	Colleges, Universities, and Professional Schools	0	1	1	$110	$62,597	$62,708
522110	Commercial Banking	0	0	1	$17,561	$91,954	$109,516
624410	Child Care Services	0	1	1	$2	$20,531	$20,533
541330	Engineering Services	0	0	1	$74,219	$23,881	$98,100

Source: JobsEQ®
Data as of 2022Q3.
Note: Figures may not sum due to rounding.


Workers in North Dakota and Where They Live
Areas of opportunity
Remote workers employed by ND companies are located throughout the country.
27,325
Attracting these workers will bring trailing spouses and children who will call ND home.
Source: JobsEQ®
Employment data as of 2022Q3. Demand data reflect place-of-work employment; retirements reflect place-of-residence data. Employment and unemployment data represent a four-quarter moving average.
≤ 2
2 to 6
6 to 24
24 to 189
189 to 2,653
> 2,653
Source: JobsEQ®, Powered by ESRI
Data as of 2022Q3

Where we are seeing growth – births vs. deaths.

People like Beet Farming Mitch and his wife **Jenny are the future**

Vibrant

Healthy

Smart

Educated

Capable

Are our communities where they want to live?

Building complete communities by supporting Community Development

- $10 Million for slum and blight.
- $5 Million for prepping housing sites.
- Supports workforce efforts.
- Attracts new investment to the state.
- Example of the need: Grafton had 16 housing starts between 2012 and 2021

Healthy and vibrant communities are essential in attracting talent to live and work in communities and in revitalization, diversification, and creation of new wealth. The growth potential of North Dakota communities and rural areas depends on the quality of life that exists in those communities.

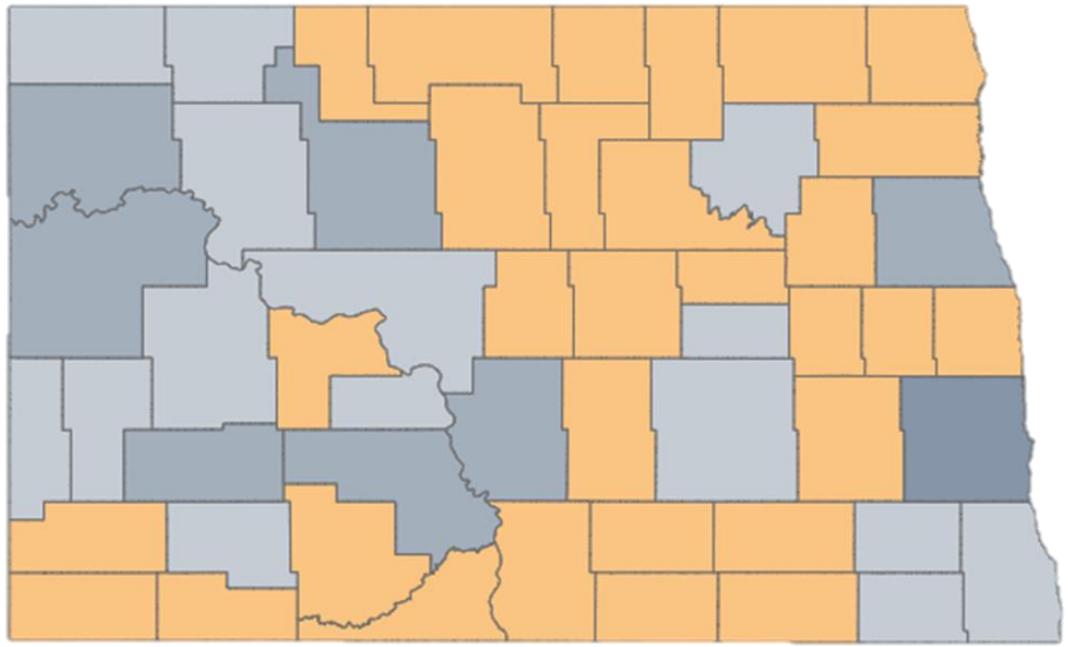
Support for $25 million for destination development dollars

Rural Revitalization and Redevelopment grants $10 million

Destination Development and Workforce – Support for the full $25 Million

- Over 100,000 visitors a year.
- Visitors from 39 states.
- Hosts events like:
- bull riding
- Winter classic hockey
- Open skating
- Concerts
- Theater productions

Large areas of the state need additional professional support to ensure they have the capacity to capture growth opportunities.
- EDND supports an amendment to fund regional councils.



Counties that **Lost Population (Yellow) 2010-2020 – 30**

Now home to only:

17% of population

13% of prime workforce (ages 20 to 49)

on 52% of state's land area

Heavy strains on existing industry

Higher tax burdens

Aging infrastructure

Questions?

Teran Doerr, Executive Director
Bowman County Economic Development Corporation

EDND President

Matt Marshall, Economic Development Administrator
Minnkota Power Cooperative

EDND Secretary/Treasurer

www.ednd.org

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Aircraft Birdstrike Avoidance Radars | Avian Radar Systems | Aircraft Detection Lighting Systems | Bird Control Radar Systems | Airspace & Marine Security Networks | Drone Detection & C-UAS | Beyond Line-of-Sight Radars

DATE 3/8/2023

via e-mail, 1 page total

RE: UAS Legislative Support

To: North Dakota Legislature

US-based DeTect is extremely excited to have been asked by Vantis and the other principal elements within the North Dakota network of Unmanned Aircraft Systems (UAS) Beyond Visual Line of Sight (BVLOS) technology providers and Air Domain Awareness teams to provide Radar and UAS Airspace Management expertise. DeTect recognizes that this is going to be a historical effort as it progresses and that it will have global implications as the state of North Dakota and the Federal Aviation Administration work together to "set the Bar" for this monumental task.

DeTect is acutely aware of the various levels of complexity that this undertaking will require of all national airspace system (NAS) users, manned and unmanned, on the surface and in the air. We also recognize that this will be a multi-year undertaking and are committed to participating through institutional investment, from beginning to end. Furthermore, DeTect has vast amounts of experience in providing the tools necessary for UAS BVLOS airspace management insofar as DeTect's US-developed and manufactured radar technologies have been in use around the world since the turn of this century, providing militaries and governments with unparalleled air domain awareness and safety at low altitudes for airports, aircraft in flight and aviation safety alike.

Vantis's UAS program along with other DeTect markets in the state (ADLS) is a significant reason why DeTect is aiming to invest in expanding its corporate footprint and hire local technical staff to support. Additionally, the Vantis program will expand job opportunities for North Dakotans and help with sustainable growth for the state.

DeTect is prepared to provide Vantis and the other principle members within the North Dakota network of UAS BVLOS policy makers, technology providers and Air Domain Awareness teams any and all sacrifices, resources, and manpower that will be required to help with the complete success of this endeavor, both internal and external.

Sincerely,

DeTect, Inc.

Jesse Lewis
Senior Vice President
DeTect Inc.

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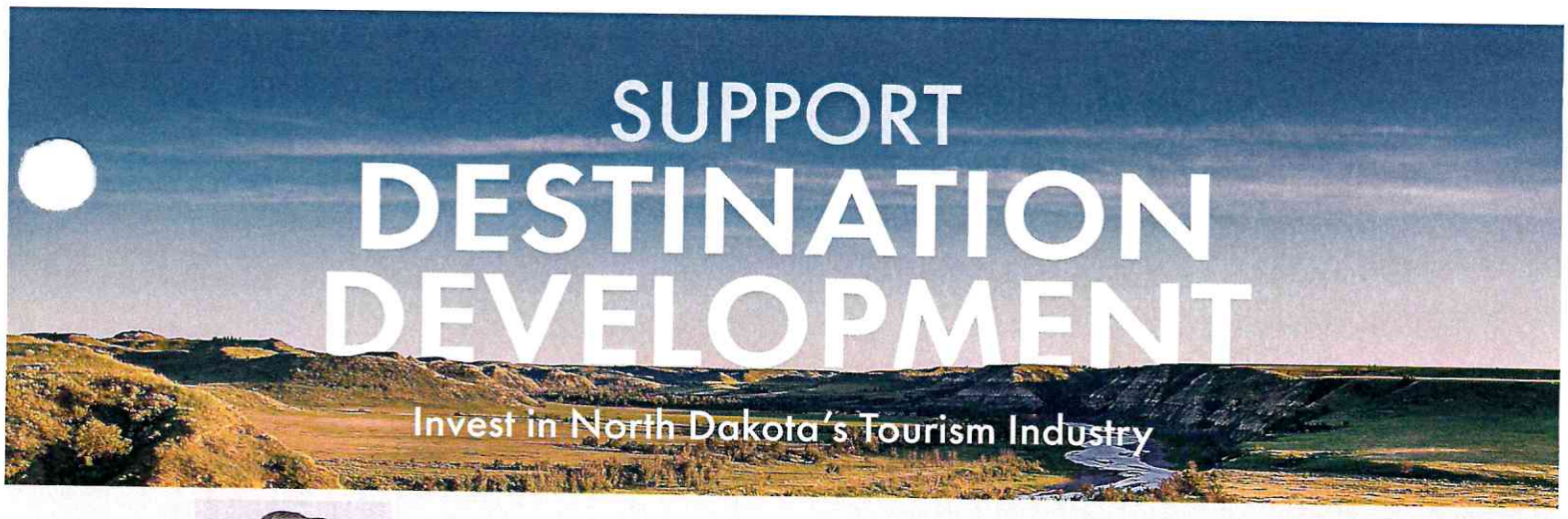


SUPPORT DESTINATION DEVELOPMENT

Invest in North Dakota's Tourism Industry

"Beyond our existing offerings, North Dakota must step up our Destination Development. By creating unique new attractions and amenities, we can spur visitation and workforce development and expand one of our biggest industries – tourism."

– Governor Doug Burgum

$50 Million
Destination Development Fund

+

20% Legacy Fund
Devoted to Destination Development Legacy Projects

Invest in North Dakota's Third Largest Industry

Create unique new attractions and amenities that build our tourism sector.

Quality of Life

Support communities with access to recreation, music, arts and culture.

Use our natural resources not only for agriculture, energy and economic development, but also for recreation.

Capture Future Workforce

Spur visitation and workforce development.

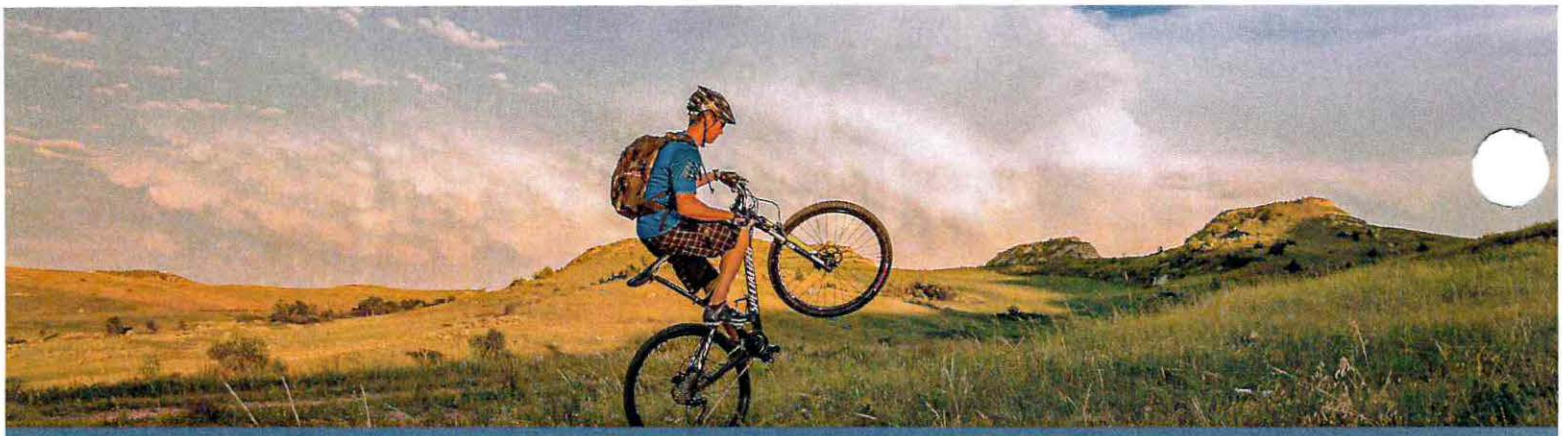
For visitors and tourists who may become our future workforce, these amenities are critical.

Legacy Projects

Drive projects impacting generations.

Think of what legacy projects look like: the places where family memories are made, and communities are built.

Invest confidently in our communities and institutions to create a better future for our children and grandchildren.



DESTINATION DEVELOPMENT **FUND SUPPORTERS**

Building a Better Future for North Dakota

North Dakota Travel Alliance Partnership (TAP)
Destination Marketing Association of ND (DMAND)
Badlands Dinosaur Museum
Bismarck Larks
Bismarck-Mandan Convention and Visitors Bureau
Bismarck-Mandan Symphony Orchestra
Bison World Fund
Dickinson Convention & Visitors Bureau
Dickinson Museum Center
Economic Development Association of ND (EDND)
Enchanted Highway Foundation
Fargo Moorhead Science Museum
Fargo Moorhead West Fargo Chamber of Commerce
Funatix
Grand Forks Children's Science Museum
Jamestown Area Chamber of Commerce
Jamestown Tourism
Joachim Regional Museum
Huff Hills Ski Area, inc
Lewis & Clark Riverboat
Maah Daah Hey Trail Association
Minot Hot Tots
Missouri Valley Heritage Alliance/
Fort Abraham Lincoln Foundation
North Dakota's Gateway to Science
North Dakota Horse Park
North Dakota Recreation & Park Association (NDRPA)
North Dakota Retailers Association
North Dakota Petroleum Marketers Association
Northern Plains Heritage Foundation
Plains Art Museum
Prairie Outpost Park
Red River Zoo
Save the Maah Daah Hey
Theodore Roosevelt Medora Foundation
Theodore Roosevelt Presidential Library Foundation
UTTC International Powwow
Ukrainian Cultural Institute
Visit Greater Grand Forks
Williams County
Woodlands Resort

1700 River Road N.
Bismarck, North Dakota 58503

Date: February 27, 2021

Attn: North Dakota Senator Brad Bekkedahl
Chair, Senate Appropriations Committee
North Dakota State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505
bbekkedahl@ndlegis.gov

Good afternoon, State Senator Bekkedahl,

My name is Aaron L. Barth, and I am the executive director of the Missouri Valley Heritage Alliance/Fort Abraham Lincoln Foundation, the Northern Plains Heritage Foundation, and the Missouri Riverboat, Inc., DBA *Lewis & Clark* Riverboat.

Because I appreciate and respect your time, I will get right to the point. I am writing and submitting this letter of support to recommend the restoration of a total of $50 million for tourism infrastructure projects, and to support the $5 million investment for North Dakota Tourism's marketing budget during this 68th legislative assembly.

Thank you so very much for your strong consideration of this request.

Sincerely,

Aaron L. Barth

Aaron L. Barth, PhD
Executive Director

#23692

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

Prepared for: 3/10/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		863,384	157,900	1,021,284		632,902	118,204	751,106		($230,482)	($39,696)	(270,178)
Health insurance increase		247,062	56,730	303,792		247,483	58,035	305,518		421	1,305	1,726
Adds funding for salary equity increases		100,000		100,000				0		(100,000)		(100,000)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0	(1.00)	(226,922)		(226,922)
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834			2,085,834	2,085,834				0
Adds funding for the rural health care grant program				0		194,000		194,000		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Total ongoing funding changes	5.00	$4,396,340	$1,954,512	$6,350,852	4.00	$4,033,357	$1,916,121	$5,949,478	(1.00)	($362,983)	($38,391)	($401,374)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program		$5,500,000		$5,500,000			$7,000,000	$7,000,000		($5,500,000)	$7,000,000	$1,500,000
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060		$8,000,000		8,000,000		(16,797,060)		(16,797,060)
Adds funding for workforce investment program grants		20,000,000		20,000,000		15,000,000		15,000,000		(5,000,000)		(5,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for automation workforce equipment grants		10,000,000		10,000,000		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 funding for tourism awareness marketing		5,000,000		5,000,000			5,000,000	5,000,000		(5,000,000)	5,000,000	0
Adds funding for a tourism destination development initiative			$50,000,000	50,000,000			25,000,000	25,000,000			(25,000,000)	(25,000,000)
Adds funding for Main Street Initiative community development grants		800,000		800,000		400,000		400,000		(400,000)		(400,000)
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000				0		(10,000,000)		(10,000,000)
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0		(278,571)	(600,000)	(878,571)
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000			30,000,000	30,000,000				0
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000			28,000,000	28,000,000			21,000,000	21,000,000
Adds funding for new Americans workforce development and training grants				0			2,000,000	2,000,000			2,000,000	2,000,000
Adds funding for workforce grants to tribally controlled community colleges				0		5,000,000		5,000,000		5,000,000		5,000,000
Adds federal funding for the AmeriCorps workforce community services program				0			785,000	785,000			785,000	785,000
Adds federal funding for the parks and recreation grant program				0			1,550,000	1,550,000			1,550,000	1,550,000
Adds federal funding for the energy conservation grant program				0			14,081,719	14,081,719			14,081,719	14,081,719
Adds federal funding for the heating and cooling grant program				0			1,172,250	1,172,250			1,172,250	1,172,250
Adds funding for a workforce safety grant				0			1,500,000	1,500,000			1,500,000	1,500,000
Adds funding for discretionary funds				0		350,000		350,000		350,000		350,000
Total one-time funding changes	0.00	$83,375,631	$87,600,000	$170,975,631	0.00	$40,750,000	$116,088,969	$156,838,969	0.00	($42,625,631)	$28,488,969	($14,136,662)
Total Changes to Base Level Funding	5.00	$87,771,971	$89,554,512	$177,326,483	4.00	$44,783,357	$118,005,090	$162,788,447	(1.00)	($42,988,614)	$28,450,578	($14,538,036)
2023-25 Total Funding	63.80	$119,274,111	$143,098,891	$262,373,002	62.80	$76,285,497	$171,549,469	$247,834,966	(1.00)	($42,988,614)	$28,450,578	($14,538,036)
Federal funds included in other funds			*$46,555,556*				*$63,519,581*				*$16,964,025*	
Total ongoing changes as a percentage of base level	*8.5%*	*14.0%*	*3.7%*	*7.5%*	*6.8%*	*12.8%*	*3.6%*	*7.0%*				
Total changes as a percentage of base level	*8.5%*	*278.6%*	*167.3%*	*208.5%*	*6.8%*	*142.2%*	*220.4%*	*191.4%*				

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

THE CHAMBER
FARGO MOORHEAD WEST FARGO

FMWF Chamber Support for HB 1018

March 13th, 2023

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

For the record, my name is Katherine Grindberg and I have the pleasure of serving as the Executive Vice President for the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. Today, on behalf of our over 1,900 members, I offer testimony in support of House Bill 1018 along with a suggestion.

As members of this committee well know, workforce is a major challenge facing nearly every business across North Dakota. This is the number one issue we hear from our businesses. This challenge is not unique to our state though, businesses across the United States are in desperate need of qualified workers to fill their open positions. Every state in the nation is competing to attract, acclimate, retain, and develop workforce. According to the latest federal Job Openings and Labor Report, the national average was nearly 1.9 job openings per available worker. In December, a U.S. Chamber study categorized North Dakota in the "most severe" workforce shortage category with 2.2 job openings per available worker.
North Dakota must remain committed to identifying creative and multi-pronged solutions to addressing this shortage. For example, during the 2021 Special Session, the 67th Legislative Assembly provided a $15 million appropriation to the Department of Commerce to establish a Regional Workforce Impact Program (RWIP) in SB 2345 for the "purpose of adding or expanding a local workforce development incentive grant program to recruit, retain, and retain workers". Under this innovative program, organizations, like the FMWF Chamber Foundation, will be able to establish and further expand regional workforce programs to address the specific needs of our community.

Through creative and regional-based solutions, like the RWIP program, communities can assist North Dakota businesses with the acclimation, retention, and development of qualified workers, while helping job seekers prepare for and connect to high-quality and good-paying jobs here in our state. The FMWF Chamber supports the continued investment into the RWIP program and would ask the legislature to increase funding to 20 million dollars to keep this program sustainable, so our state can remain competitive in a global marketplace.

The Chamber believes the state should continue to invest in state-based workforce programs and we applaud the Workforce Development Council and the Department of Commerce for their leadership in expressing the need for workforce attraction in North Dakota. We recognize the desire to have a uniform voice when it comes to talent attraction, but the reality is that jobs in West Fargo are different from those in Willison. We know talent attraction looks vastly different across our communities. From Minot to Minto, Fargo to Fessenden, and every city or township in between, each community is presented with unique opportunities and challenges regarding workforce attraction.

Finally, as we discuss workforce attraction, I would be remised to not emphasize the importance of quality-of-life assets and placemaking infrastructure to enhance the State's attraction and retention efforts. As many business owners know, employees are in the driver's seat, and now, more than ever, they are prioritizing quality-of-life assets and placemaking infrastructure when considering employment. We support strategic efforts to energize our communities, like the proposed Destination Development Fund, which helps attract new residents and retain youth and the existing workforce.

On behalf of our members, I would like to thank the committee for their time and consideration this morning.

Respectfully,

Katherine Grindberg

Executive Vice President
FMWF Chamber of Commerce
kgrindberg@fmwfchamber.com

NORTH DAKOTA TRIBAL COLLEGE SYSTEM CTE PROPOSALS

United Tribes Technical College (UTTC)
Bismarck, ND

Dr. Leander McDonald, President
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Heavy Equipment Operations (HEO) Budget

Loader – 2019-2023 Caterpillar Loader 926M	$200,000
Motor Grader – 2019 -2023 Caterpillar 140	$400,000
Dump Truck – 2018-2023 Kenworth T880	$200,000
Trailer – 2019-2023 Wilson drop deck trailer	$75,000
GPS – Trimble GPS unit for excavator	$80,000
Tires – New set of tires for caterpillar scraper	$45,000
Total	$1,000,000

The Heavy Equipment Operations certificate program at UTTC would benefit greatly from upgrading the equipment currently used for preparing our students for the construction industry. The addition of the equipment listed above will enhance the UTTC students' educational experiences and skills building. Our current loader is becoming outdated to the point where it will start needing a lot of repairs. With a new loader our students will have the opportunity to increase their fluency with the new technologies currently available in the industry.

Contractors are now using newer equipment because of the advancements in technology that make the machines more efficient for contractors and operators. Purchasing a new motor grader would also expose the students to the new technologies that come as standard options on the new pieces of equipment. Measuring devices that we put in the machines in the past, such as bubble levels, are all now digitally installed in the machines.

The addition of a dump truck to our equipment fleet would benefit both our Commercial Vehicle Operations (CVO) students, as well as the Heavy Equipment Operations (HEO) students, by providing them with the opportunity to properly load a truck and understand proper weight distributions for road systems.

Purchasing a new trailer that has ramps will allow students opportunities to learn how to load our equipment and transport it for moving between job sites and for repairs. A GPS unit, which is equipment we currently do not have, installed on our excavator would again prepare students an opportunity to learn about technologies that are available on almost all job sites in this region.

The last item on the list is a set of tires for our scraper. We recently purchased a newer scraper, and the machine is due for tires. The machine runs excellent, but the upkeep on these machines is key to making sure that the students get a quality education.

UTTC is committed to preparing graduates who are qualified with the knowledge and skills for jobs that are in high demand in the state of North Dakota. Having equipment that is comparable to the machines used in the industry is crucial to ensuring they are ready to join the workforce.

Cankdeska Cikana Community College (CCCC)
Spirit Lake Dakota Tribe
Fort Totten, ND

Dr. Cynthia Lindquist, President
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(701) 766-4055 (direct line)
(701) 230-1107 (cell#)

Request: **$1 million for new CDL classroom building with truck bay and parking lot**

CCCC needs a dedicated classroom, office space and a truck bay to better operate the CDL program, including a parking lot space for practicing and testing the student drivers.

The program is designed to provide students with the training and skills necessary to pass the North Dakota State Commercial Driver's License Class A/Class B test, as well as the school bus passenger endorsement and hazmat endorsement, by helping improve the student's knowledge of professional driving in compliance with FMCSA regulations through classroom, simulator practice and on the road training.

North Dakota provided the funds to establish the program but due to physical space limitations, the program can only accommodate 12 students per semester. The College currently has two instructors who have the appropriate credentials, a truck-driving training simulator, and a semi and trailer. Because of lack of testers for the regional area, a CCCC faculty member has become state certified as a third-party tester for any CDL student. Each student needs 40 hours of behind the wheel training, 20 hours of bus driving, 40 hours of theory, and 20 hours on the simulator to test for the CDL license.

The current classroom is located in a 1980s addition to the CCCC campus that does not have sufficient electrical outlets needed for student laptop charging and the simulator requirements. There is also no regulated heating/air in that area which is hard on the simulator as it is required to have a regulated temperature. There is no space for teaching equipment such as a smart board or white board.

CCCC does not have a truck bay facility (garage) for the semi and thus it sits out in the winter which then requires more maintenance. Having a heated truck bay would keep the semi out of the elements, prolong the use, and would also provide the students with practice opportunities for inspections that are part of regular testing.

A dedicated parking lot for training and testing that meets state guidelines would greatly compliment the program as currently, instructors have to find a parking lot, get permission to use it, then assure it is usable and set up cones for practice or testing. Most local entities are willing to 'share' but it is usually for after normal work hours so is restricting the practice and testing times.

Based on current prices, CCCC plans to build a 50'x100' facility that would house two offices, a dedicated classroom and space for the simulator, two bathrooms, and a truck bay for the semi at an estimated cost of **$675,000.** CCCC Carpentry Program will construct the building as an experiential learning project for the students. In addition, a parking lot area is needed for students to practice and to be tested. A 180'x70' paved parking lot is estimated at **$325,000** and would be adjacent to the classroom building.

With new space and parking lot, the CCCC CDL Program would be able to double capacity to 24 students per semester plus possibly establish alternative class schedules.

The Spirit Lake Tribe has determined a section of land that is close to the CCCC campus to build the facility and parking lot and the Tribe would not charge a lease or rent for the land.

Sitting Bull College (SBC)
Standing Rock Tribe
Fort Yates, ND

Dr. Laurel Vermillion, President
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(701) 854-8014

History

Sitting Bull College (SBC) is a tribally-controlled college on the Standing Rock Reservation of North and South Dakota. College offices are located near Ft. Yates ND. SBC is accredited by the Higher Learning Commission of the North Central Association of Colleges and School (HLC) and has operated continuously since 1973. The President is Dr. Laurel Vermillion.

The mission of Sitting Bull College Guided by Ochethi Sakowin culture, values, and language, Sitting Bull College is committed to building intellectual capital through academic, career and technical education, and promoting economic and social development.

Sitting Bull College began as Standing Rock Community College (SRCC) on September 21, 1973. On that date, the Standing Rock Sioux Tribal Council granted a charter to SRCC to operate as a post-secondary educational institution with the authority to grant degrees at the Associate level. Recognizing the need for an institution of higher education which would provide opportunities for people in the immediate area, several movers and shakers on the Standing Rock reservation began the process of establishing one of the nation's first tribal colleges. On March 6, 1996, the Standing Rock Sioux Tribal Council voted to officially amend the charter, changing the college's name to Sitting Bull College (SBC). The objectives were not altered and the college continues to operate as the charter specifies. The below chart shows the enrollment trends for the past ten years.

Sitting Bull College is considered a small to mid-size Tribal College, with 27 full-time faculty and approximately 75 administrative and support staff personnel. Approximately ninety percent (90%) of the students each semester are Native American and 65% are female students. Sitting Bull College currently offers 3 masters, 9 bachelors, 15 associate level general college transfer programs and career and technical education programs, and 8 certificate programs.

Campus Facilities

In 1998, with the purchase of 160 acres of land, building the new campus began. To date, the college has raised $25 million of an ambitious $40 million campaign to construct our current Fort Yates campus on land overlooking the Missouri River, home to native people for thousands of years. In addition, Sitting Bull College has sites in McLaughlin, SD and Mobridge, ND

The master plan for the Fort Yates campus has been developed in phases. The water, sewer, roads, and lights have been completed for Phase I. The first building completed on the new campus in 2000 was the cultural center with a classroom that has been used for painting, stain glass, and pottery. The center is also used as a meeting facility. The College also completed eighteen low-income student-housing units on the new campus. Construction of the first academic building the science and technology center began in the fall of 2004 with completion in December 2005. Classes began in this 23,000 square foot state-of-the-art facility in January 2006. In March 2006, the college opened its 16,000 square foot family support center which houses the education programs and also contains a safe, modern daycare facility that can accommodate 75 children. On April 2, 2007, the college opened a new 5,100 square foot transit center on the new campus. Sitting Bull College founded the Standing Rock Public Transportation program in 1989 and since then has funded and managed the program. The new facility houses the Standing Rock Public Transportation (SRPT) program,

including five offices, a waiting area for customers, two mechanic bays and one wash bay for transportation vehicles. In July 2008, a 16,500 square foot entrepreneurial center was built. It houses the President's office, business administration, criminal justice, and horsemanship programs, along with the Tribal Business Information Center and six business incubator spaces to assist with business start-ups. Construction was completed on July 1, 2009 for a 13,000 square foot student center which houses a 6,000 square foot library and a 7,000 square foot area for student services and developmental education. Included in the student services area is a classroom, computer lab, GED/tutoring lab, a student lounge, and offices for student support staff. In April 2010 construction was completed on a 3,000 square foot facility financial center that houses the college's business offices. Construction was completed in the fall of 2010 for a 14,000 square foot trades center which houses the college's current building trades program, along with the electrical, welding, energy technology, and CDL programs. In the fall of 2012, construction was completed for 5,000 square foot efficiency apartments that will house 12 female and 12 male students. Fall of 2014, construction was completed on a 3,000 square foot Vocational Rehabilitation office complex. Spring 2022, construction was completed on a 5,000 square foot Research facility. In the fall 2022, construction began for a 3,000 square foot Ag Center, with an anticipated completion date in the spring 2023.

Funding Request

Sitting Bull College trades programs which include the following: Building Trades, Electrical, CDL, Heavy Equipment, and Welding, along with the College's maintenance operations occupy a 14,000 square foot facility. Many of the programs such as welding are operating in a small area, which requires that enrollment be kept to a minimum of 6 or less. **Therefore, Sitting Bull College is requesting $1,000,000 to assist in the construction of a facility for the Trades programs.**

Nueta Hidatsa Sahnish College (NHSC)
Mandan, Hidatsa, Arikara (MHA) Nation
New Town, ND

Dr. Twyla Baker, President
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(701) 627-8095 (direct line)
(701) 421-3036 (cell#)

State Career & Technical Education Grant draft budget

Date Submitted	9/30/22
Name of TCU	Nueta Hidatsa Sahnish College
Program Administrator	Susan McNeil/Iman Moore

Project Expenses

Personnel

Budget Item	Total	Budget Narrative
Program Director	$ 75,000.00	
Program Coordinator	$ 50,000.00	
Instructors	$ 200,000.00	x3 positions
Total	**$ 325,000.00**	

Program Expenses (Supplies, Technology, and Marketing)

Budget Item	Total	Budget Narrative
Marketing	$ 70,000.00	
Recruitment & travel	$ 100,000.00	
Total	**$ 170,000.00**	

Travel

Budget Item	Total	Budget Narrative
Student scholarships/stipends	$ 100,000.00	
Total	**$ 100,000.00**	

Other

Budget Item	Total	Budget Narrative
Classroom renovation	$ 75,000.00	
CDL refurb + classroom reno	$ 80,000.00	
Maintenance Tech/Welding/CDL	$ 250,000.00	
Total	**$ 405,000.00**	
Overall Project Total	**$**	**1,000,000.00**

Nueta Hidatsa Sahnish College proposes to expand and update current CTE offerings, as well as craft an additional new certificate program for Maintenance Tech. Costs associated with this initiative are summarized in the attached budget, and described roughly below:

- Program Director & Coordinator to assist with administrative tasks 7 project oversight, as well as marketing and curriculum development.
- 2 welding instructors so that we could have an advanced pipe welding program
- Additional welding booths as well currently we have 7 booths, the state wants us to have at least 10 students in welding, but we don't actually have space for 10.
- Classroom for the maintenance tech program (renovation of existing space, or location/lease of space as determined necessary)
- Classroom for CDL. NHS College has a CDL simulator which would need considerable updating in order to be placed back in service.
- Maintenance Tech instructor.
- Maintenance Tech program supplies and instructional tools: we would need mockups to practice the various skills like toilets, electrical panels, walls, heating and plumbing units and of course tools, table saws, hand tools of all types such as drills, hammers, sockets, screw drivers, etc.

On-going supplies such as wood, spackling, dry wall, nuts, bolts, screws, nails, PVC pipe. Welding requires metal and pipes for practice, welding machines, power source, welding cables, electrode holder, chipping hammer, wire brush, hand screen, & protective clothing.

Turtle Mountain
Community College

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Phone 701-477-7862
Fax 701-477-7892

www.tm.edu

Dr. Donna Brown, President
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(701) 477-7865 Ext. 1104

Turtle Mountain Community College (TMCC) is a tribal community college with obligations of direct community service to the Turtle Mountain Chippewa Tribe. The College continues to provide quality education to our Native American Community and seeks to enhance our students' ability to compete for jobs as outlined in the North Dakota Job Service's list of In-Demand Occupations. TMCC's CTE programs have strived to fulfil those needs. As we discuss our current and future needs for the CTE programs, we tend to focus on three primary areas that would help with reaching our goal:

- **Program sustainability.** Many of our programs are funded under various grant programs. Although the funding of these programs is ending, the need for the programs continues. Among these include our healthcare programs such as HEART, previously funded the US Department of Health and Human Services which provided support for Tribal members to pursue careers in nursing and related fields; our Allied Health programs which provides training and support for students pursuing careers in Medical

Laboratory Science. Funding will allow TMCC to continue these much-needed programs for our students and our community.

- **Expansion and enhancement of TMCC's CTE programs.** To successfully expand and enhance our CTE programs, TMCC will need to provide adequate lab space, which means upgrades of technology, instruments, and equipment to state-of-the-art technology to meet the needs of our partners in industry. We would like to offer evening and online programs to allow students with fulltime employment to attend classes to further their careers by enhancing their education and skills. Offer Associates Degrees and certificate programs in Advanced Manufacturing under our CTE programs. These changes will require additional recruiting and the addition of qualified faculty and staff to support increased enrollment.

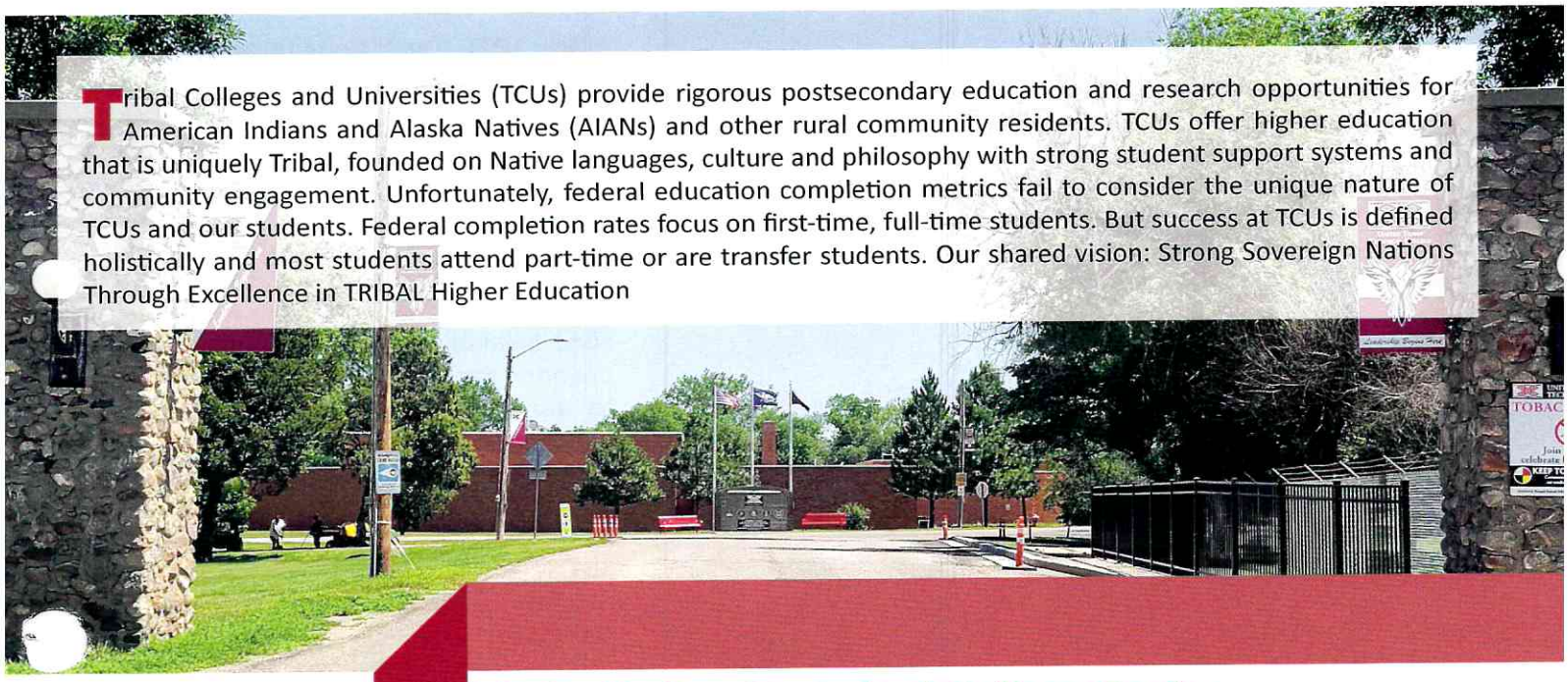
- **Early Entry program.** In addition to dual credit, TMCC offers an Early Entry program for students to take general education, introductory level courses, or earn one of several CTE certificates while still in high school. The program allows students to begin early pursuit of their academic or CTE careers, and enhances students' interest in education which helps to reduce dropout rates. The program is beneficial to the student, but offers many additional challenges for the College to support the program and to ensure the safety and security of the students. A coordinator and additional faculty are needed to provide the student with a quality education.

Description	Amount
Project Coordinator	$50,000
Faculty (5)	$310,000
Fringe	$167,400
Total Personnel and Fringe	$527,400
Equipment for Lab Upgrades	$350,000
Supplies	$75,000
Other – Contractual, Licensing and certifications	$47,600
Total	**$1,000,000**

United Tribes Technical College

TCU Ongoing Challenges During COVID-19 Pandemic

118th Congress – February 2023



Tribal Colleges and Universities (TCUs) provide rigorous postsecondary education and research opportunities for American Indians and Alaska Natives (AIANs) and other rural community residents. TCUs offer higher education that is uniquely Tribal, founded on Native languages, culture and philosophy with strong student support systems and community engagement. Unfortunately, federal education completion metrics fail to consider the unique nature of TCUs and our students. Federal completion rates focus on first-time, full-time students. But success at TCUs is defined holistically and most students attend part-time or are transfer students. Our shared vision: Strong Sovereign Nations Through Excellence in TRIBAL Higher Education

United Tribes Technical College Facts:

- **Enrollment Trends (Spring 2020/Fall 2022):** Enrollment increased from 343 students in Spring 2020 to 506 in Fall 2022, an increase of 48%.
- **Affordable Tuition:** Tuition and fees has remained unchanged at $4,252 for academic years of 2018-2019 to 2021-22. Average annual grant aid award for grants or scholarships was $8,480 for 2020-21.
- **Student to Faculty Ratio:** The student to faculty ratio for Fall 2022 is 11:1.
- **Part-time/Full-time:** Part-time undergraduate enrollment was 35 and full-time undergraduate enrollment was 471 for a total of 506 for Fall 2022.
- **Persistence/Retention/Completion Rate:** Persistence rates were at 71%, Retention was at 50%, and Graduation rates were at 32% for 2021-2022.
- **Highest level of degree/program available:** *Four bachelor's degrees are offered in:* Business Administration, Criminal Justice, Elementary Education, and Environmental Science and Research.
- UTTC was founded and is governed by the five tribal nations located wholly or in part in the State of North Dakota to address the workforce needs of their Nations.

United Tribes Technical College is an urban residential campus that provides family housing, dormitories, childcare, elementary school, transportation, food pantry, career closet, and student health and wellness, for the 95% Native American, 65% first generation, and 72% low-income student enrollment.

UTTC: 1994 Land-Grant Programs

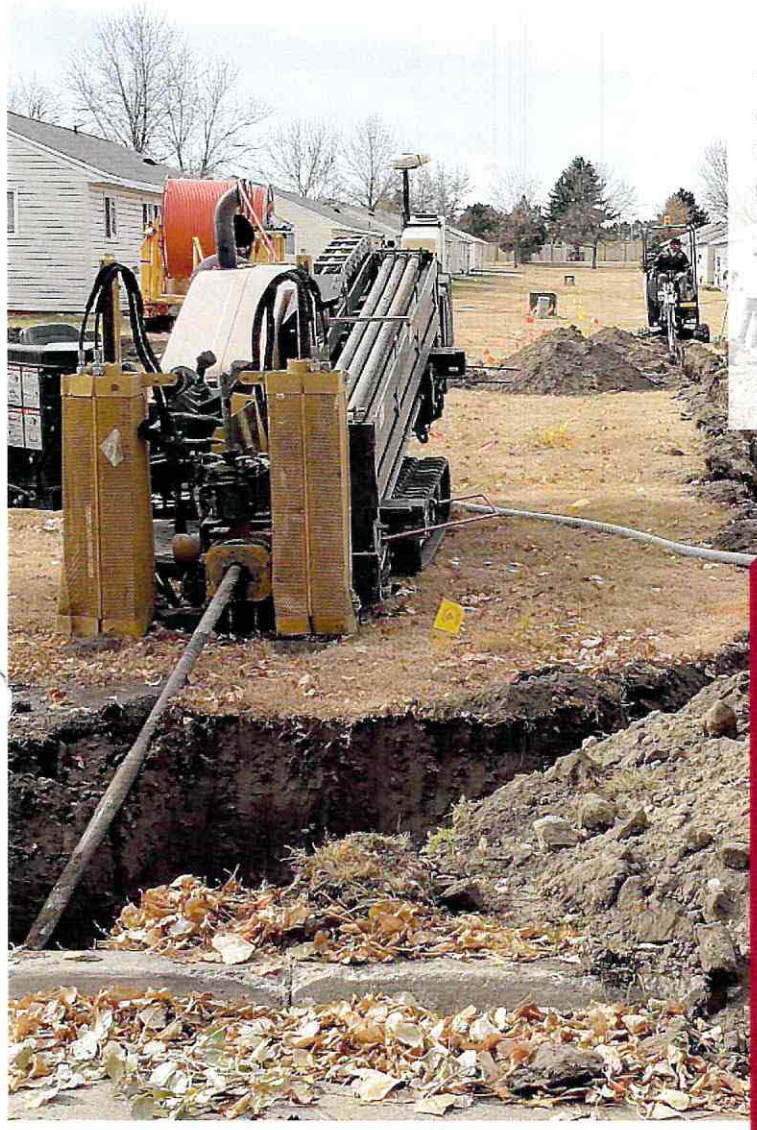
1994 Land-grant Institutions: The Equity in Educational Land-Grant Status Act created the "1994 Land-grants" more than 25 years ago. Since then, funding for the 1994 Land-grant programs and resources have remained inadequate to address the growing agricultural needs and opportunities in Indian Country.

The UTTC Land Grant program has an extensive history of programming focused on food sovereignty based in the three areas of extension, education, and research. Scholarly activity is intertwined in the form of agricultural research, peer reviewed articles, and presentations, which allows for the extension to occur on a variety of levels. Most recently, the Sustainable Agricultural & Food Systems Associates of Applied Science program was established and implemented to provide a diverse program focused on enriching not only the participating students, but the entire campus community. A variety of agricultural and horticulture-based courses are offered in food sovereignty, preservation and foraging, nutrition, and health topics. Monthly workshops are open to students and community members to become involved and connected to the Land Grant programs. Our newest activities include the addition of an apiary (honeybee hives) and the planned construction of a four-season greenhouse.

We are especially proud of our butchering large and small animal preparation and preservation programing. Beginning last year, UTTC Land Grant has offered hands-on workshops for students, faculty and community, to learn more about traditional cooking skills, traditional and contemporary preservation methods, and safe sanitary food storage methods. Participants get hands-on experience in making dishes such as bápa (air dried buffalo meat), čhaŋpȟákaškipi (chokecherry patties) and wasná (dried meat w/ dried berries and fat).

REQUEST: $40 million TCU IT Service Fund: USDA – Rural Utility Service

The ongoing pandemic has exacerbated the digital divide and underscored the lack of broadband access across Indian Country. To address these deficiencies that could leave Indian Country – and AIAN students – behind the rest of the U.S. for generations, Congress must act to establish a permanent TCU IT Service Fund within the USDA-Rural Utilities Service Program. An annual $40 million set-aside for TCUs, which are 1994 land-grant institutions served by USDA, would help cover rapidly increasing network, connectivity, and equipment costs, maintenance, infrastructure expansion, and IT staffing.



United Tribes Technical College: Broadband and IT Challenges

- UTTC upgraded hard wired fiber internet connection and IT infrastructure to all education, programmatic, and residential buildings on campus.
- Upgrades resulted in increased internet speeds from 100 mps to 1 gig (100 times faster).
- Ongoing cybersecurity risk assessments and protections are being conducted.
- Multi-factored authentication is being implemented to enhance security.
- Security cameras and keyless entry door systems were installed to control and enhance facility safety.
- Estimated investment costs are $4 million and have been primarily funded through the various pandemic funds.
- IT Workforce challenges are employee turnover due to high salaries for competitors and inflation outpacing wage growth.
- Additional challenges are a delay in supply chain and the cost of maintaining technology-based equipment on an ongoing basis.

REQUEST: $3.2 billion TCU Construction Fund: DOI – Bureau of Indian Education

A July 2021 AIHEC survey of TCUs revealed many chronic unmet facilities and infrastructure needs, including lack of student and faculty housing, inadequate classroom space, insufficient libraries, and outdated laboratories.

- TCU deferred maintenance/rehabilitation: $400 million (total)
- TCU completion of master plans: $2.7 billion (total)
- TCU operation and maintenance: $20 million (annual, recurring need)

AIHEC strongly urges Congress to fund dedicated TCU facilities programs through DOI-BIE to modernize current facilities and build safer 21st century campuses.

United Tribes Technical College: Facilities Needs – Construction, Maintenance, Rehabilitation

- Established in 1969, UTTC is the second Tribal College and University (TCU) in the United States. The facilities were built in the late 1800s as the second Fort Lincoln and many of the buildings have the original doors and windows and continue to be used for programmatic or residential uses. Understandably, our main concern is the aging infrastructure of the college. Improvements are critical to providing a safe and healthy learning and working environment for our students, staff, and faculty. The most important challenge we face is having adequate funding to maintain, rehabilitate, and to build up our facilities to meet modern-day standards of operating and living. An increase in funding could assist us update and renovate in the following areas:
- Improve overall campus infrastructure such as information technology, electrical, mechanical (heating, ventilation, air conditioning, and ventilation), communications, and safety and security.
- Improve educational facilities with modern-day technology and socialization spaces to enhance scholarly activity and learning on campus.
- Build new facilities to accommodate increasing enrollment and expanding education programming in career and technical education (CTE) and education in general.
- Rehabilitate and modernize students' dormitories and family student housing to enhance learning.
- Conduct street improvements to enhance pedestrian and vehicle safety and disability access.

NORTH DAKOTA TRIBAL COLLEGE SYSTEM (NDTCS)

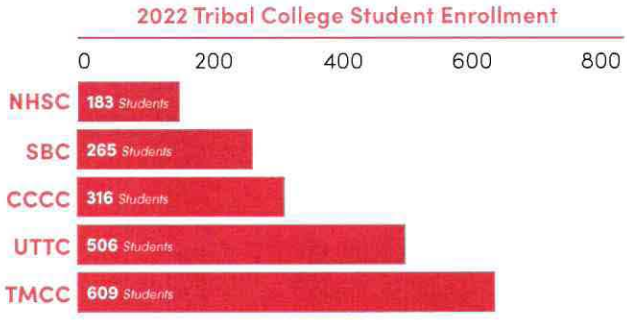
There are Five Tribal Colleges in North Dakota

- Tribal colleges are public, non-profit post-secondary institutions accredited by the Higher Learning Commission, the same as state post-secondary institutions.
- Tribal colleges are chartered by federally-recognized Tribal governments to teach and preserve culture and language as a component of the majority of academic programs offered.
- Tribal colleges proactively collaborate with the North Dakota University System and the other organizations to enhance students' academic experience, retention, persistence, and seamless transfer.
- Tribal colleges are land grant institutions known as 1994's (the year of legislation).
- Tribal colleges are affordable and accessible to Native and non-Native students.
- Tribal colleges in North Dakota are stable institutions established in the early 1970's.
- Tribal colleges are a sound investment for building and sustaining of North Dakota's workforce.

Economic Contribution of North Dakota's Five Tribal Colleges Exceeds **$145 Million**

Category	2019 Impacts
Operations Spending	$ 55.5 million
Student Spending	$ 5.1 million
Alumni Impact	$ 84.5 million
Total Impact	**$ 145.1 million**

(2020 Economic Modeling Specialists International [EMSI] Economic Impact Report for NDATC)



NATIVE AMERICANS PAY TAXES

Contrary to common belief, Native Americans pay taxes, including federal income, sales and use, motor fuels, property and other taxes.

(Study conducted by Al Nygard Consulting on behalf of NDATC, 2020.)

Tax Contributions of Native Americans in North Dakota Exceeds $301 Million

Tax Source	2019 Taxes Paid
Personal Income Tax	$ 3,942,498
Sales & Use Tax	$ 30,518,400
Motor Fuels Tax	$ 13,133,000
Corporate Tax	$ 1,162,950
Property Tax	$ 642,000
Oil Production Tax	$ 251,890,120
Total Impact	**$ 301,293,968**

North Dakota Native Americans: Facts and Figures

- There are five reservations in ND which encompass over 3.8 million acres of land.
- Tribes include Lakota, Dakota, Chippewa, Mandan, Arikara, and Hidatsa.
- Native Americans are the largest minority population in North Dakota representing 5.25% of the State's population.
- 55% of this population live on a reservation. The median age is 26.9, a full eight years younger than North Dakota's overall median age of 35.1.
- Native American students account for 10.9% of the K-12 student population.
- The Native American high school graduation rate averages 67.3% compared to 88% statewide.
- Poverty average rates for Benson, Rolette and Sioux Counties are more than double the U.S. Poverty Rate of 14%.

Native Americans are Tri-Citizens

Although Native Americans are the first Americans, they were not recognized as U.S. citizens until the Indian Citizenship Act of 1924. Furthermore, Native Americans are citizens of their tribal nation, as well as the state in which they reside.

Spirit Lake Tribe | Standing Rock Sioux Tribe | MHA Nation Tribe | Turtle Mountain Band of Chippewa Tribe | North Dakota | United States

North Dakota Tribal College System | 3315 University Drive, Bismarck ND 58504 | ndtcs.org

Tracey Bauer | Executive Director | 701.989.1716 | tbauer@ndtcs.org

Prepared for the Senate Appropriations Committee

Department 601 - Department of Commerce
House Bill No. 1018

First Chamber Comparison to Base Level

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

First Chamber Changes

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

Selected Bill Sections Included in the First Chamber Version

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

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

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

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

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

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

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

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

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

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

Continuing Appropriations

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

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

March 2, 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.

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

Major Related Legislation

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

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

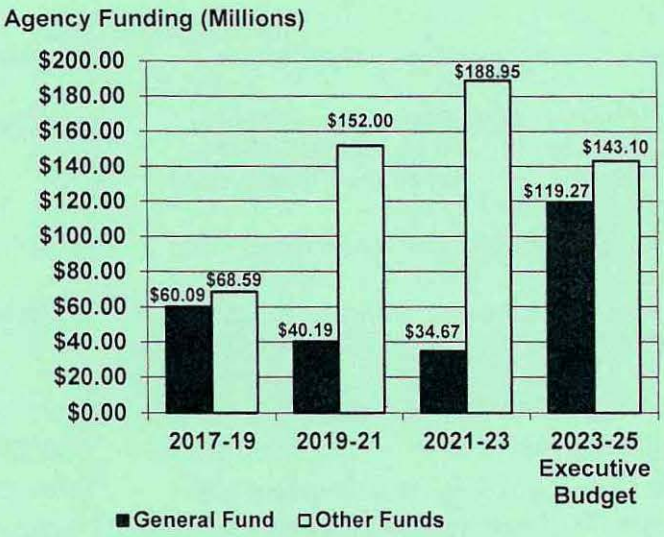
Senate Bill No. 2240 - This bill provides a one-time appropriation of $1.9 million from the general fund to the department for the purpose of providing base retention grant funding to communities with an Air Force base or Air National Guard facilities. Of the total, $900,000 is to be distributed to eligible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

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

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

Historical Appropriations Information

Agency Appropriations and FTE Positions



Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading	$200,000
2021-23 Biennium	
1. Reduced funding for salaries and wages to reflect anticipated savings from vacant positions and employee turnover	$140,000
2. Reduced funding for the Community Services Division ($216,576), Workforce Development Division ($199,664), Economic Development and Finance Division ($195,000), and administration division ($396,990) operating expenses, primarily related to operating fees and services, travel, rent, postage, professional development, IT data processing, and IT software supplies	($1,008,230)
3. Reduced funding for the Operation Intern program to provide a total of $755,000 from the general fund	($100,000)
4. Added funding for the UAS program, of which $3 million is from the general fund for operating expenses of the Northern Plains UAS Test Site, $7 million is for grants from federal funds, and $20,150 is for grants from the UAS fund	$3,000,000
5. Transferred the early childhood education program to the Department of Human Services	($1,500,000)
6. Removed funding for biotechnology grants, eliminating the program	($300,000)
7. Reduced funding for homeless shelter grants to provide a total of $1,330,212 from the general fund	($169,788)
8. Added funding for rural health care grants to provide a total of $250,000 from the general fund	$250,000
9. Transferred the North Dakota Trade Office to the Agriculture Commissioner	($1,600,000)
2023-25 Biennium (Executive Budget Recommendation)	
1. Adds funding for 3 FTE positions for the workforce talent attraction initiative ($202,940), workforce investment grant program ($202,940), and Main Street Initiative community development program ($226,922)	$632,802
2. Adds funding for an Office of Automation, of which $310,858 is for salaries and wages of 1 FTE position and $689,142 is for operating fees and services	$1,000,000
3. Adds funding for a Global Engagement Office, of which $250,904 is for salaries and wages of 1 FTE position and $368,500 is for travel, data processing, postage, printing, and professional development costs	$619,404
4. Adds funding for the Operation Intern program to provide a total of $1,006,082	$251,082
5. Transfers $1,330,212 for the homeless shelter grant program and $240,000 for the emergency shelter grant program to the Housing Finance Agency	($1,570,212)

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium	
1. Enhanced use lease grants	$1,000,000
2. BVLOS UAS program	$28,000,000
3. North Dakota gorge preservation grants	$750,000
2019-21 Biennium	
1. UAS operating expenses	$2,225,000
2. Enhanced use lease grants	$3,000,000
3. Workforce grants to tribally controlled community colleges	$500,000
4. Workforce safety grant	$1,000,000
5. Nonresident nurse employment recruitment program	$500,000
6. Sculpture maintenance grants	$75,000
7. Job development and economic growth grant	$25,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Prepared for the Senate Appropriations Committee

Department 601 - Department of Commerce
House Bill No. 1018

First Chamber Comparison to Base Level

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

First Chamber Changes

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

Selected Bill Sections Included in the First Chamber Version

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

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

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

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

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

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

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

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

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

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

Continuing Appropriations

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

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

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

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

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

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

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

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

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

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

Major Related Legislation

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

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

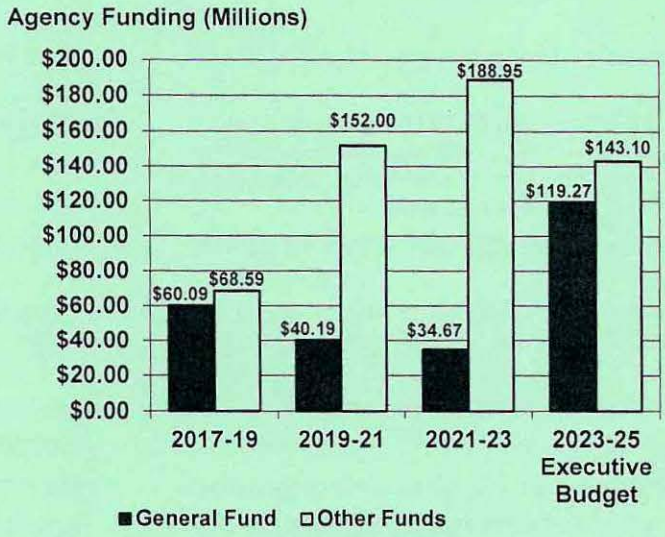
Senate Bill No. 2240 - This bill provides a one-time appropriation of $1.9 million from the general fund to the department for the purpose of providing base retention grant funding to communities with an Air Force base or Air National Guard facilities. Of the total, $900,000 is to be distributed to eligible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

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

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

Historical Appropriations Information

Agency Appropriations and FTE Positions



Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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 four who score below proficient in reading	$200,000

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium (Executive Budget Recommendation)

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

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

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

Other Sections in Department of Commerce - Budget No. 601

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

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

Prepared for: 4/11/2023

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		632,902	118,204	751,106		859,715	157,900	1,017,615		$226,813	$39,696	266,509
Health insurance increase		247,483	58,035	305,518		247,062	56,730	303,792		(421)	(1,305)	(1,726)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Removes salary funding for funding pool				0		(1,528,498)	(102,571)	(1,631,069)		(1,528,498)	(102,571)	(1,631,069)
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Transfers $110,000 of federal funding for the AmeriCorps workforce community services program from operating expenses to salaries				0				0				0
Adds funding for the weatherization, heating and furnace, and cooling assistance programs			2,085,834	2,085,834			0	0			(2,085,834)	(2,085,834)
Adds funding for the rural health care grant program		194,000		194,000		194,000		194,000				0
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Total ongoing funding changes	4.00	$4,033,357	$1,916,121	$5,949,478	4.00	$2,731,251	($233,893)	$2,497,358	0.00	($1,302,106)	($2,150,014)	($3,452,120)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program			$7,000,000	$7,000,000			$2,000,000	$2,000,000			($5,000,000)	($5,000,000)
Adds funding for the workforce talent attraction initiative operating expenses		$8,000,000		8,000,000		$0		0		($8,000,000)		(8,000,000)
Adds funding for workforce investment program grants		15,000,000		15,000,000		0		0		(15,000,000)		(15,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		0		0		(5,000,000)		(5,000,000)
Adds funding for automation workforce equipment grants		5,000,000		5,000,000		0		0		(5,000,000)		(5,000,000)
Adds funding for technical skills training grants		2,000,000		2,000,000		0		0		(2,000,000)		(2,000,000)
Adds funding for workforce programs				0		30,000,000		30,000,000		30,000,000		30,000,000
Adds funding for tourism awareness marketing			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for a tourism destination development initiative			25,000,000	25,000,000			50,000,000	50,000,000			25,000,000	25,000,000
Adds funding for Main Street Initiative community development grants		400,000		400,000		400,000		400,000				0
Adds funding for the BVLOS UAS grant program, also known as Vantis			30,000,000	30,000,000			20,000,000	20,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant program			28,000,000	28,000,000			7,000,000	7,000,000			(21,000,000)	(21,000,000)
Adds funding for new Americans workforce development and training grants			2,000,000	2,000,000			0	0			(2,000,000)	(2,000,000)
Adds funding for workforce grants to tribally controlled community colleges		5,000,000		5,000,000		4,000,000		4,000,000		(1,000,000)		(1,000,000)
Adds federal funding for the AmeriCorps workforce community services program			785,000	785,000			785,000	785,000				0
Adds federal funding for the parks and recreation grant program			1,550,000	1,550,000			1,550,000	1,550,000				0
Adds federal funding for the energy conservation grant program			14,081,719	14,081,719			14,081,719	14,081,719				0
Adds federal funding for the weatherization, heating and furance, and cooling assistance grant programs			1,172,250	1,172,250			3,258,084	3,258,084			2,085,834	2,085,834
Adds funding for a workforce safety grant			1,500,000	1,500,000			1,500,000	1,500,000				0
Adds funding for a regional council grant program				0			4,000,000	4,000,000			4,000,000	4,000,000
Adds funding for discretionary funds		350,000		350,000		0		0		(350,000)		(350,000)
Adds funding for the State Small Business Credit Initiative technical assistance program				0			572,143	572,143			572,143	572,143
Adds federal funding from IIJA and IRA for weatherization and energy assistance programs				0	3.00		210,000,000	210,000,000	3.00		210,000,000	210,000,000
Total one-time funding changes	0.00	$40,750,000	$116,088,969	$156,838,969	3.00	$34,400,000	$319,746,946	$354,146,946	3.00	($6,350,000)	$203,657,977	$197,307,977
Total Changes to Base Level Funding	4.00	$44,783,357	$118,005,090	$162,788,447	7.00	$37,131,251	$319,513,053	$356,644,304	3.00	($7,652,106)	$201,507,963	$193,855,857

2023-25 Total Funding	62.80	$76,285,497	$171,549,469	$247,834,966	65.80	$68,633,391	$373,057,432	$441,690,823	3.00	($7,652,106)	$201,507,963	$193,855,857
Federal funds included in other funds			*$63,519,581*				*$274,050,129*				*$210,530,548*	
Total ongoing changes as a percentage of base level	*6.8%*	*12.8%*	*3.6%*	*7.0%*	*6.8%*	*8.7%*	*(0.4%)*	*2.9%*				
Total changes as a percentage of base level	*6.8%*	*142.2%*	*220.4%*	*191.4%*	*11.9%*	*117.9%*	*596.7%*	*419.4%*				

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Transfer - General fund to internship fund	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.	Section 4 requires OMB to transfer $5 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIIF to North Dakota Development Fund	Section 5 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIIF to North Dakota Development Fund - Fertilizer development grant program	Section 6 requires OMB to transfer $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.	
Estimated income - Federal weatherization and energy assistance programs - FTE position authorization		Section 6 identifies $210 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.
Estimated income - SIIF - One-time funding - Legislative intent	Section 7 identifies $98.5 million of one-time funding is from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS grants ($30 million), enhanced use lease grants ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.	Section 7 identifies $89.5 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($50 million), BVLOS UAS grants ($20 million), enhanced use lease grants ($7 million), a workforce safety grant ($1.5 million), and a regional council grant program ($4 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or an interest rate buy down program. Funding available for the regional council grant program must be distributed equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with Chapter 54-40.1.
Rural workforce housing grant program	Section 8 identifies $6.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Rural health care grant program - Matching funds requirement	Section 9 identifies $444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.	Section 9 identifies $444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Discretionary funds - State magazine	Section 10 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.	Section 10 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report	Section 11 identifies $5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.	Section 11 identifies $4 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.
State Water Commission - Cost-sharing policy		Section 12 requires the State Water Commission to establish a central supply works cost-sharing policy for irrigation district projects, including water supply and power costs, that requires 75 percent from state grant funding and 25 percent from local funding. The policy must be established for the purpose of encouraging and enhancing irrigation development that provides for increased agricultural production, opportunities for specialty crops, and supporting agricultural processing, value added agriculture, and agricultural diversification in the state.
Amendment - Bank of North Dakota - Agriculture partnership in assisting community expansion fund - Interest rate buy down program		Section 13 amends North Dakota Century Code Section 6-09.13-05 to provide the maximum amount the Bank of North Dakota may provide from the agriculture partnership in assisting community expansion program for interest rate buy downs is $100,000.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund	Sections 12 through 19 amend Chapter 6-09.18 and Section 21-10-13(4) to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.	Sections 14 through 20 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.
Amendment - Workforce Enhancement Council	Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.	Section 21 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - UAS program and fund	Sections 21 through 23 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.	Sections 22 through 24 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges	Section 24 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.	Section 25 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 25 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 26 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Exemption - Nonresident nurse employment recruitment program	Subsection 1 of Section 26 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 27 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Subsection 2 of Section 26 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 27 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Subsection 3 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Subsection 4 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Subsection 5 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	
Exemption - Job development and economic growth grant program		Subsection 5 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - UAS program	Subsection 6 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Subsection 7 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Subsection 8 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Exemption - Enhanced use lease grant program	Subsection 9 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Subsection 10 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Subsection 11 of Section 26 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 27 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Subsection 12 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Subsection 13 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Subsection 14 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Subsection 15 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 27 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports	Section 27 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.	Section 28 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Emergency - Federal weatherization and energy assistance programs		Section 29 declares the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

23.0247.02001
Title.

Fiscal No. 1

Prepared by the Legislative Council staff for
the Senate Appropriations - Government
Operations Division Committee
April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018

Page 1, line 2, after "sections" insert "6-09.13-05,"

Page 1, line 3, replace "subsection 4 of section 21-10-13, sections 54-60-22," with "10-30.5-04, 10-30.5-05,"

Page 1, line 4, after the third comma insert "54-60.2-01,"

Page 1, line 5, after "to" insert "the agriculture partnership in assisting community expansion program,"

Page 1, line 6, replace "workforce enhancement council" with "North Dakota development fund"

Page 1, line 9, remove "and"

Page 1, line 9, after "report" insert "; and to declare an emergency"

Page 1, remove lines 19 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	$12,835,431	$2,672,817	$15,508,248
Operating expenses	17,317,760	8,116,440	25,434,200
Grants	50,232,330	86,115,351	136,347,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	30,000,000	30,000,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	210,000,000	210,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$352,989,693	$438,036,212
Less estimated income	53,544,379	318,013,053	371,557,432
Total general fund	$31,502,140	$34,976,640	$66,478,780
Full-time equivalent positions	58.80	7.00	65.80"

Page 2, replace lines 12 through 19 with:

"Beyond visual line of sight uncrewed aircraft system	20,000,000	20,000,000
Enhanced use lease grant	7,000,000	7,000,000
Workforce grants to tribally controlled community colleges	500,000	2,500,000
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	50,000,000
Technical skills training grants	6,000,000	2,000,000"

Page 2, replace lines 24 and 25 with:

"Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143"

Page 3, replace lines 1 through 5 with:

"Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	14,000,000
Workforce investment grant program	0	12,500,000"

Page 3, replace line 7 with:

"New Americans workforce training grants	0	1,500,000
Regional council grant program	0	4,000,000
Weatherization and energy assistance program	0	210,000,000"

Page 3, replace lines 10 through 13 with:

"Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$351,146,946
Less estimated income	135,409,064	318,246,946
Total general fund	$3,165,432	$32,900,000"

Page 3, line 22, replace "**LEGACY EARNINGS**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 3, line 23, remove "Pursuant to the designation of"

Page 3, remove line 24

Page 3, line 25, replace the first "the" with "The"

Page 3, line 25, replace "$20,000,000" with "$5,000,000"

Page 3, line 25, remove "legacy"

Page 3, line 26, replace "earnings" with "strategic investment and improvements"

Page 3, line 31, replace "$30,000,000" with "$65,000,000"

Page 4, remove lines 3 through 31

Page 5, remove lines 1 through 31

Page 6, replace lines 1 through 7 with:

"**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes $210,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, the department of commerce is authorized three positions for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions."

Page 6, line 9, after the boldfaced dash insert "**REGIONAL COUNCIL GRANTS -**"

Page 6, line 10, replace "$98,500,000" with "$88,000,000"

Page 6, line 11, replace "$7,000,000" with "$2,000,000"

Page 6, line 12, replace "$25,000,000" with "$50,000,000"

Page 6, line 13, remove "grant"

Page 6, line 13, replace "$30,000,000" with "$20,000,000"

Page 6, line 14, replace "$28,000,000" with "$7,000,000"

Page 6, line 14, remove "$2,000,000 is for new"

Page 6, remove line 15

Page 6, line 16, replace "grant to an organization that provides workforce safety" with "and $4,000,000 is for a regional council grant program. The department of commerce shall award funding for the regional council grant program equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with chapter 54-40.1"

Page 6, line 18, remove "grant"

Page 6, line 19, after the period insert "The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns."

Page 6, line 21, replace "the sum of $6,500,000" with "$1,500,000"

Page 6, line 21, replace "general" with "strategic investment and improvements"

Page 6, line 21, after "fund" insert "as identified in section 7 of this Act"

Page 6, after line 31, insert:

"**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes $30,000,000 from the general fund for workforce-related programs, of which $14,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $1,500,000 is for new Americans workforce development and training grants."

Page 7, line 6, replace "appropriated" with "identified"

Page 7, line 13, replace "$5,000,000" with "$2,500,000"

Page 7, after line 20, insert:

"**SECTION 13. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program.

SECTION 14. STATE WATER COMMISSION - IRRIGATION DISTRICT PROJECTS COST-SHARING POLICY. Beginning July 1, 2023, the state water commission shall establish a central supply works cost-sharing policy for irrigation district projects, including water supply and power costs, that requires seventy-five percent of project funding be from state grant funding and twenty-five percent of project funding be from local funding. The policy must be established for the purpose of encouraging and enhancing irrigation development that provides for increased

agricultural production, opportunities for specialty crops, and supporting agricultural processing, value-added agriculture, and agricultural diversification in the state.

SECTION 15. AMENDMENT. Section 6-09.13-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.13-05. Interest rate buydown.

The Bank of North Dakota may use moneys in the agriculture partnership in assisting community expansion fund to reduce the interest rate on loans made under this chapter. The maximum amount from the fund in the interest rate buydown may not exceed one hundred thousand dollars per loan."

Page 11, remove lines 29 and 30

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 3 with:

"**SECTION 23. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with and provide funding to any private or public entity.

2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.

3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 24. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.

3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Page 14, after line 18, insert:

"**SECTION 28. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~."

Page 16, line 1, replace "$1,000,000" with "$1,500,000"

Page 16, line 1, replace "general" with "strategic investment and improvements"

Page 16, line 1, remove "discretionary funds in"

Page 16, line 2, replace "section 10 of chapter 15" with "a job development and economic growth grant in section 1 of chapter 46"

Page 17, after line 18, insert:

"**SECTION 33. EMERGENCY.** The $210,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs in the estimated income line item in section 1 of Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$12,835,431	$16,764,534	($1,256,286)	$15,508,248
Operating expenses	17,317,760	33,544,200	(8,110,000)	25,434,200
Grants	50,232,330	176,347,681	(40,000,000)	136,347,681
Discretionary funds	2,150,000	2,500,000	(350,000)	2,150,000
COVID-19 response		16,167,553	572,143	16,739,696
Weatherization and energy programs			210,000,000	210,000,000
Partner programs	1,562,531	1,562,531	(654,611)	907,920
Workforce programs			30,000,000	30,000,000
Entrepreneurship grants and vouchers	948,467	948,467		948,467
Total all funds	$85,046,519	$247,834,966	$190,201,246	$438,036,212
Less estimated income	53,544,379	171,549,469	200,007,963	371,557,432
General fund	$31,502,140	$76,285,497	($9,806,717)	$66,478,780

FTE	58.80	62.80	3.00	65.80		

Department 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Transfers Federal Funding Between Line Items[3]	Reduces Funding for Partner Programs[4]	Adjusts Funding for the Heating and Cooling Assistance Programs[5]	Adjusts One-Time Funding for Workforce Initiatives[6]
Salaries and wages	$264,783	($1,631,069)	$110,000			
Operating expenses			(110,000)			($8,000,000)
Grants						(29,000,000)
Discretionary funds						
COVID-19 response						
Weatherization and energy programs						
Partner programs				($654,611)		
Workforce programs						30,000,000
Entrepreneurship grants and vouchers						
Total all funds	$264,783	($1,631,069)	$0	($654,611)	$0	($7,000,000)
Less estimated income	38,391	(102,571)	0	0	0	(2,000,000)
General fund	$226,392	($1,528,498)	$0	($654,611)	$0	($5,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Other One-Time Funding Initiatives[7]	Adds One-Time Funding for Weatherization and Energy Programs[8]	Total Senate Changes
Salaries and wages			($1,256,286)
Operating expenses			(8,110,000)
Grants	($11,000,000)		(40,000,000)
Discretionary funds	(350,000)		(350,000)
COVID-19 response	572,143		572,143
Weatherization and energy programs		$210,000,000	210,000,000
Partner programs			(654,611)
Workforce programs			30,000,000
Entrepreneurship grants and vouchers			
Total all funds	($10,777,857)	$210,000,000	$190,201,246
Less estimated income	(7,927,857)	210,000,000	200,007,963
General fund	($2,850,000)	$0	($9,806,717)
FTE	0.00	3.00	3.00

[1] Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	$226,813	$39,696	$266,509
Health insurance increase	(421)	(1,305)	(1,726)
Total	$226,392	$38,391	$264,783

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	($967,642)	$0	($967,642)
Vacant FTE positions	(560,856)	(102,571)	(663,427)
Total	($1,528,498)	($102,571)	($1,631,069)

[3] Federal funding of $110,000 for the AmeriCorps workforce community services program is transferred from the operating expenses line item to the salaries and wages line item for temporary salaries. The House transferred $220,000 of federal funding for the program from the grants line item to the operating expenses line item.

[4] Ongoing funding of $654,611 from the general fund in the partner program line item for the North Dakota Small Business Development Center is removed, resulting in $907,920 from the general fund remaining for partner programs. The House provided $1,562,531 from the general fund for partner programs, the same as the base level.

[5] Federal funding of $2,085,834 added by the House in the COVID-19 response line item for weatherization, heating and furnace, and cooling assistance programs is removed from ongoing funding and added by the Senate as one-time funding.

[6] One-time funding for workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for workforce talent attraction initiative operating expenses to provide $14 million from the general fund in the workforce programs line item. The House provided $8 million from the general fund in the operating expenses line item.	$6,000,000	$0	$6,000,000
Reduces funding for workforce investment program grants to provide a total of $12.5 million from the general fund in the workforce programs line item. The House provided $15 million from the general fund in the grants line item.	(2,500,000)	0	(2,500,000)
Removes funding added by the House for automation workforce transition training grants.	(5,000,000)	0	(5,000,000)
Removes funding added by the House for automation workforce equipment grants.	(5,000,000)	0	(5,000,000)
Transfers $2 million from the general fund for technical skills training grants from the grants line item to the workforce programs line item.	0	0	0
Adjusts funding for new Americans workforce development and training grants by removing funding added by the House from the strategic investment and improvements fund (SIIF) in the grants line item and adding funding from the general fund in the workforce programs line item.	1,500,000	(2,000,000)	(500,000)
Total	($5,000,000)	($2,000,000)	($7,000,000)

[7] One-time funding for community services, tourism, and uncrewed aircraft systems (UAS), and other workforce initiatives is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for the rural workforce housing grant program to provide a total of $2 million from SIIF, of which $300,000 is for temporary salaries, $200,000 is for operating expenses, and $1.5 million is for grants. The House provided $7 million from SIIF, of which $6.5 million was for grants.	$0	($5,000,000)	($5,000,000)
Adds funding for the tourism destination development initiative to provide a total of $50 million from SIIF. The House provided $25 million from SIIF.	0	25,000,000	25,000,000
Reduces funding for the beyond visual line of sight (BVLOS) UAS program to provide a total of $20 million from SIIF. The House provided $30 million from SIIF.	0	(10,000,000)	(10,000,000)
Reduces funding for the enhanced use lease grant program to provide a total of $7 million from SIIF. The House provided $28 million from SIIF.	0	(21,000,000)	(21,000,000)
Reduces funding for workforce grants to tribally controlled community colleges to provide a total of $2.5 million from the general fund. The House provided $5 million from the general fund.	(2,500,000)	0	(2,500,000)
Removes funding added by the House from SIIF for a workforce safety grant.	0	(1,500,000)	(1,500,000)
Adds funding from SIIF for a regional council grant program. The House did not add funding for this program.	0	4,000,000	4,000,000
Reduces funding for discretionary funds to provide a total of $2.15 million from the general fund, the same as the base level. The House added $350,000 to provide a total of $2.5 million from the general fund.	(350,000)	0	(350,000)
Adds federal funding for the State Small Business Credit Initiative technical assistance program. The House did not add funding for this program.	0	572,143	572,143
Total	($2,850,000)	($7,927,857)	($10,777,857)

[8] One-time funding of $210 million is added from federal funds derived from the Infrastructure Investment and Jobs Act (IIJA) ($120 million) and Inflation Reduction Act (IRA) ($90 million) for weatherization and energy assistance programs. The Department of Commerce anticipates funding may be available for the following programs:

Program	Federal Funds
State energy program (IIJA)	$3,905,130
Weatherization (IIJA)	15,131,495
Energy efficiency revolving loan fund (IIJA)	4,641,870
Energy efficiency block grant (IIJA)	1,653,240
Home energy performance-based whole-house rebate program (IRA)	37,338,470
High-efficiency electric home rebate program (IRA)	37,121,060
Total	$99,791,265

The department anticipates other states will not use all federal funding awarded for these programs, resulting in additional funding that may be available to North Dakota for an estimated total of $210 million. The department is authorized 3 FTE positions that are considered one-time positions for the administration of these programs.

The House did not add funding for this purpose.

This amendment also:

- Amends a section providing for a transfer to the legacy investment for technology (LIFT) fund for the LIFT program. The House provides for a $20 million transfer from the legacy earnings fund. The Senate provides a $5 million transfer from SIIF.
- Amends a section providing for a transfer from SIIF to the North Dakota Development Fund. The House provided for a $30 million transfer. The Senate provides for a $65 million transfer.
- Removes a section that provided for a transfer of $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.

- Adds a section identifying one-time funding and one-time FTE positions for weatherization and energy assistance programs from federal funding available as a result of the federal IIJA and IRA.
- Amends a section identifying funding in Section 1 from SIIF. The House provided $98.5 million. The Senate provides $88 million.
- Amends a section identifying funding for rural workforce housing program grants. The House provided $6.5 million from SIIF. The Senate provides $1.5 million from SIIF.
- Adds a section identifying $30 million from the general fund in a newly created workforce programs line item.
- Amends a section identifying funding for workforce development grants to tribally controlled community colleges. The House provided $5 million. The Senate provides $2.5 million.
- Adds a section identifying funding available for the entrepreneurship grants and vouchers program, also known as Innovate ND.
- Adds a section to require the State Water Commission to establish a central supply works cost-sharing policy for irrigation district projects, including water supply and power costs, that requires 75 percent from state grant funding and 25 percent from local funding. The policy must be established for the purpose of encouraging and enhancing irrigation development that provides for increased agricultural production, opportunities for specialty crops, and supporting agricultural processing, value-added agriculture, and agricultural diversification in the state.
- Adds a section to amend North Dakota Century Code Section 6-09.13-05 to provide the maximum amount the Bank of North Dakota may provide from the agriculture partnership in assisting community expansion program for interest rate buydowns is $100,000.
- Removes a section added by the House that amended Section 21-10-13(4), related to legacy earnings fund allocations.
- Adds a section to amend Section 10-30.5-04 to clarify the authority of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.
- Adds a section to amend Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than 5 consecutive days or is anticipated to be absent for more than 5 consecutive days, the Chief Executive Officer may delegate the duties and responsibilities of the Chief Executive Officer to the Director of the Department of Commerce Division of Economic Development and Finance under Chapter 54-34.3, or the Director's designee.
- Removes a section that amended Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
- Adds a section to amend Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
- Removes a subsection providing an exemption for discretionary funds and adds a subsection to provide an exemption for a job development and economic growth grant from the 2021-23 biennium.
- Adds a section to declare the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

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

Prepared for: 4/12/2023

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		632,902	118,204	751,106		859,715	157,900	1,017,615		$226,813	$39,696	266,509
Health insurance increase		247,483	58,035	305,518		247,062	56,730	303,792		(421)	(1,305)	(1,726)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Removes salary funding for funding pool				0		(1,528,498)	(102,571)	(1,631,069)		(1,528,498)	(102,571)	(1,631,069)
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Transfers $110,000 of federal funding for the AmeriCorps workforce community services program from operating expenses to salaries				0				0				0
Adds funding for the weatherization, heating and furnace, and cooling assistance programs			2,085,834	2,085,834			0	0			(2,085,834)	(2,085,834)
Adds funding for the rural health care grant program		194,000		194,000		194,000		194,000				0
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Reduces funding for the North Dakota Small Business Development Center				0		(654,611)		(654,611)		(654,611)		(654,611)
Total ongoing funding changes	4.00	$4,033,357	$1,916,121	$5,949,478	4.00	$2,076,640	($233,893)	$1,842,747	0.00	($1,956,717)	($2,150,014)	($4,106,731)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program			$7,000,000	$7,000,000			$2,000,000	$2,000,000			($5,000,000)	($5,000,000)
Adds funding for the workforce talent attraction initiative operating expenses		$8,000,000		8,000,000		$14,000,000		14,000,000		$6,000,000		6,000,000
Adds funding for workforce investment program grants		15,000,000		15,000,000		12,500,000		12,500,000		(2,500,000)		(2,500,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		0		0		(5,000,000)		(5,000,000)
Adds funding for automation workforce equipment grants		5,000,000		5,000,000		0		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
Adds funding for tourism awareness marketing			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for a tourism destination development initiative			25,000,000	25,000,000			50,000,000	50,000,000			25,000,000	25,000,000
Adds funding for Main Street Initiative community development grants		400,000		400,000		400,000		400,000				0
Adds funding for the BVLOS UAS grant program, also known as Vantis			30,000,000	30,000,000			20,000,000	20,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant program			28,000,000	28,000,000			7,000,000	7,000,000			(21,000,000)	(21,000,000)
Adds funding for new Americans workforce development and training grants			2,000,000	2,000,000		1,500,000	0	1,500,000		1,500,000	(2,000,000)	(500,000)
Adds funding for workforce grants to tribally controlled community colleges		5,000,000		5,000,000		2,500,000		2,500,000		(2,500,000)		(2,500,000)
Adds federal funding for the AmeriCorps workforce community services program			785,000	785,000			785,000	785,000				0
Adds federal funding for the parks and recreation grant program			1,550,000	1,550,000			1,550,000	1,550,000				0
Adds federal funding for the energy conservation grant program			14,081,719	14,081,719			14,081,719	14,081,719				0
Adds federal funding for the weatherization, heating and furance, and cooling assistance grant programs			1,172,250	1,172,250			3,258,084	3,258,084			2,085,834	2,085,834
Adds funding for a workforce safety grant			1,500,000	1,500,000			0	0			(1,500,000)	(1,500,000)
Adds funding for a regional council grant program				0			4,000,000	4,000,000			4,000,000	4,000,000
Adds funding for discretionary funds		350,000		350,000		0		0		(350,000)		(350,000)
Adds funding for the State Small Business Credit Initiative technical assistance program				0			572,143	572,143			572,143	572,143
Adds federal funding from IIJA and IRA for weatherization and energy assistance programs				0	3.00		210,000,000	210,000,000	3.00		210,000,000	210,000,000
Total one-time funding changes	0.00	$40,750,000	$116,088,969	$156,838,969	3.00	$32,900,000	$318,246,946	$351,146,946	3.00	($7,850,000)	$202,157,977	$194,307,977
Total Changes to Base Level Funding	4.00	$44,783,357	$118,005,090	$162,788,447	7.00	$34,976,640	$318,013,053	$352,989,693	3.00	($9,806,717)	$200,007,963	$190,201,246

2023-25 Total Funding	62.80	$76,285,497	$171,549,469	$247,834,966	65.80	$66,478,780	$371,557,432	$438,036,212	3.00	($9,806,717)	$200,007,963	$190,201,246
Federal funds included in other funds			*$63,519,581*				*$274,050,129*				*$210,530,548*	
Total ongoing changes as a percentage of base level	*6.8%*	*12.8%*	*3.6%*	*7.0%*	*6.8%*	*6.6%*	*(0.4%)*	*2.2%*				
Total changes as a percentage of base level	*6.8%*	*142.2%*	*220.4%*	*191.4%*	*11.9%*	*111.0%*	*593.9%*	*415.1%*				

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Transfer - General fund to internship fund	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.	Section 4 requires OMB to transfer $5 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIIF to North Dakota Development Fund	Section 5 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIIF to North Dakota Development Fund - Fertilizer development grant program	Section 6 requires OMB to transfer $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.	
Estimated income - Federal weatherization and energy assistance programs - FTE position authorization		Section 6 identifies $210 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.
Estimated income - SIIF - One-time funding - Legislative intent	Section 7 identifies $98.5 million of one-time funding is from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS grants ($30 million), enhanced use lease grants ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.	Section 7 identifies $88 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($50 million), BVLOS UAS grants ($20 million), enhanced use lease grants ($7 million), and a regional council grant program ($4 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or a grant for interest rate buy downs. Funding available for the regional council grant program must be distributed equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with Chapter 54-40.1.
Rural workforce housing grant program	Section 8 identifies $6.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Workforce programs		Section 9 identifies $30 million from the general fund in the workforce programs line item is for workforce-related programs, including the workforce talent attraction initiative ($14 million), workforce investment program grants ($12.5 million), technical skills training grants ($2 million), and new Americans workforce development and training grants ($1.5 million).

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Rural health care grant program - Matching funds requirement	Section 9 identifies $444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.	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.
Discretionary funds - State magazine	Section 10 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.	Section 11 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report	Section 11 identifies $5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.	Section 12 identifies $2.5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.
Entrepreneurship grants and vouchers program		Section 13 identifies $948,467 appropriated in Section 1, 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, also known as Innovate ND, for the 2023-25 biennium.
State Water Commission - Cost-sharing policy		Section 14 requires the State Water Commission to establish a central supply works cost-sharing policy for irrigation district projects, including water supply and power costs, that requires 75 percent from state grant funding and 25 percent from local funding. The policy must be established for the purpose of encouraging and enhancing irrigation development that provides for increased agricultural production, opportunities for specialty crops, and supporting agricultural processing, value added agriculture, and agricultural diversification in the state.
Amendment - Bank of North Dakota - Agriculture partnership in assisting community expansion fund - Interest rate buy down program		Section 15 amends North Dakota Century Code Section 6-09.13-05 to provide the maximum amount the Bank of North Dakota may provide from the agriculture partnership in assisting community expansion program for interest rate buy downs is $100,000.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund	Sections 12 through 19 amend Chapter 6-09.18 and Section 21-10-13(4) to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.	Sections 16 through 22 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.
Amendment - Workforce Enhancement Council	Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.	
Amendment - North Dakota Development Fund powers		Section 23 amends Section 10-30.5-04 clarifies the powers of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Amendment - North Dakota Development Fund management		Section 24 amends Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the Department of Commerce Division of Economic Development and Finance under chapter 54-34.3, or the director's designee.
Amendment - UAS program and fund	Sections 21 through 23 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.	Sections 25 through 27 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges - Grant awards		Secton 28 amends Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
Amendment - Workforce development grants to tribally controlled community colleges - Career and technical education programs	Section 24 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.	Section 29 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 25 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 30 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Subsection 1 of Section 26 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 31 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Subsection 2 of Section 26 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 31 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Subsection 3 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Subsection 4 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Exemption - Additional discretionary funds	Subsection 5 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	
Exemption - Job development and economic growth grant program		Subsection 5 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - UAS program	Subsection 6 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Subsection 7 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Subsection 8 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Subsection 9 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Subsection 10 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Subsection 11 of Section 26 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 31 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Subsection 12 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Exemption - Autonomous agriculture matching grants	Subsection 13 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Subsection 14 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Subsection 15 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 31 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports	Section 27 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.	Section 32 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Emergency - Federal weatherization and energy assistance programs		Section 33 declares the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

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

Prepared for: 4/20/2023

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		632,902	118,204	751,106		859,715	157,900	1,017,615		$226,813	$39,696	266,509
Health insurance increase		247,483	58,035	305,518		247,062	56,730	303,792		(421)	(1,305)	(1,726)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Removes salary funding for funding pool				0		(1,528,498)	(102,571)	(1,631,069)		(1,528,498)	(102,571)	(1,631,069)
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Transfers $110,000 of federal funding for the AmeriCorps workforce community services program from operating expenses to salaries				0				0				0
Adds funding for the weatherization, heating and furnace, and cooling assistance programs			2,085,834	2,085,834			0	0			(2,085,834)	(2,085,834)
Adds funding for the rural health care grant program		194,000		194,000		194,000		194,000				0
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Reduces funding for the North Dakota Small Business Development Center				0		(654,611)		(654,611)		(654,611)		(654,611)
Total ongoing funding changes	4.00	$4,033,357	$1,916,121	$5,949,478	4.00	$2,076,640	($233,893)	$1,842,747	0.00	($1,956,717)	($2,150,014)	($4,106,731)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program			$7,000,000	$7,000,000			$2,000,000	$2,000,000			($5,000,000)	($5,000,000)
Adds funding for the workforce talent attraction initiative operating expenses		$8,000,000		8,000,000		$14,000,000		14,000,000		$6,000,000		6,000,000
Adds funding for workforce investment program grants		15,000,000		15,000,000		12,500,000		12,500,000		(2,500,000)		(2,500,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		0		0		(5,000,000)		(5,000,000)
Adds funding for automation workforce equipment grants		5,000,000		5,000,000		0		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
Adds funding for tourism awareness marketing			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for a tourism destination development initiative			25,000,000	25,000,000			50,000,000	50,000,000			25,000,000	25,000,000
Adds funding for Main Street Initiative community development grants		400,000		400,000		400,000		400,000				0
Adds funding for the BVLOS UAS grant program, also known as Vantis			30,000,000	30,000,000			20,000,000	20,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant program			28,000,000	28,000,000			7,000,000	7,000,000			(21,000,000)	(21,000,000)
Adds funding for new Americans workforce development and training grants			2,000,000	2,000,000		1,500,000	0	1,500,000		1,500,000	(2,000,000)	(500,000)
Adds funding for workforce grants to tribally controlled community colleges		5,000,000		5,000,000		2,500,000		2,500,000		(2,500,000)		(2,500,000)
Adds federal funding for the AmeriCorps workforce community services program			785,000	785,000			785,000	785,000				0
Adds federal funding for the parks and recreation grant program			1,550,000	1,550,000			1,550,000	1,550,000				0
Adds federal funding for the energy conservation grant program			14,081,719	14,081,719			14,081,719	14,081,719				0
Adds federal funding for the weatherization, heating and furance, and cooling assistance grant programs			1,172,250	1,172,250			3,258,084	3,258,084			2,085,834	2,085,834
Adds funding for a workforce safety grant			1,500,000	1,500,000			0	0			(1,500,000)	(1,500,000)
Adds funding for a regional council grant program				0			4,000,000	4,000,000			4,000,000	4,000,000
Adds funding for discretionary funds		350,000		350,000		0		0		(350,000)		(350,000)
Adds funding for the State Small Business Credit Initiative technical assistance program				0			572,143	572,143			572,143	572,143
Adds federal funding from IIJA and IRA for weatherization and energy assistance programs				0	3.00		210,000,000	210,000,000	3.00		210,000,000	210,000,000
Total one-time funding changes	0.00	$40,750,000	$116,088,969	$156,838,969	3.00	$32,900,000	$318,246,946	$351,146,946	3.00	($7,850,000)	$202,157,977	$194,307,977
Total Changes to Base Level Funding	4.00	$44,783,357	$118,005,090	$162,788,447	7.00	$34,976,640	$318,013,053	$352,989,693	3.00	($9,806,717)	$200,007,963	$190,201,246

2023-25 Total Funding	62.80	$76,285,497	$171,549,469	$247,834,966	65.80	$66,478,780	$371,557,432	$438,036,212	3.00	($9,806,717)	$200,007,963	$190,201,246
Federal funds included in other funds			*$63,519,581*				*$274,050,129*				*$210,530,548*	
Total ongoing changes as a percentage of base level	*6.8%*	*12.8%*	*3.6%*	*7.0%*	*6.8%*	*6.6%*	*(0.4%)*	*2.2%*				
Total changes as a percentage of base level	*6.8%*	*142.2%*	*220.4%*	*191.4%*	*11.9%*	*111.0%*	*593.9%*	*415.1%*				

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Transfer - General fund to internship fund	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.	Section 4 requires OMB to transfer $5 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIIF to North Dakota Development Fund	Section 5 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIIF to North Dakota Development Fund - Fertilizer development grant program	Section 6 requires OMB to transfer $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.	
Estimated income - Federal weatherization and energy assistance programs - FTE position authorization		Section 6 identifies $210 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.
Estimated income - SIIF - One-time funding - Legislative intent	Section 7 identifies $98.5 million of one-time funding is from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS grants ($30 million), enhanced use lease grants ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.	Section 7 identifies $88 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($50 million), BVLOS UAS grants ($20 million), enhanced use lease grants ($7 million), and a regional council grant program ($4 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or a grant for interest rate buy downs. Funding available for the regional council grant program must be distributed equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with Chapter 54-40.1.
Rural workforce housing grant program	Section 8 identifies $6.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Workforce programs		Section 9 identifies $30 million from the general fund in the workforce programs line item is for workforce-related programs, including the workforce talent attraction initiative ($14 million), workforce investment program grants ($12.5 million), technical skills training grants ($2 million), and new Americans workforce development and training grants ($1.5 million).

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Rural health care grant program - Matching funds requirement	Section 9 identifies $444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.	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.
Discretionary funds - State magazine	Section 10 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.	Section 11 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report	Section 11 identifies $5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.	Section 12 identifies $2.5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.
Entrepreneurship grants and vouchers program		Section 13 identifies $948,467 appropriated in Section 1, 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, also known as Innovate ND, for the 2023-25 biennium.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund	Sections 12 through 19 amend Chapter 6-09.18 and Section 21-10-13(4) to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.	Sections 14 through 20 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.
Amendment - Workforce Enhancement Council	Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.	
Amendment - North Dakota Development Fund powers		Section 21 amends Section 10-30.5-04 clarifies the powers of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.
Amendment - North Dakota Development Fund management		Section 22 amends Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the Department of Commerce Division of Economic Development and Finance under chapter 54-34.3, or the director's designee.
Amendment - UAS program and fund	Sections 21 through 23 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.	Sections 23 through 25 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges - Grant awards		Secton 26 amends Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Amendment - Workforce development grants to tribally controlled community colleges - Career and technical education programs	Section 24 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.	Section 27 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 25 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 28 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Subsection 1 of Section 26 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 29 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Subsection 2 of Section 26 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 29 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Subsection 3 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Subsection 4 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Subsection 5 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	
Exemption - Job development and economic growth grant program		Subsection 5 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - UAS program	Subsection 6 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Exemption - BVLOS UAS program	Subsection 7 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Subsection 8 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Subsection 9 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Subsection 10 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Subsection 11 of Section 26 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 29 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Subsection 12 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Subsection 13 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Subsection 14 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Subsection 15 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version
Grant status reports	Section 27 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.	Section 30 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Emergency - Federal weatherization and energy assistance programs		Section 31 declares the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

Nathe, Mike R.

From: Don Larson <dlarson@Odney.com>
Sent: Thursday, February 16, 2023 8:44 AM
To: Nathe, Mike R.
Subject: Grand Sky Numbers

Here is an overview. Please let me know if you have questions or need additional information.

Current Stats:

- Jobs
  - 477.7 jobs (Direct, Indirect, Induced)
  - Direct jobs grew from 200 to 231.7
  - Average salary (Direct) - $123,422.70
- Taxes
  - $1,030,000 Annually in State and Local (2020) from Operations
  - $2,106,289 Annually in State and Local (2022) from Operations
  - $952,127 from Construction during period
- Leverage
  - $3.57 of private capital invested for every $1 from North Dakota, growing to $3.60 for every dollar if 2023 request is funded in full

The =funding from the legislature will enable the growth outlined below.

Jobs

- +100 Direct
- +60.4 Indirect
- +68.7 Induced
- 706.8 Total with current jobs and new jobs

Taxes

- +$1,500,000 from annual operations (est)
- +3,000,000 from construction (est)
- +$0.06 ($3.63 total) of private capital invested for every $1 from North Dakota from every dollar invested to date

Thanks,

Don

Nathe, Mike R.

From: Effertz Hanson, Maria K. <meffertz@nd.gov>
Sent: Friday, April 21, 2023 11:19 AM
To: Bekkedahl, Brad; Wanzek, Terry M.; Martinson, Bob W.; Nathe, Mike R.; Swiontek, Steve; Hogue, David J.
Cc: Teigen, Joshua L.; Kinnischtzke, Levi; Widmer, Alison J.
Subject: federal dollars for IIJA and IRA

Follow Up Flag: Follow up
Flag Status: Flagged

Committee members;

I want to apologize and clarify the amount of funds we need to accept for IIJA and IRA for weatherization and state energy program. There was an error in communication regarding the total dollars.

I am asking to modify the amount of federal authority and ability to expend to $120 Million (was previously $210 Million). This amount would cover the allocated dollars plus any expected additional dollars that are turned back by other states.

I intend to be at the committee hearing Saturday and answer any questions you may have but also available via phone prior if you need anything.

Total IIJA formula funds which will be received: $99,791,265

- IIJA State Energy Program: $3,905,130
- IIJA Weatherization: $15,131,495
- IIJA Energy Efficiency Revolving Loan Fund: $4,641,870 (anticipated to increase based on other states declining the funding)
- IIJA Energy Efficiency Block Grant: State funding $1,653,240 (does not include cities or tribal allocations)

IRA: (request $90,000,000)

Home Energy Performance-Based, Whole-House Rebate Allocations $37,338,470

High Efficiency Electric Home Rebate Allocations $37,121,060

Total: $74,459,530

Maria Effertz
Director, Division of Community Services

701.595.4121(m) • meffertz@nd.gov • www.nd.gov

NORTH Dakota | Community Services
Be Legendary. COMMERCE

701.595-4121 • meffertz@nd.gov • 1600 E. Century Ave. PO Box 2057 • Bismarck, ND 58503

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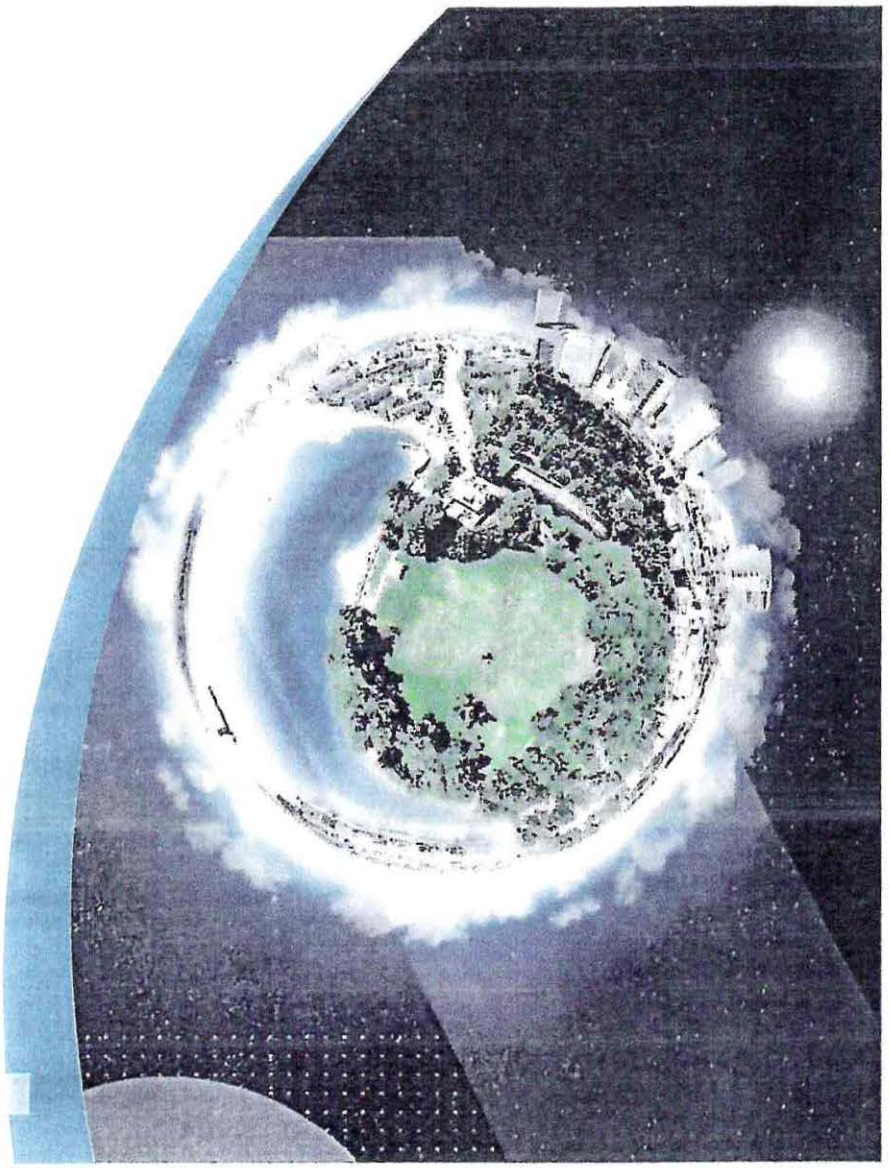
Building a future we can all trust

VANTIS PPP
Business Opportunity & ROI

March 2022



DISCLOSURE STATEMENT

This document is the sole and exclusive property of the University of North Dakota (UND), generated under contract by Thales USA, Inc. – Digital Aviation in 2020, in support of the Inter-Governmental Agreement, "Statewide Network Establishment; Contract #19-21.009

Vantis – Return on Investment to North Dakota

Thales tasked to create business plan for ND in December 2020

- Comprehensive look at the UAS Market
- Revenue model assumptions based on demand

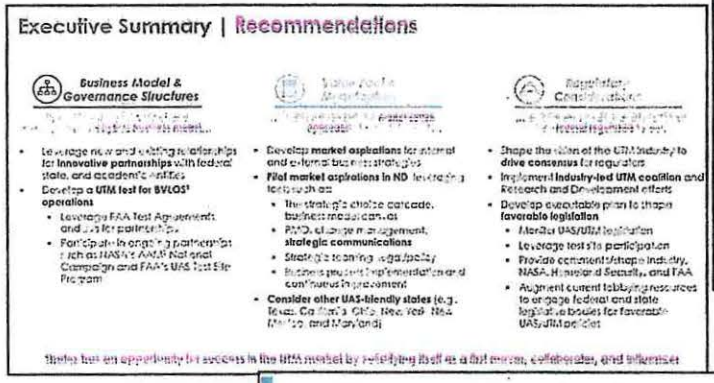
Intermediate revenue share today

- General fund + Royalties in place

New business model = more revenue

- Additional return on investment comes with FAA validation and approvals
- Partnership between Thales - ND
- A PPP structure with 25% stake results in $22M/yr over 9 years

Goal → Commercial partnership with State of North Dakota


Executive Summary | Recommendations

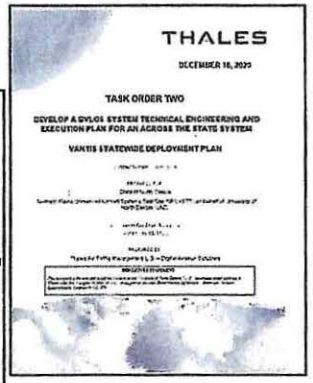
Business Model & Governance Structures

- Leverage new and existing relationships for **innovative partnerships** with federal, state, and academic entities
- Develop a **UTM test for BVLOS[1] operations**
  - Leverage FAA Test Agreements and UAS Re-partnership
  - Participate in ongoing partnerships such as NASA's AAM National Campaign and FAA's UAS Test Site Program

- Develop **market aspirations** for internal and external business strategies
- **Pilot market aspirations in ND** leveraging test such as:
  - Inter-state choice corridor, business model canvas
  - RMO, stakeholder engagement, **strategic communications**
  - Strategic planning, legal/policy
  - Business process improvement and continued improvement
- **Consider other UAS-friendly states** (e.g. Texas, California, New York, New Mexico, and Maryland)

- Shape the vision of the UTM industry to **drive consensus** for regulators
- Implement **industry-led UTM coalition** and Research and Development efforts
- Develop executable plan to shape **favorable legislation**
  - Monitor UAS/UTM legislation
  - Leverage test site participation
  - Provide comment/shape industry, NASA, Homeland Security, and FAA
  - Augment current lobbying resources to engage federal and state legislative bodies for favorable UAS/UTM policies

There has an opportunity for success in the UTM market by solidifying itself as a first mover, collaborator, and influencer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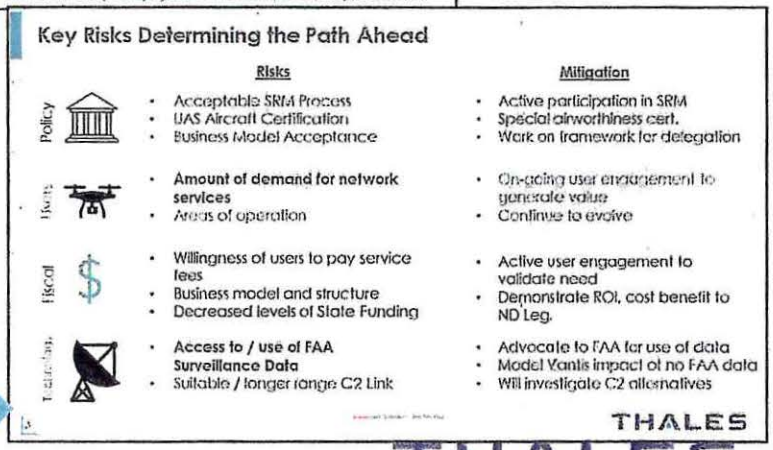
DECEMBER 18, 2020

TASK ORDER TWO

DEVELOP A BVLOS SYSTEM TECHNICAL ENGINEERING AND EXECUTION PLAN FOR AN ACROSS THE STATE SYSTEM

VANTIS STATEWIDE DEPLOYMENT PLAN


Key Risks Determining the Path Ahead

	Risks	Mitigation
Policy	• Acceptable SRM Process • UAS Aircraft Certification • Business Model Acceptance	• Active participation in SRM • Special airworthiness cert. • Work on framework for delegation
Users	• Amount of demand for network services • Areas of operation	• On-going user engagement to generate value • Continue to evolve
Fiscal	• Willingness of users to pay service fees • Business model and structure • Decreased levels of State Funding	• Active user engagement to validate need • Demonstrate ROI, cost benefit to ND Leg.
Technology	• Access to / use of FAA Surveillance Data • Suitable / longer range C2 Link	• Advocate to FAA for use of data • Model Vantis impact of no FAA data • Will investigate C2 alternatives

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COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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Building a future we can all trust

Vantis Return on Investment – Current Construct

Vantis is close to commercialization but requires additional FAA approvals

- Economic development driving the major returns to the State today
  - Over 100 direct jobs attributable to Vantis today with $8.5M in tax revenue collected over 10 years
- Tech platform & partnership strengthening
  - Thales & Partner Companies establishing sustainable presence in ND

Current Agreements on Payback to the State

- Century Code Requirement
  - 3% return to General Fund
- Thales made additional commitments to the State
  - Software component royalty payments for Vantis components sold outside ND
  - 5% up to 200% of initial investment
  - 3% until end of Master Agreement with Thales
- Subcontracts from Thales
  - Leverage State's UAS experts outside the State
  - Michigan, Texas, DoD
  - International Opportunities

COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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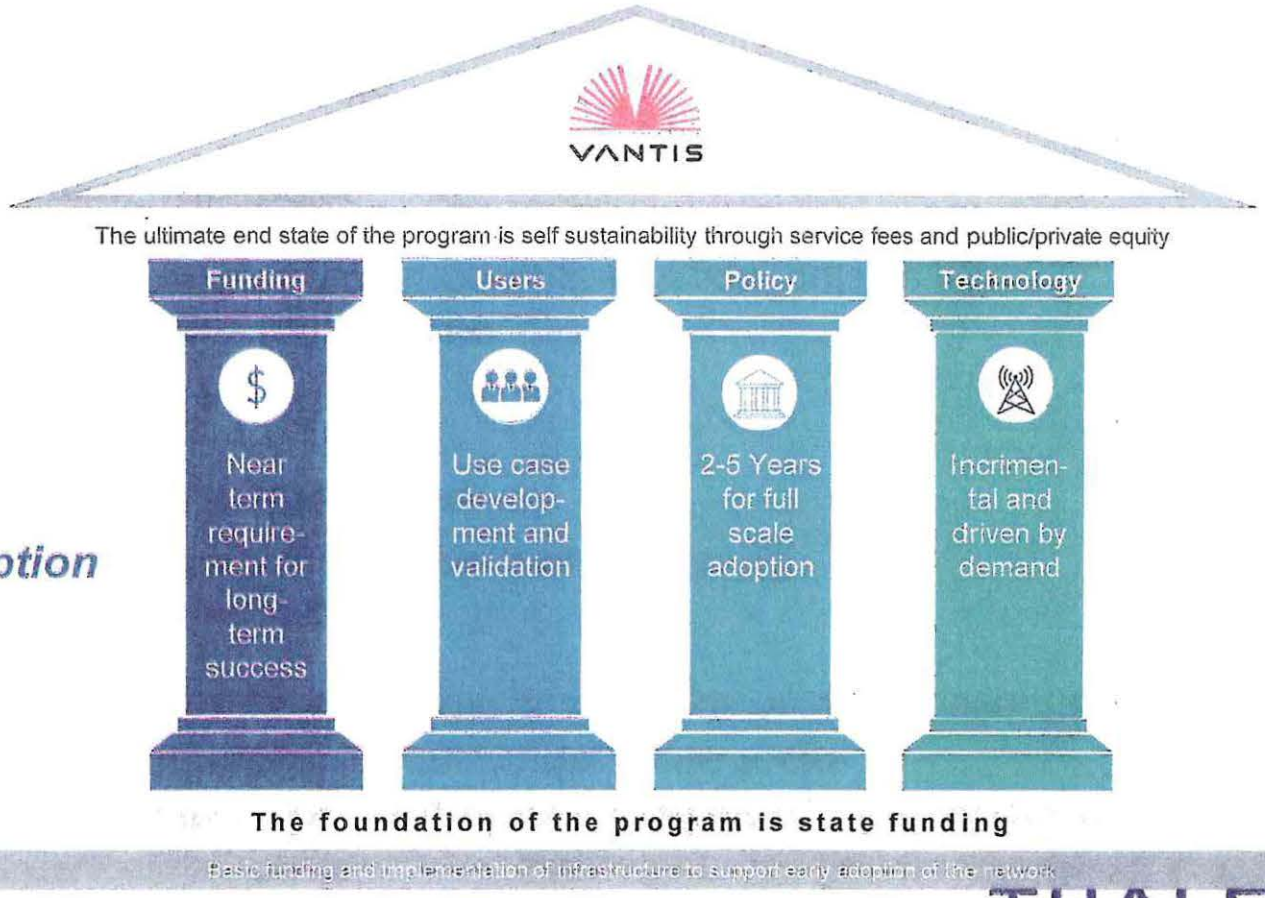
Pillars for Vantis Network Sustainability in ND and Beyond

- ***Strategic Investment***
- ***Vantis Sustainment***
- ***Regulatory/Policy Adoption***
- ***Scalable Operations***



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UAS Operations Market Demand & Vantis Offerings

Market Demand Across:

- [illegible] (not included)
- Commercial Delivery
- Agriculture
- Inspection (Linear & Structure)
- Emergency Response

Market Structure

- Cities (grouping by - SM, MD, LG)
- Rural (by area)

Market Offering:

[illegible]

Airspace Manager

Emergency Services Manager

[illegible]

Local Community Manager

Supplemental Services Provider

COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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Market Demand Exists

Use Case	Use Case Description		Flights				Fleet		
			2022	2027	2032		2022	2027	2032
Recreational Use	• Based upon population and UAS adoption statistics / trends • Average 4 flights per month / UAS • Estimate adoption / penetration (1-5%)	Low	0.4 K	73 K	156 K	Low	8	1.5 K	3.2 K
		High	0.9 K	178 K	379 K	High	19	3.7 K	7.9 K
			2022	2027	2032		2022	2027	2032
Commercial Delivery	• Estimate retail portion of commercial delivery (15%) • Estimate of portion suitable for delivery by UAS (5%) • Estimate adoption / penetration (1-5%)	Low	3.3 K	658 K	1,399 K	Low	2	0.5 K	1.0 K
		High	16.5 K	3,292 K	6,996 K	High	11	2.3 K	4.9 K
			2022	2027	2032		2022	2027	2032
Agriculture Use	• Estimate number of agriculture locations across the state • Assume 4 flights per location per year • Estimate adoption penetration (5-50%)	Low	0.1 K	13 K	27 K	Low	8	1.6 K	3.5 K
		High	0.6 K	125 K	267 K	High	0.1 K	16 K	35 K
			2022	2027	2032		2022	2027	2032
Linear Inspection	• Estimate amount of linear infrastructure • Inspections per year (infrastructure type dependent) • Estimate adoption penetration (25-50%)	Low	0.0 K	6.8 K	15 K	Low	1	0.2 K	0.3 K
		High	0.1 K	14 K	29 K	High	2	0.3 K	0.6 K
			2022	2027	2032		2022	2027	2032
Structure Inspection	• Estimate structures and construction sites • Inspections per year (structure type dependent) • Estimate adoption penetration (5-50%)	Low	0.2 K	31 K	65 K	Low	1	0.1 K	0.1 K
		High	1.5 K	305 K	648 K	High	3	0.6 K	1.2 K
			2022	2027	2032		2022	2027	2032
Emergency Response	• Covers search & rescue and other emergency responses • Estimates based on emergency frequency and land area • Estimate adoption penetration (5-50%)	Low	0.0 K	8.4 K	18 K	Low	1	41	86
		High	0.4 K	84 K	178 K	High	2	0.4 K	0.9 K
			2022	2027	2032		2022	2027	2032
TOTALS		Low	3.9 K	791 K	1,680 K	Low	21	3.9 K	8.2 K
		High	20 K	4,002 K	8,505 K	High	0.1 K	24 K	50 K

Notes:

- Low / High refers to the calculated difference between the low and high adoption penetration rates in the 3rd column
- Starting point for the base growth scenario is the actual drone fleet count estimated to be completed by 2021 from Air Data Brief in 2022

COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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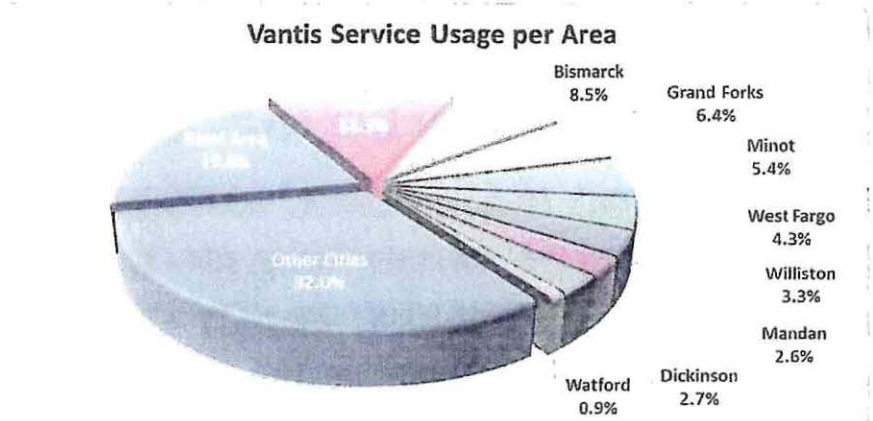
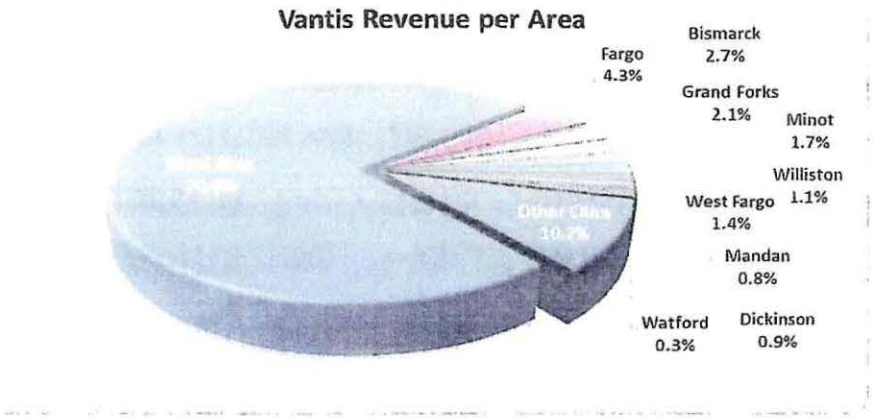
Market Demand Forecast & Revenue Potential



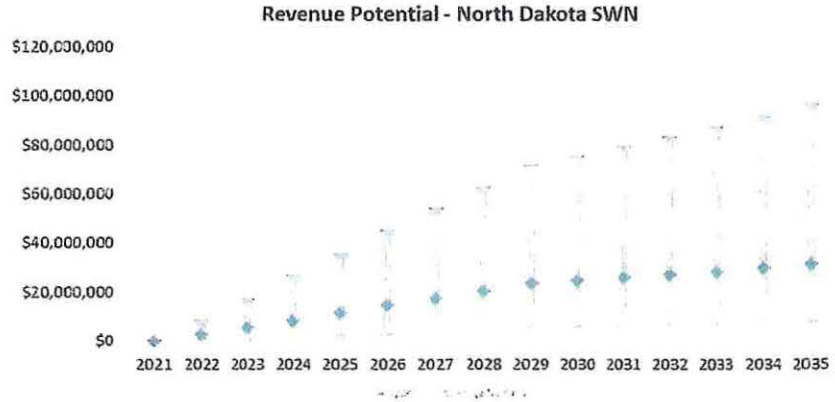


Demand translates into revenue

1. Core services pricing
2. Value-added services

ND Service Fees Conservatively Estimated to be ~$30M/year

**Does not include C-UAS & Emergency Services*



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Thales Supports Creation of PPP with ND to Serve the Full US Market

Notional Structure (basis of financial forecast)

- "VANTIS, Inc." – a JV with Thales and ND as partners (and potentially others) set up to operate the Vantis network and deliver UAS integration services to UAS operators.
  - The focus will be ND first
  - This company will be established to pursue all the US market
  - This may include "white-labeling" services for other States
- "BVLOS Infrastructure, Inc." – a Infrastructure-as-a-service business to be established with a) value added partners and b) external financing sources
  - High CAPEX business – could/should be structured so off balance sheet
  - ND not likely interested in investing in Infrastructure in other States
  - Different partners may be needed vs VANTIS, Inc.

Should provide flexible platform to address US market which is estimated to be 40-50% of global market – multi-billion per year opportunity

COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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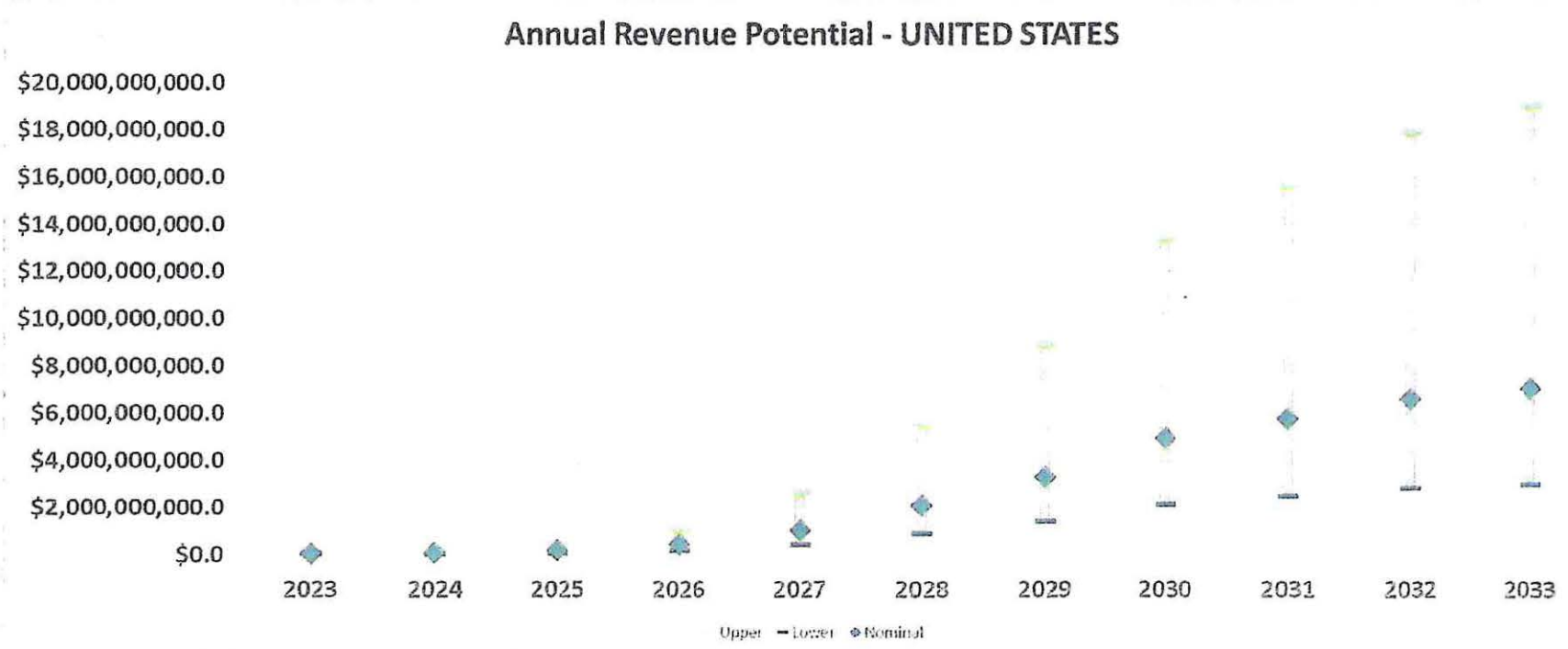
US Nationwide UAS Integration Service Potential is Substantial



Applied same methodology used for North Dakota forecast during Business Case Development

Net Result: Multi-Billion $ Annual Service Fee Business

COMMERCIALLY SENSITIVE – SEE TITLE PAGE

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Strong ROI for ND Assuming Success in Just Currently Active Markets

Leverage Ongoing Efforts

- North Dakota
- Logical Neighbors (MN, SD)
- States with Thales Contracts (MI, NY, TX)

Key Takeaways

- Grows to $1-2B/year business
- Assuming ND takes 25% of profit - $200M returned to ND in first 10 years
- And ND retains 25% (assumption) ownership of a business generating $200M+ in profit per year

$M	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Cumm
Nominal Revenue	$ 3.5	$ 17.3	$ 36.0	$ 90.1	$ 216.2	$ 450.4	$ 720.7	$ 1,081.0	$ 1,261.1	$ 1,441.3	$ 5,317.6
Nominal Profit (15%)	$ 0.5	$ 2.6	$ 5.4	$ 13.5	$ 32.4	$ 67.6	$ 108.1	$ 162.1	$ 189.2	$ 216.2	$ 797.6
ND Share (25%)	$ 0.1	$ 0.7	$ 1.4	$ 3.4	$ 8.1	$ 16.9	$ 27.0	$ 40.5	$ 47.3	$ 54.0	$ 199.4

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2023 DESTINATION DEVELOPMENT GRANT

PROGRAM OBJECTIVE

The grants will provide financial support to develop new or expanded tourism experiences and attractions resulting in economic growth and diversification. Also, to increase unique experiences for workforce recruitment and retention, and enhance North Dakota residents' quality of life. This grant is intended to fund the actual building of infrastructure or expansion of an attraction and service that create anchor tourism attractions that will assist in spurring and supporting secondary attractions within the state.

ELIGIBLE PROJECTS

Funds are intended to move a project toward completion rather than for preliminary planning and development. Types of usage that would be allowed include, but are not limited to, costs associated with the purchase or construction of new and/or existing tourism and recreation attractions, historic sites, and equipment purchased for specific tourism project operations.

1. **Accommodations** - Lodging options that are distinct from traditional hotels/motels or short-term homestays. This can include historic restorations, boutique hotels, bed and breakfasts, outdoor (glamping) or cultural-themed lodging, hunting lodges or resorts and other types of accommodations that provide services and amenities and offer a unique and memorable experience for visitors. Unique accommodations that can help to enhance the tourism experience by providing visitors with a more personalized and immersive experience and can also help diversify the range of lodging options available in a destination.
    a. Rehabilitation of a historic structure unique to the area (ex: downtown boutique hotel)
    b. Unique offering representative of the area's offerings and culture (ex: ski lodge, glamping site, hunting/fishing lodge)
    c. Built with a tourism attraction where the tourism attraction costs more than the lodging facility
    d. Construction, restoration, or renovation of a full-service lodging facility that is or will be a part of a major attraction, convention or sports facility offering unique experiences that tie directly to the attraction or venue
2. **Culinary experiences** - Restaurants, cafes, breweries, and wineries
    a. Breweries or wineries that offer tours and/or event space
    b. Themed restaurant destination built in conjunction with a larger tourism project
    c. Cultural or regional cuisine attractions that highlight that area's culture (Native American cuisine, Scandinavian, German-Russian heritage)
3. **Themed education and entertainment attractions**
4. **Recreation**
    a. Value-added equipment rentals
    b. Guide and outfitter services
    c. Complete experience packages

5. **AgriTourism attractions**
    a. Farm stays to include tours, activities, or events
    b. Full-service guest ranches
6. **Focused niche activities that provide value-added services**
    a. Historical or cultural
    b. National Park/monument visitors
    c. Scenic beauty or natural distinctions
    d. Unique community amenities

ELIGIBLE ENTITIES

A for-profit or non-profit organization or business involved in tourism.

INELIGIBLE ENTITIES

State and federal government entities are not eligible.

MATCHING REQUIREMENTS

These funds shall require a matching requirement from non-state sources of $1 to $1. Matching requirements may be altered based on the size of the project and geography (urban/rural), but no project will receive funding without non-state sources utilized.

WHAT MAKES FOR A STRONG APPLICATION?

- Projects that clearly demonstrate how the attraction will motivate a trip to North Dakota.
- Projects that clearly demonstrate their role as a tourism and recreation attraction in their community and region, and the benefits the project will provide through the development of the new visitor attraction.
- The demand for the tourism-related project is clearly demonstrated through research and analysis.
- The project is unique and offers an experience that is relevant to North Dakota's history, culture, or natural resources.
- Projects that align with gaps identified in tourism development plans, offer unique or in-demand experiences and could attract and retain out-of-state visitors for at least four to six hours or overnight.
- Projects that leverage funding from various public or private sources.
- Projects that demonstrate responsible management of tourism activities to preserve and enhance the natural, cultural, or social resources that make a destination attractive to visitors. (Ex: minimizing environmental impacts through sustainable practices, promoting cultural understanding and respect by providing information or training about local culture and customs, supporting local cultural initiatives, supporting the local economy by using local suppliers, protecting public safety by conducting activities in a safe and responsible manner.)

Wanzek, Terry M.

m: Coleman, Sara O. <socoleman@nd.gov>
nt: Wednesday, April 12, 2023 2:57 PM
To: Wanzek, Terry M.
Subject: tourism develop opportunities

Hello Senator Wanzek,

Below is a list of active projects and potential projects. I wonder if it would be better to talk in terms of needs and gaps we currently get asked about so all can see potential?

Top 10 Needs "The Wishlist"

- Resort Lake Sakakawea-marina, hotel, conference center, restaurant
- Mountain Biking Lodge on Maah Daah Hey (package trips, training, bike repairs, lodging, meals)
- Agritourism-destination farm that offers experiences and farm stays (could be anywhere but the Carrington area has complimentary offerings)
- Guest ranch- anywhere west river (full service, rides, events, meals)
- Offerings along National Scenic Byway (Water trail) Kayaking center, food, café. Northern Ashtabula has no amenities but high potential.
- Equestrian Facilities- Horseback riding, trails, events. This could include the guest ranch options or stand alone. This could be anywhere!
- Paleontology Center to expand public digs, camps etc.
- Unique Lodging - include glamping. Areas of high need:
    - International Peace Gardens, Pembina Gorge, Turtle Mountains, ~~near~~ Medora, Watford or near little Missouri State Park, near Chain of Lakes - McClusky Canal
- Culinary niche offerings – True farm to table restaurants tied to producers (Lost Kitchen in Maine), Culinary institute – full time students, schools, workshops and weekend events
- Outdoor adventure experiences: OHV tours, zip line, backpack, paddle or bike trips...

Projects – received 2022 planning grants.

*Bismarck Riverfront Expansion – Priority projects
Boutique hotel - Amphitheater - Riverfront event space/ park
*Bison World
*International Peace Gardens –Willis Pavilion renovation
Medora Area planning- identifying priorities needed prior to library opening
Grand Forks Center for Exploration

Active projects looking for incentives and support.

*Bison World (Jamestown)
*Bismarck Missouri Riverfront Development (Bismarck)
ND Country Fest- permanent infrastructure (New Salem)
FM Science Museum (Fargo)
*Rainbow Gardens-Rural (Carrington)
Peace Gardens Indigenous Interpretive Area (Dunseith)

Other Projects in planning process

edora- Priority projects
Western Heritage Center (trail rides, rodeo arena) - Barn venue for wedding and other functions
Dickinson Dakota Dinosaur Museum expansion

Agri tourism Blackleg Ranch farm experience + market -modeled after silo project in Waco TX (Driscoll)
Nekoma Cold War Interpretive Visitor Center-($4M)
*FargoDome – enhancements and conference center addition - ($134M)
'go Air Museum
,t Bay Lodge addition (Devils Lake)
The Museum Incubator (Fargo)
Shepherds Hill Indoor Archery- and equestrian activities. Near Lake Metigoshe (Bottineau)
Indian Hills Resort expansion (Garrison)
Devils Lake Ski Jump project – to include equestrian and other outdoor recreation

Here is that section from my testimony for you to use if appropriate.

Destination Development in ND:
ND offers tremendous outdoor recreation, rich history and culture, and scenic beauty, but we have an opportunity to expand beyond "do-it-yourself" trips and create more offerings that will motivate trips to our state. We need to support the expansion of destination attractions, recreation opportunities, community amenities through partnerships, and financial support from non-state entities. The purpose of the Destination Attraction Grant is to encourage non-state investments in destination development to draw in more visitors and keep them in our state longer. The proposed $50 million Destination Development Fund would support impactful projects that will serve ND for generations. The new experiences will attract new visitors and revenue, improve the quality of life for North Dakotans and help attract needed workforce. We have invested in value-added agriculture and value-added energy – now is the time to build value-added recreation and tourism. I look forward to further discussion on this important appropriation which will invest in our third-largest industry and begin building legacy projects that set ND apart.

Please call if I can clarify anything... my cell is 701-202-6526

'ra Otte Coleman
ector, Tourism and Marketing Division

701.328.2527 • socoleman@nd.gov • www.commerce.nd.gov • www.ndtourism.com

NORTH Dakota | Tourism & Marketing
Be Legendary. COMMERCE

Nathe, Mike R.

From: Don Larson <dlarson@Odney.com>
Sent: Monday, April 24, 2023 2:27 PM
To: Nathe, Mike R.
Subject: Points for Emergency on VANTIS funding

Mike,

Here are some good points on why an emergency clause would be helpful for the VANTIS funding. Things are happening quickly right now and we want to ensure that things don't slow down waiting for the end of the biennium.

- We are at a critical point with the FAA in negotiations to get access to their radar data. We need to be able to a secure architecture for the data exchange to finalize this. This hadn't been planned for in this biennium but could save us tens of millions of dollars if we can get it done quickly.
- This will help us move towards establishing a formal public private partnership with Thales and North Dakota which will help us start to engage with other states quicker to sell this regionally and nationally. This will accelerate the engagement with the five states who recently signed an MOU with Commerce.
- The FAA recently provided feedback on upgrades to VANTIS to accelerate the BVLOS approvals. The ability to access the funds right away will also ensure that this continues as quickly as possible.

Thanks,

Don

Odney

Don Larson
President | Director of Strategic Engagement

PO Box 2035
117 W Front Ave
Bismarck ND 58504
Phone: 701.222.8721
Cell: 701.391.1809
www.odney.com

CERILON

2023-April-24

Mr. Josh Teigen, Commissioner of Commerce

State of North Dakota, Commerce
1600 E. Century Ave.,
Suite 2,
PO Box 2057
Bismarck, ND
58503

Non-Binding Commitment Letter to develop an Ammonia and Fertilizer Facility in North Dakota

Dear Sir,

In response to your request last week, we have reviewed our portfolio plan, and after review with our Cerilon-Advisory Committee, Cerilon Inc. ("Cerilon") is pleased to provide this nonbinding commitment to work jointly with the State of North Dakota to develop an Ammonia and Fertilizer project in Trenton, North Dakota. We are confident that we will be able to provide a substantial benefit to the State in the speed of delivering such a project to completion and thereafter needed fertilizer products to the market.

Cerilon strives to deliver sustainable prosperity to benefit our stakeholders and the communities in which we do business and would plan to include these values and benefits as part of this project delivery.

This commitment is indicative only and any advancement of the Ammonia and Fertilizer project is contingent on a number of material factors still to be determined including appropriate economic and commercial arrangements, appropriate capacity and size of the facility, and determining offtake arrangements for the project. Until such time as Cerilon, or an affiliate, has executed a definitive agreement with the State of North Dakota nothing in this letter shall be construed as a binding commitment or obligation on Cerilon to proceed with, or otherwise advance, the Ammonia and Fertilizer project as described herein.

The main driver for our interest and ability to work with the State on this project is Cerilon's access via the Cerilon GTL project to a number of positive infrastructure synergies that will support the rapid development of an Ammonia and Fertilizer project. These synergies include:

- The site we have procured could potentially be utilized for the Ammonia project. Our project site has been approved zoned by Williams County for industrial use conditional on the Conditional Use Permit. The environmental baseline study for the site has been completed by BARR Engineering. Similarly, the initial geotechnical survey for the site was completed.
- Cerilon GTL is planning for the supply of 0.5 bcf/day of gas to the site that can be accelerated if required.

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Cerilon.com

- Cerilon is developing a Carbon Capture and Sequestration (CCS) capability and has already confirmed with the EERC that we have sites available to sequester all the CO_2 from the GTL Phase 1 and 2 and the potential Ammonia project.
- Cerilon has partnered with ABB to provide the operational and Integrated Manufacture Execution System (IMES) for the GTL which could also be extended to the Ammonia facility.
- Cerilon affiliates have signed the required NDAs for what may be the optimal available Ammonia and Urea technology needed to be licensed and the related engineering that will be required to proceed.
- The Cerilon GTL site is adjacent to the Savage railyard and will have the capacity to load and transport the products in North Dakota. The storage strategy will still need to be simulated and optimized.
- Cerilon GTL has completed an initial logistics study for the transport of equipment to the site and will expand on this logistics later with a detailed transport study.
- Cerilon GTL is already in discussions with the Air Separation Unit (ASU) providers and has a proposal for the delivery of ASUs to the site in hand.
- Cerilon has had conversations with potential offtakers of the Ammonia.
- Cerilon can tap into our existing team for the technical and operational experience of such facilities.
- Cerilon GTL will provide infrastructure and services benefits and the site will already have medical and emergency services provided to the Cerilon GTL project.

The above list is not exhaustive of the synergies and benefits that Cerilon can bring to this Ammonia/Fertilizer project. In light of the substantial work expended to date to generate these synergies and the corresponding acceleration thereby in the likely total project 'in service' date, the final commercial arrangements between Cerilon, Cerilon's GTL Project, and the Ammonia/Fertilizer Project will recognize the value for making these synergies and benefits available to the Ammonia/Fertilizer Project.

There are several significant risks to financing this project which must be resolved in order for the project to proceed. Facilitation of credit support via the State of North Dakota directly or via other credible parties backed by the State would assist in resolving these issues.

The following are some of the important milestones/deliverables to be considered and flushed out in due course:

- Legal Structure- The setup of the entity to manage the development and supply of the fertilizer project, and the respective ownership interests are to be agreed.
- Gas supply to the venture- Cerilon intends to provide through the support of its global energy partner.
- Technology licensing- Cerilon intends to license the latest technologies with guarantees from global licensors.
- Project Management, Development- Cerilon will provide a specialist development team to support the complex delivery of such a project. Cerilon would intend to appoint its affiliate ND Ventures Ltd. as its project manager.
- Product Offtake- Cerilon intends to negotiate an offtake agreement with credit-worthy buyers of the products.
    - Will require volume certainty that all products proceed will be bought.

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- Pricing certainty or risk mitigation to provide a band of prices that will benefit the farmers and provide certainty on the business case. Different models are to be agreed. Recent volatility in pricing is a risk to be mitigated.
- Cerilon has already had conversations with the Ammonia offtakers from Japan and could enter into agreements within a short period of time.
- Cerilon intends to explore the possibilities of the Farmer's Unions or the State providing the offtake certainty for the products.

- Logistics- Logistics to supply the feedstock and supply the products to the markets- On both counts, Cerilon has the relationships in place to move this forward and has the capacity to supply the service with credit-worthy partners.
- Development capital- Cerilon has invested already to provide the synergies and could expand this further. The Ammonia Fertilizer Plant requires in the order of $100 to $120 million for the development up to the Final Investment Decision (FID) over the next 24 months.
- State Incentives-Incentive package provided by the State of North Dakota similar to the Cerilon GTL project would make this an attractive business case.
- Financing- Full Project Financing, on terms acceptable to the financial markets at the time of the necessary fundraising.
- CCS access and support for a low carbon Ammonia and Fertilizer project. Cerilon has the confirmation of the CCS capability and is working with partners to put this in place.

Our commitment to delivering such a completed project is dependent on a number of factors still to be confirmed including those described in the milestone listed above. All of those conditions will also need to address the uncertainties of the fluid market to make the project feasible.

We are looking forward to working with the State of North Dakota to provide Ammonia and Fertilizer to the community.

Sincerely,

Nico

Nico Duursema
CEO, Cerilon

Cc Ron Opperman
Peter Farkas
Jeff Pendrel

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Dept of Commerce budget 1018

Senate conferees recommendations

Reduce Workforce Talent Attractions	2,000,000	
Remove Main Street Initiative Grants	400,000	
Remove Tribal College Grants	2,500,000	
Remove Regional Council Grants	4,000,000	
Remove Office of Automation Funding	1,000,000	
Remove Workforce Safety Grant Funding	1,500,000	
Remove 1 FTE in Global Engagement Office	268,000	
Reduce Destination Tourism Fund	10,000,000	(add parameters)
Total Reductions	$21,668,000	

Increase LIFT to 8 million	3,000,000
Increase Vantis to 26 million	6,000,000
Increase Grand Sky to 10 million	3,000,000
Total increase	$12,000,000

New Allocations	
City of Marmarth Grant	100,000
Carrington Creamery Grant	150,000
ND Film Fund	500,000
Discretionary fund to ND Sentinel Project	350,000
Total new allocations	$1,100,000

Consider if funds available – SIIF increase to NDDF of $30,000,000

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

Prepared for: 4/27/2023

	Conference Committee Version				Conference Committee Changes Compared to House Version Increase (Decrease) - House Version				Conference Committee Changes Compared to Senate Version Increase (Decrease) - Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	0.00	$0	$0	$0	0.00	$0	$0	$0
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512				$0				$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495				0				0
Salary increase		819,989	157,900	977,889		$187,087	$39,696	226,783		($39,726)		(39,726)
Health insurance increase		236,776	56,730	293,506		(10,707)	(1,305)	(12,012)		(10,286)		(10,286)
Restores underfunded salaries		140,000		140,000				0				0
Adds funding for temporary salaries		91,000	500,000	591,000				0				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940				0				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940				0				0
Adds funding for an Office of Automation	0.00	0		0	(1.00)	(1,000,000)		(1,000,000)	(1.00)	(1,000,000)		(1,000,000)
Adds funding for a Global Engagement Office	0.00	351,404		351,404	(1.00)	(268,000)		(268,000)	(1.00)	(268,000)		(268,000)
Removes salary funding for funding pool		(966,736)	(102,571)	(1,069,307)		(966,736)	(102,571)	(1,069,307)		561,762		561,762
Adds funding for travel		490,534		490,534				0				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666				0				0
Adds funding for the Operation Intern program		251,082		251,082				0				0
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Transfers $110,000 of federal funding for the AmeriCorps workforce community services program from operating expenses to salaries				0				0				0
Adds funding for the weatherization, heating and furnace, and cooling assistance programs			0	0			(2,085,834)	(2,085,834)				0
Adds funding for the rural health care grant program		194,000		194,000				0				0
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)				0				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)				0				0
Reduces funding for the North Dakota Small Business Development Center		(654,611)		(654,611)		(654,611)		(654,611)				0
Total ongoing funding changes	2.00	$1,320,390	($233,893)	$1,086,497	(2.00)	($2,712,967)	($2,150,014)	($4,862,981)	(2.00)	($756,250)	$0	($756,250)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program			$2,000,000	$2,000,000			($5,000,000)	($5,000,000)				$0
Adds funding for the workforce talent attraction initiative operating expenses		$12,000,000		12,000,000		$4,000,000		4,000,000		($2,000,000)		(2,000,000)
Adds funding for workforce investment program grants		12,500,000		12,500,000		(2,500,000)		(2,500,000)				0
Adds funding for automation workforce transition training grants		0		0		(5,000,000)		(5,000,000)				0
Adds funding for automation workforce equipment grants		0		0		(5,000,000)		(5,000,000)				0
Adds funding for technical skills training grants		2,000,000		2,000,000				0				0
Adds funding for tourism awareness marketing			5,000,000	5,000,000				0				0
Adds funding for a tourism destination development initiative			40,000,000	40,000,000			15,000,000	15,000,000			($10,000,000)	(10,000,000)
Adds funding for Main Street Initiative community development grants		0		0		(400,000)		(400,000)		(400,000)		(400,000)
Adds funding for the BVLOS UAS grant program, also known as Vantis			26,000,000	26,000,000			(4,000,000)	(4,000,000)			6,000,000	6,000,000
Adds funding for the enhanced use lease grant program			10,000,000	10,000,000			(18,000,000)	(18,000,000)			3,000,000	3,000,000
Adds funding for new Americans workforce development and training grants		2,000,000	0	2,000,000		2,000,000	(2,000,000)	0		500,000		500,000
Adds funding for workforce grants to tribally controlled community colleges		0		0		(5,000,000)		(5,000,000)		(2,500,000)		(2,500,000)
Adds federal funding for the AmeriCorps workforce community services program			785,000	785,000				0				0
Adds federal funding for the parks and recreation grant program			1,550,000	1,550,000				0				0
Adds federal funding for the energy conservation grant program			14,081,719	14,081,719				0				0
Adds federal funding for the weatherization, heating and furance, and cooling assistance grant programs			3,258,084	3,258,084			2,085,834	2,085,834				0
Adds funding for a workforce safety grant			0	0			(1,500,000)	(1,500,000)				0
Adds funding for a regional council grant program				0				0			(4,000,000)	(4,000,000)
Adds funding for a creamery assistance grant		250,000		250,000		250,000		250,000		250,000		250,000
Adds funding for a motion picture production and recruitment grant		600,000		600,000		600,000		600,000		600,000		600,000
Adds funding for discretionary funds		0		0		(350,000)		(350,000)				0
Adds funding for the State Small Business Credit Initiative technical assistance program			572,143	572,143			572,143	572,143				0
Adds federal funding from IIJA and IRA for weatherization and energy assistance programs	3.00		120,000,000	120,000,000	3.00		120,000,000	120,000,000			(90,000,000)	(90,000,000)
Total one-time funding changes	3.00	$29,350,000	$223,246,946	$252,596,946	3.00	($11,400,000)	$107,157,977	$95,757,977	0.00	($3,550,000)	($95,000,000)	($98,550,000)
Total Changes to Base Level Funding	5.00	$30,670,390	$223,013,053	$253,683,443	1.00	($14,112,967)	$105,007,963	$90,894,996	(2.00)	($4,306,250)	($95,000,000)	($99,306,250)

2023-25 Total Funding	63.80	$62,172,530	$276,557,432	$338,729,962	1.00	($14,112,967)	$105,007,963	$90,894,996	(2.00)	($4,306,250)	($95,000,000)	($99,306,250)
Federal funds included in other funds			*$184,050,129*				*$120,530,548*				*($90,000,000)*	
Total ongoing changes as a percentage of base level	*3.4%*	*4.2%*	*(0.4%)*	*1.3%*								
Total changes as a percentage of base level	*8.5%*	*97.4%*	*416.5%*	*298.3%*								

Other Sections in Department of Commerce - Budget No. 601

	Conference Committee Version
Transfer - General fund to internship fund	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 4 requires OMB to transfer $10 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIIF to North Dakota Development Fund	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIIF to North Dakota Development Fund - Fertilizer development grant program	
Estimated income - Federal weatherization and energy assistance programs - FTE position authorization	Section 6 identifies $120 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.
Estimated income - SIIF - One-time funding - Legislative intent	Section 7 identifies $83 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($40 million), BVLOS UAS grants ($26 million), and enhanced use lease grants ($10 million). The department may award no more than $15 million for a project under the tourism destination development initiative program. Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or a grant for interest rate buy downs.
Rural workforce housing grant program	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Workforce programs	Section 9 identifies $28.5 million from the general fund in the workforce programs line item is for workforce-related programs, including the workforce talent attraction initiative ($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).
Rural health care grant program - Matching funds requirement	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

	Conference Committee Version
Discretionary funds - State magazine, Native American small business support, and base retention grants	Section 11 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report	
Entrepreneurship grants and vouchers program	Section 12 identifies $948,467 appropriated in Section 1, 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, also known as Innovate ND, for the 2023-25 biennium.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund	Sections 13 through 19 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.
Amendment - Workforce Enhancement Council	Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - North Dakota Development Fund powers	Section 21 amends Section 10-30.5-04 to clarifiy the powers of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.
Amendment - North Dakota Development Fund management	Section 22 amends Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the Department of Commerce Division of Economic Development and Finance under chapter 54-34.3, or the director's designee.
Amendment - UAS program and fund	Sections 23 through 25 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges - Grant awards	Secton 26 amends Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
Amendment - Workforce development grants to tribally controlled community colleges - Career and technical education programs	Section 27 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.

Other Sections in Department of Commerce - Budget No. 601

	Conference Committee Version
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 28 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Subsection 1 of Section 29 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Subsection 2 of Section 29 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Subsection 3 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Subsection 4 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	
Exemption - Job development and economic growth grant program	Subsection 5 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - UAS program	Subsection 6 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Subsection 7 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Conference Committee Version
Exemption - BVLOS UAS program matching funds	Subsection 8 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Subsection 9 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Subsection 10 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Subsection 11 of Section 29 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Subsection 12 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Subsection 13 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Subsection 14 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Subsection 15 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports	Section 30 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Emergency - Federal weatherization and energy assistance programs	Section 31 declares the $120 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.

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

Prepared for: 4/27/2023

	House Version				Senate Version				Conference Committee Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519	58.80	$31,502,140	$53,544,379	$85,046,519
2023-25 Ongoing Funding Changes												
Base payroll changes		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512		$444,238	$283,274	$727,512
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495		80,150	20,345	100,495
Salary increase		632,902	118,204	751,106		859,715	157,900	1,017,615		819,989	157,900	977,889
Health insurance increase		247,483	58,035	305,518		247,062	56,730	303,792		236,776	56,730	293,506
Restores underfunded salaries		140,000		140,000		140,000		140,000		140,000		140,000
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000		91,000	500,000	591,000
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940	1.00	202,940		202,940
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940	1.00	202,940		202,940
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000	0.00	0		0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404	0.00	351,404		351,404
Removes salary funding for funding pool				0		(1,528,498)	(102,571)	(1,631,069)		(966,736)	(102,571)	(1,069,307)
Adds funding for travel		490,534		490,534		490,534		490,534		490,534		490,534
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082		251,082		251,082
Transfers $220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Transfers $110,000 of federal funding for the AmeriCorps workforce community services program from operating expenses to salaries				0				0				0
Adds funding for the weatherization, heating and furnace, and cooling assistance programs			2,085,834	2,085,834			0	0			0	0
Adds funding for the rural health care grant program		194,000		194,000		194,000		194,000		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)
Reduces funding for the North Dakota Small Business Development Center				0		(654,611)		(654,611)		(654,611)		(654,611)
Total ongoing funding changes	4.00	$4,033,357	$1,916,121	$5,949,478	4.00	$2,076,640	($233,893)	$1,842,747	2.00	$1,320,390	($233,893)	$1,086,497
One-Time Funding Items												
Adds funding for the rural workforce housing grant program			$7,000,000	$7,000,000			$2,000,000	$2,000,000			$2,000,000	$2,000,000
Adds funding for the workforce talent attraction initiative operating expenses		$8,000,000		8,000,000		$14,000,000		14,000,000		$12,000,000		12,000,000
Adds funding for workforce investment program grants		15,000,000		15,000,000		12,500,000		12,500,000		12,500,000		12,500,000
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		0		0		0		0
Adds funding for automation workforce equipment grants		5,000,000		5,000,000		0		0		0		0
Adds funding for technical skills training grants		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000
Adds funding for tourism awareness marketing			5,000,000	5,000,000			5,000,000	5,000,000			5,000,000	5,000,000
Adds funding for a tourism destination development initiative			25,000,000	25,000,000			50,000,000	50,000,000			40,000,000	40,000,000
Adds funding for Main Street Initiative community development grants		400,000		400,000		400,000		400,000		0		0
Adds funding for the BVLOS UAS grant program, also known as Vantis			30,000,000	30,000,000			20,000,000	20,000,000			26,000,000	26,000,000
Adds funding for the enhanced use lease grant program			28,000,000	28,000,000			7,000,000	7,000,000			10,000,000	10,000,000
Adds funding for new Americans workforce development and training grants			2,000,000	2,000,000		1,500,000	0	1,500,000		2,000,000	0	2,000,000
Adds funding for workforce grants to tribally controlled community colleges		5,000,000		5,000,000		2,500,000		2,500,000		0		0
Adds federal funding for the AmeriCorps workforce community services program			785,000	785,000			785,000	785,000			785,000	785,000
Adds federal funding for the parks and recreation grant program			1,550,000	1,550,000			1,550,000	1,550,000			1,550,000	1,550,000
Adds federal funding for the energy conservation grant program			14,081,719	14,081,719			14,081,719	14,081,719			14,081,719	14,081,719
Adds federal funding for the weatherization, heating and furance, and cooling assistance grant programs			1,172,250	1,172,250			3,258,084	3,258,084			3,258,084	3,258,084
Adds funding for a workforce safety grant			1,500,000	1,500,000			0	0			0	0
Adds funding for a regional council grant program				0			4,000,000	4,000,000				0
Adds funding for a creamery assistance grant				0				0		250,000		250,000
Adds funding for a motion picture production and recruitment grant				0				0		600,000		600,000
Adds funding for discretionary funds		350,000		350,000		0		0		0		0
Adds funding for the State Small Business Credit Initiative technical assistance program				0			572,143	572,143			572,143	572,143
Adds federal funding from IIJA and IRA for weatherization and energy assistance programs				0	3.00		210,000,000	210,000,000	3.00		120,000,000	120,000,000

Total one-time funding changes	0.00	$40,750,000	$116,088,969	$156,838,969	3.00	$32,900,000	$318,246,946	$351,146,946	3.00	$29,350,000	$223,246,946	$252,596,946
Total Changes to Base Level Funding	4.00	$44,783,357	$118,005,090	$162,788,447	7.00	$34,976,640	$318,013,053	$352,989,693	5.00	$30,670,390	$223,013,053	$253,683,443
2023-25 Total Funding	62.80	$76,285,497	$171,549,469	$247,834,966	65.80	$66,478,780	$371,557,432	$438,036,212	63.80	$62,172,530	$276,557,432	$338,729,962
Federal funds included in other funds			*$63,519,581*				*$274,050,129*				*$184,050,129*	
Total ongoing changes as a percentage of base level	*6.8%*	*12.8%*	*3.6%*	*7.0%*	*6.8%*	*6.6%*	*(0.4%)*	*2.2%*	*3.4%*	*4.2%*	*(0.4%)*	*1.3%*
Total changes as a percentage of base level	*6.8%*	*142.2%*	*220.4%*	*191.4%*	*11.9%*	*111.0%*	*593.9%*	*415.1%*	*8.5%*	*97.4%*	*416.5%*	*298.3%*

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version	Conference Committee Version
Transfer - General fund to internship fund	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer $1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 4 requires OMB to transfer $20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.	Section 4 requires OMB to transfer $5 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.	Section 4 requires OMB to transfer $10 million from SIIF to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIIF to North Dakota Development Fund	Section 5 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.	Section 5 requires OMB to transfer $65 million from SIIF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIIF to North Dakota Development Fund - Fertilizer development grant program	Section 6 requires OMB to transfer $120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.		
Estimated income - Federal weatherization and energy assistance programs - FTE position authorization		Section 6 identifies $210 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.	Section 6 identifies $120 million of federal funds and 3 FTE positions in Section 1 as one-time funding and FTE positions available for the purpose of administering weatherization and energy assistance programs from funding received as a result of the Infrastructure Investment and Jobs Act and Inflation Reduction Act.
Estimated income - SIIF - One-time funding - Legislative intent	Section 7 identifies $98.5 million of one-time funding is from SIIF for the rural workforce housing grant program ($7 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative grant program ($25 million), BVLOS UAS grants ($30 million), enhanced use lease grants ($28 million), new Americans workforce development and training grants ($2 million), and a workforce safety grant ($1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.	Section 7 identifies $88 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($50 million), BVLOS UAS grants ($20 million), enhanced use lease grants ($7 million), and a regional council grant program ($4 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or a grant for interest rate buy downs. Funding available for the regional council grant program must be distributed equally to the eight regional councils established in the state to support the planning, development, and implementation of economic development, community infrastructure, entrepreneurship, housing, child care, and workforce development initiatives in rural communities in accordance with Chapter 54-40.1.	Section 7 identifies $83 million of one-time funding is from SIIF for the rural workforce housing grant program ($2 million), tourism marketing awareness initiative ($5 million), tourism destination development initiative program ($40 million), BVLOS UAS grants ($26 million), and enhanced use lease grants ($10 million). The department may award no more than $15 million for a project under the tourism destination development initiative program. Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent and that the department provide funding in the form of grants or a grant for interest rate buy downs.
Rural workforce housing grant program	Section 8 identifies $6.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.	Section 8 identifies $1.5 million of one-time funding appropriated from SIIF in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.

Other Sections in Department of Commerce - Budget No. 601

	House Version	Senate Version	Conference Committee Version
Workforce programs		Section 9 identifies $30 million from the general fund in the workforce programs line item is for workforce-related programs, including the workforce talent attraction initiative ($14 million), workforce investment program grants ($12.5 million), technical skills training grants ($2 million), and new Americans workforce development and training grants ($1.5 million).	Section 9 identifies $28.5 million from the general fund in the workforce programs line item is for workforce-related programs, including the workforce talent attraction initiative ($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).
Rural health care grant program - Matching funds requirement	Section 9 identifies $444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.	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.	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.
Discretionary funds - State magazine, Native American small business support, and base retention grants	Section 10 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.	Section 11 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine.	Section 11 identifies of the funding appropriated from the general fund for discretionary funds, $150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher, $350,000 is designated for supporting an organization dedicated to assisting Native American small businesses in the state, and $350,000 is for base retention grants to eligible organizations in Minot.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report	Section 11 identifies $5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.	Section 12 identifies $2.5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.	
Entrepreneurship grants and vouchers program		Section 13 identifies $948,467 appropriated in Section 1, 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, also known as Innovate ND, for the 2023-25 biennium.	Section 12 identifies $948,467 appropriated in Section 1, 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, also known as Innovate ND, for the 2023-25 biennium.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund	Sections 12 through 19 amend Chapter 6-09.18 and Section 21-10-13(4) to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.	Sections 14 through 20 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.	Sections 13 through 19 amend Chapter 6-09.18 to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.
Amendment - Workforce Enhancement Council	Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.		Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - North Dakota Development Fund powers		Section 21 amends Section 10-30.5-04 to clarifiy the powers of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.	Section 21 amends Section 10-30.5-04 to clarifiy the powers of the North Dakota Development Fund to allow for funding to be provided to private or public entities through North Dakota Development Fund contracts.

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Amendment - North Dakota Development Fund management		Section 22 amends Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the Department of Commerce Division of Economic Development and Finance under chapter 54-34.3, or the director's designee.	Section 22 amends Section 10-30.5-05 to provide if the North Dakota Development Fund chief executive officer is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the Department of Commerce Division of Economic Development and Finance under chapter 54-34.3, or the director's designee.
Amendment - UAS program and fund	Sections 21 through 23 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.	Sections 23 through 25 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.	Sections 23 through 25 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges - Grant awards		Secton 26 amends Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.	Secton 26 amends Section 54-60.2-01 to remove the requirement that workforce development grants to tribally controlled community colleges be awarded based on documented job placement rates at each eligible college.
Amendment - Workforce development grants to tribally controlled community colleges - Career and technical education programs	Section 24 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.	Section 27 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.	Section 27 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 25 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 28 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 28 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Subsection 1 of Section 26 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 29 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 29 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of $500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue $320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Subsection 2 of Section 26 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 29 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 29 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of $11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program ($3,000,000), community services block grant program ($7,393,078), and emergency solutions grant program ($1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Subsection 3 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of $56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Subsection 4 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.

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Exemption - Additional discretionary funds	Subsection 5 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.		
Exemption - Job development and economic growth grant program		Subsection 5 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 5 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the job development and economic growth grant program into the 2023-25 biennium. A total of $1.5 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - UAS program	Subsection 6 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of $3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Subsection 7 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of $19 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Subsection 8 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of $1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Subsection 9 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of $7 million was appropriated from SIIF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Subsection 10 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of $1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Subsection 11 of Section 26 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 29 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 29 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of $1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Subsection 12 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of $1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

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Exemption - Autonomous agriculture matching grants	Subsection 13 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of $10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Subsection 14 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of $15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Technical skills training grants	Subsection 15 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 29 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of $5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports	Section 27 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.	Section 30 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.	Section 30 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Emergency - Federal weatherization and energy assistance programs		Section 31 declares the $210 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.	Section 31 declares the $120 million of federal funds appropriated in Section 1 for weatherization and energy assistance programs to be an emergency measure.