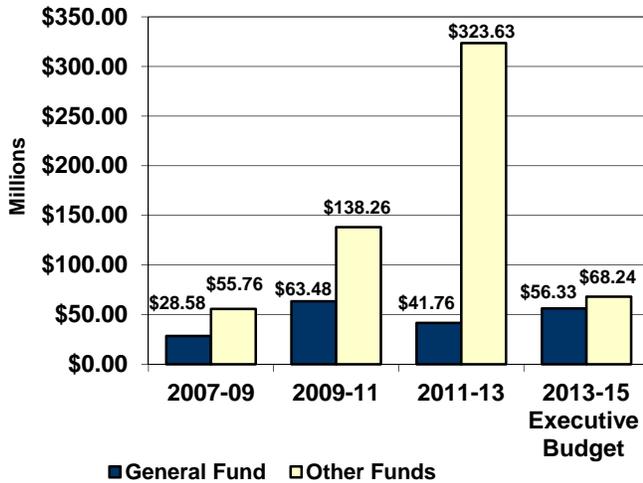


**Department 601 - Department of Commerce  
 Senate Bill No. 2018**

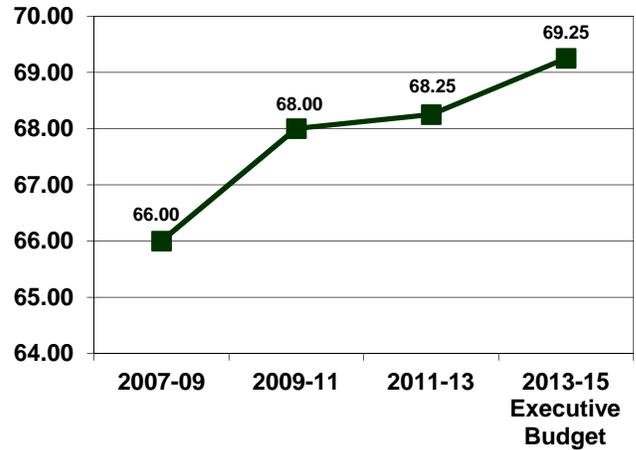
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	69.25	\$56,325,031	\$68,241,034	\$124,566,065
2011-13 Legislative Appropriations	68.25	41,759,865	323,634,937	365,394,802 <sup>1</sup>
Increase (Decrease)	1.00	\$14,565,166	(\$255,393,903)	(\$240,828,737)

<sup>1</sup>The 2011-13 appropriation amounts include \$235 million of additional special funds authority for flood impact grants and loans during the 2011-13 biennium.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$32,150,031	\$24,175,000	\$56,325,031
2011-13 Legislative Appropriations	29,134,865	12,625,000	41,759,865
Increase (Decrease)	\$3,015,166	\$11,550,000	\$14,565,166

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for the State Data Center, which includes 1 FTE demographer position	\$498,852	\$0	\$498,852
2. Provides <b>one-time funding</b> from the general fund for a child care facility grant program for the purpose of providing grants of up to \$187,500 to political subdivisions for new and expanded licensed child care facilities and essential equipment for the facilities	\$5,000,000	\$0	\$5,000,000
3. Provides <b>one-time funding</b> from the general fund for a research North Dakota grant program	\$12,000,000	\$0	\$12,000,000
4. Provides <b>one-time funding</b> of \$5 million, of which \$1 million is from the general fund and \$4 million is from the strategic investment and improvements fund for the unmanned aerial system grant program	\$1,000,000	\$4,000,000	\$5,000,000
5. Provides a <b>one-time transfer</b> from the general fund to the workforce enhancement fund for two-year colleges to create or enhance training programs	\$2,000,000	\$0	\$2,000,000
6. Provides <b>one-time funding</b> from the general fund for tourism large infrastructure grants to attract, retain, and entertain North Dakota citizens and visitors	\$1,325,000	\$0	\$1,325,000

7. Provides <b>one-time funding</b> from the general fund for the North Dakota planning initiative program to provide technical assistance and grants for communities to use in planning for growth	\$1,000,000	\$0	\$1,000,000
8. Provides <b>one-time funding</b> for base retention grants	\$1,500,000	\$0	\$1,500,000
9. Provides <b>one-time funding</b> for a study with the Upper Great Plains Transportation Institute for updating and maintaining reports for the transportation infrastructure needs of the state	\$350,000	\$0	\$350,000
10. Increases funding from the general fund for the InnovateND program from \$400,000 to \$500,000	\$100,000	\$0	\$100,000
11. Increases funding from the general fund for Operation Intern from \$900,000 to \$1.5 million	\$600,000	\$0	\$600,000
12. Adds funding for increasing tourism-related marketing and research from \$7,684,329 to \$9,184,329	\$1,500,000	\$0	\$1,500,000
13. Provides funding for state employee salary increases of which \$353,441 relates to performance increases and \$0 is for market equity adjustments	\$272,149	\$81,292	\$353,441
14. Removes <b>one-time funding</b> for flood impact loans and grants	\$0	(\$235,000,000)	(\$235,000,000)

### Other Sections in Bill

**Sections 3-5, 7, 11, 13, and 14** - Renames the agricultural fuel tax fund the agricultural products utilization fund, designates that interest earned on the money in the fund be retained in the fund, and provides a continuing appropriation of money in the fund to the Department of Commerce

**Section 6** - Removes certain revenues from being deposited in the ethanol production incentive fund

**Section 8** - Creates an energy conservation grant fund and provides a continuing appropriation to the Department of Commerce for providing grants to political subdivisions for energy conservation projects

**Sections 9 and 10** - Creates a Research North Dakota grant program, creates a special fund, and provides a continuing appropriation to the department of commerce for providing grants to research universities for research, development, and commercialization activities related to a private sector partner

**Section 12** - Removes a portion of fuel tax refund withholding from being deposited into the agricultural fuel tax fund and the ethanol production incentive fund

**Section 15** - Allows unexpended 2011-13 agricultural products utilization commission grants appropriations to continue and be spent during the 2013-15 biennium

**Section 16** - Allows unexpended 2011-13 discretionary funds appropriations to continue and be spent during the 2013-15 biennium

**Section 17** - Allows unexpended 2011-13 technology-based entrepreneurship grants appropriations to continue and be spent during the 2013-15 biennium

**Section 18** - Allows the unexpended 2009-11 funds for promotion and marketing of the USS North Dakota to continue and be spent during the 2013-15 biennium

**Section 19** - Allows the unexpended 2009-11 funds for the Mickelson antiballistic missile site and the Minot air force base to continue and be spent during the 2013-15 biennium

**Section 20** - Transfers the amount appropriated for the workforce enhancement fund line item to the workforce enhancement fund

**Section 21** - Transfers \$1.5 million of the operating expenses line item to the internship fund

**Section 22** - Transfers the amount appropriated for the Research North Dakota line item to the Research North Dakota fund

**Section 23** - Requires the Trade Office to raise dollar-for-dollar matching funds before the Department of Commerce may spend the final thirty percent of the \$2,613,400 appropriated in the Trade Office line item

**Section 24** - Limits base retention grant program funding to communities with air force bases and requires that communities secure dollar-for-dollar matching funds

**Section 25** - Requires the Department of Commerce to develop qualification guidelines for the child care facility grant program, requires one dollar of matching funds for every three dollars of grant funds, and limits grant amounts to \$187,500

**Section 26** - Makes the \$4 million from the strategic investment and improvements fund provided for the unmanned aircraft systems program contingent upon receiving Federal Aviation Administration approval as a national test site

**Section 27** - Declares \$1.5 million in the operating expense line item for the operation intern program to be an emergency

### **Continuing Appropriations**

**Ethanol production incentive fund** - North Dakota Century Code Section 17-02-05 - This continuing appropriation 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 - This continuing appropriation allows for the expenditures of community development block grant revolving loan funds.

**Centers of excellence fund** - Section 15-69-06 - This continuing appropriation allows for implementing and administering the centers of excellence program.

**Centers of excellence research fund** - Section 54-65-05 - This continuing appropriation allows for implementing and administering the centers of research excellence program.

### **Significant Audit Findings**

The statewide single audit for the fiscal years ended June 30, 2009 and 2010, includes findings relating to the Department of Commerce involving proper documentation for compliance with earmarking requirements.

### **Major Related Legislation**

**House Bill No. 1113** - Removes the reporting requirement for the ethanol production incentives and allows the development fund to continue to provide financing to early childhood facilities

**House Bill No. 1174** - Creates a corporate headquarters relocation program to be administered by the Department of Commerce with an appropriation of \$15 million from the general fund

**House Bill No. 1211** - Appropriates \$600,000 from the general fund to the Department of Commerce for matching fund grants to organizations that recruit and supply personnel providing health services in rural areas

**Senate Bill No. 2027**- Requires conducting a study to evaluate value-added market opportunities related to renewable energy resources during the 2013-14 interim and report to the Legislative Management before September 1, 2014

**Senate Bill No. 2029** - Requires conducting a study to evaluate value-added market opportunities related to oil and gas during the 2013-14 interim and report to the Legislative Management before September 1, 2014