

FISCAL NOTE
Requested by Legislative Council
02/03/2015

Amendment to: SB 2241

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill, as amended, calls for a legislative management study regarding the impact of Department of Commerce satellite offices on Indian reservations in North Dakota and on tourism opportunities on Indian reservations.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

As amended, this bill would not have any direct fiscal impact, beyond costs associated with conducting the legislative management study.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

There is not an appropriations contained in this bill, or elsewhere, to cover the expenses of operating the satellite offices required by this bill.

Name: Carla Hahn

Agency: Department of Commerce

Telephone: 701-328-3698

Date Prepared: 02/03/2015

FISCAL NOTE
Requested by Legislative Council
01/16/2015

Bill/Resolution No.: SB 2241

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,705,216		\$3,705,216	
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would require the Department of Commerce to operate satellite offices on each of the Indian reservations. Each satellite office is required to have a staff member from each of the Department's four divisions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill creates a requirement that the Department of Commerce establish satellite offices on each of the Indian reservations. These satellite offices are required to include a staff member from each of the Department's four divisions. The cost includes the salary and benefits of each of the required staff members, as well as the operating costs.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

This bill would require satellite offices staffed with four people on each of the Indian reservations. We estimate that each employee would cost \$9,649 per month including salary and benefits and operating costs such as rent, travel, phones, equipment, and supplies. This equates to \$38,596 in monthly expenses per office for a total of \$926,304 per office for the biennium. Assuming this bill only applies to the four primary Indian reservations in the state, the total biennial cost would be \$3,705,216. If this bill were to include the Lake Traverse Indian Reservation, which includes a small portion in North Dakota, the total biennial cost would be \$4,631,520.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

There is not an appropriations contained in this bill, or elsewhere, to cover the expenses of operating the satellite offices required by this bill.

Name: Carla Hahn

Agency: Department of Commerce

Telephone: 701-328-3698

Date Prepared: 01/20/2015

2015 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2241

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2241
January 28, 2015
Job Number 22708

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to creation of department of commerce satellite offices on Indian reservations

Minutes:

Attachments

Vice Chairman Campbell: Called the committee back to order.

Senator Marcellais: Written Testimony Attached (1). (:39-4:39)

Senator Burckhard: Regarding the unemployment issue how many jobs might this create in Rolette County or in your area?

Senator Marcellais: In Rolette County we need some industry and business assistance to set up small businesses and it is hard to predicate how much employment that would create.

Chairman Klein: I know you've brought this bill in the past. I believe Mr. Goettle was still at the department when we first tried to address this issue. It sounded at that time that they had reached out to make some attempts to create some opportunities. Last session we did pass a bill to help with some job training, I believe a report should be coming to one of the committees to see how well that is working. We're just not getting there is that what I am hearing?

Senator Marcellais: What this bill states is that we should have offices on the reservation and we don't have the offices on the reservation. The creation you are talking about is the workforce investment through the colleges. That works very well and they did report back to the interim committee about the improvements and the accomplishments with that program. We do have a lot of workers going out to the oil fields because that is the courses that is being offer at Turtle Mountain Community College but that has helped. As I said we need the offices on the reservation.

Senator Sinner: This bill has a good fiscal note it would go to setting up offices and staffing. That leaves money not available for the actual programs that we need on the

reservations. Would you rather have the money actually dedicated to the programs or do you think having an office and a staff there would make that much of a difference?

Senator Marcellais: We would like both. The committee continued to ask questions and also made comments regarding work that is available in other areas of the state. (7:49-11:56)

Alan Anderson, Commissioner for the North Dakota Department of Commerce: Written Testimony Attached (2). (11:57-21:32)

Senator Sinner: Said he spoke about this American Indian Business Development Office is that staffed now?

Alan Anderson: It is staffed. It is on a contract and goes out for bids every two years and the ones that we had joint responsibility for that this time around were Mike Mavens organization had a portion of it and Al Nygard has a consulting group and they were the winners of that contract.

Senator Sinner: Where is that office located at?

Alan Anderson: You could call it a virtual office because they use their offices. (22:24-22:45)

Senator Sinner: Asked what the dollar amount of the contract.

Alan Anderson: It is a hundred thousand dollar one, this last biennium.

Senator Sinner: The idea of it is to develop businesses on reservations or with Native American ownership correct?

Alan Anderson: That is correct. What they are trying to do is organize Native American leaders across the state and look at other states to see what they are doing to try to make a difference. Some of the successes over the last couple of years are the adoption of those uniform commercial codes. Now the question is how that impacts the number of businesses coming into the reservation.

Chairman Klein: Asked how many satellite offices they have in the state.

Alan Anderson: We don't really have satellite offices.

Chairman Klein: We haven't done this for other folks. We operate those folks from a central point and attempt to use all those energies to get the work done?

Alan Anderson: We just don't have the number of people to do that.

Senator Sinner: Asked about doing some programs at the colleges that would offer a leg up for these students.

Alan Anderson: There are some entrepreneurship programs centers. (26:42-27:30)

Senator Campbell: Asked how effective he thinks it would be if they had offices on the reservation instead of what you are doing now.

Alan Anderson: I think there would be an advantage with having those type of offices on the reservation. What I would suggest is that it is Native American driven. We have much more success if the local leaders are driving the process. We view ourselves from a state standpoint as supporting the efforts of the local leaders in those areas. Part of the idea of the Indian business alliance is to gather the Native American business men that have been successful across the state and there are a lot of them, to help drive some of that mentoring ability.

Vice Chairman Campbell: Closed the hearing.

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2241
2/2/2015
Job Number 22999

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to creation of department of commerce satellite office on Indian reservations

Minutes:

Attachment

Chairman Klein: This bill has been before us four or five times. I think spending four million dollars is not money well spent. There was some discussion on whether or not we should just study the idea of having satellite offices.

Senator Sinner: If we want to hog house this thing and turn it into a study I would make a motion to do that.

Chairman Klein: Said he had an amendment. He also took on the tourism idea and put that into the amendment. Amendment Attached (1).

Senator Poolman: Moved the hog house amendments.

Senator Burckhard: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Poolman: Moved a do pass as amended.

Senator Burckhard: Seconded the motion.

Roll Call Vote: Yes-6 No-1 Absent-0

Senator Poolman will carry the bill.

February 2, 2015

TD
2/2/15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2241

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of department of commerce satellite offices on Indian reservations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SATELLITE OFFICES.

During the 2015-16 interim, the legislative management shall consider studying the impact of department of commerce satellite offices on Indian reservations in North Dakota and on tourism opportunities on Indian reservations. The study may include the evaluation of the cost of the salary and benefits of each of the required staff members and operating costs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2241**

Senate Industry, Business and Labor Committee

Subcommittee

Amendment LC# or Description: 15.0809.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Senator Poolman Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2241**

Senate Industry, Business and Labor Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Senator Poolman Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller		x			
Senator Poolman	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Poolman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2241: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2241 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of department of commerce satellite offices on Indian reservations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SATELLITE OFFICES. During the 2015-16 interim, the legislative management shall consider studying the impact of department of commerce satellite offices on Indian reservations in North Dakota and on tourism opportunities on Indian reservations. The study may include the evaluation of the cost of the salary and benefits of each of the required staff members and operating costs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

2015 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2241

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2241
3/4/2015
24323

- Subcommittee
 Conference Committee

Ellen Litang

Explanation or reason for introduction of bill/resolution:

Legislative management study of Department of Commerce satellite offices on Indian reservations.

Minutes:

Attachments 1, 2

Vice Chairman Sukut: Opens the hearing on SB 2241.

Richard Marcellais ~Senator from District 9, Rolette County: (Attachment 1).

4:00

Representative Kasper: How would you envision if these offices open that they work and enhance the abilities to meet the goals of the bill?

Marcellais: They will be actually located on the reservations and they can see what is actually happening. We are looking to keep businesses open.

Representative Kasper: How would this bill help businesses stay open and what is the reason the businesses are closing in the first place?

Marcellais: The reason for the closing of the business is because of the federal contract that was available at one time. Now we are looking at state funding and contracts for our reservations.

Representative Ruby: Was that information provided in the first fiscal note for offices to be established?

Marcellais: No, those weren't offered in the initial bill.

Representative Beadle: Do we have a lot of satellite offices around the state right now or would this be setting a precedence for expansion footprint?

Marcellais: I believe there are satellite offices right now, but not on the reservations.

Chairman Keiser: This is an interesting concept given our unemployment situation. Should we modify to somehow engage commerce with the TERRO program?

Marcellais: I would recommend working with the TERRO program and it is pretty much the control for employment on the reservations along with the businesses.

Chairman Keiser: Do we need to put a satellite office out there but strengthen the communication and relationship between commerce and the TERRO office?

Marcellais: The commerce on the reservation helps businesses in establishing the business. The TERRO office just takes a fee for businesses. They don't get involved in the business.

Chairman Keiser: Anyone here to testify in support of SB 2241, opposition, neutral?

JustinAlan Anderson~Commissioner for the North Dakota Department of Commerce: (Attachment 2).

13:15

Representative Kasper: I see a contradiction in your testimony. I don't see where the workforce is there yet. I see that we are trying to get to and made strides to it. Where they are going to cut 2 million dollars, is that going to negatively impact what we are trying to do on the reservation in developing the workforce?

Anderson: I feel that provided a real opportunity to the state.

Representative M Nelson: It seems the push is how to get the outreach activities to get the department of commerce to have a relationship. What does the Department of Commerce do for the reservations now?

Anderson: We go and meet with local businesses to have dialogue. We also have economic round tables where we invite people.

Representative M Nelson: But what do you actually do on the reservations?

Anderson: No, we don't but we are trying to get them to our round tables.

Representative Lefor: Can you give me the history and what is the thought process?

Anderson: The American Indian Business Development office dates back to 2007 when it was established within the North Dakota Department of Commerce. Since its establishment we have maintained a relationship with the Indian Affairs Commission and the administration of these offices. Over the years, they have become more involved. We felt

that it was appropriate with their role and we could help them better lead in their development issues.

Chairman Keiser: Closes the hearing on SB 2241. What are the wishes of the committee?

Representative Becker: I don't think this is a good idea so I Move a **Do Not Pass**.

Representative Ruby: Seconded.

Representative Ruby: The language of this bill could be all sized up in a fiscal note. Seems like one is off the shelf, let's put another on. I'm going to support the motion.

Roll call was taken on SB 2241 for a Do Not Pass with 8 yes, 6 no, 1 absent and Representative Becker will carry the bill.

Date: Mar 4, 2015

Roll Call Vote: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2241

House Industry, Business & Labor Committee

Subcommittee Conference Committee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations

Other Actions: Reconsider _____

Motion Made By Rep Becker Seconded By Rep Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Representative Lefor	X	
Vice Chairman Sukut	X		Representative Louser	X	
Representative Beadle	X		Representative Ruby	X	
Representative Becker	X		Representative Amerman		X
Representative Devlin		X	Representative Boschee		X
Representative Frantsvog	Ab		Representative Hanson		X
Representative Kasper		X	Representative M Nelson		X
Representative Laning	X				

Total (Yes) 8 No 6

Absent 1

Floor Assignment Rep Becker

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2241, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO NOT PASS (8 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2241 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2241



NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Senator Richard Marcellais
District 9
RR 1, Box 267A
Belcourt, ND 58316-9787
rmarcellais@nd.gov

COMMITTEES:
Education
Government and Veterans Affairs

Testimony

**Senate Bill No. 2241 – relating to creation of department of
commerce satellite offices on Indian Reservations
Industry, Business, and Labor (IBL) Committee
Senator J. Klein, Chairman
January 28, 2015**

**Chairman Klein, members of the IBL Committee, for the
record is my name is Richard Marcellais, Senator from District
9, Rolette County.**

**Senate Bill 2241 would set-up satellite offices on the Indian
reservations with a memorandum of understanding to assist
with the economic development with the following divisions as
part of the North Dakota Department of Commerce:**

Division of Economic Development and Finance:

**As the Governor said “We have been working hard to build a
strong, responsive business climate in North Dakota, to
provide emerging and expanding businesses with the resources
they need to grow and succeed in our state. We’ve simplified
our tax system and created new tax incentives, streamlined
regulatory processes, developed flexible financing programs,
and readied our workforce for the high demand careers of the
future”**

Division of Community Services (DCS):

**Goal is to provide the Native Americans of North Dakota with
effective, efficient and customer oriented administration of**

federal and state programs for community development, energy efficiency, housing and self sufficiency. All of the programs and services are geared to improving the quality of life for the citizens of North Dakota and to making the State a great place in which to live, work and be in business.

Division of Tourism:

We are all related ring true in North Dakota You'll often see us celebrating all the things from our heritage that make us different, as well as all things that make us alike. At our American Indian powwows, we dance in a circle that honors this interweaving of cultures and the beautiful land connecting us. Whatever your heritage, come join in our circle and celebrate with us.

Division of Workforce Development:

The Workforce Division is responsible for monitoring local, regional, national workforce initiatives and the development and implementation of the states talent and intelligence coordination strategies. It's goal to ensure the North Dakota employers have access to a skilled talent pool to meet their workforce needs, young people remain in the state for jobs and civic engagement and volunteerism expands in the state.

Based on the above testimony on Department of Commerce, Divisions of Community Services, Economic Development, & Finance, Tourism and Workforce Development will not only help the state of North Dakota and the five Native American reservations.

Thank you very much for the opportunity to appear in support of Senate Bill # 2241. I will try an answer any questions the committee may have.



DEPARTMENT OF COMMERCE TESTIMONY ON SENATE BILL 2241

JANUARY 28, 2015, 10:30 A.M.

SENATE INDUSTRY, BUSINESS AND LABOR COMMITTEE

SENATOR JERRY KLEIN, CHAIRMAN

ALAN ANDERSON – COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman and members of the committee. My name is Alan Anderson and I serve as the Commissioner for the North Dakota Department of Commerce. I would like to provide you with some information that may be relevant as you consider this bill.

I'll start today by stepping back a bit to describe the overall mission of the North Dakota Department of Commerce and then provide examples on how we are working with local partners and businesses to help them accomplish this mission on our Indian Reservations.

North Dakota Department of Commerce Mission

The Department of Commerce leads North Dakota's efforts to attract, retain and expand wealth. Our four divisions - Tourism, Economic Development, Workforce Development and Community Services - help our citizens live, work, do business and play in North Dakota.

The model for the Department of Commerce and its four divisions supports the philosophy that locally driven development efforts best fit the local culture and climate, have the strongest support from local people and are the most likely to succeed.

Please let me describe some of the ways the Department of Commerce has worked in partnership with our state's Indian reservations toward achieving these goals.

Tourism

The tourism division's work to increase opportunities for travelers to experience our state's rich Native American culture was heightened in 2002 with the Legendary branding and the focus on the Lewis and Clark Bicentennial. Since then, we have worked closely with our partners in tribal tourism to tell this story, build and expand offerings and market these experiences to visitors from across the world.

We have partnered with tribal tourism representatives, Indian Affairs Commission staff and United Tribes Technical College on a number of projects and initiatives. Tourism's focus began with funding for Lewis and Clark attractions, events (most notably the two signature events held in the state) and promotions that highlight these unique offerings.

Currently our Native America opportunities are showcased in several areas including: General tourism marketing where we feature the powwows, attractions, events and tours both on and off the reservations. These are included on our web sites, in our printed materials, in advertisements, on display booth banners, in digital marketing efforts and media releases. Our new website features sections and listings for Native American Culture. There are currently 34 listings and eight events.

Media familiarization trips and pitches have resulted in dozens of stories printed in US publications and publications in at least 12 other countries.

Group travel promotion and international marketing involve hosting media, tour operators and travel wholesalers at sites and events to showcase the offerings. Tourism staff work with operators from all 50 states, Canada, Germany, Norway, Sweden, Iceland, Finland, Denmark, Australia, New Zealand, UK, Italy, France and the Benelux region. The promotions showcase the many Native American experiences available to visitors through paid advertising, attending staff trainings, exhibiting at shows, and paid placements in product sales catalogs. We have also created itineraries and sales pieces that show the Native American experiences offered throughout the state. The division also works with the American Indian and Alaska Native Tourism Association.

Tourism grants have funded ten Native American projects and tourism staff has worked with tribal tourism officials to better link and communicate the available experiences.

Economic Development

The Economic Development and Finance Division promotes economic development opportunities on the reservations in the same manner as we do for other communities across the state. In fact, we put even more focus on them because they have an available workforce to support projects that a lot of other communities in the state can't.

These efforts involve bringing out-of-state companies on site visits on the reservations to showcase available facilities and to highlight workforce availability, including companies looking for opportunities to operate in areas where they can secure federal contracts. We also introduce out-of-state companies to existing companies on reservations to encourage partnerships and/or contract manufacturing arrangements.

In order to promote an open dialogue, the division, along with other Commerce staff, regularly conducts community visits including communities located within a reservation.

Workforce Development

Last session, the legislature approved a \$5 million Tribal College Grant program which is administered by the Department of Commerce. Through this program, the department works with the eligible colleges to improve workforce training available to Native Americans, as well as entrepreneurial assistance. These activities include:

- Development of curriculum.
- Purchase of equipment and technology.
- Faculty training.
- Student recruitment.
- Facility renovations to develop, expand, or redesign a program.

Eligible institutions include Cankdeska Cikana Community College on the Spirit Lake Reservation, Fort Berthold Community College on the Fort Berthold Reservation, Sitting Bull College on the Standing Rock Reservation, Turtle Mountain Community College on the Turtle Mountain Indian Reservation, and United Tribes Technical College in Bismarck.

The executive budget recommendation includes \$6 million for the continuation of this program within HB 1018.

Community Services

Through the Community Development Block Grant Program the Division of Community Services has assisted in funding numerous projects on reservations. The Community Services Block Grant program is an anti-poverty grant program administered that helps low-income people address a wide variety of challenges including employment, education, housing, and nutrition. The funds are allocated through eight community action agencies statewide and all of our Indian reservations are included in the service areas of these agencies.

In 2013, the 8 Community Action Agencies assisted 3,600 Native Americans to address various conditions of poverty that create barriers to economic security. These barriers include:

1. Employment or Work Support
2. Economic asset enhancement
3. Child and family development
4. Independent living skills
5. Family stability
6. Emergency Assistance and
7. Community opportunities.

American Indian Business Development Office

The North Dakota Indian Business Alliance is a joint venture of the Indian Affairs Commission and the Department of Commerce to grow and strengthen Native American entrepreneurship both on and off the state's reservations. The North Dakota Indian Business Alliance made great strides forward by holding several conferences and establishing a mentorship arrangement for young entrepreneurs. Many best practices and new ideas were exchanged during these conferences. One of the most noteworthy, from my stand point, deals with the adoption of Uniform Commercial Codes by the Standing Rock reservation. This has the potential to significantly increase business development on the reservation and once proven successful to be adopted by others.

These strides were the result of great leadership, particularly from Scott Davis, Al Nygard, and Mike Mabin. Consequently, the Department of Commerce is supporting the move of the American Indian Business Alliance office from Commerce to the Indian Affairs Commission. The Commission will serve as the primary leader and we, at Commerce, will then support their leadership and continue to aid in economic development activities.

Conclusion

Again, as a state-level agency, we see our mission as one of coordination and collaboration. We have never sought to become the local staff people on the ground in any communities. Rather we partner with others and seek to help local business people, elected leaders and economic developers in their efforts to grow their community.

Mr. Chairman and members of the Industry, Business and Labor Committee, that concludes my testimony and I would gladly respond to any questions.

2/2/15

#1

Sixty-fourth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2241

Introduced by

Senator Klein

1 A BILL for an Act to provide for a legislative management study of department of
2 commerce satellite offices on Indian reservations.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SATELLITE OFFICES.**

5 During the 2015-2016 interim, the legislative management shall consider studying the
6 impact of department of commerce satellite offices on Indian reservations in North
7 Dakota and the impact on tourism opportunities on Indian reservations. The study may
8 include the evaluation of the cost of the salary and benefits of each of the required staff
9 members, as well as the operating cost. The legislative management shall report its
10 findings and recommendations, together with any legislation required to implement the
11 recommendations, to the sixty-fifth legislative assembly.

Testimony

**Senate Bill No. 2241 – relating to creation of department of
commerce satellite offices on Indian Reservations
Industry, Business, and Labor (IBL) Committee
Representative Keiser, Chairman
March 4, 2015**

Chairman Keiser, members of the IBL Committee, for the record is my name is Richard Marcellais, Senator from District 9, Rolette County.

Senate Bill 2241 would set-up satellite offices on the Indian reservations with a memorandum of understanding to assist with the economic development with the following divisions as part of the North Dakota Department of Commerce:

Division of Economic Development and Finance:

As the Governor said “We have been working hard to build a strong, responsive business climate in North Dakota, to provide emerging and expanding businesses with the resources they need to grow and succeed in our state. We’ve simplified our tax system and created new tax incentives, streamlined regulatory processes, developed flexible financing programs, and readied our workforce for the high demand careers of the future”

Division of Community Services (DCS):

Goal is to provide the Native Americans of North Dakota with effective, efficient and customer oriented administration of federal and state programs for community development, energy efficiency, housing and self sufficiency. All of the programs and services are geared to improving the quality of life for the citizens of North Dakota and to making the State a great place in which to live, work and be in business.

Division of Tourism:

We are all related ring true in North Dakota You'll often see us celebrating all the things from our heritage that make us different, as well as all things that make us alike. At our American Indian powwows, we dance in a circle that honors this interweaving of cultures and the beautiful land connecting us. Whatever your heritage, come join in our circle and celebrate with us.

Division of Workforce Development:

The Workforce Division is responsible for monitoring local, regional, national workforce initiatives and the development and implementation of the states talent and intelligence coordination strategies. It's goal to ensure the North Dakota employers have access to a skilled talent pool to meet their workforce needs, young people remain in the state for jobs and civic engagement and volunteerism expands in the state.

Based on the above testimony on Department of Commerce, Divisions of Community Services, Economic Development, & Finance, Tourism and Workforce Development will not only help the state of North Dakota and the five Native American reservations.

Thank you very much for the opportunity to appear in support of Senate Bill # 2241. I will try an answer any questions the committee may have.



DEPARTMENT OF COMMERCE TESTIMONY ON SENATE BILL 2241
MARCH 4, 2015, 10:00 A.M.
HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE
REPRESENTATIVE GEORGE KEISER, CHAIRMAN

ALAN ANDERSON – COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman and members of the committee. My name is Alan Anderson and I serve as the Commissioner for the North Dakota Department of Commerce. I would like to provide you with some information that may be relevant as you consider this bill.

I'll start today by stepping back a bit to describe the overall mission of the North Dakota Department of Commerce and then provide examples on how we are working with local partners and businesses to help them accomplish this mission on our Indian Reservations.

North Dakota Department of Commerce Mission

The Department of Commerce leads North Dakota's efforts to attract, retain and expand wealth. Our four divisions - Tourism, Economic Development, Workforce Development and Community Services - help our citizens live, work, do business and play in North Dakota.

The model for the Department of Commerce and its four divisions supports the philosophy that locally driven development efforts best fit the local culture and climate, have the strongest support from local people and are the most likely to succeed.

Please let me describe some of the ways the Department of Commerce has worked in partnership with our state's Indian reservations toward achieving these goals.

Tourism

The tourism division's work to increase opportunities for travelers to experience our state's rich Native American culture was heightened in 2002 with the Legendary branding and the focus on the Lewis and Clark Bicentennial. Since then, we have worked closely with our partners in tribal tourism to tell this story, build and expand offerings and market these experiences to visitors from across the world.

We have partnered with tribal tourism representatives, Indian Affairs Commission staff and United Tribes Technical College on a number of projects and initiatives. Tourism's focus began with funding for Lewis and Clark attractions, events (most notably the two signature events held in the state) and promotions that highlight these unique offerings.

Currently our Native America opportunities are showcased in several areas including: General tourism marketing where we feature the powwows, attractions, events and tours both on and off the reservations. These are included on our web sites, in our printed materials, in advertisements, on display booth banners, in digital marketing efforts and media releases. Our new website features sections and listings for Native American Culture. There are currently 34 listings and eight events.

Media familiarization trips and pitches have resulted in dozens of stories printed in US publications and publications in at least 12 other countries.

Group travel promotion and international marketing involve hosting media, tour operators and travel wholesalers at sites and events to showcase the offerings. Tourism staff work with operators from all 50 states, Canada, Germany, Norway, Sweden, Iceland, Finland, Denmark, Australia, New Zealand, UK, Italy, France and the Benelux region. The promotions showcase the many Native American experiences available to visitors through paid advertising, attending staff trainings, exhibiting at shows, and paid placements in product sales catalogs. We have also created itineraries and sales pieces that show the Native American experiences offered throughout the state. The division also works with the American Indian and Alaska Native Tourism Association.

Tourism grants have funded ten Native American projects and tourism staff has worked with tribal tourism officials to better link and communicate the available experiences.

Economic Development

The Economic Development and Finance Division promotes economic development opportunities on the reservations in the same manner as we do for other communities across the state. In fact, we put even more focus on them because they have an available workforce to support projects that a lot of other communities in the state can't.

These efforts involve bringing out-of-state companies on site visits on the reservations to showcase available facilities and to highlight workforce availability, including companies looking for opportunities to operate in areas where they can secure federal contracts. We also introduce out-of-state companies to existing companies on reservations to encourage partnerships and/or contract manufacturing arrangements.

In order to promote an open dialogue, the division, along with other Commerce staff, regularly conducts community visits including communities located within a reservation.

Workforce Development

Last session, the legislature approved a \$5 million Tribal College Grant program which is administered by the Department of Commerce. Through this program, the department works with the eligible colleges to improve workforce training available to Native Americans, as well as entrepreneurial assistance. These activities include:

- Development of curriculum.
- Purchase of equipment and technology.
- Faculty training.
- Student recruitment.
- Facility renovations to develop, expand, or redesign a program.

Eligible institutions include Cankdeska Cikana Community College on the Spirit Lake Reservation, Fort Berthold Community College on the Fort Berthold Reservation, Sitting Bull College on the Standing Rock Reservation, Turtle Mountain Community College on the Turtle Mountain Indian Reservation, and United Tribes Technical College in Bismarck.

The executive budget recommendation included \$6 million for the continuation of this program within HB 1018. The House reduced this amount to \$2 million.

Community Services

Through the Community Development Block Grant Program the Division of Community Services has assisted in funding numerous projects on reservations. The Community Services Block Grant program is an anti-poverty grant program administered that helps low-income people address a wide variety of challenges including employment, education, housing, and nutrition. The funds are allocated through eight community action agencies statewide and all of our Indian reservations are included in the service areas of these agencies.

In 2013, the 8 Community Action Agencies assisted 3,600 Native Americans to address various conditions of poverty that create barriers to economic security. These barriers include:

1. Employment or Work Support
2. Economic asset enhancement
3. Child and family development
4. Independent living skills
5. Family stability
6. Emergency Assistance and
7. Community opportunities.

American Indian Business Development Office

The North Dakota Indian Business Alliance is a joint venture of the Indian Affairs Commission and the Department of Commerce to grow and strengthen Native American entrepreneurship both on and off the state's reservations. The North Dakota Indian Business Alliance made great strides forward by holding several conferences and establishing a mentorship arrangement for young entrepreneurs. Many best practices and new ideas were exchanged during these conferences. One of the most noteworthy, from my stand point, deals with the adoption of Uniform Commercial Codes by the Standing Rock reservation. This has the potential to significantly increase business development on the reservation and once proven successful to be adopted by others.

These strides were the result of great leadership, particularly from Scott Davis, Al Nygard, and Mike Mabin. Consequently, the Department of Commerce is supporting the move of the American Indian Business Alliance office from Commerce to the Indian Affairs Commission. The Commission will serve as the primary leader and we, at Commerce, will then support their leadership and continue to aid in economic development activities.

Conclusion

Again, as a state-level agency, we see our mission as one of coordination and collaboration. We have never sought to become the local staff people on the ground in any communities. Rather we partner with others and seek to help local business people, elected leaders and economic developers in their efforts to grow their community.

Mr. Chairman and members of the Industry, Business and Labor Committee, that concludes my testimony and I would gladly respond to any questions.