

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, line 2, remove "and"

Page 1, line 2, replace "a transfer" with "transfers; and to declare an emergency"

Page 1, replace lines 12 through 23 with:

"Salaries and wages	\$13,015,999	(\$7,148)	\$13,008,851
Operating expenses	16,384,623	(1,397,001)	14,987,622
Grants	48,134,795	12,292,417	60,427,212
Discretionary funds	784,152	30,688	814,840
Agricultural products utilization commission	3,118,611	34,719	3,153,330
North Dakota trade office	2,556,694	(275,196)	2,281,498
Partner programs	2,173,829	(233,984)	1,939,845
Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>
Total all funds	\$87,668,703	\$10,444,495	\$98,113,198
Less estimated income	<u>53,809,604</u>	<u>12,478,979</u>	<u>66,288,583</u>
Total general fund	\$33,859,099	(\$2,034,484)	\$31,824,615
Full-time equivalent positions	69.40	(3.00)	66.40"

Page 2, line 1, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 2, replace lines 4 through 21 with:

"Workforce enhancement fund	\$960,069		\$0
Flood impact grants/loans	12,859,869		0
Research North Dakota	4,353,542		0
Unmanned aircraft system	2,662,105		2,000,000
Base retention grants	1,500,000		1,000,000
Tourism large infrastructure grants	586,000		0
Enhanced use lease grant	7,500,000		3,000,000
Child care facility grants	2,131,267		0
Homeless shelter grants	1,500,000		0
Tribal community college grants	2,837,130		0
Workforce recruitment campaign	300,000		0
Tourism midwest markets	848,481		0
Entrepreneurship grants and vouchers	1,716,830		0
Tourism international	227,836		0
Educators and industry externships	<u>40,000</u>		<u>0</u>
Total all funds	\$40,023,129		\$6,000,000
Less estimated income	<u>21,359,869</u>		<u>6,000,000</u>
Total general fund	\$18,663,260		\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of commerce shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 29, insert:

"SECTION 5. EXEMPTION. The amount appropriated for the unmanned aircraft systems program in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION. The amount appropriated for prekindergarten community grants in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from these grants are available for grants during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 31, replace "\$1,550,000" with "\$1,275,000"

Page 3, line 2, replace the first "biennium" with "period"

Page 3, line 2, replace "July 1, 2017," with "with the effective date of this Act"

Page 3, after line 2, insert:

"SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BASE RETENTION GRANT PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$1,000,000 from the strategic investment and improvements fund for a base retention grant program to be developed by the department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. The grant program must award direct grants and not cost reimbursement grants.

SECTION 9. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED AIRCRAFT SYSTEMS PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$2,000,000 from the strategic investment and improvements fund for operations of the unmanned aircraft systems test site, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED USE LEASE GRANT PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$3,000,000 from the strategic investment and improvements fund for an enhanced use lease grant program for the operations of the unmanned aircraft systems test site, for the biennium beginning July 1, 2017, and ending June 30, 2019. Grants must be awarded for initiatives related to the unmanned aircraft system industry in North Dakota, including for the purposes of infrastructure, research, development, the creation of software, and the purchase of equipment benefiting the unmanned aircraft system. The department of commerce shall require grant recipients to provide matching funds in the form of cash, property, or in-kind consideration, totaling \$1,000,000 for the grants awarded under this program."

Page 3, line 4, remove "special"

Page 3, line 5, replace "\$2,556,694" with "\$2,281,498"

Page 3, after line 23, insert:

"SECTION 13. EMERGENCY. Funding of \$1,275,000 in the operating expenses line item in sections 1 and 7 of this Act, relating to the operation intern program, are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$13,015,999	(\$7,148)	\$13,008,851
Operating expenses	16,384,623	(1,397,001)	14,987,622
Grants	48,134,795	12,292,417	60,427,212
Discretionary funds	784,152	30,688	814,840
Ag. Products Utilization Commission	3,118,611	34,719	3,153,330
North Dakota Trade Office	2,556,694	(275,196)	2,281,498
Entrepreneurship grants and vouchers	1,500,000		1,500,000
Partner programs	2,173,829	(233,984)	1,939,845
Total all funds	\$87,668,703	\$10,444,495	\$98,113,198
Less estimated income	53,809,604	12,478,979	66,288,583
General fund	\$33,859,099	(\$2,034,484)	\$31,824,615
FTE	69.40	(3.00)	66.40

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increases²	Removes 3 FTE Positions³	Adjusts Base Level Funding⁴	Adjusts Funding for Agricultural Products Utilization Commission⁵	Reduces Funding for North Dakota Trade Office⁵
Salaries and wages	\$135,814	\$180,308	(\$479,078)	\$155,808		
Operating expenses				(1,397,001)		
Grants	(41,004)			6,033,421		
Discretionary funds				30,688		
Ag. Products Utilization Commission	17,107	5,724			11,888	
North Dakota Trade Office						(275,196)
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	\$111,917	\$186,032	(\$479,078)	\$4,822,916	\$11,888	(\$275,196)
Less estimated income	188,064	40,377	(204,556)	5,795,689	659,405	0
General fund	(\$76,147)	\$145,655	(\$274,522)	(\$972,773)	(\$647,517)	(\$275,196)
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	Reduces Funding for Partner Programs⁷	Adds Funding for Homeless Shelter Grants⁸	Adds One-Time Funding⁹	Total Senate Changes
Salaries and wages				(\$7,148)
Operating expenses				(1,397,001)
Grants		300,000	6,000,000	12,292,417
Discretionary funds				30,688
Ag. Products Utilization Commission				34,719
North Dakota Trade Office				(275,196)
Entrepreneurship grants and vouchers				
Partner programs	(233,984)			(233,984)
Total all funds	(\$233,984)	\$300,000	\$6,000,000	\$10,444,495
Less estimated income	0	0	6,000,000	12,478,979
General fund	(\$233,984)	\$300,000	\$0	(\$2,034,484)

FTE 0.00 0.00 0.00 (3.00)

¹ Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ The following FTE positions and related funding are removed:

	<u>FTE</u> <u>Positions</u>	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
Administrative assistant	(1.00)	(\$102,193)	(\$71,015)	(\$173,208)
Program assistant	(1.00)	(129,972)	(1,313)	(131,285)
Program administrator	<u>(1.00)</u>	<u>(42,357)</u>	<u>(132,228)</u>	<u>(174,585)</u>
Total	(3.00)	(\$274,522)	(\$204,556)	(\$479,078)

⁴ Base level funding is adjusted as follows:

	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Total</u>
Adjusts funding for salaries and wages	\$155,808	\$0	\$155,808
Adjusts funding for operating expenses	(1,438,838)	129,837	(1,309,001)
Reduces funding for operation intern	(225,000)	0	(225,000)
Increases funding for tourism operating expenses	0	137,000	137,000
Adjusts funding for grants	819,495	123,778	943,273
Increases funding for workforce and economic development grants	0	162,318	162,318
Reduces funding for prekindergarten community grants	(314,926)	0	(314,926)
Increases funding discretionary grants	30,688	0	30,688
Increases federal funding for flood grants	<u>0</u>	<u>5,242,756</u>	<u>5,242,756</u>
Total	(\$972,773)	\$5,795,689	\$4,822,916

⁵ Funding is adjusted for the Agricultural Products Utilization Commission (APUC) to remove funding from the general fund and increase funding from the APUC fund, providing a total appropriation of \$3,153,330.

⁶ Funding is reduced for the North Dakota Trade Office to provide a total general fund appropriation of \$2,281,498.

⁷ Funding is reduced for partner programs to provide a total general fund appropriation of \$1,939,845.

⁸ Funding is added for homeless shelter grants to provide a total appropriation of \$300,000 from the general fund.

⁹ One-time funding is provided from the strategic investment and improvements fund for:

Unmanned aircraft systems grants	\$2,000,000
Base realignment grants	1,000,000
Enhanced use lease grants	<u>3,000,000</u>
Total	\$6,000,000

This amendment adds sections to:

- Provide an exemption for unexpended 2015-17 biennium funds for the unmanned aircraft systems program to be available for use by the Department of Commerce for the 2017-19 biennium.
- Provide an exemption for unexpended 2015-17 biennium funds for prekindergarten community grants to be available for use by the Department of Commerce for the 2017-19 biennium.
- Identify \$1,000,000 from the strategic investment and improvements fund for a base retention

grant program for the 2017-19 biennium.

- Identify \$2,000,000 from the strategic investment and improvements fund for the unmanned aircraft systems program for the 2017-19 biennium.
- Identify \$3,000,000 from the strategic investment and improvements fund for the enhanced use lease grant program for the 2017-19 biennium.
- Declare the internship fund transfer an emergency measure.