

**Department of Commerce
Budget No. 601
Senate Bill Nos. 2018 and 2144**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	66.40	\$31,342,680	\$68,885,658	\$100,228,338
2017-19 base budget	69.40	33,859,099	53,809,604	87,668,703
Legislative increase (decrease) to base budget	(3.00)	(\$2,516,419)	\$15,076,054	\$12,559,635

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$30,342,680	\$1,000,000	\$31,342,680
2015-17 adjusted legislative appropriations	33,859,099	18,663,260	52,522,359
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	(\$3,516,419)	(\$17,663,260)	(\$21,179,679)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(10.4%)	(94.6%)	(40.3%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

	Changes to Base Budget			Total
	FTE Positions	General Fund	Other Funds	
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.		(\$76,147)	\$229,068	\$152,921
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.		135,102	37,452	172,554
Removed 3 FTE positions and related funding of \$479,078.	(3.00)	(\$274,522)	(\$204,556)	(\$479,078)
Adjusted funding for salaries and wages.		155,808		155,808
Adjusted funding for operating expenses, primarily related to professional services, postage, office supplies, and equipment.		(1,438,838)	129,837	(1,309,001)
Added funding for the North Dakota tourism program, including \$500,000 from the Research North Dakota fund, to provide a total appropriation of \$10.9 million, of which \$9.9 million is from the general fund.		315,000	637,000	952,000
Reduced funding for Operation Intern to provide total funding of \$950,000.		(550,000)		(550,000)
Adjusted funding for grants, primarily related to a \$500,000 grant from the Research North Dakota fund to be awarded to the Energy and Environmental Research Center (EERC).		189,525	623,778	813,303

Adjusted funding for discretionary funds, of which \$1 million is from the Research North Dakota fund, to provide total funding of \$2.2 million.	415,848	1,000,000	1,415,848
Increased federal funding for workforce and economic development grants.		162,318	162,318
Reduced funding for prekindergarten community grants to provide total funding of \$1.5 million.	(500,000)		(500,000)
Adjusted funding for the Agricultural Products Utilization Commission.	(647,517)	659,405	11,888
Reduced funding for the North Dakota Trade Office to provide total funding of \$2 million.	(556,694)		(556,694)
Reduced funding for partner programs to provide total funding of \$1,939,845.	(233,984)		(233,984)
Added funding from the general fund for homeless shelter grants.	300,000		300,000
Adjusted funding for entrepreneurship grants and vouchers to provide total funding of \$2.25 million, including \$600,000 from the general fund, \$1.5 million from the Research North Dakota fund, and \$150,000 from the economic development fund.	(750,000)	1,500,000	750,000
Added one-time federal funding for flood impact grants, including \$201,752 for salaries and operating expenses related to the program.		5,201,752	5,201,752
Added one-time funding of \$2 million from the strategic investment and improvements fund for unmanned aircraft system (UAS) grants. In addition, the agency was authorized to continue up to \$1 million of the 2015-17 biennium appropriation for UAS grants into the 2017-19 biennium.		2,000,000	2,000,000
Added one-time funding from the strategic investment and improvements fund for base retention grants.		600,000	600,000
Added one-time funding for enhanced use lease grants, of which \$1 million is from the general fund and \$2 million is from the strategic investment and improvements fund.	1,000,000	2,000,000	3,000,000
Added one-time funding from the student loan trust fund for workforce grants to tribally controlled community colleges. (Senate Bill No. 2144)		500,000	500,000
Total	<u>(3.00)</u>	<u>(\$2,516,419)</u>	<u>\$15,076,054</u>
			<u>\$12,559,635</u>

FTE Changes

The 2017-19 biennium appropriations for the Department of Commerce include funding for 66.40 FTE positions, a decrease of 3 FTE positions from the 2015-17 biennium. The Legislative Assembly removed 1 FTE administrative assistant position, 1 FTE program assistant position, and 1 FTE program administrator position, and related funding of \$479,078, of which \$274,522 is from the general fund.

One-Time Funding

In Section 3 of Senate Bill No. 2018, the Legislative Assembly identified \$10,801,752 of funding as one-time funding items for the Department of Commerce, of which \$1 million is from the general fund and \$9,801,752 is from other funds. The Legislative Assembly also provided one-time funding of \$500,000 from the student loan trust fund to the Department of Commerce in Senate Bill No. 2144 for workforce grants to tribally controlled community colleges. The following is a summary of one-time funding included in the 2017-19 legislative appropriation for the Department of Commerce:

	General Fund	Other Funds	Total Funds
Flood impact grants and loans (federal funding)		\$5,201,752	\$5,201,752
Unmanned aircraft system (strategic investment and improvements fund)		2,000,000	2,000,000
Base retention grants (strategic investment and improvements fund)		600,000	600,000
Enhanced use lease grants (strategic investment and improvements fund)	\$1,000,000	2,000,000	3,000,000
Workforce grants to tribally controlled community colleges (student loan trust fund)		500,000	500,000
Total	\$1,000,000	\$10,301,752	\$11,301,752

Centers of Excellence and Centers of Research Excellence

The 2017 Legislative Assembly did not appropriate any new funding for either the centers of excellence program, established in North Dakota Century Code Chapter 15-69 by the 2003 Legislative Assembly, or the centers of research excellence program, established in Chapter 54-65 by the 2011 Legislative Assembly. The 2011 Legislative Assembly provided an expiration date of July 31, 2023, for the centers of excellence program. Postaward monitoring will continue for both programs and may continue for up to 10 years after the designation of a center.

Research North Dakota Grant Program

The 2013 Legislative Assembly established the Research North Dakota grant program and the Research North Dakota venture program. The Research North Dakota grant program was established to provide grants to research universities for research, development, and commercialization activities in collaboration with a private sector partner.

The 2015 Legislative Assembly provided one-time funding of \$4.5 million as a transfer from the general fund to the Research North Dakota fund in Section 1 of House Bill No. 1018. Section 15 of House Bill No. 1018 provides of the \$4.5 million, \$1 million is designated for biotechnology grants and \$3.5 million is available without any specific designation. The purpose of the biotechnology grants is to conduct research on and commercialization for the prevention of, treatment of, or cure for viral diseases, cancer, and other pathogens. The \$1 million designated for biotechnology was available until December 31, 2016, and after that date, any remaining funds could be used for other Research North Dakota purposes. The funds were not reallocated, because the department awarded the entire \$1 million prior to December 31, 2016.

The 2017 Legislative Assembly did not appropriate any new funding for the Research North Dakota grant program. The Legislative Assembly made adjustments totaling \$7.5 million to existing funds in the Research North Dakota fund. The following are the adjustments made in Senate Bill No. 2018 for the 2017-19 biennium:

- Designated \$500,000 to the Department of Commerce for North Dakota tourism. (Section 14)
- Designated \$500,000 to the Department of Commerce for a grant to be awarded to EERC at the University of North Dakota. The grant must be utilized for economic development and diversification of the North Dakota economy and may be provided only to the extent the EERC provides \$1 of matching funds from private or other public sources for each \$1 provided by the department. (Sections 13 and 14)
- Designated \$1 million to the Department of Commerce for discretionary funds. (Section 14)
- Designated \$1.5 million to the Department of Commerce for the entrepreneurship grants and vouchers program. Of this amount, \$900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks; \$300,000 for biotechnology grants; and \$300,000 to an organization that provides workplace safety. **The Governor vetoed the \$300,000 designation to an organization that provides workplace safety.** (Sections 12 and 14)
- Provided for the transfer of \$4 million from the Research North Dakota fund to the general fund during the 2017-19 biennium. (Section 15)

As of May 2017 the estimated 2015-17 biennium ending fund balance in the Research North Dakota fund was \$11,322,089. Of this amount, \$2,947,441 has been awarded but not distributed, resulting in \$8,374,648 of uncommitted funding available during the 2017-19 biennium. Following the \$7,500,000 of adjustments made by the 2017 Legislative Assembly, funding of \$874,648 is uncommitted and available for use during the 2017-19 biennium. Of this remaining amount, the Department of Commerce anticipates awarding the entire amount during the 2017-19 biennium, but only distributing \$470,001, resulting in an estimated ending fund balance of \$404,647 on June 30, 2019.

Research North Dakota Venture Program

The Research North Dakota venture program is divided into two parts--the Research North Dakota venture grant program and the Research North Dakota venture investment program. The 2017 Legislative Assembly did not appropriate any new funding for the Research North Dakota venture program.

The Research North Dakota venture grant program was established to provide grants to research universities to further commercialize technology developed through a research university. The Department of Commerce and the Centers of Excellence Commission were required to develop guidelines for the grants. The 2013 Legislative Assembly designated \$2 million of Research North Dakota funding for venture grants, with additional funding available for venture grants from funds not specifically designated in the Research North Dakota fund. As of May 2016 the estimated amount of Research North Dakota venture grants to be spent in the 2015-17 biennium is \$3,103,685 and the estimated amount for the 2017-19 biennium is \$829,307.

The Research North Dakota venture investment program was established during the 2013-15 biennium to provide funding from the development fund for investments to startup or spinoff businesses that utilize technology developed through a research university. A business is limited to an individual investment of no more than \$250,000, and the development corporation was required to establish guidelines for the investments. There have been no qualifying projects for the Research North Dakota venture investment program, and as a result, the Department of Commerce has not provided any funding from the development fund for the venture investment program.

Unmanned Aircraft Systems Program

The 2013 Legislative Assembly established the UAS program and UAS program fund in Section 14 of Senate Bill No. 2018, provided a one-time appropriation of \$5 million from the general fund, and provided a continuing appropriation to defray the expenses of the UAS program. The Department of Commerce was required to establish the UAS program in collaboration with the University of North Dakota, the Aeronautics Commission, the Adjutant General, and private parties; to administer the UAS test site upon receiving Federal Aviation Administration approval; and to provide semiannual reports to the Legislative Management. Funding is provided to the Northern Plains UAS Test Site located in Grand Forks, which is one of six Federal Aviation Administration UAS test sites in the United States.

The 2015 Legislative Assembly provided one-time funding of \$2,718,620 from the general fund for the UAS program. Of the \$2,718,620 appropriated for the UAS program, \$1,200,000 was designated for a business incentive match fund to incentivize private sector business development related to the test site. In addition the Department of Commerce was authorized to continue \$1,500,000 from the 2013-15 biennium, which was appropriated for the UAS program during the 2013-15 biennium.

The 2017 Legislative Assembly provided one-time funding from the strategic investment and improvements fund of \$2 million for the UAS program, as identified in Section 9 of Senate Bill No. 2018. In addition, Section 6 of 2017 Senate Bill No. 2018 authorized the Department of Commerce to continue up to \$1 million from the 2015-17 biennium general fund appropriation for the UAS program into the 2017-19 biennium.

Enhanced Use Lease Grant Program

The 2013 Legislative Assembly established the enhanced use lease grant program and provided a one-time appropriation of \$2.5 million from the strategic investment and improvements fund to the Department of Commerce for the department to develop the program and award grants. The department is to award grants for constructing infrastructure required for an enhanced use lease private sector business development project located on or adjacent to the Grand Forks Air Force Base, contingent upon certification from the department verifying both a signed enhanced use lease agreement and a commitment by a private sector business to locate in the development. In February 2015 Grand Sky Development Company, a wholly owned subsidiary of Infinity Development Partners LLC, entered into an agreement on behalf of Grand Forks County with the Grand Forks Air Force Base to form the Grand Forks Business Park. Grand Sky provides Grand Forks Air Force Base lease tenants with the ability to test UAS and beyond visual line of sight flights in partnership with the Northern Plains UAS Test Site. The 2015 Legislative Assembly provided a one-time appropriation of \$7.5 million from the strategic investment and improvements fund for enhanced use lease grants. The contingencies for the enhanced use lease grant program, as detailed in Section 4 of 2015 House Bill No. 1018, provide \$3.1 million is contingent on

the construction and agreement of a first private sector single-tenant or multitenant building on the property. The remaining \$4.4 million is contingent on agreement of a second private sector single-tenant or multitenant building on the property or after an agreement is reached with any data-intensive tenant for data connectivity and redundancy infrastructure requirements or for data services.

The 2017 Legislative Assembly provided a one-time appropriation of \$3 million, of which \$1 million is from the general fund and \$2 million is from the strategic investment and improvements fund, for enhanced use lease grants. Section 10 of 2017 Senate Bill No. 2018 provides grants must be awarded for initiatives related to the UAS industry in North Dakota, including for the purposes of infrastructure, research, development, the creation of software, and the purchase of equipment benefitting UAS. The Department of Commerce is to require grant recipients to provide matching funds in the form of cash, property, or in-kind consideration, totaling \$1 million for the grants awarded under this program.

Operation Intern Program

The Operation Intern program provides a 50 percent match up to \$3,000 per semester per position for a business's expenses related to an internship, an apprenticeship, or a work experience opportunity involving North Dakota students enrolled in an institution of higher education.

The 2015 Legislative Assembly provided \$1.55 million from the general fund, including one-time funding of \$50,000, for the operation intern program for the 2015-17 biennium. This level of funding reflects an increase of \$50,000 from the 2013-15 biennium. Section 14 of 2015 House Bill No. 1018 provides that the \$1.55 million appropriated for the program in the operating expenses line item in Section 1 be transferred to the internship fund. Section 24 of 2015 House Bill No. 1018 amended Section 54-60-17 to include educators under the Operation Intern program.

The 2017 Legislative Assembly provided \$950,000 from the general fund for the operation intern program for the 2017-19 biennium, a decrease of \$600,000 from the 2015-17 biennium. Section 7 of Senate Bill No. 2018 provides that the \$950,000 appropriated for the program in the operating expenses line item in Section 1 be transferred to the internship fund. Section 16 declares these items an emergency measure.

North Dakota Trade Office

The North Dakota Trade Office creates global partnerships to expand trade opportunities for North Dakota businesses through advocacy, education, and expertise. The 2017 Legislative Assembly provided \$2 million from the general fund for the North Dakota Trade Office for the 2017-19 biennium, a decrease of \$556,694 from the 2015-17 biennium. The following is a summary of funding for the North Dakota Trade Office:

Biennium	General Fund	Special Funds	Total
2003-05	\$75,000 ¹	\$0	\$75,000
2005-07	\$0	\$700,000 ²	\$700,000
2007-09	\$1,500,000 ³	\$0	\$1,500,000
2009-11	\$2,064,000 ⁴	\$0	\$2,064,000
2011-13	\$2,613,400 ⁵	\$0	\$2,613,400
2013-15	\$2,613,400 ⁵	\$0	\$2,613,400
2015-17 (adjusted)	\$2,556,694 ^{5,6}	\$0	\$2,556,694
2017-19	\$2,000,000 ⁷	\$0	\$2,000,000

¹Section 21 of 2003 House Bill No. 1019 required the Department of Commerce to establish a trade promotion authority for promoting North Dakota products and improving international trade for North Dakota products for the 2003-05 biennium. The department was to use \$75,000 from the general fund appropriated in its operating expenses line item for operating costs of the trade authority for the 2003-05 biennium. Section 22 of the bill provided that the department may spend any gifts, grants, or other income received by the authority pursuant to a continuing appropriation for the 2003-05 biennium.

²The 2005 Legislative Assembly provided funding of \$500,000 from the development fund and \$200,000 from the Mill and Elevator Association for costs associated with the North Dakota Trade Office. Matching funds of 50 percent were to be provided before this funding was made available.

³Section 10 of 2007 House Bill No. 1018 provided that the Department of Commerce may spend 50 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any 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 each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁴Section 11 of 2009 Senate Bill No. 2018 provides that the Department of Commerce may spend 62.5 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any 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 each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁵Section 26 of 2011 Senate Bill No. 2057, Section 31 of 2013 Senate Bill No. 2018, and Section 12 of 2015 House Bill No. 1018, provided the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office without requiring 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 each \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁶The 2015-17 biennium appropriation for the North Dakota Trade Office reflects a \$56,706 general fund reduction made as part of the August 2016 special legislative session reductions.

⁷Section 11 of 2017 Senate Bill No. 2018 provided the Department of Commerce may spend 60 percent of funding appropriated to the North Dakota Trade Office without requiring 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 each \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

Agricultural Products Utilization Commission

The purpose of the Agricultural Products Utilization Commission is to provide grants to develop and expand the use of agricultural products in accordance with Chapter 4-14.1. The Agricultural Products Utilization Commission receives funding from the general fund, special funds, and federal funds. The 2017 Legislative Assembly provided an appropriation of \$3,152,915 for the Agricultural Products Utilization Commission for the 2017-19 biennium, all from the agricultural products utilization fund, reflecting an overall increase of \$34,304 from the 2015-17 adjusted appropriation of \$3,118,611, as shown in the schedule below.

Biennium	General Fund	Agricultural Products Utilization Fund ¹	Federal Funds	Total Appropriation ²
2013-15	\$1,202,210	\$1,738,284	\$300,000	\$3,240,494
2015-17 (adjusted) ³	1,022,983 ³	2,095,628	0	3,118,611
2017-19	0	3,152,915 ⁴	0	3,152,915
Increase (Decrease) from 2015-17 biennium	(\$1,022,983)	\$1,057,287	\$0	\$34,304

¹The 2013 Legislative Assembly renamed the agricultural fuel tax fund the Agricultural Products Utilization Commission fund.

²These amounts do not include carryover authority.

³The 2015-17 general fund appropriation for the Agricultural Products Utilization Commission reflects a \$200,000 reduction made during the August 2016 special legislative session reductions.

⁴Of the amount appropriated to the Department of Commerce through the Agricultural Products Utilization Commission fund for the 2017-19 biennium, approximately \$1.3 million is from the Mill and Elevator Association profits and approximately \$1,000 is from motor vehicle fuel tax refunds. The remaining amount is due to funds received in prior bienniums and continued into to the 2017-19 biennium.

The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund. Section 19 of 2013 Senate Bill No. 2018 removed the requirement that two cents per gallon of the motor vehicle fuel tax refund for agricultural purposes be deposited in the agricultural products utilization fund. As a result of the change, the remaining funding sources for the agricultural products utilization fund are an annual transfer of 5 percent of the Mill and Elevator Association profits and one-half cent per gallon of the motor vehicle fuel tax refund for industrial purposes.

The 2015 Legislative Assembly provided an exemption for the Agricultural Products Utilization Commission in Section 17 of House Bill No. 1018 allowing unexpended funds from the 2013-15 biennium to continue and to be spent during the 2015-17 biennium. The 2017 Legislative Assembly also provided an exemption for the Agricultural Products Utilization Commission in Section 4 of Senate Bill No. 2018 allowing unexpended funds from the 2015-17 biennium to continue and be spent during the 2017-19 biennium.

Ethanol Production Incentives

The ethanol production incentive fund is administered by the Department of Commerce to provide production incentives to ethanol production facilities in accordance with Chapter 17-02. Forty percent of the revenue from the registration of farm vehicles is transferred to the ethanol production incentive fund from the highway tax distribution fund in accordance with Section 39-04-39. The balance of the ethanol production incentive fund cannot exceed \$7.5 million, which may limit the amount transferred from the highway distribution fund. The 2013 Legislative Assembly in Sections 10 and 19 of Senate Bill No. 2018 removed the requirement that one cent per gallon of the motor vehicle fuel tax refunds be deposited in the ethanol production incentive fund. The estimated revenues for the ethanol production incentive fund are \$4.8 million during the 2015-17 biennium and \$4.7 million during the 2017-19 biennium.

Other Grant Programs

Base retention grant program - The 2015 Legislative Assembly provided one-time funding of \$1.5 million from the general fund for base retention grants, the same amount as the 2013-15 biennium. Section 3 of 2015 House Bill No. 1018 states that of this amount, up to \$500,000 may be provided to each community with an Air Force base or Air National Guard facilities.

The 2017 Legislative Assembly provided one-time funding of \$600,000 from the strategic investment and improvements fund for base retention grants, a decrease of \$900,000 from the 2015-17 biennium funding level. Section 8 of Senate Bill No. 2018 provides that of this amount, up to \$200,000 may be provided to each community with an Air Force base or Air National Guard facilities.

Child care facility grant program - The 2017 Legislative Assembly did not provide funding for the child care facility grant program in Senate Bill No. 2018, compared to funding of \$2.25 million from the general fund approved for the 2015-17 biennium.

Entrepreneurship grants and voucher program - Section 12 of Senate Bill No. 2018 identifies \$2.25 million in Section 1 for the entrepreneurship grants and voucher program, also known as Innovate North Dakota, of which \$600,000 is from the general fund, \$1.5 million is from the Research North Dakota fund, and \$150,000 is from the economic development fund. Of the \$1.5 million provided from the Research North Dakota fund, \$900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks; \$300,000 for biotechnology grants; and \$300,000 to an organization that provides workplace safety. **The Governor vetoed the \$300,000 designation to an organization that provides workplace safety.** The Department of Commerce is required to establish guidelines to award vouchers to entrepreneurs to procure business development assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working with an entrepreneurial center. Any unexpended funds from the entrepreneurship grants and voucher program line item is available during the 2019-21 biennium.

Tribal college workforce grant program - The purpose of this grant program is to develop certificate- or degree-based training programs that assist students to obtain jobs needed within the state and to assist students attending the college with establishing a new business. Section 3 of 2017 Senate Bill No. 2144 appropriated one-time funding of \$500,000 from the student loan trust fund to the Department of Commerce for workforce grants to tribally controlled community colleges, a \$2.5 million decrease from the 2015-17 biennium. The 2015 Legislative Assembly provided a total appropriation of \$3 million for workforce grants to tribally controlled community colleges, of which \$2 million was from the general fund and \$1 million was from the student loan trust fund.

Prekindergarten community grant program - The 2017 Legislative Assembly provided \$1.5 million from the general fund for prekindergarten community grants, also known as early childhood education grants, a \$1.5 million decrease from the 2015-17 biennium.

Homeless shelter grant program - The 2017 Legislative Assembly provided \$300,000 from the general fund specifically for homeless shelter grants, a decrease of \$1.2 million compared to the \$1.5 million provided as a one-time appropriation in the 2015-17 biennium. The department may also use funds available in its discretionary funds line item for grants to homeless shelters.

Exemptions

The Legislative Assembly provided exemptions in Senate Bill No. 2018 to allow unexpended 2015-17 biennium funds to continue and to be spent during the 2017-19 biennium as follows:

- **Agricultural Products Utilization Commission** - Section 4 provides an exemption for the Agricultural Products Utilization Commission.
- **Discretionary funds** - The exemption in Section 5 provides an exemption for the discretionary funds line item.
- **Unmanned aircraft systems program** - Section 6 provides an exemption of up to \$1 million for the UAS program.

Other Sections in Senate Bill No. 2018

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

Related Legislation

Primary sector businesses - House Bill No. 1044 relates to primary sector businesses certified by the Department of Commerce's Division of Economic Development and Finance.

Angel fund - House Bill No. 1045 relates to angel fund income tax credits and in-state qualified businesses certified by the Department of Commerce.

Criminal history record checks - House Bill No. 1060 requires the Department of Commerce to conduct a criminal history record check for volunteers providing mentoring and youth engagement services to at-risk youth and homeless young adults through nonprofit organizations. The child-placing agency is responsible for all fees associated with a criminal history record investigation.

Committee on Employment of People with Disabilities - Section 2 of House Bill No. 1135 amends Section 50-06.1-16 to eliminate the Committee on Employment of People with Disabilities, which includes the Director of the Department of Commerce's Division of Workforce Development, and transfer the committee's responsibilities to the State Rehabilitation Council.

Large truck primary highway network - House Bill No. 1255 creates an advisory committee for a large truck primary highway network and requires committee membership from the Department of Commerce Commissioner or a designee.

Commission on the Status of Women - House Bill No. 1405 amends Section 54-34.3-10 to require the Commission on the Status of Women to provide a biennial report to the Department of Commerce Director of the Division of Economic Development and Finance and to the Governor on the findings and recommendations of the commission and any proposed legislation necessary to implement the recommendations.

Tribal workforce grants - Senate Bill No. 2144 provides a one-time appropriation of \$500,000 from the student loan trust fund to the Department of Commerce for workforce grants to tribally controlled community colleges.

Boundary geography data - Senate Bill No. 2188 authorizes the Department of Commerce, at the discretion of each political subdivision, to act on behalf of political subdivisions to deliver a consolidated response to the boundary and annexation survey and provide legal boundary geography data to the United States census bureau. The department shall coordinate with political subdivisions to ensure consistent, accurate, and integrated geography is provided to the United States census bureau.

Early childhood education - Senate Bill No. 2250 allows an early childhood education program to extend beyond 32 weeks and precludes children enrolled in a Head Start program to be counted for determining eligibility for grant funds. The Department of Commerce is responsible for receiving applications for and distributing early childhood education grants, also known as prekindergarten community grants, to eligible applicants.

Community services block grant - Senate Concurrent Resolution No. 4001 authorizes the Budget Section of the Legislative Management to hold required legislative hearings on state plans for the receipt and expenditures of new or reviewed 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, 2019.