

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1018 - Funding Summary**

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Secretary of State			
Operating expenses		\$2,920,000	\$2,920,000
Total all funds	\$0	\$2,920,000	\$2,920,000
Less estimated income	0	2,920,000	2,920,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00
Office of Management and Budget			
Centers of excellence		\$15,000,000	\$15,000,000
Centers of excellence - Contingency		5,000,000	5,000,000
Prairie Public Broadcasting		2,023,138	2,023,138
Total all funds	\$0	\$22,023,138	\$22,023,138
Less estimated income	0	20,000,000	20,000,000
General fund	\$0	\$2,023,138	\$2,023,138
FTE	0.00	0.00	0.00
Board for Career and Technical Education			
Grants		\$70,000	\$70,000
Total all funds	\$0	\$70,000	\$70,000
Less estimated income	0	0	0
General fund	\$0	\$70,000	\$70,000
FTE	0.00	0.00	0.00
Department of Commerce			
Salaries and wages	\$8,617,235	\$8,837,235	\$220,000
Operating expenses	13,642,636	14,397,688	755,052
Capital assets	25,000	25,000	
Grants	48,374,748	48,474,748	100,000
North Dakota Development Fund	3,000,000	3,000,000	
Discretionary funds	1,450,127	1,450,127	
Economic development initiatives	2,163,090	1,296,846	(866,244)
Agricultural products utilization	2,808,193	3,008,193	200,000
Economic development grants	50,000	50,000	
North Dakota Trade Office	1,400,000	1,500,000	100,000
Total all funds	\$81,531,029	\$82,039,837	\$508,808
Less estimated income	55,361,293	55,761,293	400,000
General fund	\$26,169,736	\$26,278,544	\$108,808
FTE	73.00	66.00	(7.00)
Bill Total			
Total all funds	\$81,531,029	\$107,052,975	\$25,521,946
Less estimated income	55,361,293	78,681,293	23,320,000
General fund	\$26,169,736	\$28,371,682	\$2,201,946
FTE	73.00	66.00	(7.00)

House Bill No. 1018 - Secretary of State - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Operating expenses			\$2,920,000	\$2,920,000		\$2,920,000
Total all funds	\$0	\$0	\$2,920,000	\$2,920,000	\$0	\$2,920,000
Less estimated income	0	0	2,920,000	2,920,000	0	2,920,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 108 - Secretary of State - Detail of Conference Committee Changes

	Adds Contingent Funding for Computer Project¹	Total Conference Committee Changes
Operating expenses	\$2,920,000	\$2,920,000
Total all funds	\$2,920,000	\$2,920,000
Less estimated income	2,920,000	2,920,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ A section is added by the conference committee authorizing the Secretary of State to obtain a Bank of North Dakota loan to implement the North Dakota business development engine information technology project, subject to Budget Section approval.

House Bill No. 1018 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Centers of excellence			\$20,000,000	\$20,000,000
Centers of excellence - Contingency			5,000,000	5,000,000
Prairie Public Broadcasting			2,023,138	2,023,138
Total all funds	\$0	\$0	\$27,023,138	\$27,023,138
Less estimated income	0	0	5,000,000	5,000,000
General fund	\$0	\$0	\$22,023,138	\$22,023,138
FTE	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Centers of Excellence Funding¹	Adds Contingent Centers of Excellence Funding²	Adds Funding for PBS³	Total Senate Changes
Centers of excellence	\$20,000,000			\$20,000,000
Centers of excellence - Contingency		5,000,000		5,000,000
Prairie Public Broadcasting			2,023,138	2,023,138
Total all funds	\$20,000,000	\$5,000,000	\$2,023,138	\$27,023,138
Less estimated income	0	5,000,000	0	5,000,000
General fund	\$20,000,000	\$0	\$2,023,138	\$22,023,138
FTE	0.00	0.00	0.00	0.00

¹ A section is added appropriating funds for centers of excellence for the 2007-09 biennium.

² A section is added authorizing the Office of Management and Budget, as directed by the Centers of Excellence Commission and with Emergency Commission and Budget Section approval, to borrow up to \$5 million from the Bank of North Dakota for providing additional funding for centers of excellence.

³ A section is added providing funding for Prairie Public Broadcasting.

House Bill No. 1018 - Office of Management and Budget - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Centers of excellence			\$15,000,000	\$15,000,000	\$20,000,000	(\$5,000,000)
Centers of excellence - Contingency			5,000,000	5,000,000	5,000,000	
Prairie Public Broadcasting			2,023,138	2,023,138	2,023,138	
Total all funds	\$0	\$0	\$22,023,138	\$22,023,138	\$27,023,138	(\$5,000,000)
Less estimated income	0	0	20,000,000	20,000,000	5,000,000	15,000,000
General fund	\$0	\$0	\$2,023,138	\$2,023,138	\$22,023,138	(\$20,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adds Centers of Excellence Funding¹	Adds Contingent Centers of Excellence Funding²	Adds Funding for PBS³	Total Conference Committee Changes
Centers of excellence	\$15,000,000			\$15,000,000
Centers of excellence - Contingency		5,000,000		5,000,000
Prairie Public Broadcasting			2,023,138	2,023,138
Total all funds	\$15,000,000	\$5,000,000	\$2,023,138	\$22,023,138
Less estimated income	15,000,000	5,000,000	0	20,000,000
General fund	\$0	\$0	\$2,023,138	\$2,023,138
FTE	0.00	0.00	0.00	0.00

¹ A section is added appropriating funds from the permanent oil tax trust fund for centers of excellence for the 2007-09 biennium. The Senate provided \$20,000,000 from the general fund.

² A section is added authorizing the Office of Management and Budget, as directed by the Centers of Excellence Commission and with Emergency Commission and Budget Section approval, to borrow up to \$5 million from the Bank of North Dakota for providing additional funding for centers of excellence, only if the \$15 million appropriated from the permanent oil tax trust fund is all committed. The Senate included a similar section.

³ A section is added providing funding for Prairie Public Broadcasting, the same as the Senate version.

House Bill No. 1018 - Board for Career and Technical Education - House Action

	Executive Budget	House Changes	House Version
Grants		\$70,000	\$70,000
Total all funds	\$0	\$70,000	\$70,000
Less estimated income	0	0	0
General fund	\$0	\$70,000	\$70,000
FTE	0.00	0.00	0.00

Department No. 270 - Board for Career and Technical Education - Detail of House Changes

	Adds Innovation Grants Funding¹	Total House Changes
Grants	\$70,000	\$70,000
Total all funds	\$70,000	\$70,000
Less estimated income	0	0
General fund	\$70,000	\$70,000
FTE	0.00	0.00

¹ Sections are added requiring the Department of Career and Technical Education to implement an innovation grants program and appropriating \$70,000 from the general fund for innovation grants.

House Bill No. 1018 - Board for Career and Technical Education - Senate Action

The Senate did not change the House version.

House Bill No. 1018 - Board for Career and Technical Education - Conference Committee Action

The conference committee did not change the Senate and House version.

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,617,235		\$8,617,235
Operating expenses	13,642,636	(3,663,948)	9,978,688
Capital assets	25,000		25,000
Grants	48,374,748		48,374,748
North Dakota Development Fund	3,000,000		3,000,000
Discretionary funds	1,450,127		1,450,127
Economic development initiatives	2,163,090	(866,244)	1,296,846
Agricultural products utilization	2,808,193		2,808,193
Economic development grants	50,000		50,000
North Dakota Trade Office	1,400,000		1,400,000
Total all funds	\$81,531,029	(\$4,530,192)	\$77,000,837
Less estimated income	55,361,293	0	55,361,293
General fund	\$26,169,736	(\$4,530,192)	\$21,639,544
FTE	73.00	(9.00)	64.00

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

	Removes Career Opportunity Funding¹	Adds Career Position²	Adds Internship Funding³	Reduces Tourism Promotion Funding⁴	Adds Funding for Tourism Events⁵	Adds Funding for Reports⁶
Salaries and wages						
Operating expenses				(3,753,948)	10,000	50,000
Capital assets						
Grants						
North Dakota Development Fund						
Discretionary funds						
Economic development initiatives	(1,226,244)	160,000	200,000			
Agricultural products utilization						
Economic development grants						
North Dakota Trade Office						
Total all funds	(\$1,226,244)	\$160,000	\$200,000	(\$3,753,948)	\$10,000	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	(\$1,226,244)	\$160,000	\$200,000	(\$3,753,948)	\$10,000	\$50,000
FTE	(10.00)	1.00	0.00	0.00	0.00	0.00
	Adds Funding for Beginning Again Project⁷	Total House Changes				
Salaries and wages						
Operating expenses	30,000	(3,663,948)				
Capital assets						
Grants						
North Dakota Development Fund						
Discretionary funds						
Economic development initiatives		(866,244)				
Agricultural products utilization						
Economic development grants						
North Dakota Trade Office						
Total all funds	\$30,000	(\$4,530,192)				
Less estimated income	0	0				
General fund	\$30,000	(\$4,530,192)				
FTE	0.00	(9.00)				

¹ This amendment removes the funding and positions added in the executive budget to provide students and their parents information about North Dakota career opportunities.

² Funding is added for 1 FTE position and related operating expenses to administer the career promotion in workforce deficient industries program and the internship program.

³ Funding for internships for postsecondary students is increased to provide a total of \$600,000 from the general fund. A section is added requiring the department to report to the 61st Legislative Assembly on the status of the internship program.

⁴ This amendment reduces funding recommended in the executive budget for tourism marketing and promotion.

⁵ This amendment adds funding for the Tourism Division to match private funds for tourism-related promotions and events involving officially sanctioned statewide pageant titleholders who are over age 17. The Tourism Division may provide matching funds on a dollar-for-dollar basis of up to \$1,000 for each eligible promotion or event as determined by the Tourism Division.

⁶ Funding is added for the tax expenditure report and business incentive expenditure report pilot projects.

⁷ Funding is added for the department to contract for services relating to the beginning again North Dakota pilot program.

Sections are added that:

- Require the North Dakota Trade Office to raise \$1 of matching funds from private or other public sources for each \$2 of funds provided by the department.
- Identify the one-time funding included in the budget and provide for a report to the 2009 Legislative Assembly of the agency's use of the one-time funding.
- Provide the department an exemption from the state employee compensation adjustment guidelines included in Senate Bill No. 2189 and require the department to provide 2007-09 biennium salary increases to its employees based on a system considering each employee's performance, merit, and equity. The department is to report to the Human Resource Management Services Division of the Office of Management and Budget by December 31, 2007, on its compensation system.
- Provide for the department to implement a beginning again North Dakota pilot program for the 2007-09 biennium.

Section 8 of the bill relating to the Dakota Manufacturing Initiative is removed.

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

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,617,235	\$8,617,235		\$8,617,235
Operating expenses	13,642,636	9,978,688	3,114,000	13,092,688
Capital assets	25,000	25,000		25,000
Grants	48,374,748	48,374,748	400,000	48,774,748
North Dakota Development Fund	3,000,000	3,000,000	1,000,000	4,000,000
Discretionary funds	1,450,127	1,450,127		1,450,127
Economic development initiatives	2,163,090	1,296,846		1,296,846
Agricultural products utilization	2,808,193	2,808,193	200,000	3,008,193
Economic development grants	50,000	50,000		50,000
North Dakota Trade Office	1,400,000	1,400,000		1,400,000
Total all funds	\$81,531,029	\$77,000,837	\$4,714,000	\$81,714,837
Less estimated income	55,361,293	55,361,293	0	55,361,293
General fund	\$26,169,736	\$21,639,544	\$4,714,000	\$26,353,544
FTE	73.00	64.00	0.00	64.00

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

	Adds Funding for Innovate ND ¹	Adds Funding for APUC ²	Adds Funding for the Development Fund ³	Adds Funding for Career Specialists ⁴	Adds Funding for Workforce System Initiative ⁵	Adds Funding for Tourism Marketing ⁶
Salaries and wages						
Operating expenses	50,000				50,000	3,000,000
Capital assets						
Grants				400,000		
North Dakota Development Fund			1,000,000			
Discretionary funds						
Economic development initiatives						
Agricultural products utilization		200,000				
Economic development grants						
North Dakota Trade Office						
Total all funds	\$50,000	\$200,000	\$1,000,000	\$400,000	\$50,000	\$3,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$50,000	\$200,000	\$1,000,000	\$400,000	\$50,000	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Faith-Based Initiative⁷	Total Senate Changes
Salaries and wages		
Operating expenses	14,000	3,114,000
Capital assets		
Grants		400,000
North Dakota Development Fund		1,000,000
Discretionary funds		
Economic development initiatives		
Agricultural products utilization		200,000
Economic development grants		
North Dakota Trade Office		
Total all funds	\$14,000	\$4,714,000
Less estimated income	0	0
General fund	\$14,000	\$4,714,000
FTE	0.00	0.00

¹ Funding for Innovate ND is increased to provide a total of \$300,000, of which \$150,000 is from the general fund.

² Funding for the Agricultural Products Utilization Commission is increased to provide a total of \$1,662,115 from the general fund.

³ The transfer to the development fund is increased to provide a total of \$4 million for the 2007-09 biennium.

⁴ Funding is added to provide grants for career counseling services for students.

⁵ Funding is added for costs relating to the Workforce System Initiative.

⁶ This amendment restores \$3 million of the \$3,753,948 reduced by the House for tourism marketing and promotion.

⁷ Funding is added to provide a total of \$25,000 for operating expenses of the Office of Faith-Based and Community Initiatives. Funding of \$11,000 from the general fund is appropriated to the department in Senate Bill No. 2001.

The section added by the House requiring the Trade Office to raise \$1 in matching funds for every \$2 provided by the state is replaced with a section requiring the department to report to the Budget Section on the status of matching funds raised by the Trade Office.

Sections are added relating to:

- Centers of excellence.
- Housing Finance Agency programs.
- Visitor information centers of the Tourism Division.
- Department of Commerce organizational structure.
- Workforce talent strategy and statewide intelligence coordination strategy.
- Image information program.
- Internships.
- Career specialists of the department.
- Internship employment tax credit.
- Research and experimental expenditures tax credit.
- Research and development tax credit.
- Seed capital investment tax credit.
- Agriculture business investment tax credit.
- Business climate initiative study.
- Beginning entrepreneur tax deductions and exemptions.
- Monitoring CCBenefits, Inc. and reporting to the Legislative Council.
- Definition of business incentive.
- Tax expenditure report pilot project.
- Business incentive expenditure report pilot project.
- Legislative Council studies of housing needs, wireless service providers, higher education promise grants, Workforce System Initiative, and Department of Commerce.

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

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$8,617,235	\$8,617,235	\$220,000	\$8,837,235	\$8,617,235	\$220,000
Operating expenses	13,642,636	9,978,688	4,419,000	14,397,688	13,092,688	1,305,000
Capital assets	25,000	25,000		25,000	25,000	
Grants	48,374,748	48,374,748	100,000	48,474,748	48,774,748	(300,000)
North Dakota Development Fund	3,000,000	3,000,000		3,000,000	4,000,000	(1,000,000)
Discretionary funds	1,450,127	1,450,127		1,450,127	1,450,127	
Economic development initiatives	2,163,090	1,296,846		1,296,846	1,296,846	
Agricultural products utilization	2,808,193	2,808,193	200,000	3,008,193	3,008,193	
Economic development grants	50,000	50,000		50,000	50,000	
North Dakota Trade Office	1,400,000	1,400,000	100,000	1,500,000	1,400,000	100,000
Total all funds	\$81,531,029	\$77,000,837	\$5,039,000	\$82,039,837	\$81,714,837	\$325,000
Less estimated income	55,361,293	55,361,293	400,000	55,761,293	55,361,293	400,000
General fund	\$26,169,736	\$21,639,544	\$4,639,000	\$26,278,544	\$26,353,544	(\$75,000)
FTE	73.00	64.00	2.00	66.00	64.00	2.00

Department No. 601 - Department of Commerce - Detail of Conference Committee Changes

	Adds Funding for Innovate ND¹	Adds Funding for APUC²	Adds Funding for Workforce Development³	Adds Funding for Workforce System Initiative⁴	Adds Funding for Tourism Marketing⁵	Adds Funding for Trade Office⁶
Salaries and wages			\$220,000			
Operating expenses	50,000		80,000	50,000	3,750,000	
Capital assets						
Grants						
North Dakota Development Fund						
Discretionary funds						
Economic development initiatives						
Agricultural products utilization		200,000				
Economic development grants						
North Dakota Trade Office						100,000
Total all funds	\$50,000	\$200,000	\$300,000	\$50,000	\$3,750,000	\$100,000
Less estimated income	0	0	0	0	0	0
General fund	\$50,000	\$200,000	\$300,000	\$50,000	\$3,750,000	\$100,000
FTE	0.00	0.00	2.00	0.00	0.00	0.00

	Adds Funding for Faith-based Initiative⁷	Additional Tax Expenditure Reports⁸	Adds Funding for COE Administrative Costs⁹	Adds Funding for State Energy Plan¹⁰	Adds Lewis and Clark Grant¹¹	Total Conference Committee Changes
Salaries and wages			\$375,000			\$220,000
Operating expenses	14,000	50,000	375,000	50,000		4,419,000
Capital assets						
Grants					100,000	100,000
North Dakota Development Fund						
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						200,000
Economic development grants						
North Dakota Trade Office						100,000
Total all funds	\$14,000	\$50,000	\$375,000	\$50,000	\$100,000	\$5,039,000
Less estimated income	0	0	375,000	25,000	0	400,000
General fund	\$14,000	\$50,000	\$0	\$25,000	\$100,000	\$4,639,000
FTE	0.00	0.00	0.00	0.00	0.00	2.00

¹ Funding for Innovate ND is increased to provide a total of \$300,000, of which \$150,000 is from the general fund, the same as the Senate version.

² Funding for the Agricultural Products Utilization Commission is increased to provide a total of \$1,662,115 from the general fund, the same as the Senate version.

³ Funding and 2 FTE positions are added to the Workforce Development Division for additional responsibilities, including talent initiative and workforce intelligence coordination and for planning. The Senate had added \$400,000 to provide grants for career counseling services for students.

⁴ Funding is added for costs relating to the Workforce System Initiative, the same as the Senate version.

⁵ This amendment restores \$3,750,000 of the \$3,753,948 reduced by the House for tourism marketing and promotion. The Senate had restored \$3 million of this amount.

⁶ An additional \$100,000 from the general fund is added for the internship program of the Trade Office.

⁷ Funding is added to provide a total of \$25,000 for operating expenses of the Office of Faith-Based and Community Initiatives, the same as the Senate version. Funding of \$11,000 from the general fund is appropriated to the department in Senate Bill No. 2001.

⁸ Funding is added for the Department of Commerce and the Tax Department to expand the tax expenditure pilot project to include three rather than one tax incentive.

⁹ Funding for administrative costs relating to centers of excellence applications is appropriated from funds transferred by the Office of Management and Budget from the centers of excellence appropriation from the permanent oil tax trust fund. The department will report to the Budget Section on the funds spent on each center of excellence application considered.

¹⁰ Funding is added for costs relating to the provisions of House Bill No. 1462, including the development of a state energy plan. The \$25,000 of special funds is from funds to be raised by the department.

¹¹ Funding is added for the Tourism Division to provide a grant to the Lewis and Clark Foundation in Washburn. The Tourism Division may only provide grant funds to the extent the Lewis and Clark Foundation provides \$2 of matching funds for each \$1 of state grant funds.

A section is added authorizing the Industrial Commission to transfer up to \$1 million from the PACE fund to the development fund during the 2007-09 biennium. The Senate had appropriated an additional \$1 million from the general fund to provide a total general fund appropriation for the development fund of \$4 million. The conference committee did not change the general fund appropriation included in the House version of \$3 million for the development fund.

The section added by the House requiring the Trade Office to raise \$1 in matching funds for every \$2 provided by the state is replaced with a section allowing the department to provide 50 percent of the \$1.5 million appropriation for the Trade Office without a matching requirement and the remaining 50 percent with the requirement that the Trade Office provide \$1 of matching funds for each \$1 provided by the department. The section added by the Senate requiring the department to report to the Budget Section on the status of matching funds raised by the Trade Office is not included.

Sections added by the Senate which were not changed by the conference committee include:

- Housing Finance Agency programs.
- Department of Commerce organizational structure.
- Workforce talent strategy and statewide intelligence coordination strategy.
- Internships.
- Career specialists of the department.
- Internship employment tax credit.
- Agriculture business investment tax credit.
- Business climate initiative study.
- Beginning entrepreneur tax deductions and exemptions.
- Monitoring CCBenefits, Inc. and reporting to the Legislative Council.
- Definition of business incentive.
- Business incentive expenditure report pilot project.

- Legislative Council studies of housing needs, wireless service providers, higher education promise grants, and Workforce System Initiative.

Sections added by the Senate and removed by the Conference Committee include:

- Visitor information centers of the Tourism Division.
- Image information program.

Sections added by the Senate and changed by the Conference Committee include:

- Centers of excellence.
- Research and experimental expenditures tax credit.
- Research and development tax credit.
- Seed capital investment tax credit.
- Tax expenditure report pilot project.
- Workforce recruitment tax deductions and credits
- Legislative Council study of the Department of Commerce.

Sections added by the Conference Committee relate to:

- Renaissance zone conference.
- Workforce development talent strategy.
- Taxable valuation of wind turbine generators.
- Angel fund investment tax credit
- Naming the missile silo historic site