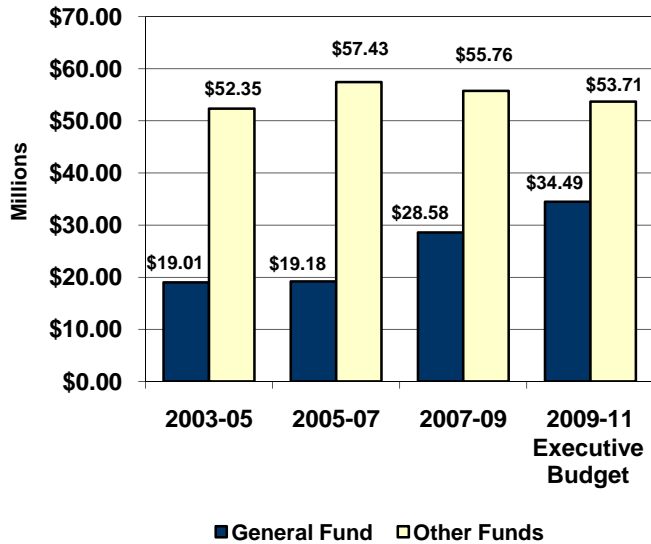


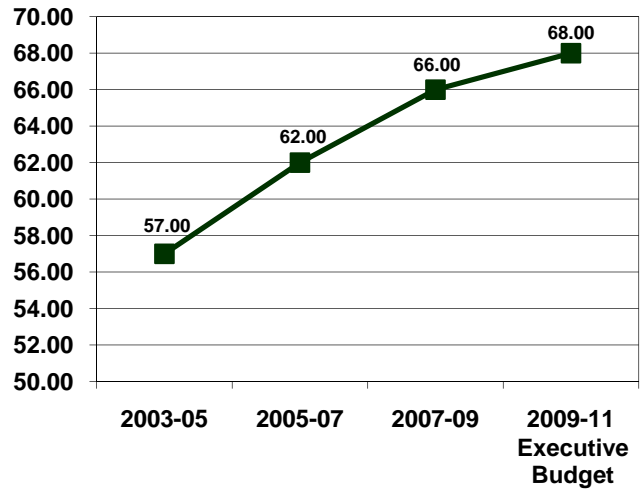
**Department 601 - Department of Commerce  
 Senate Bill No. 2018**

	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	68.00	\$34,490,039	\$53,708,861	\$88,198,900
2007-09 Legislative Appropriations	66.00	28,581,965	55,758,516	84,340,481
Increase (Decrease)	2.00	\$5,908,074	(\$2,049,655)	\$3,858,419

**Agency Funding**



**FTE Positions**



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

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$26,890,039	\$7,600,000	\$34,490,039
2007-09 Legislative Appropriations	25,481,965	3,100,000	28,581,965
Increase (Decrease)	\$1,408,074	\$4,500,000	\$5,908,074

**First House Action**

Attached is a summary of first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds 2 FTE positions--one position for the department's administration and marketing area and one position for the State Commission on Community Service--by converting temporary positions to FTE positions. The funding reported is for related salary increases.	\$4,800		\$4,800
2. Provides funding from the general fund to replace funding from oil overcharge fees that has been used for a staff position within the Office of Renewable Energy and Energy Efficiency	\$75,326	(\$75,326)	\$0
3. Provides funding of \$176,627 to address salary equity issues, including \$8,411 for the related second-year salary increases	\$134,236	\$42,391	\$176,627
4. Provides funding for the federal emergency shelter grants program to secure and leverage available federal funds (\$200,000) and for passthrough grants to the North Dakota Coalition for Homeless People (\$100,000). This is the same level of funding as provided in the 2007-09 biennium.			
5. Increases funding for tourism marketing. <b>The Senate increased funding for tourism marketing by an additional \$500,000 from the general fund.</b>	\$912,000		\$912,000

6. Increases funding for the Small Business Development Center partnership program	\$400,000		\$400,000
7. Increases funding for the InnovateND program from \$300,000, of which \$150,000 is from the general fund, to \$400,000, of which \$250,000 is from the general fund	\$100,000		\$100,000
8. Increases funding for the State Commission on Community Service to maximize federal funding available	\$32,250	\$75,000	\$107,250
9. Increases funding for the North Dakota Trade Office from \$1,500,000 to \$2,000,000. <b>The Senate increased funding for the North Dakota Trade Office by an additional \$164,000 from the general fund.</b>	\$500,000		\$500,000
10. Increases funding for Operation Intern from \$600,000 to \$1,200,000	\$600,000		\$600,000
11. Removes one-time funding provided for the 2007-09 biennium (\$3,000,000 for a transfer to the Development Fund and \$100,000 for tax expenditure and business incentive expenditure reports)	(\$3,100,000)		(\$3,100,000)
12. Removes the following funding provided for the 2007-09 biennium:			
Costs associated with provisions of House Bill No. 1462, including the development of a state energy plan	(\$25,000)		(\$25,000)
Funding for the Beginning Again pilot program	(30,000)		(30,000)
Funding for the Division of Tourism to provide a grant to the Lewis and Clark Foundation in Washburn	(100,000)		(100,000)
Funding for the Tourism Division to match private funds for tourism-related promotions and events involving officially sanctioned statewide pageant titleholders who are over the age of 17	(10,000)		(10,000)
Funding for the workforce system initiative	(50,000)		(50,000)
Total	(\$215,000)		(\$215,000)
13. Provides <b>one-time funding</b> for cost-share programs for installation of biofuels blender pumps and other alternative energy projects	\$2,000,000		\$2,000,000
14. Provides <b>one-time funding</b> of \$2 million from the general fund for a transfer to the workforce enhancement fund. This is the same level of funding as provided in the 2007-09 biennium.			
15. Provides <b>one-time funding</b> for matching grants to local communities to establish or expand child care options to support working families. <b>The Senate decreased funding for child care grants by \$1.5 million, from \$3.5 million to \$2 million.</b>	\$3,500,000		\$3,500,000
16. Provides <b>one-time funding</b> for the Division of Tourism for promotion and marketing of the USS <i>North Dakota</i>	\$100,000		\$100,000

### Other Sections in Bill

**Agricultural Products Utilization Commission** - Section 4 allows the Department of Commerce to continue any unspent funds for the Agricultural Products Utilization Commission from the 2007-09 biennium to the 2009-11 biennium.

**Discretionary funds** - Section 5 allows the Department of Commerce to continue any unspent discretionary funds from the 2007-09 biennium to the 2009-11 biennium.

**Internships** - Section 6 allows the Department of Commerce to continue any unspent funds for internships for postsecondary students from the 2007-09 biennium to the 2009-11 biennium.

**Ethanol production incentive program** - Section 7 requires the Tax Commissioner to conduct an audit of the ethanol production incentive program during the 2009-11 biennium.

**North Dakota Trade Office matching requirement** - Section 8 allows the Department of Commerce to provide \$1 million of the \$2 million from the general fund appropriated for the North Dakota Trade Office without requiring any matching funds but requires a dollar-for-dollar match for any additional amounts. The section also specifies the types of funding that qualify as matching funds.

**Transfer - Workforce enhancement fund** - Section 9 provides a \$2 million general fund appropriation which the Office of Management and Budget shall transfer to the workforce enhancement fund for assisting two-year colleges to respond to business and industry workforce training during the 2009-11 biennium.

**Transfer - Centers of excellence** - Section 10 provides a \$20 million general fund appropriation which the Office of Management and Budget shall transfer to the centers of excellence fund for providing funding to centers of excellence during the 2009-11 biennium.

**Student-based technology grants** - Section 11 provides that the Department of Commerce is to use funding of \$200,000 from the general fund for providing student-based technology grants. The department may award grants of up to \$25,000 each to the extent matching funds are available from an angel fund on a dollar-for-dollar basis.

**Regional technical assistance grants** - Section 12 provides that the Department of Commerce is to use funding of \$1 million from the general fund for regional technical assistance grants to be distributed among the four workforce training quadrants. The department may award grants of up to \$250,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

**Youth entrepreneurship grants** - Section 13 provides that the Department of Commerce is to use funding of \$400,000 from the general fund for youth entrepreneurship grants to be distributed among the four workforce training quadrants. The department may award grants of up to \$100,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

**University patent offices grants** - Section 14 provides the Department of Commerce is to use funding of \$200,000 from the general fund for grants to the University of North Dakota and North Dakota State University patent offices. The department may award a grant of up to \$100,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

**Commercial business district improvement project grants** - Section 15 provides that the Department of Commerce is to use funding of \$200,000 from the general fund for providing grants of up to \$10,000 each to cities in the state with a population of fewer than 8,000 for commercial business district improvement projects. The department is to require a city receiving a grant to provide \$1 of matching funds for each \$1 of state funds provided for the project.

**Great plains applied energy research center** - Section 16 provides that the Department of Commerce provide a grant of \$5 million from the general fund for construction of a great plains applied energy research center on the Bismarck State College campus. The department may spend the funds appropriated only to the extent other nonstate matching funds of \$3 for each \$1 of grant funds are available for all costs of the center.

**Base realignment grant program** - Section 17 provides that the Department of Commerce is to use one-time funding of \$5 million from the general fund for a base realignment grant program to enhance economic development and employment opportunities associated with the Grand Forks Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission.

**Grant - Lewis and Clark Foundation** - Section 18 provides that the Department of Commerce is to use funding of \$1.5 million from the general fund for providing a grant to the Lewis and Clark Foundation. The department may spend the funds appropriated from the general fund only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis.

**Grant - Theodore Roosevelt Medora Foundation** - Section 19 provides that the Department of Commerce is to use funding of \$500,000 from the general fund for providing a Wade Westin memorial grant to the Theodore Roosevelt Medora Foundation. The department may spend the funds appropriated from the general fund only to the extent matching funds of \$12 million from nonstate sources have been secured by the foundation.

**North Dakota Trade Office - Export-related workforce recruitment study** - Section 20 provides that the funding appropriated for the North Dakota Trade Office includes \$50,000 from the general fund for conducting an export-related workforce recruitment study. If the results of the study are deemed favorable by the Department of Commerce, the North Dakota Trade Office may submit a plan to the department for implementing an export-related workforce recruitment program.

**Contingent borrowing authority** - Section 21 provides that subject to Emergency Commission and Budget Section approval the Department of Commerce may borrow up to \$500,000 from the Bank of North Dakota for providing a grant to the North Dakota Trade Office for implementing an export-related workforce recruitment program.

**Legislative Council study - Technology-based entrepreneurship and economic development best practices** - Section 22 provides that the Legislative Council consider studying during the 2009-10 interim technology-based entrepreneurship and economic development best practices.

**Legislative Council study - Workforce system initiative** - Section 23 provides that the Legislative Council consider studying during the 2009-10 interim the state's system for addressing workforce needs through a workforce system initiative.

**Centers of excellence fund** - Section 24 creates a new section to North Dakota Century Code (NDCC) Chapter 15-69 to create a centers of excellence fund. All money in the fund is appropriated on a continuing basis for the centers of excellence program.

**North Dakota Workforce Development Council - Annual reports** - Section 27 creates a new section to NDCC Chapter 54-60 relating to the Division of Workforce Development's strategic plan and the North Dakota Workforce Development Council.

### **Continuing Appropriations**

**Ethanol production incentive fund** - NDCC Section 17-02-05 - This continuing appropriation allows for payments of ethanol production incentives to North Dakota ethanol plants.

**Beginning Again North Dakota pilot program** - NDCC Section 54-60-20 - Funds received from public and private sources for the Beginning Again North Dakota pilot program are appropriated on a continuing basis to the Department of Commerce for the program. The program and the continuing appropriation are effective through June 30, 2009.

**Workforce enhancement fund** - NDCC Section 54-60-23 - All funds in the workforce enhancement fund are appropriated to the Department of Commerce on a continuing basis for implementing and administering the Workforce Enhancement Council and workforce enhancement grants to higher education institutions assigned primary responsibility for workforce training.

**Community development loan fund** - NDCC Section 54-44.5-05 - This continuing appropriation allows for the expenditures of community development block grant revolving loan funds.

### **Major Related Legislation**

**Senate Bill No. 2110** - This bill relates to the Department of Commerce's structure and programs.

**Senate Bill No. 2225** - This bill provides that the Department of Commerce is to establish a state grant program for child care. (The provisions in this bill were originally included in Senate Bill No. 2018.)

**Senate Bill No. 2228** - This bill provides that the Department of Commerce is to establish a cost-share program to encourage the installation of biofuels blender pumps and an alternative energy grant program. (The provisions in this bill were originally included in Senate Bill No. 2018.)

**Senate Bill No. 2260** - This bill provides a \$125,000 general fund appropriation to the Department of Commerce Division of Community Services for providing matching funds for individual development accounts.

**Senate Bill No. 2372** - This bill provides that the Commissioner of Commerce promote the development of life science industries in the state.

**House Bill No. 1202** - This bill provides that the North Dakota Development Fund, Inc., is to administer an entrepreneurship award program that provides funding awards to entrepreneurial centers and to entrepreneurs.

**House Bill No. 1350** - This bill provides a \$5 million general fund appropriation to the Department of Commerce for a grant for construction of a great plains applied energy research center on the Bismarck State College campus.

**House Bill No. 1496** - This bill provides a \$50,000 general fund appropriation to the Department of Commerce for providing a grant for an equine processing facility feasibility study.

ATTACH:1