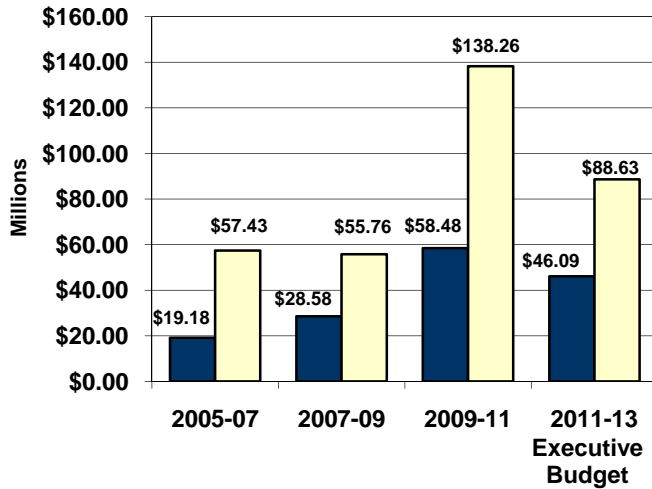


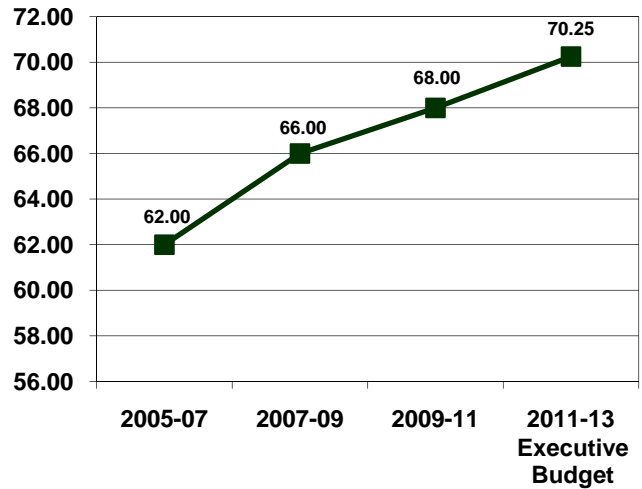
**Department 601 - Department of Commerce
 House Bill No. 1018**

	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	70.25	\$46,089,494	\$88,634,937	\$134,724,431
2009-11 Legislative Appropriations	68.00	58,476,303	138,261,105	196,737,408
Increase (Decrease)	2.25	(\$12,386,809)	(\$49,626,168)	(\$62,012,977)

Agency Funding



FTE Positions



■ General Fund □ Other Funds

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$29,794,156	\$16,295,338	\$46,089,494
2009-11 Legislative Appropriations	30,056,303	28,420,000	58,476,303
Increase (Decrease)	(\$262,147)	(\$12,124,662)	(\$12,386,809)

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Removes one-time funding provided in the 2009-11 biennium relating to the workforce excellence fund (\$1 million), biofuel blender pumps (\$1 million), promotion and marketing of the USS <i>North Dakota</i> (\$100,000), child care grants and loans (\$1.82 million), centers of excellence (\$19.45 million), the Great Plains Applied Energy Research Center (\$5 million), and the equine processing study (\$50,000)	(\$28,420,000)		(\$28,420,000)
2. Removes one-time federal fiscal stimulus funding provided in the 2009-11 biennium relating to the community development block grant program (\$1.3 million), community services block grant (\$4.85 million), state energy program (\$24.6 million), energy efficiency and conservation block grants (\$10 million), weatherization assistance program (\$25.3 million), and emergency shelter grants (\$2.6 million)		(\$68,594,635)	(\$68,594,635)
3. Adds one-time funding for statewide marketing effort of the WorkKeys program	\$125,000		\$125,000
4. Adds one-time funding for child care development grants	\$150,000		\$150,000
5. Adds one-time funding for child care facility grants and loans	\$920,338		\$920,338
6. Adds one-time funding for the American Indian Business Office	\$100,000		\$100,000

7. Adds one-time federal funding for carryover of American Recovery and Reinvestment Act of 2009 grant awards that are still available in the 2011-13 biennium. Affected programs include the United States Department of Energy low-income weatherization assistance program (\$9.1 million), state energy program (\$9 million), energy efficiency (\$4.9 million), homeless prevention and rapid rehousing program (\$1.25 million), and community development block grant (\$200,000).		\$24,496,750	\$24,496,750
8. Adds one-time funding for centers of excellence	\$15,000,000		\$15,000,000
9. Provides for the continuation of the 2009-11 biennium \$5 million general fund appropriation provided to the Department of Commerce for a grant to the Great Plains Applied Energy Research Center to the 2011-13 biennium. Any unexpended funds are to be transferred to the centers of excellence fund for centers of entrepreneurship excellence grants.			
10. Adds funding for four Jobs for America's Graduates programs, which received federal funding in the 2009-11 biennium	\$100,000		\$100,000
11. Removes 2009-11 biennium grant funding for the Lewis and Clark Foundation (\$150,000) and Theodore Roosevelt Medora Foundation (\$500,000)	(\$2,000,000)		(\$2,000,000)
12. Removes funding for changes in operating expenses	\$2,556	(\$6,137,248)	(\$6,134,692)
13. Adds funding to create a Division of Energy, including an energy director position (\$243,549), program manager position (\$125,216), and operating expenses (\$250,925)	\$619,690		\$619,690

Other Sections in Bill

Section 3 extends the expiration of financing to early childhood facilities from the Development Fund from July 31, 2011, to July 31, 2013.

Sections 4-8 extend the expiration of the centers of excellence program from July 31, 2011, to July 31, 2021.

Section 8 amends North Dakota Century Code Section 15-69-05 to provide an alternative review methodology other than requiring an annual audit on centers of excellence programs and to remove the limit on the amount available for administrative expenses from the centers of excellence fund.

Section 9 changes the purpose of the centers of excellence fund to include implementing and administering the centers of excellence, centers of research excellence, and centers of entrepreneurship excellence programs.

Sections 10 and 33 reestablish the biofuel blender pump incentive program that expired on November 30, 2010. The program is to be administered by the Department of Commerce to provide cost-share grants up to \$5,000 per pump to motor fuel retailers for the installation of biofuel blender pumps and associated equipment at retail locations. Section 33 of House Bill No. 1018 establishes an expiration date of July 31, 2013, for Section 10.

Section 11 creates a new chapter to Title 54 to establish a centers of research excellence grant program and eminent researcher recruitment grant program.

Section 12 amends Section 54-44.5-09 to establish the office of renewable energy and efficiency within the Department of Commerce rather than in Division of Community Services.

Section 13 creates a new section to Chapter 54-60 to create an internship fund and provide a continuing appropriation.

Section 14 creates a new section to Chapter 54-60 to create a centers of entrepreneurship excellence grants program.

Sections 15-17 amend Section 54-60-21 to reestablish the Workforce Enhancement Council as the Centers of Workforce Excellence Council.

Sections 18, 19, and 22-24 allow unexpended amounts from the following 2009-11 biennium appropriations to continue into the 2011-13 biennium:

Agricultural Products Utilization Commission (Section 1 of Chapter 46 of the 2009 Session Laws)

Discretionary funds (line item in Section 1 of Chapter 46 of the 2009 Session Laws)

Technology-based entrepreneurship grant program (grants line item of Section 1 of Chapter 46 of the 2009 Session Laws)

Early childhood facility grants (Section 6 of Chapter 108 of the 2009 Session Laws)

Biofuel blender pump incentive program (Sections 1 and 2 of Chapter 46 of the 2009 Session Laws)

Sections 20 and 21 allow unexpended amounts from the following 2009-11 biennium appropriations to continue into the 2011-13 biennium and be transferred into the listed fund:

Internships (operating expenses line item Section 1 of Chapter 46 of the 2009 Session Laws) transfers to the internship fund at the end of the 2011-13 biennium.

Great Plains Applied Energy Research Center (Section 1 of Chapter 46 of the 2009 Session Laws) transfers remaining \$5 million to the centers of excellence fund on June 30, 2011, for the purpose of providing funding for centers of research excellence and centers of entrepreneurship excellence (up to \$5 million) awarded projects.

Sections 25-28 provide for the following transfers:

Centers of workforce excellence line item in Section 1 of House Bill No. 1018 to the centers of workforce excellence fund

Centers of excellence line item in Section 1 of House Bill No. 1018 to the centers of excellence fund for the purpose of implementing and administering the centers of research excellence grants (up to \$2 million for eminent researcher recruitment grants) and centers of research excellence infrastructure grants.

Workforce enhancement fund to the centers of workforce excellence fund.

Unexpended funds from the workforce enhancement fund to the centers of workforce excellence fund at the end of the 2009-11 biennium.

North Dakota Development Fund line item (\$400,000) in Section 1 of House Bill No. 1018 to the North Dakota Development Fund for the purpose of providing financing to early childhood facilities.

Section 29 provides that the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office (\$2,553,000) without requiring matching funds from the 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 for the 2011-13 biennium.

Section 30 allows the department to use up to \$3 million from the centers of excellence fund for centers of research excellence infrastructure grants in the 2011-13 biennium.

Section 31 provides \$150,000 for providing grants to individuals seeking a child development associate credential (up to \$1,200) in the 2011-13 biennium.

Section 32 provides grants to early childhood facilities (\$920,338) of up to \$5,000 for infrastructure and \$10,000 for technical assistance or a business plan and requires \$1 match for every \$3 grant funds.

Section 34 declares funding of \$900,000 in the operating expenses line item in Section 1 relating to the operation intern program and Sections 10, 13, and 21 are declared to be an emergency.

Continuing Appropriations

Ethanol production incentive fund - 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 - 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 - 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 - Section 54-44.5-05 - This continuing appropriation allows for the expenditures of community development block grant revolving loan funds.

Significant Audit Findings

None.

Major Related Legislation

House Bill No. 1057 - Angel fund investment tax credit - Amends and reenacts Section 57-38-01.26 relating to the angel fund investment tax credit, provides a report to the Legislative Management, and provides an effective and expiration date.

House Bill No. 1058 - Innovation 2020 award - Creates a new section to Chapter 54-60 relating to a Department of Commerce Innovation 2020 grant program for university entrepreneurs and provides an appropriation of \$500,000 from the general fund.

House Bill No. 1059 - Technology award grant program - Creates a new section to Chapter 10-30.5 relating to the North Dakota Development Fund, Inc., providing matching grants for technology startup businesses and provides an appropriation of \$500,000 from the general fund.

House Bill No. 1060 - Reporting requirements of a centers of excellence - Amends and reenacts Section 15-69-05(2) relating to the reporting requirements of a center of excellence

Senate Bill No. 2057 - Centers of workforce excellence, centers of entrepreneurship excellence, centers of research excellence, and Experimental Program to Stimulate Competitive Research (EPSCoR) - Provides funding for the centers of workforce excellence (CWE) (\$2 million), centers of entrepreneurship excellence (CEE) (\$5 million), and centers of research excellence (CRE) (\$10 million for the CRE grants, \$4 million for infrastructure grants, and \$2 million for the eminent researcher recruitment challenge grant program); and funding for the EPSCoR program (\$10 million to the University System).

Senate Bill No. 2059 - Technology impact zones - Creates a new section to Chapter 54-60, relating to the creation of a technology impact zone program; provides a continuing appropriation; and an expiration date of July 31, 2023.