

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Department of Commerce			
Salaries and wages	\$10,871,979	\$0	(\$10,871,979)
Operating expenses	14,108,260	0	(14,108,260)
Capital assets	70,018	0	(70,018)
Grants	60,627,994	0	(60,627,994)
North Dakota Development Fund	400,000	0	(400,000)
Discretionary funds	928,082	0	(928,082)
Centers of workforce excellence	2,000,000	0	(2,000,000)
Economic development initiatives	186,846	0	(186,846)
Agricultural Products Utilization Commission	2,739,767	0	(2,739,767)
Centers of excellence	13,000,000	0	(13,000,000)
North Dakota Trade Office	2,553,000	0	(2,553,000)
Partner programs	2,122,044	0	(2,122,044)
Division of Energy	619,691	0	(619,691)
Federal fiscal stimulus funds	24,496,750	0	(24,496,750)
Workforce enhancement Nekoma ABM site acquisition	_____	_____	_____
Total all funds	\$134,724,431	\$0	(\$134,724,431)
Less estimated income	88,634,937	0	(88,634,937)
General fund	<u>\$46,089,494</u>	<u>\$0</u>	<u>(\$46,089,494)</u>
FTE	70.25	0	(70.25)
Bill Total			
Total all funds	\$134,724,431	\$0	(\$134,724,431)
Less estimated income	88,634,937	0	(88,634,937)
General fund	<u>\$46,089,494</u>	<u>\$0</u>	<u>(\$46,089,494)</u>
FTE	70.25	0	(70.25)

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

	Executive Budget	House Changes	House Version
Salaries and wages	\$10,871,979		\$10,871,979
Operating expenses	14,108,260	(225,000)	13,883,260
Capital assets	70,018		70,018
Grants	60,627,994	5,635,000	66,262,994
North Dakota Development Fund	400,000	(150,000)	250,000
Discretionary funds	928,082		928,082
Centers of workforce excellence	2,000,000	(2,000,000)	
Economic development initiatives	186,846		186,846
Agricultural Products Utilization Commission	2,739,767		2,739,767
Centers of excellence	13,000,000	(13,000,000)	
North Dakota Trade Office	2,553,000		2,553,000
Partner programs	2,122,044	(100,000)	2,022,044
Division of Energy	619,691	(619,691)	
Federal fiscal stimulus funds	24,496,750		24,496,750
Workforce enhancement		2,000,000	2,000,000
Total all funds	\$134,724,431	(\$8,459,691)	\$126,264,740
Less estimated income	88,634,937	0	88,634,937
General fund	\$46,089,494	(\$8,459,691)	\$37,629,803
FTE	70.25	(2.00)	68.25

Department 601 - Department of Commerce - Detail of House Changes

	Adds Tourism Infrastructure Grants¹	Adds Minot Air Force Base Realignment Grant²	Removes Centers of Excellence³	Removes Centers of Workforce Excellence⁴	Adds Workforce Enhancement Funding⁵	Removes Jobs for America's Graduates Programs⁶
Salaries and wages						
Operating expenses						(100,000)
Capital assets						
Grants	1,000,000	250,000				
North Dakota Development Fund						
Discretionary funds						
Centers of workforce excellence				(2,000,000)		
Economic development initiatives						
Agricultural Products Utilization Commission						
Centers of excellence			(13,000,000)			
North Dakota Trade Office						
Partner programs						
Division of Energy						
Federal fiscal stimulus funds						
Workforce enhancement					2,000,000	
Total all funds	\$1,000,000	\$250,000	(\$13,000,000)	(\$2,000,000)	\$2,000,000	(\$100,000)
Less estimated income	0	0	0	0	0	0
General fund	\$1,000,000	\$250,000	(\$13,000,000)	(\$2,000,000)	\$2,000,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes WorkKeys Program⁷	Removes Funding for the American Indian Business Office⁸	Adds Grants for Child Care Service Providers⁹	Reduces Development Fund Child Care Loan Funding¹⁰	Reduces Grants for Early Childhood Facilities¹¹	Removes Grants to Individuals Seeking a Child Development Associate Credential¹²
Salaries and wages						
Operating expenses	(125,000)					
Capital assets						
Grants			4,935,000		(400,000)	(150,000)
North Dakota Development Fund				(150,000)		
Discretionary funds						
Centers of workforce excellence						
Economic development initiatives						
Agricultural Products Utilization Commission						
Centers of excellence						
North Dakota Trade Office						
Partner programs		(100,000)				
Division of Energy						
Federal fiscal stimulus funds						
Workforce enhancement						
Total all funds	(\$125,000)	(\$100,000)	\$4,935,000	(\$150,000)	(\$400,000)	(\$150,000)
Less estimated income	0	0	0	0	0	0
General fund	(\$125,000)	(\$100,000)	\$4,935,000	(\$150,000)	(\$400,000)	(\$150,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Energy Division¹³	Total House Changes
Salaries and wages		
Operating expenses		(225,000)
Capital assets		
Grants		5,635,000
North Dakota Development Fund		(150,000)
Discretionary funds		
Centers of workforce excellence		(2,000,000)
Economic development initiatives		
Agricultural Products Utilization Commission		
Centers of excellence		(13,000,000)
North Dakota Trade Office		
Partner programs		(100,000)
Division of Energy	(619,691)	(619,691)
Federal fiscal stimulus funds		
Workforce enhancement		2,000,000
Total all funds	(\$619,691)	(\$8,459,691)
Less estimated income	0	0
General fund	(\$619,691)	(\$8,459,691)
FTE	(2.00)	(2.00)

¹ Funding is added for tourism infrastructure grants to be administered by the Division of Tourism.

² Funding is added for a Minot Air Force Base realignment grant to enhance economic development and employment opportunities associated with the Minot Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission.

³ Funding provided in the executive budget for centers of excellence is removed.

Sections added in the executive budget extending the program through 2021 are removed; therefore, the majority of the program will expire on July 30, 2011. Sections are added providing that the Department of Commerce administer the centers of excellence program, distribute funds to the centers, monitor centers for compliance with award requirements, review changes in assertions made in center applications, and conduct postaward monitoring of centers.

Sections are added repealing these provisions on August 1, 2023.

- ⁴ The executive budget recommendation to create a centers of workforce excellence from the current workforce enhancement grant funding is removed.
- ⁵ Funding for the workforce enhancement grant program is provided for the 2011-13 biennium at \$2 million--a \$1 million increase from the funding provided in the 2009-11 biennium.
- ⁶ Funding from the general fund to continue four Jobs for America's Graduates programs previously paid for with federal funds in the 2009-11 biennium is removed.
- ⁷ One-time funding for a statewide marketing effort of the WorkKeys program is removed.
- ⁸ One-time funding for the American Indian Business Development Office is removed.
- ⁹ Funding is provided from the general fund in the amount of \$4,935,000 to provide grants in collaboration with the Department of Human Services under Section 50-11.1-14.1 to child care providers for workforce development, quality improvement, technical assistance, and capacity building.
- ¹⁰ Funding included in the executive budget for child care loans from the Development Fund is reduced to provide a total of \$250,000.
- ¹¹ Funding included in the executive budget for grants to early childhood facilities is reduced to \$100,000.
- ¹² Funding included in the executive budget for grants to individuals seeking a child development associate credential is removed.
- ¹³ Funding included in the executive budget for a new division of energy and two associated FTE positions are removed.

This amendment also:

- Changes provisions added in the executive budget relating to the biofuel blender pump incentive program to provide that cost-share grants are also available for the installation of the related blender pump piping system and storage components and that the per retail location limit is \$14,000 rather than \$5,000.
- Removes provisions included in the executive budget establishing the office of renewable energy and energy efficiency as a separate division of the Department of Commerce rather than as part of the Division of Community Services.
- Provides authority for the department to administer, during the 2011-13 biennium, an Innovation 2020 award program to award grants to qualified entrepreneurs to move new technology from academia into the commercialization cycle.
- Provides authority for the department to administer, during the 2011-13 biennium, a technology award equity investment program to provide matching equity investments to technology-based businesses.
- Authorizes the department to continue up to \$665,000 of the \$5 million of 2009-11 unspent general fund appropriation authority relating to the Great Plains Applied Energy Research Center. Of the \$665,000, the department may use \$600,000 to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson Safeguard Complex in Nekoma and \$65,000 for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building pursuant to Section 50-11.1-14.1.

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

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$10,871,979	\$10,871,979	\$243,549	\$11,115,528
Operating expenses	14,108,260	13,883,260	350,000	14,233,260
Capital assets	70,018	70,018		70,018
Grants	60,627,994	66,262,994	(5,885,000)	60,377,994
North Dakota Development Fund	400,000	250,000		250,000
Discretionary funds	928,082	928,082		928,082
Centers of workforce excellence	2,000,000			
Economic development initiatives	186,846	186,846		186,846
Agricultural Products Utilization Commission	2,739,767	2,739,767		2,739,767
Centers of excellence	13,000,000		13,000,000	13,000,000
North Dakota Trade Office	2,553,000	2,553,000	60,400	2,613,400
Partner programs	2,122,044	2,022,044	100,000	2,122,044
Division of Energy	619,691			
Federal fiscal stimulus funds	24,496,750	24,496,750		24,496,750
Workforce enhancement		2,000,000		2,000,000
Nekoma ABM site acquisition			600,000	600,000
Total all funds	\$134,724,431	\$126,264,740	\$8,468,949	\$134,733,689
Less estimated income	88,634,937	88,634,937	600,000	89,234,937
General fund	\$46,089,494	\$37,629,803	\$7,868,949	\$45,498,752
FTE	70.25	68.25	1.00	69.25

Department 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding to ND Trade Office for Increased Lease Rate¹	Reduces Funding for Child Care Service Provider Grants²	Restores Funding for Centers of Excellence³	Adds Funding for Electronic Portfolio Pilot Project⁴	Restores Funding for American Indian Business Development Office⁵	Adds Funding for Development Foundation 2020⁶
Salaries and wages						
Operating expenses				150,000		
Capital assets						
Grants		(4,685,000)				50,000
North Dakota Development Fund						
Discretionary funds						
Centers of workforce excellence						
Economic development initiatives						
Agricultural Products Utilization Commission						
Centers of excellence			13,000,000			
North Dakota Trade Office	60,400					
Partner programs					100,000	
Division of Energy						
Federal fiscal stimulus funds						
Workforce enhancement						
Nekoma ABM site acquisition						
Total all funds	\$60,400	(\$4,685,000)	\$13,000,000	\$150,000	\$100,000	\$50,000
Less estimated income	0	0	0	0	0	0
General fund	\$60,400	(\$4,685,000)	\$13,000,000	\$150,000	\$100,000	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Tourism Infrastructure Grants⁷	Removes Minot Air Force Base Realignment Grant⁸	Adds Energy Director and Associated Operating Expenses⁹	Restores Funding for Jobs for America's Graduates Program¹⁰	Changes Funding Source Nekoma ABM Site Acquisition¹¹	Total Senate Changes
Salaries and wages			243,549			243,549
Operating expenses			100,000	100,000		350,000
Capital assets						
Grants	(1,000,000)	(250,000)				(5,885,000)
North Dakota Development Fund						
Discretionary funds						
Centers of workforce excellence						
Economic development						
initiatives						
Agricultural Products Utilization						
Commission						
Centers of excellence						13,000,000
North Dakota Trade Office						60,400
Partner programs						100,000
Division of Energy						
Federal fiscal stimulus funds						
Workforce enhancement						
Nekoma ABM site acquisition					600,000	600,000
Total all funds	(\$1,000,000)	(\$250,000)	\$343,549	\$100,000	\$600,000	\$8,468,949
Less estimated income	0	0	0	0	600,000	600,000
General fund	(\$1,000,000)	(\$250,000)	\$343,549	\$100,000	\$0	\$7,868,949
FTE	0.00	0.00	1.00	0.00	0.00	1.00

¹ Funding is added for the North Dakota Trade Office for a lease rate increase from \$2 per square foot to \$8 per square foot.

² One-time funding provided for child care service providers recruitment, training, and retention grants is reduced from \$4,935,000 to \$250,000.

³ One-time funding of \$13 million is restored for the centers of excellence grant program, the same level recommended in the executive budget.

⁴ One-time funding is added for an electronic portfolio pilot project.

⁵ One-time funding of \$100,000 is restored for the American Indian Business Development Office to provide the same level of funding as included in the executive budget.

⁶ Funding is added for grants relating to a 2020 and beyond initiative to assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends within the state.

⁷ Funding provided by the House to the Division of Tourism for a tourism infrastructure grant is removed.

⁸ Funding provided by the House related to a Minot Air Force Base realignment grant is removed.

⁹ Funding is restored for a director of energy position (\$243,549) and associated operating expenses are added (\$100,000).

¹⁰ Funding from the general fund removed by the House to continue four Jobs for America's Graduates programs previously paid for with federal funds in the 2009-11 biennium is restored.

¹¹ The funding source of a grant to assist in the acquisition of the antiballistic missile (ABM) site at the Stanley R. Mickelson Safeguard Complex in Nekoma is changed from the carryover related to the Great Plains Applied Energy Research Center to the lands and minerals trust fund.

A new section of North Dakota Century Code is created for a small business technology investment program that provides matching investments to startup technology-based businesses.

Statutory provisions relating to centers of excellence are changed to:

- Remove the expiration date of the Centers of Excellence Commission of July 31, 2011, and make other changes and additions relating to postaward monitoring;
- Centers of research excellence and a centers of research excellence fund; and
- Eminent researcher recruitment grants, base realignment grants, and entrepreneurial centers development grants.

A new section to Chapter 54-60 is created to provide a pilot program within higher education for an electronic portfolio system administered by the Division of Workforce Development.

A section is added creating an internship fund.

Authority provided by the House for the Department of Commerce to administer an Innovation 2020 grant program and technology award equity investment program is removed.

A new section is added to provide that \$50,000 from the grants line item may be used as a matching grant for an institution of higher education vaccinology initiative.

Changes are made to the biofuel blender pump incentive program relating to the limits per retail location.

Funding from unspent 2009-11 biennium appropriations for the Great Plains Applied Energy Research Center of \$4 million is provided to the Department of Commerce for entrepreneurial centers development grants, and \$1 million is provided to the Development Fund for providing investments to startup stage technology-based businesses.

Funding provided by the House of \$600,000 from the Great Plains Applied Energy Research Center carryover related to a grant to assist in the acquisition of the ABM site at the Stanley R. Mickelson Safeguard Complex in Nekoma is removed. The Senate changed the funding source of this initiative to the lands and minerals trust fund.

Funding provided by the House of \$65,000 from the Great Plains Applied Energy Research Center carryover related to a grant to child care service providers for workforce development quality improvement, technical assistance, and capacity building in collaboration with the Department of Human Services under Section 50-11.1-14.1 is removed.

A centers of research excellence fund is created, and the bill provides for a transfer of the \$13 million provided for centers of excellence to this fund. Of the funding provided, \$1 million is for eminent researcher recruitment grants and \$4 million for grants related to limited deployment-cooperative airspace projects (\$2.7 million to the University of North Dakota and \$1.3 million to North Dakota State University).

Sections are added to provide an income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.

A section is added authorizing unexpended amounts from the 2009-11 biennium appropriation of \$100,000 for the USS *North Dakota* to continue into the 2011-13 biennium.

A section is added to provide for a Legislative Management study of the impact of future population growth on state and local government revenues.

A section is added to provide for a Legislative Management study of gas flaring issues.

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

The House defeated House Bill No. 1018. Funding for the Department of Commerce is included in Senate Bill No. 2057.