

Sixty-fourth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 commerce; to provide exemptions; to provide for transfers; to amend and reenact section  
3 54-60-17 of the North Dakota Century Code, relating to workforce development; and to declare  
4 an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
7 as may be necessary, are appropriated out of any moneys in the general fund in the state  
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
9 other income, to the department of commerce for the purpose of defraying the expenses of the  
10 department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017,  
11 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 <del>Salaries and wages</del>	<del>\$12,361,114</del>	<del>\$846,420</del>	<del>\$13,207,534</del>
15 <u>Salaries and wages</u>	<u>\$12,361,114</u>	<u>\$834,068</u>	<u>\$13,195,182</u>
16 Accrued leave payments	243,767	(243,767)	0
17 <del>Operating expenses</del>	<del>15,635,749</del>	<del>2,680,125</del>	<del>18,315,874</del>
18 <u>Operating expenses</u>	<u>15,635,749</u>	<u>3,049,374</u>	<u>18,685,123</u>
19 Capital assets	10,000	(10,000)	0
20 <del>Grants</del>	<del>56,622,950</del>	<del>3,507,928</del>	<del>60,130,878</del>
21 <u>Grants</u>	<u>56,622,950</u>	<u>14,076,506</u>	<u>70,699,456</u>
22 Discretionary funds	928,082	0	928,082
23 Workforce enhancement fund	0	1,000,000	1,000,000
24 Economic development initiatives	186,846	(186,846)	0

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1	Flood impact grants/loans	0	12,859,869	12,859,869
2	Agricultural products utilization commission	3,240,494	79,524	3,320,018
3	Research North Dakota	0	4,000,000	4,000,000
4	North Dakota trade office	2,613,400	0	2,613,400
5	<del>Entrepreneurship grants and vouchers</del>	<del>0</del>	<del>2,500,000</del>	<del>2,500,000</del>
6	<del>Partner programs</del>	<del>2,022,044</del>	<del>100,000</del>	<del>2,122,044</del>
7	<del>Total all funds</del>	<del>\$93,864,446</del>	<del>\$27,133,523</del>	<del>\$120,997,699</del>
8	<del>Less estimated income</del>	<del>51,707,386</del>	<del>16,820,311</del>	<del>68,527,697</del>
9	<del>Total general fund</del>	<del>\$42,157,060</del>	<del>\$10,312,942</del>	<del>\$52,470,002</del>
10	Entrepreneurship grants and vouchers	0	3,250,000	3,250,000
11	Partner programs	2,022,044	200,000	2,222,044
12	Total all funds	\$93,864,446	\$38,908,728	\$132,773,174
13	Less estimated income	51,707,386	23,812,087	75,519,473
14	Total general fund	\$42,157,060	\$15,096,641	\$57,253,701
15	Full-time equivalent positions	69.25	0.15	69.40

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

**SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

20	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
21	Workforce enhancement fund	\$2,000,000	\$1,000,000
22	Flood impact grants/loans	18,358,866	12,859,869
23	Research North Dakota	12,000,000	4,000,000
24	Unmanned aircraft system	5,000,000	2,718,620
25	Base retention grants	1,500,000	1,500,000
26	Tourism large infrastructure grants	750,000	750,000
27	Visual North Dakota	250,000	0
28	Innovation grants	300,000	0
29	Federal fiscal stimulus	796,770	0
30	<del>Enhanced use lease grant</del>	<del>2,500,000</del>	<del>2,500,000</del>
31	<del>Child care facility grants</del>	<del>0</del>	<del>1,875,000</del>

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1	<del>Homeless shelter grants</del>	<del>0</del>	<del>1,000,000</del>
2	Enhanced use lease grant	2,500,000	7,500,000
3	Child care facility grants	0	3,000,000
4	Homeless shelter grants	0	1,500,000
5	Rural health services grant	0	0
6	<del>Tribal community college grants</del>	<del>0</del>	<del>2,000,000</del>
7	Tribal community college grants	0	4,000,000
8	Nursing home grants	2,000,000	0
9	Value-added renewable energy study	500,000	0
10	<del>Workplace safety training facility grant</del>	<del>0</del>	<del>2,000,000</del>
11	Workplace safety training facility grant	0	4,000,000
12	Workforce recruitment campaign	0	300,000
13	Tourism midwest markets	0	1,000,000
14	<del>Entrepreneurship grants and vouchers</del>	<del>0</del>	<del>1,000,000</del>
15	<del>Total all funds</del>	<del>\$45,955,636</del>	<del>\$34,203,489</del>
16	<del>Less estimated income</del>	<del>23,655,636</del>	<del>15,359,869</del>
17	<del>Total general fund</del>	<del>\$22,300,000</del>	<del>\$18,843,620</del>
18	Entrepreneurship grants and vouchers	0	1,750,000
19	Tourism international	0	247,836
20	Educators and industry externships	0	50,000
21	Total all funds	\$45,955,636	\$46,176,325
22	Less estimated income	23,655,636	22,359,869
23	Total general fund	\$22,300,000	\$23,816,456

24 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
 25 2017-19 biennium. The department of commerce shall report to the appropriations committees  
 26 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium  
 27 beginning July 1, 2015, and ending June 30, 2017.

28 **SECTION 3. GRANT - CONTINGENCY - WORKPLACE SAFETY FACILITY.** The grants  
 29 line item in section 1 of this Act includes the sum of ~~\$2,000,000~~\$4,000,000 from the general  
 30 fund for providing a grant to an organization that provides workplace safety training for the  
 31 purpose of ~~acquiring land, site development, and design for~~constructing a workplace safety

1 training facility, for the biennium beginning July 1, 2015, and ending June 30, 2017. The grant is  
2 contingent upon the organization raising at least \$4,000,000 of non-state funds for the  
3 construction of the workplace safety training facility.

4 **SECTION 4. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
5 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
6 program to be developed by the department of commerce, for the biennium beginning July 1,  
7 2015, and ending June 30, 2017. The grant program must award direct grants and not cost  
8 reimbursement grants. The department may award grants of up to \$500,000 to each community  
9 with an air force base or air national guard facilities.

10 **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
11 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum  
12 of ~~\$2,500,000~~ \$7,500,000 from the strategic investment and improvements fund for an  
13 enhanced use lease grant program to be developed by the department of commerce, for the  
14 biennium beginning July 1, 2015, and ending June 30, 2017. Grants are available for  
15 constructing infrastructure required for an enhanced use lease private sector business  
16 development project located on or adjacent to the Grand Forks air force base. The department  
17 may award ~~funds~~ up to \$3,100,000, or additional amounts as necessary. for taxi-way  
18 reconnection and alert pad refurbishment after an agreement is reached ~~and construction-~~  
19 ~~commences~~ for the first private sector single-tenant or multitenant building on the property.  
20 ~~Funds~~ Remaining funds may also be awarded either after an agreement is reached ~~and-~~  
21 ~~construction commences~~ for a second private sector single-tenant or multitenant building on the  
22 property or after an agreement is reached with any data intensive tenant for data connectivity  
23 and redundancy infrastructure requirements, ~~such as fiber~~. The department of commerce shall  
24 establish accountability requirements for grants awarded under this section.

25 **SECTION 6. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
26 section 1 of this Act includes the sum of ~~\$1,875,000~~ \$3,000,000 from the general fund for a child  
27 care facility grant program to be developed by the department of commerce, for the biennium  
28 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
29 qualify for a grant under this section which must include a matching requirement one dollar of  
30 matching funds for every three dollars of grant funds and a maximum grant amount of  
31 \$187,500.

1           **SECTION 7. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**

2           **EXEMPTION.** Section 1 of this Act includes the sum of ~~\$2,500,000~~\$3,250,000, of which  
3           ~~\$2,350,000~~\$3,100,000 is from the general fund and \$150,000 from special funds, for an  
4           entrepreneurship grants and voucher program to be developed and administered by the  
5           department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017.  
6           The department shall establish guidelines to provide grants to entrepreneurial centers certified  
7           by the department. The department shall ~~use up to provide a~~ \$300,000 ~~to provide a~~ grant to a  
8           nonprofit organization entrepreneurial center assisting individuals with business ideas located in  
9           the city where the state capitol is located and provide a \$300,000 grant to each of the two  
10          entrepreneurial centers associated with a research university located in a city with a population  
11          of at least 50,000 according to the most recent decennial census. The department also shall  
12          establish guidelines to award vouchers to entrepreneurs to procure business development  
13          assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working  
14          with an entrepreneurial center. The amount appropriated for entrepreneurship grants in  
15          section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this  
16          line item are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

17          **SECTION 8. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in  
18          section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the  
19          unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used  
20          as matching funds to incentivize private sector business development related to the test site.  
21          Matching funds provided under this section are not a business incentive under chapter 54-60.1.

22          **SECTION 9. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act  
23          includes the sum of \$4,000,000 for tribal college grants, \$2,000,000 of which is from the general  
24          fund and \$2,000,000 is from the student loan trust fund, for the biennium beginning July 1,  
25          2015, and ending June 30, 2017.

26          **SECTION 10. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of  
27          any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
28          \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose  
29          of coordinating and conducting joint training, involving the department of emergency services,  
30          federal health and human services' disaster mortuary operational response team, and other

1 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending  
2 June 30, 2017.

3 **SECTION 11. DAKOTA DAY TRIPS PUBLICATION.** The department of commerce shall  
4 use up to \$15,000 of the funding appropriated in the operating expenses line item in section 1 of  
5 this Act for expenses relating to the printing of the Dakota day trips publication.

6 **SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
7 Dakota trade office special line item and the general fund appropriation in section 1 of this Act  
8 include \$2,613,400 of funding relating to the North Dakota trade office. The department of  
9 commerce may spend seventy percent of this amount without requiring any matching funds  
10 from the trade office. Any additional amounts may be spent only to the extent that the North  
11 Dakota trade office provides one dollar of matching funds from private or other public sources  
12 for each one dollar provided by the department for the biennium beginning July 1, 2015, and  
13 ending June 30, 2017. Matching funds may include money spent by businesses or  
14 organizations to pay salaries to export assistants, provide training to export assistants, or buy  
15 computer equipment as part of the North Dakota trade office's export assistance program.

16 **SECTION 13. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
17 management and budget shall transfer the amount appropriated in the workforce enhancement  
18 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
19 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
20 July 1, 2015, and ending June 30, 2017.

21 **SECTION 14. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
22 shall transfer ~~\$1,500,000~~\$1,550,000 of the amount appropriated in the operating expenses line  
23 item in section 1 of this Act to the internship fund for the purpose of administering the operation  
24 intern program, for the period beginning with the effective date of this Act and ending June 30,  
25 2017.

26 **SECTION 15. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
27 management and budget shall transfer the amount appropriated in the research North Dakota  
28 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
29 implementing and administering the research North Dakota grant program, for the biennium  
30 beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make  
31 available \$1,000,000 of the funds transferred to the research North Dakota fund for research

1 North Dakota for grants to conduct research on and commercialization for the prevention of,  
2 treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning  
3 July 1, 2015, and ending June 30, 2016. If the grants are not awarded by June 30, 2016, the  
4 funds must be made available for other authorized purposes of research North Dakota.

5 **SECTION 16. TRANSFER - CENTERS OF EXCELLENCE FUND.** After the close of the  
6 biennium ending June 30, 2015, the office of management and budget shall transfer any  
7 unobligated funds remaining in the centers of excellence fund to the research North Dakota  
8 fund.

9 **SECTION 17. EXEMPTION.** The amount appropriated for the agricultural products  
10 utilization commission in section 1 of chapter 49 of the 2013 Session Laws is not subject to  
11 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
12 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

13 **SECTION 18. EXEMPTION.** The amount appropriated for the discretionary funds line item  
14 in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
15 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
16 and ending June 30, 2017.

17 **SECTION 19. EXEMPTION.** The amount appropriated for the technology-based  
18 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
19 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
20 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
21 2017.

22 **SECTION 20. EXEMPTION.** The amount appropriated for the child care facility grants in  
23 section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
24 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
25 and ending June 30, 2017.

26 **SECTION 21. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
27 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section  
28 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
29 beginning July 1, 2015, and ending June 30, 2017.

30 **SECTION 22. EXEMPTION.** The amount appropriated for the tribal college grants in  
31 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any

1 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
2 and ending June 30, 2017.

3 **SECTION 23. EXEMPTION.** Any amount continued pursuant to section 27 of chapter 49 of  
4 the 2013 Session Laws, relating to the antiballistic missile site acquisition grant and base  
5 realignment grant, that is unexpended as of June 30, 2015, up to \$600,000, is not subject to  
6 section 54-44.1-11 and is available during the biennium beginning July 1, 2015, and ending  
7 June 30, 2017. The department of commerce may use funds only for the purpose awarding a  
8 grant to assist in the acquisition and development of the antiballistic missile site at the  
9 Stanley R. Mickelson safeguard complex in Nekoma.

10 **SECTION 24. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **54-60-17. Division of workforce development - Internships, apprenticeships, and work**  
13 **experience opportunities.**

14 The division of workforce development shall administer a program to increase use of  
15 internships, apprenticeships, and work experience opportunities for higher education students  
16 ~~and~~, high school students enrolled in grade eleven or twelve, and educators. The primary focus  
17 of this program must be higher education internships in target industries. This program shall  
18 provide services to employers, communities, and business organizations to increase internship,  
19 apprenticeship, and work experience opportunities. The department shall maintain records of  
20 the number of internship, apprenticeship, and work experience opportunities subsidized within  
21 each funding recipient.

22 **SECTION 25. EMERGENCY.** Funding of ~~\$1,500,000~~\$1,550,000 in the operating expenses  
23 line item in section 1relating to the operation intern program, and section ~~4014~~ of this Act,  
24 ~~relating to the operation intern program~~, are declared to be an emergency measure.