

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; to provide for a  
4 legislative management study; and to declare 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>\$810,693</u>	<u>\$13,171,807</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>3,036,541</u>	<u>18,672,290</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>8,364,121</u>	<u>64,987,071</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	<del>Agricultural products utilization commission</del>	<del>3,240,494</del>	<del>79,524</del>	<del>3,320,018</del>
3	<del>Research North Dakota</del>	<del>0</del>	<del>4,000,000</del>	<del>4,000,000</del>
4	<u>Agricultural products utilization commission</u>	<u>3,240,494</u>	<u>78,117</u>	<u>3,318,611</u>
5	<u>Research North Dakota</u>	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>
6	North Dakota trade office	2,613,400	0	2,613,400
7	<del>Entrepreneurship grants and vouchers</del>	<del>0</del>	<del>2,500,000</del>	<del>2,500,000</del>
8	<del>Partner programs</del>	<del>2,022,044</del>	<del>100,000</del>	<del>2,122,044</del>
9	<del>Total all funds</del>	<del>\$93,864,446</del>	<del>\$27,133,523</del>	<del>\$120,997,699</del>
10	<del>Less estimated income</del>	<del>51,707,386</del>	<del>16,820,311</del>	<del>68,527,697</del>
11	<del>Total general fund</del>	<del>\$42,157,060</del>	<del>\$10,312,942</del>	<del>\$52,470,002</del>
12	<u>Entrepreneurship grants and vouchers</u>	<u>0</u>	<u>3,250,000</u>	<u>3,250,000</u>
13	<u>Partner programs</u>	<u>2,022,044</u>	<u>200,000</u>	<u>2,222,044</u>
14	<u>Total all funds</u>	<u>\$93,864,446</u>	<u>\$33,658,728</u>	<u>\$127,523,174</u>
15	<u>Less estimated income</u>	<u>51,707,386</u>	<u>22,812,087</u>	<u>74,519,473</u>
16	<u>Total general fund</u>	<u>\$42,157,060</u>	<u>\$10,846,641</u>	<u>\$53,003,701</u>
17	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:

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

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1	Federal fiscal stimulus	796,770	0
2	<del>Enhanced use lease grant</del>	<del>2,500,000</del>	<del>2,500,000</del>
3	<del>Child care facility grants</del>	<del>0</del>	<del>1,875,000</del>
4	<del>Homeless shelter grants</del>	<del>0</del>	<del>1,000,000</del>
5	Enhanced use lease grant	2,500,000	7,500,000
6	Child care facility grants	0	2,250,000
7	Homeless shelter grants	0	1,500,000
8	Rural health services grant	0	0
9	<del>Tribal community college grants</del>	<del>0</del>	<del>2,000,000</del>
10	Tribal community college grants	0	3,000,000
11	Nursing home grants	2,000,000	0
12	Value-added renewable energy study	500,000	0
13	<del>Workplace safety training facility grant</del>	<del>0</del>	<del>2,000,000</del>
14	Workforce recruitment campaign	0	300,000
15	Tourism midwest markets	0	1,000,000
16	<del>Entrepreneurship grants and vouchers</del>	<del>0</del>	<del>1,000,000</del>
17	<del>Total all funds</del>	<del>\$45,955,636</del>	<del>\$34,203,489</del>
18	<del>Less estimated income</del>	<del>23,655,636</del>	<del>15,359,869</del>
19	<del>Total general fund</del>	<del>\$22,300,000</del>	<del>\$18,843,620</del>
20	Entrepreneurship grants and vouchers	0	1,750,000
21	Tourism international	0	247,836
22	Educators and industry externships	0	50,000
23	Total all funds	\$45,955,636	\$40,926,325
24	Less estimated income	23,655,636	21,359,869
25	Total general fund	\$22,300,000	\$19,566,456

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

30 ~~SECTION 3. GRANT - WORKPLACE SAFETY FACILITY. The grants line item in section 1-~~  
 31 ~~of this Act includes the sum of \$2,000,000 from the general fund for providing a grant to an-~~

1 ~~organization that provides workplace safety training for the purpose of acquiring land, site-~~  
2 ~~development, and design for a workplace safety training facility, for the biennium beginning-~~  
3 ~~July 1, 2015, and ending June 30, 2017.~~

4 **SECTION 3. 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 4. 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~~ or for data services, such as  
24 analysis, modeling, or storage, to be provided to tenants or prospective tenants. The  
25 department of commerce shall establish accountability requirements for grants awarded under  
26 this section.

27 **SECTION 5. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
28 section 1 of this Act includes the sum of ~~\$1,875,000~~\$2,250,000 from the general fund for a child  
29 care facility grant program to be developed by the department of commerce, for the biennium  
30 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
31 qualify for a grant under this section which must include a matching requirement one dollar of

1 matching funds for every three dollars of grant funds and a maximum grant amount of  
2 \$187,500.

3 **SECTION 6. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**

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

19 **SECTION 7. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in

20 section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the  
21 unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used  
22 as matching funds to incentivize private sector business development related to the test site.  
23 Matching funds provided under this section are not a business incentive under chapter 54-60.1.

24 **SECTION 8. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act  
25 includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general  
26 fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1,  
27 2015, and ending June 30, 2017.

28 **SECTION 9. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY**

29 **ASSOCIATION.** Of the funds appropriated in the discretionary funds line item in section 1 of this  
30 Act, the department shall use \$150,000 from the general fund to provide a grant to an arts and  
31 gallery association located in the city where the state capitol is located.

1       **SECTION 10. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of  
2 any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
3 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose  
4 of coordinating and conducting joint training, involving the department of emergency services,  
5 federal health and human services' disaster mortuary operational response team, and other  
6 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending  
7 June 30, 2017.

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

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

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

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

1       **SECTION 15. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
2 management and budget shall transfer the amount appropriated in the research North Dakota  
3 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
4 implementing and administering the research North Dakota grant program, for the biennium  
5 beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make  
6 available \$1,000,000 of the funds transferred to the research North Dakota fund for research  
7 North Dakota for grants to conduct research on and commercialization for the prevention of,  
8 treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning  
9 July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31,  
10 2016, the funds must be made available for other authorized purposes of research North  
11 Dakota.

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

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

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

24       **SECTION 19. EXEMPTION.** The amount appropriated for the technology-based  
25 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
26 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
27 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
28 2017.

29       **SECTION 20. EXEMPTION.** The amount appropriated for the child care facility grants in  
30 section 14 of chapter 45 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 21. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
4 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section  
5 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
6 beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 22. EXEMPTION.** The amount appropriated for the tribal college grants in  
8 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
9 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
10 and ending June 30, 2017.

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

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

20 **54-60-17. Division of workforce development - Internships, apprenticeships, and work**  
21 **experience opportunities.**

22 The division of workforce development shall administer a program to increase use of  
23 internships, apprenticeships, and work experience opportunities for higher education students  
24 ~~and~~ high school students enrolled in grade eleven or twelve, and educators. The primary focus  
25 of this program must be higher education internships in target industries. This program shall  
26 provide services to employers, communities, and business organizations to increase internship,  
27 apprenticeship, and work experience opportunities. The department shall maintain records of  
28 the number of internship, apprenticeship, and work experience opportunities subsidized within  
29 each funding recipient.

30 **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER**  
31 **FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative



1 management shall consider studying issues related to the state's development of a civilian  
2 ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central  
3 location for processing first responder data, including high definition, high-spectral, infrared, and  
4 thermal imagery, as well as electronic signals through cell phones and internet service,  
5 generated from the deployment of unmanned aircraft and unmanned systems by first  
6 responders during federal, state, and local government responses to emergencies, natural  
7 disasters, emergency preparedness, and law enforcement activities; training services; data  
8 management, data analysis, data interpretation and information routing approximating a  
9 real-time basis; and a repository of data and best practices for first responders at federal, state,  
10 and local levels. The legislative management shall report its findings and recommendations,  
11 together with any legislation required to implement the recommendations, to the sixty-fifth  
12 legislative assembly.

13       **SECTION 26. EMERGENCY.** Funding of ~~\$1,500,000~~\$1,550,000 in the operating expenses  
14 line item in section 1 relating to the operation intern program, and section ~~40~~15 of this Act,  
15 ~~relating to the operation intern program~~, are declared to be an emergency measure.