

**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 internships, apprenticeships, and work  
4 experience opportunities; 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 Salaries and wages	\$12,361,114	\$1,107,917	\$13,469,031
15 Accrued leave payments	243,767	(243,767)	0
16 Operating expenses	15,135,749	3,249,374	18,385,123
17 Capital assets	10,000	(10,000)	0
18 Grants	45,622,950	30,576,506	76,199,456
19 Discretionary funds	928,082	0	928,082
20 Workforce enhancement fund	0	1,500,000	1,500,000
21 Economic development initiatives	186,846	(186,846)	0
22 Flood impact grants/loans	0	12,860,802	12,860,802
23 Agricultural products utilization commission	3,240,494	85,963	3,326,457
24 Research North Dakota	0	8,000,000	8,000,000

Sixty-fourth  
Legislative Assembly

1	North Dakota trade office	2,613,400	0	2,613,400
2	Entrepreneurship grants and vouchers	1,500,000	1,000,000	2,500,000
3	Partner programs	<u>1,922,044</u>	<u>400,000</u>	<u>2,322,044</u>
4	Total all funds	\$83,764,446	\$58,339,949	\$142,104,395
5	Less estimated income	<u>51,707,386</u>	<u>19,367,691</u>	<u>71,075,077</u>
6	Total general fund	\$32,057,060	\$38,972,258	\$71,029,318
7	Full-time equivalent positions	69.25	0.15	69.40

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

9       **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
10 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the  
11 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
13	Workforce enhancement fund	\$2,000,000	\$1,500,000
14	Flood impact grants/loans	18,358,866	12,860,802
15	Research North Dakota	12,000,000	8,000,000
16	Unmanned aircraft system	5,000,000	2,718,620
17	Base retention grants	1,500,000	1,500,000
18	Tourism large infrastructure grants	750,000	750,000
19	Visual North Dakota	250,000	0
20	Innovation grants	300,000	0
21	Federal fiscal stimulus	796,770	0
22	Enhanced use lease grant	2,500,000	5,000,000
23	Child care facility grants	2,600,000	3,000,000
24	Homeless shelter grants	2,000,000	1,000,000
25	Rural health services grant	400,000	0
26	Tribal community college grants	5,000,000	6,000,000
27	Nursing home grants	2,000,000	0
28	Value-added renewable energy study	500,000	0
29	Workforce recruitment campaign	0	500,000
30	Prekindergarten community grants	0	6,000,000
31	Educators and industry externships	0	50,000

Sixty-fourth  
Legislative Assembly

1	North Dakota safety council grant	0	2,000,000
2	Special olympics grant	0	2,000,000
3	Tourism midwest markets	0	1,000,000
4	Entrepreneurship grants and vouchers	<u>0</u>	<u>1,000,000</u>
5	Total all funds	\$55,955,636	\$54,879,422
6	Less estimated income	<u>23,655,636</u>	<u>17,860,802</u>
7	Total general fund	\$32,300,000	\$37,018,620

8 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
9 2017-19 biennium. The department of commerce shall report to the appropriations committees  
10 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium  
11 beginning July 1, 2015, and ending June 30, 2017.

12 **SECTION 3. GRANT - WORKPLACE SAFETY FACILITY.** The grants line item in section 1  
13 of this Act includes the sum of \$2,000,000 from the general fund for providing a grant to an  
14 organization that provides workplace safety for the purpose of constructing a workplace safety  
15 training facility, for the biennium beginning July 1, 2015, and ending June 30, 2017.

16 **SECTION 4. SPECIAL NEEDS ATHLETIC ORGANIZATION GRANT.** The grants line item  
17 in section 1 of this Act includes the sum of \$2,000,000 from the general fund for a grant to an  
18 organization that provides training and competition to athletes with special needs to be  
19 administered by the department of commerce, for the biennium beginning July 1, 2015, and  
20 ending June 30, 2017. Grants are available for costs associated with promoting and hosting a  
21 national competition for athletes with special needs, contingent upon a North Dakota site being  
22 selected to host a national competition for athletes with special needs.

23 **SECTION 5. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
24 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
25 program to be developed by the department of commerce, for the biennium beginning July 1,  
26 2015, and ending June 30, 2017. The grant program must award direct grants and not cost  
27 reimbursement grants. The department may award grants of up to \$500,000 to each community  
28 with an air force base or air national guard facilities.

29 **SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
30 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum  
31 of \$5,000,000 from the strategic investment and improvements fund for an enhanced use lease

1 grant program to be developed by the department of commerce, for the biennium beginning  
2 July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure  
3 required for an enhanced use lease private sector business development project located on or  
4 adjacent to the Grand Forks air force base. The department may award \$2,500,000 after an  
5 agreement is reached and construction commences for a second private sector single-tenant or  
6 multi-tenant building on the property. The remaining \$2,500,000 may be awarded after an  
7 agreement is reached with any data center for data connectivity and redundancy infrastructure  
8 requirements, such as fiber.

9 **SECTION 7. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
10 section 1 of this Act includes the sum of \$3,000,000 from the general fund for a child care  
11 facility grant program to be developed by the department of commerce, for the biennium  
12 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
13 qualify for a grant under this section which must include a matching requirement one dollar of  
14 matching funds for every three dollars of grant funds and a maximum grant amount of  
15 \$187,500.

16 **SECTION 8. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** Section 1 of  
17 this Act includes the sum of \$2,500,000, of which \$2,350,000 is from the general fund and  
18 \$150,000 from special funds, for an entrepreneurship grants and voucher program to be  
19 developed and administered by the department of commerce, for the biennium beginning  
20 July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to provide  
21 grants to entrepreneurial centers certified by the department. The department also shall  
22 establish guidelines to award vouchers to entrepreneurs to procure business development  
23 assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working  
24 with an entrepreneurial center. The amount appropriated for entrepreneurship grants in  
25 section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this  
26 line item are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

27 **SECTION 9. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in  
28 section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the  
29 unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used  
30 as matching funds to incentivize private sector business development related to the test site.  
31 Matching funds provided under this section are not a business incentive under chapter 54-60.1.

1       **SECTION 10. EARLY CHILDHOOD EDUCATION COMMUNITY GRANT PROGRAM.** The  
2 grants line item in section 1 of this Act includes the sum of \$6,000,000 from the general fund for  
3 an early childhood education community grant program to be developed by the department of  
4 public instruction and the department of commerce, for the biennium beginning July 1, 2015,  
5 and ending June 30, 2017. Effective July 1, 2016, community grants of \$1,000 may be made  
6 available to providers of four-year-old prekindergarten education which meet the following  
7 requirements:

- 8           1. The licensed program follows the state's pre-kindergarten standards and  
9           accountability.
- 10          2. The instruction is taught by a teacher licensed in North Dakota with a credential in  
11           pre-kindergarten or kindergarten.

12 The department of commerce and department of public instruction may establish additional  
13 guidelines to qualify for a grant under this section.

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

24       **SECTION 12. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
25 management and budget shall transfer the amount appropriated in the workforce enhancement  
26 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
27 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
28 July 1, 2015, and ending June 30, 2017.

29       **SECTION 13. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
30 shall transfer \$1,550,000 of the amount appropriated in the operating expenses line item in

1 section 1 of this Act to the internship fund for the purpose of administering the operation intern  
2 program, for the period beginning with the effective date of this Act and ending June 30, 2017.

3 **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
4 management and budget shall transfer the amount appropriated in the research North Dakota  
5 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
6 implementing and administering the research North Dakota grant program, for the biennium  
7 beginning July 1, 2015, and ending June 30, 2017.

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

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

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

20 **SECTION 18. EXEMPTION.** The amount appropriated for the technology-based  
21 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
22 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
23 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
24 2017.

25 **SECTION 19. EXEMPTION.** The amount appropriated for the child care facility grants in  
26 section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
27 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
28 and ending June 30, 2017.

29 **SECTION 20. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
30 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section

1 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
2 beginning July 1, 2015, and ending June 30, 2017.

3 **SECTION 21. EXEMPTION.** The amount appropriated for the tribal college grants in  
4 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
5 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
6 and ending June 30, 2017.

7 **SECTION 22. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **54-60-17. Division of workforce development - Internships, apprenticeships, and work**  
10 **experience opportunities.**

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

19 **SECTION 23. EMERGENCY.** Funding of \$1,550,000 in the operating expenses line item in  
20 section 1, and section 10 of this Act, relating to the operation intern program, are declared to be  
21 an emergency measure.