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Sixty-fourth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with Conference Committee Amendments
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 Salaries and wages	\$12,361,114	\$810,693	\$13,171,807
15 Accrued leave payments	243,767	(243,767)	0
16 Operating expenses	15,635,749	3,036,541	18,672,290
17 Capital assets	10,000	(10,000)	0
18 Grants	56,622,950	8,364,121	64,987,071
19 Discretionary funds	928,082	0	928,082
20 Workforce enhancement fund	0	1,000,000	1,000,000
21 Economic development initiatives	186,846	(186,846)	0
22 Flood impact grants/loans	0	12,859,869	12,859,869
23 Agricultural products utilization commission	3,240,494	78,117	3,318,611

Sixty-fourth
Legislative Assembly

1	Research North Dakota	0	4,500,000	4,500,000
2	North Dakota trade office	2,613,400	0	2,613,400
3	Entrepreneurship grants and vouchers	0	3,250,000	3,250,000
4	Partner programs	<u>2,022,044</u>	<u>200,000</u>	<u>2,222,044</u>
5	Total all funds	\$93,864,446	\$33,658,728	\$127,523,174
6	Less estimated income	<u>51,707,386</u>	<u>22,812,087</u>	<u>74,519,473</u>
7	Total general fund	\$42,157,060	\$10,846,641	\$53,003,701
8	Full-time equivalent positions	69.25	0.15	69.40

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

10 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
11 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the
12 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

13	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
14	Workforce enhancement fund	\$2,000,000	\$1,000,000
15	Flood impact grants/loans	18,358,866	12,859,869
16	Research North Dakota	12,000,000	4,500,000
17	Unmanned aircraft system	5,000,000	2,718,620
18	Base retention grants	1,500,000	1,500,000
19	Tourism large infrastructure grants	750,000	750,000
20	Visual North Dakota	250,000	0
21	Innovation grants	300,000	0
22	Federal fiscal stimulus	796,770	0
23	Enhanced use lease grant	2,500,000	7,500,000
24	Child care facility grants	0	2,250,000
25	Homeless shelter grants	0	1,500,000
26	Rural health services grant	0	0
27	Tribal community college grants	0	3,000,000
28	Nursing home grants	2,000,000	0
29	Value-added renewable energy study	500,000	0
30	Workforce recruitment campaign	0	300,000
31	Tourism midwest markets	0	1,000,000

Sixty-fourth
Legislative Assembly

1	Entrepreneurship grants and vouchers	0	1,750,000
2	Tourism international	0	247,836
3	Educators and industry externships	<u>0</u>	<u>50,000</u>
4	Total all funds	\$45,955,636	\$40,926,325
5	Less estimated income	<u>23,655,636</u>	<u>21,359,869</u>
6	Total general fund	\$22,300,000	\$19,566,456

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

11 **SECTION 3. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of
12 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant
13 program to be developed by the department of commerce, for the biennium beginning July 1,
14 2015, and ending June 30, 2017. The grant program must award direct grants and not cost
15 reimbursement grants. The department may award grants of up to \$500,000 to each community
16 with an air force base or air national guard facilities.

17 **SECTION 4. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
18 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum
19 of \$7,500,000 from the strategic investment and improvements fund for an enhanced use lease
20 grant program to be developed by the department of commerce, for the biennium beginning
21 July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure
22 required for an enhanced use lease private sector business development project located on or
23 adjacent to the Grand Forks air force base. The department may award up to \$3,100,000, or
24 additional amounts as necessary, for taxi-way reconnection and alert pad refurbishment after an
25 agreement is reached for the first private sector single-tenant or multitenant building on the
26 property. Remaining funds may also be awarded either after an agreement is reached for a
27 second private sector single-tenant or multitenant building on the property or after an
28 agreement is reached with any data intensive tenant for data connectivity and redundancy
29 infrastructure requirements or for data services, such as analysis, modeling, or storage, to be
30 provided to tenants or prospective tenants. The department of commerce shall establish
31 accountability requirements for grants awarded under this section.

1 **SECTION 5. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in
2 section 1 of this Act includes the sum of \$2,250,000 from the general fund for a child care
3 facility grant program to be developed by the department of commerce, for the biennium
4 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to
5 qualify for a grant under this section which must include a matching requirement one dollar of
6 matching funds for every three dollars of grant funds and a maximum grant amount of
7 \$187,500.

8 **SECTION 6. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**
9 **EXEMPTION.** Section 1 of this Act includes the sum of \$3,250,000, of which \$3,100,000 is from
10 the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher
11 program to be developed and administered 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 provide grants to entrepreneurial centers certified by the department. The department shall
14 provide a \$300,000 grant to a nonprofit organization entrepreneurial center assisting individuals
15 with business ideas located in the city where the state capitol is located and provide a \$300,000
16 grant to each of the two entrepreneurial centers associated with a research university located in
17 a city with a population of at least 50,000 according to the most recent decennial census. The
18 department also shall establish guidelines to award vouchers to entrepreneurs to procure
19 business development assistance from certified entrepreneurial centers or to provide grants to
20 entrepreneurs working with an entrepreneurial center. The amount appropriated for
21 entrepreneurship grants in section 1 of this Act 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, 2017,
23 and ending June 30, 2019.

24 **SECTION 7. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in
25 section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the
26 unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used
27 as matching funds to incentivize private sector business development related to the test site.
28 Matching funds provided under this section are not a business incentive under chapter 54-60.1.

29 **SECTION 8. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act
30 includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general

1 fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1,
2 2015, and ending June 30, 2017.

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

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

7 **SECTION 10. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of
8 any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
9 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose
10 of coordinating and conducting joint training, involving the department of emergency services,
11 federal health and human services' disaster mortuary operational response team, and other
12 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending
13 June 30, 2017.

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

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

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

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

5 **SECTION 15. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of
6 management and budget shall transfer the amount appropriated in the research North Dakota
7 line item in section 1 of this Act to the research North Dakota fund for the purpose of
8 implementing and administering the research North Dakota grant program, for the biennium
9 beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make
10 available \$1,000,000 of the funds transferred to the research North Dakota fund for research
11 North Dakota for grants to conduct research on and commercialization for the prevention of,
12 treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning
13 July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31,
14 2016, the funds must be made available for other authorized purposes of research North
15 Dakota.

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

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

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

28 **SECTION 19. EXEMPTION.** The amount appropriated for the technology-based
29 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of
30 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from

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

3 **SECTION 20. EXEMPTION.** The amount appropriated for the child care facility grants in
4 section 14 of chapter 45 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 21. EXEMPTION.** The amount appropriated for the unmanned aircraft systems
8 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section
9 54-44.1-11 and any unexpended funds from this line item are available during the biennium
10 beginning July 1, 2015, and ending June 30, 2017.

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

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

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

24 **54-60-17. Division of workforce development - Internships, apprenticeships, and work**
25 **experience opportunities.**

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

1 the number of internship, apprenticeship, and work experience opportunities subsidized within
2 each funding recipient.

3 **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER**

4 **FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative
5 management shall consider studying issues related to the state's development of a civilian
6 ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central
7 location for processing first responder data, including high definition, high-spectral, infrared and
8 thermal imagery, as well as electronic signals through cell phones and internet service,
9 generated from the deployment of unmanned aircraft and unmanned systems by first
10 responders during federal, state, and local government responses to emergencies, natural
11 disasters, emergency preparedness and law enforcement activities; training services; data
12 management, data analysis, data interpretation and information routing approximating a
13 real-time basis; and a repository of data and best practices for first responders at federal, state,
14 and local levels. The legislative management shall report its findings and recommendations,
15 together with any legislation required to implement the recommendations, to the sixty-fifth
16 legislative assembly.

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