# Sixty-fourth Legislative Assembly of North Dakota
# In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1018
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to amend and reenact section 54-60-17 of the North Dakota Century Code, relating to workforce development; and to provide for a legislative management study.

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

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

| | Base Level | Adjustments or Enhancements | Appropriation |
|---|---|---|---|
| Salaries and wages | $12,361,114 | $810,693 | $13,171,807 |
| Accrued leave payments | 243,767 | (243,767) | 0 |
| Operating expenses | 15,635,749 | 3,036,541 | 18,672,290 |
| Capital assets | 10,000 | (10,000) | 0 |
| Grants | 56,622,950 | 8,364,121 | 64,987,071 |
| Discretionary funds | 928,082 | 0 | 928,082 |
| Workforce enhancement fund | 0 | 1,000,000 | 1,000,000 |
| Economic development initiatives | 186,846 | (186,846) | 0 |
| Flood impact grants/loans | 0 | 12,859,869 | 12,859,869 |
| Agricultural products utilization commission | 3,240,494 | 78,117 | 3,318,611 |
| Research North Dakota | 0 | 4,500,000 | 4,500,000 |
| North Dakota trade office | 2,613,400 | 0 | 2,613,400 |
| Entrepreneurship grants and vouchers | 0 | 3,250,000 | 3,250,000 |
| Partner programs | 2,022,044 | 200,000 | 2,222,044 |
| Total all funds | $93,864,446 | $33,658,728 | $127,523,174 |
| Less estimated income | 51,707,386 | 22,812,087 | 74,519,473 |
| Total general fund | $42,157,060 | $10,846,641 | $53,003,701 |
| 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:

| One-Time Funding Description | 2013-15 | 2015-17 |
|---|---|---|
| Workforce enhancement fund | $2,000,000 | $1,000,000 |
| Flood impact grants/loans | 18,358,866 | 12,859,869 |
| Research North Dakota | 12,000,000 | 4,500,000 |
| Unmanned aircraft system | 5,000,000 | 2,718,620 |
| Base retention grants | 1,500,000 | 1,500,000 |
| Tourism large infrastructure grants | 750,000 | 750,000 |
| Visual North Dakota | 250,000 | 0 |
| Innovation grants | 300,000 | 0 |
| Federal fiscal stimulus | 796,770 | 0 |

| | | |
|---|---|---|
| Enhanced use lease grant | 2,500,000 | 7,500,000 |
| Child care facility grants | 0 | 2,250,000 |
| Homeless shelter grants | 0 | 1,500,000 |
| Rural health services grant | 0 | 0 |
| Tribal community college grants | 0 | 3,000,000 |
| Nursing home grants | 2,000,000 | 0 |
| Value-added renewable energy study | 500,000 | 0 |
| Workforce recruitment campaign | 0 | 300,000 |
| Tourism midwest markets | 0 | 1,000,000 |
| Entrepreneurship grants and vouchers | 0 | 1,750,000 |
| Tourism international | 0 | 247,836 |
| Educators and industry externships | 0 | 50,000 |
| Total all funds | $45,955,636 | $40,926,325 |
| Less estimated income | 23,655,636 | 21,359,869 |
| Total general fund | $22,300,000 | $19,566,456 |

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

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

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

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

**SECTION 6. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM - EXEMPTION.** Section 1 of this Act includes the sum of $3,250,000, of which $3,100,000 is from the general fund and $150,000 from special funds, for an entrepreneurship grants and voucher program to be developed and administered by the department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to provide grants to entrepreneurial centers certified by the department. The department shall provide a $300,000 grant to a nonprofit organization entrepreneurial center assisting individuals with business ideas located in the city where the state

capitol is located and provide a $300,000 grant to each of the two entrepreneurial centers associated with a research university located in a city with a population of at least 50,000 according to the most recent decennial census. The department also shall establish guidelines to award vouchers to entrepreneurs to procure business development assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working with an entrepreneurial center. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

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

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

**SECTION 9. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY ASSOCIATION.** Of the funds appropriated in the discretionary funds line item in section 1 of this Act, the department shall use $150,000 from the general fund to provide a grant to an arts and gallery association located in the city where the state capitol is located.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The division of workforce development shall administer a program to increase use of internships, apprenticeships, and work experience opportunities for higher education students ~~and~~, high school

students enrolled in grade eleven or twelve, and educators. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase internship, apprenticeship, and work experience opportunities. The department shall maintain records of the number of internship, apprenticeship, and work experience opportunities subsidized within each funding recipient.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative management shall consider studying issues related to the state's development of a civilian ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central location for processing first responder data, including high definition, high-spectral, infrared, and thermal imagery, as well as electronic signals through cell phones and internet service, generated from the deployment of unmanned aircraft and unmanned systems by first responders during federal, state, and local government responses to emergencies, natural disasters, emergency preparedness, and law enforcement activities; training services; data management, data analysis, data interpretation and information routing approximating a real-time basis; and a repository of data and best practices for first responders at federal, state, and local levels. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1018.

| | | | |
|---|---|---|---|
| House Vote: | Yeas 56 | Nays 33 | Absent 5 |
| Senate Vote: | Yeas 45 | Nays 2 | Absent 0 |

Chief Clerk of the House

Received by the Governor at 4:10 P.M. on April 28, 2015.

Approved at 3:03 P.M. on April 29, 2015.

Governor

Filed in this office this 30th day of April, 2015,

at 8:21 o'clock A M.

Secretary of State