

**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<br/>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        | 12,364,121                             | 68,987,071           |
| 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      | \$37,658,728      | \$131,523,174     |
| 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      | \$14,846,641      | \$57,003,701      |
| 8 | 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:

| 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 | Workplace safety training facility grant | 0              | 4,000,000      |
| 31 | Workforce recruitment campaign           | 0              | 300,000        |

Sixty-fourth  
Legislative Assembly

|   |                                      |                   |                   |
|---|--------------------------------------|-------------------|-------------------|
| 1 | Tourism midwest markets              | 0                 | 1,000,000         |
| 2 | Entrepreneurship grants and vouchers | 0                 | 1,750,000         |
| 3 | Tourism international                | 0                 | 247,836           |
| 4 | Educators and industry externships   | <u>0</u>          | <u>50,000</u>     |
| 5 | Total all funds                      | \$45,955,636      | \$44,926,325      |
| 6 | Less estimated income                | <u>23,655,636</u> | <u>21,359,869</u> |
| 7 | Total general fund                   | \$22,300,000      | \$23,566,456      |

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 - CONTINGENCY - WORKPLACE SAFETY FACILITY.** The grants  
13 line item in section 1 of this Act includes the sum of \$4,000,000 from the general fund for  
14 providing a grant to an organization that provides workplace safety training for the purpose of  
15 constructing a workplace safety training facility, for the biennium beginning July 1, 2015, and  
16 ending June 30, 2017. The grant is contingent upon the organization providing \$800,000 of  
17 nonstate funds for the construction of the workplace safety training facility.

18 **SECTION 4. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
19 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
20 program to be developed by the department of commerce, for the biennium beginning July 1,  
21 2015, and ending June 30, 2017. The grant program must award direct grants and not cost  
22 reimbursement grants. The department may award grants of up to \$500,000 to each community  
23 with an air force base or air national guard facilities.

24 **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
25 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum  
26 of \$7,500,000 from the strategic investment and improvements fund for an enhanced use lease  
27 grant program to be developed by the department of commerce, for the biennium beginning  
28 July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure  
29 required for an enhanced use lease private sector business development project located on or  
30 adjacent to the Grand Forks air force base. The department may award up to \$3,100,000, or  
31 additional amounts as necessary, for taxi-way reconnection and alert pad refurbishment after an

1 agreement is reached for the first private sector single-tenant or multitenant building on the  
2 property. Remaining funds may also be awarded either after an agreement is reached for a  
3 second private sector single-tenant or multitenant building on the property or after an  
4 agreement is reached with any data intensive tenant for data connectivity and redundancy  
5 infrastructure requirements or for data services, such as analysis, modeling or storage, to be  
6 provided to tenants or prospective tenants. The department of commerce shall establish  
7 accountability requirements for grants awarded under this section.

8 **SECTION 6. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
9 section 1 of this Act includes the sum of \$2,250,000 from the general fund for a child care  
10 facility grant program to be developed by the department of commerce, for the biennium  
11 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
12 qualify for a grant under this section which must include a matching requirement one dollar of  
13 matching funds for every three dollars of grant funds and a maximum grant amount of  
14 \$187,500.

15 **SECTION 7. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**  
16 **EXEMPTION.** Section 1 of this Act includes the sum of \$3,250,000, of which \$3,100,000 is from  
17 the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher  
18 program to be developed and administered by the department of commerce, for the biennium  
19 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
20 provide grants to entrepreneurial centers certified by the department. The department shall  
21 provide a \$300,000 grant to a nonprofit organization entrepreneurial center assisting individuals  
22 with business ideas located in the city where the state capitol is located and provide a \$300,000  
23 grant to each of the two entrepreneurial centers associated with a research university located in  
24 a city with a population of at least 50,000 according to the most recent decennial census. The  
25 department also shall establish guidelines to award vouchers to entrepreneurs to procure  
26 business development assistance from certified entrepreneurial centers or to provide grants to  
27 entrepreneurs working with an entrepreneurial center. The amount appropriated for  
28 entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any  
29 unexpended funds from this line item are available during the biennium beginning July 1, 2017,  
30 and ending June 30, 2019.

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

6       **SECTION 9. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act  
7 includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general  
8 fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1,  
9 2015, and ending June 30, 2017.

10       **SECTION 10. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY**  
11 **ASSOCIATION.** Of the funds appropriated in the discretionary funds line item in section 1 of this  
12 Act, the department shall use \$150,000 from the general fund to provide a grant to an arts and  
13 gallery association located in the city where the state capitol is located.

14       **SECTION 11. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of any  
15 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
16 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose  
17 of coordinating and conducting joint training, involving the department of emergency services,  
18 federal health and human services' disaster mortuary operational response team, and other  
19 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending  
20 June 30, 2017.

21       **SECTION 12. DAKOTA DAY TRIPS PUBLICATION.** The department of commerce shall  
22 use up to \$15,000 of the funding appropriated in the operating expenses line item in section 1 of  
23 this Act for expenses relating to the printing of the Dakota day trips publication.

24       **SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
25 Dakota trade office special line item and the general fund appropriation in section 1 of this Act  
26 include \$2,613,400 of funding relating to the North Dakota trade office. The department of  
27 commerce may spend seventy percent of this amount without requiring any matching funds  
28 from the trade office. Any additional amounts may be spent only to the extent that the North  
29 Dakota trade office provides one dollar of matching funds from private or other public sources  
30 for each one dollar provided by the department for the biennium beginning July 1, 2015, and  
31 ending June 30, 2017. Matching funds may include money spent by businesses or

1 organizations to pay salaries to export assistants, provide training to export assistants, or buy  
2 computer equipment as part of the North Dakota trade office's export assistance program.

3 **SECTION 14. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
4 management and budget shall transfer the amount appropriated in the workforce enhancement  
5 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
6 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
7 July 1, 2015, and ending June 30, 2017.

8 **SECTION 15. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
9 shall transfer \$1,550,000 of the amount appropriated in the operating expenses line item in  
10 section 1 of this Act to the internship fund for the purpose of administering the operation intern  
11 program, for the period beginning with the effective date of this Act and ending June 30, 2017.

12 **SECTION 16. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
13 management and budget shall transfer the amount appropriated in the research North Dakota  
14 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
15 implementing and administering the research North Dakota grant program, for the biennium  
16 beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make  
17 available \$1,000,000 of the funds transferred to the research North Dakota fund for research  
18 North Dakota for grants to conduct research on and commercialization for the prevention of,  
19 treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning  
20 July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31,  
21 2016, the funds must be made available for other authorized purposes of research North  
22 Dakota.

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

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

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

5       **SECTION 20. EXEMPTION.** The amount appropriated for the technology-based  
6 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
7 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
8 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
9 2017.

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

14       **SECTION 22. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
15 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section  
16 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
17 beginning July 1, 2015, and ending June 30, 2017.

18       **SECTION 23. EXEMPTION.** The amount appropriated for the tribal college grants in  
19 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
20 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
21 and ending June 30, 2017.

22       **SECTION 24. EXEMPTION.** Any amount continued pursuant to section 27 of chapter 49 of  
23 the 2013 Session Laws, relating to the antiballistic missile site acquisition grant and base  
24 realignment grant, that is unexpended as of June 30, 2015, up to \$600,000, is not subject to  
25 section 54-44.1-11 and is available during the biennium beginning July 1, 2015, and ending  
26 June 30, 2017. The department of commerce may use funds only for the purpose awarding a  
27 grant to assist in the acquisition and development of the antiballistic missile site at the  
28 Stanley R. Mickelson safeguard complex in Nekoma.

29       **SECTION 25. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **54-60-17. Division of workforce development - Internships, apprenticeships, and work**  
2 **experience opportunities.**

3           The division of workforce development shall administer a program to increase use of  
4 internships, apprenticeships, and work experience opportunities for higher education students  
5 and, high school students enrolled in grade eleven or twelve, and educators. The primary focus  
6 of this program must be higher education internships in target industries. This program shall  
7 provide services to employers, communities, and business organizations to increase internship,  
8 apprenticeship, and work experience opportunities. The department shall maintain records of  
9 the number of internship, apprenticeship, and work experience opportunities subsidized within  
10 each funding recipient.

11           **SECTION 26. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER**  
12 **FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative  
13 management shall consider studying issues related to the state's development of a civilian  
14 ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central  
15 location for processing first responder data, including high definition, high-spectral, infrared and  
16 thermal imagery, as well as electronic signals through cell phones and internet service,  
17 generated from the deployment of unmanned aircraft and unmanned systems by first  
18 responders during federal, state, and local government responses to emergencies, natural  
19 disasters, emergency preparedness and law enforcement activities; training services; data  
20 management, data analysis, data interpretation and information routing approximating a  
21 real-time basis; and a repository of data and best practices for first responders at federal, state,  
22 and local levels. The legislative management shall report its findings and recommendations,  
23 together with any legislation required to implement the recommendations, to the sixty-fifth  
24 legislative assembly.

25           **SECTION 27. EMERGENCY.** Funding of \$1,550,000 in the operating expenses line item in  
26 section 1 relating to the operation intern program, and section 15 of this Act are declared to be  
27 an emergency measure.