

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Commerce Administration**Reporting level:** 00-601-200-00-00-00-00-00000000**Program Performance Measures**

Not applicable.

Program Statistical Data

Not applicable.

Explanation of Program Costs

The costs associated with Commerce Administration are dedicated to supporting the overall administrative functions of the Department.

Program Goals and Objectives

This is a division that provides support services to the Department of Commerce and world class customer service to our clients.

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Commerce Administration		Reporting Level: 00-601-200-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	1,312,023	1,436,806	231,400	1,668,206	0
Temporary Salaries	142,696	130,000	36,612	166,612	0
Overtime	11,969	1,000	(1,000)	0	0
Fringe Benefits	429,894	615,773	(39,797)	575,976	0
Total	1,896,582	2,183,579	227,215	2,410,794	0
Salaries and Wages					
General Fund	1,896,582	2,183,579	227,215	2,410,794	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,896,582	2,183,579	227,215	2,410,794	0
Operating Expenses					
Travel	137,563	140,043	(1,718)	138,325	0
Supplies - IT Software	25,083	16,685	0	16,685	0
Supply/Material-Professional	11,258	19,984	(5,289)	14,695	0
Food and Clothing	1,306	3,000	0	3,000	0
Miscellaneous Supplies	23,095	24,643	0	24,643	0
Office Supplies	69,973	26,308	(2,000)	24,308	0
Postage	67,454	85,428	(10,000)	75,428	0
Printing	53,463	55,071	(5,000)	50,071	0
IT Equip Under \$5,000	41,996	34,135	1,201	35,336	0
Other Equip Under \$5,000	844	3,000	0	3,000	0
Office Equip & Furn Supplies	41,465	9,428	0	9,428	0
Insurance	1,863	14,325	0	14,325	0
Rentals/Leases-Equip & Other	6,837	11,228	(4,800)	6,428	0
Rentals/Leases - Bldg/Land	154,991	168,929	17,278	186,207	0
Repairs	10,207	13,260	(9,260)	4,000	0
IT - Data Processing	56,851	44,946	1,800	46,746	0
IT - Communications	34,547	31,083	1,431	32,514	0
IT Contractual Svcs and Rprs	142,440	48,357	15,000	63,357	0
Professional Development	205,032	182,786	(5,209)	177,577	0
Operating Fees and Services	883,222	1,471,118	24,500	1,495,618	(70,765)
Fees - Professional Services	1,061,682	68,758	2,000	70,758	(7,050)
Total	3,031,172	2,472,515	19,934	2,492,449	(77,815)
Operating Expenses					
General Fund	2,873,245	2,263,015	29,434	2,292,449	(77,815)

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Federal Funds	0	9,500	(9,500)	0	0
Special Funds	157,927	200,000	0	200,000	0
Total	3,031,172	2,472,515	19,934	2,492,449	(77,815)
Capital Assets					
Equipment Over \$5000	24,765	0	0	0	0
Total	24,765	0	0	0	0
Capital Assets					
General Fund	24,765	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	24,765	0	0	0	0
Discretionary Grants					
Professional Development	5,000	0	0	0	0
Operating Fees and Services	10,000	0	0	0	0
Grants, Benefits & Claims	1,476,369	1,463,282	(535,200)	928,082	(27,842)
Total	1,491,369	1,463,282	(535,200)	928,082	(27,842)
Discretionary Grants					
General Fund	1,491,369	1,463,282	(535,200)	928,082	(27,842)
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,491,369	1,463,282	(535,200)	928,082	(27,842)
North Dakota Trade Office					
Operating Fees and Services	1,500,000	1,991,719	0	1,991,719	427,080
Grants, Benefits & Claims	0	72,281	0	72,281	0
Total	1,500,000	2,064,000	0	2,064,000	427,080
North Dakota Trade Office					
General Fund	1,500,000	2,064,000	0	2,064,000	427,080
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,500,000	2,064,000	0	2,064,000	427,080
Partner Programs					

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Operating Fees and Services	100,000	100,000	0	100,000	197,000
Fees - Professional Services	0	950,000	0	950,000	(28,500)
Grants, Benefits & Claims	0	972,044	0	972,044	(29,161)
Total	100,000	2,022,044	0	2,022,044	139,339
Partner Programs					
General Fund	100,000	2,022,044	0	2,022,044	139,339
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	100,000	2,022,044	0	2,022,044	139,339
Total Expenditures	8,043,888	10,205,420	(288,051)	9,917,369	460,762
Funding Sources					
General Fund					
Total	7,885,961	9,995,920	(278,551)	9,717,369	460,762
Federal Funds					
E037 DOE2000	0	9,500	(9,500)	0	0
Total	0	9,500	(9,500)	0	0
Special Funds					
330 Economic Dev. Fund 330	157,927	200,000	0	200,000	0
Total	157,927	200,000	0	200,000	0
Total Funding Sources	8,043,888	10,205,420	(288,051)	9,917,369	460,762
FTE Employees	11.01	14.13	0.04	14.17	0.00

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**One Time Budget Changes**

A-E 8 Remove Prior beinnium one-time approp.		0.00	(11,500)	0	0	(11,500)
Total One Time Budget Changes		0.00	(11,500)	0	0	(11,500)

Ongoing Budget Changes

A-A 1 Miscellaneous Changes		0.00	39,434	(9,500)	0	29,934
A-A 22 Carryover Appn. Adjustment		0.00	(535,200)	0	0	(535,200)
A-A 3 Program Changes		0.00	(10,000)	0	0	(10,000)
Base Payroll Change		0.04	238,715	0	0	238,715
Total Ongoing Budget Changes		0.04	(267,051)	(9,500)	0	(276,551)
Total Base Budget Changes		0.04	(278,551)	(9,500)	0	(288,051)

Optional Budget Changes**One Time Optional Changes**

A-D 21 American Indian Business Office	6	0.00	200,000	0	0	200,000
A-D 16 Trade Office	9	0.00	489,000	0	0	489,000
Total One Time Optional Changes		0.00	689,000	0	0	689,000
Total Optional Budget Changes		0.00	689,000	0	0	689,000

Optional Savings Changes

A-G 10 Cost Savings Plan	1	0.00	(228,238)	0	0	(228,238)
Total Optional Savings Changes		0.00	(228,238)	0	0	(228,238)

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Innovation and Strategic Initiatives**Reporting level:** 00-601-250-00-00-00-00000000**Program Performance Measures**

Measurements associated with the Centers of Excellence program include the number of jobs created and wages associated with these jobs; amount of leveraged funds; and new companies starting-up, spinning-off, or relocating to North Dakota.

A short term metric for the Innovate North Dakota program is the number of ideas submitted. Since Innovate North Dakota is dealing with start-up businesses and ideas, a longer-term metric is the number of businesses launched that are still in business five years after participating in Innovate North Dakota.

The Technology-based Entrepreneurship Grant program will be measured by the entrepreneurial activity resulting from the program. This includes the number of new businesses assisted, successful product launches, and the number of resulting jobs.

Program Statistical Data

As of June 30, 2009, the \$19.9 million in state funds that have been spent has resulted in \$329.4 million in total estimated impact to North Dakota's economy. A total of 135 private sector companies are partnering with Centers. 17 new or expanded businesses: 12 companies with a new location in North Dakota and 5 companies that have expanded. There are a total of 2,060 jobs associated with the Centers of Excellence program, including 922 direct jobs at an estimated annual payroll of \$44.5 million.

Since the launch of Innovate North in the fall of 2006, nearly 500 people with 250 ideas have participated in the program and 70 new businesses are operational or in the development stage as a result.

Explanation of Program Costs

The program costs for the Office of Innovation and Entrepreneurship Initiatives are primarily for administration and support of the Centers of Excellence, Innovate North Dakota, and Technology-based Entrepreneurship Grant programs.

Funding for "COE V2.0": \$10m for a targeted commercialization centers program with research Universities; \$2m for "star" recruitment program to enhance "commercialization" talent within centers; \$3m for base-realignment grants; \$5m for university/college-based entrepreneurial centers that engage small, early stage companies, with emphasis on student involvement.

Program Goals and Objectives

The Office of Innovation and Entrepreneurship assists the Centers of Excellence Commission in the administration of the Centers of Excellence program, including monitoring of approved Centers; and manages the Innovate North Dakota and Technology-based Entrepreneurship Grant programs.

The objective of the Centers of Excellence program is to create economic development by partnering North Dakota's college and universities with private sector companies.

PROGRAM NARRATIVE**601 Department of Commerce****Date:** 01/13/2011**Time:** 11:33:52**Program:** Innovation and Strategic Initiatives**Reporting level:** 00-601-250-00-00-00-00000000

The Innovate North Dakota program's objective is to assist entrepreneurs in launching new innovative ventures. This is accomplished through entrepreneurial education, coaching, and a competition.

The objective of the legislatively established Technology-based Entrepreneurship Grant program is to spur new technology-based businesses by providing grants to assist entrepreneurs with accessing capital, marketing, entrepreneurship infrastructure, and entrepreneurial talent.

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	227,689	294,985	(793)	294,192	0
Temporary Salaries	612	0	0	0	0
Overtime	4,363	0	0	0	0
Fringe Benefits	81,078	126,422	(15,802)	110,620	0
Total	313,742	421,407	(16,595)	404,812	0
Salaries and Wages					
General Fund	313,742	421,407	(16,595)	404,812	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	313,742	421,407	(16,595)	404,812	0
Operating Expenses					
Travel	9,120	42,710	(11,553)	31,157	(6,090)
Supplies - IT Software	0	1,000	0	1,000	(1,000)
Supply/Material-Professional	148	0	0	0	0
Miscellaneous Supplies	100	500	0	500	(500)
Office Supplies	210	500	200	700	(200)
Postage	1,653	2,000	0	2,000	(227)
Printing	4,017	500	2,500	3,000	0
IT Equip Under \$5,000	1,334	3,200	(1,600)	1,600	0
Rentals/Leases-Equip & Other	94	0	0	0	0
Rentals/Leases - Bldg/Land	18,005	8,928	10,381	19,309	0
IT - Data Processing	6,280	6,237	2,413	8,650	0
IT - Communications	5,545	10,060	658	10,718	0
IT Contractual Svcs and Rprs	5,416	5,000	0	5,000	0
Professional Development	7,070	16,500	2,700	19,200	(2,100)
Operating Fees and Services	308,551	955,099	(399,599)	555,500	(5,000)
Fees - Professional Services	3,078	3,000	(600)	2,400	0
Total	370,621	1,055,234	(394,500)	660,734	(15,117)
Operating Expenses					
General Fund	245,621	530,234	(19,500)	510,734	(15,117)
Federal Funds	0	0	0	0	0
Special Funds	125,000	525,000	(375,000)	150,000	0
Total	370,621	1,055,234	(394,500)	660,734	(15,117)
Grants					

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Grants, Benefits & Claims	0	1,000,000	0	1,000,000	(30,000)
Total	0	1,000,000	0	1,000,000	(30,000)
Grants					
General Fund	0	1,000,000	0	1,000,000	(30,000)
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	1,000,000	0	1,000,000	(30,000)
Centers of Excellence Grants					
Fees - Professional Services	0	50,000	(50,000)	0	0
Grants, Benefits & Claims	0	19,450,000	(19,450,000)	0	20,000,000
Total	0	19,500,000	(19,500,000)	0	20,000,000
Centers of Excellence Grants					
General Fund	0	19,500,000	(19,500,000)	0	20,000,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	19,500,000	(19,500,000)	0	20,000,000
Total Expenditures	684,363	21,976,641	(19,911,095)	2,065,546	19,954,883
Funding Sources					
General Fund					
Total	559,363	21,451,641	(19,536,095)	1,915,546	19,954,883
Special Funds					
330 Economic Dev. Fund 330	125,000	525,000	(375,000)	150,000	0
Total	125,000	525,000	(375,000)	150,000	0
Total Funding Sources	684,363	21,976,641	(19,911,095)	2,065,546	19,954,883
FTE Employees	3.00	3.00	0.00	3.00	0.00

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**One Time Budget Changes**

A-E 8 Remove Prior beinnium one-time approp.		0.00	(19,500,000)	0	0	(19,500,000)
Total One Time Budget Changes		0.00	(19,500,000)	0	0	(19,500,000)

Ongoing Budget Changes

A-A 1 Miscellaneous Changes		0.00	(19,500)	0	0	(19,500)
A-A 2 Operation Changes		0.00	0	0	(375,000)	(375,000)
Base Payroll Change		0.00	(16,595)	0	0	(16,595)
Total Ongoing Budget Changes		0.00	(36,095)	0	(375,000)	(411,095)

Total Base Budget Changes

		0.00	(19,536,095)	0	(375,000)	(19,911,095)
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Optional Budget Changes**One Time Optional Changes**

A-D 19 Centers of Excellence	3	0.00	20,000,000	0	0	20,000,000
Total One Time Optional Changes		0.00	20,000,000	0	0	20,000,000

Total Optional Budget Changes

		0.00	20,000,000	0	0	20,000,000
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Optional Savings Changes

A-G 10 Cost Savings Plan	1	0.00	(45,117)	0	0	(45,117)
Total Optional Savings Changes		0.00	(45,117)	0	0	(45,117)

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** North Dakota Tourism**Reporting level:** 00-601-300-00-00-00-00000000**Program Performance Measures****Leisure Marketing**

Publications: Travel guide, hunting and fishing guide, map, culture and heritage guide

Paid advertising: \$2 million per year invested in integrated campaign across numerous media: TV, Print, Newspaper inserts, online, out-of-home, radio

Cooperative advertising opportunities for industry partners

Website: constant improvement of NDTourism.com

E-news – 16 niche categories

Results: Increased ROI 1:123, increased visitor stats, new inquiries and web activity; improved functions and mobile compatibility on web site. Better tools on the website

Public and Media Relations

Media releases, pitches and partnerships

Media Familiarization Tour (Fam)

Freelance writer's workshops

On-line: Blogs, Flickr, YouTube, Twitter, Facebook

Results: engagement on social media, more earned media measured by advertising equivalency

Customer Service and Sales

Travel counseling - via phone and on-line

Brochure racks in rest areas

Fulfill requests of state materials and for partners

Itinerary and route development

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** North Dakota Tourism**Reporting level:** 00-601-300-00-00-00-00000000

Hospitality training program provided

Results: increase in activity and quantities of materials demanded

International Marketing

Cooperative sales with Rocky Mountain International (regional sales agent) states

Travel Trade shows, missions, media events

Visit USA Committees

Fam Tours

Targets: Norway, Sweden, Denmark, Finland, Iceland, Germany, Australia

Results: ND product for sale in catalogs, advertising equivalency of media coverage. Increased visitation

Group Travel Sales

Trade show and marketplace sales

Fam tours

Itinerary development

Advertising and earned media

Results: Groups booked in ND, media coverage in group publications

Outdoor Promotions

Sport shows and niche promotions

Niche advertising

Outdoor Fam tours

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** North Dakota Tourism**Reporting level:** 00-601-300-00-00-00-00000000

Results: Media coverage, partner participation in events, increased bookings and license sales

Tourism Development

Project facilitation

Outreach to economic and business developers

Grants

Rural, recreation, education and agri tourism emphasis

Results: new tourism businesses or expanded offerings

Industry Development

Tourism Conference - annual training event

Partner Access & Promotion - allows partners free listings and marketing

Hospitality Training - offered on-line or DVD based for easy access

Monthly newsletter - provides stats, tips and opportunities

Listservs created - format for attractions, events and accommodations

Regional workshops – customized for each region with hands-on learning

Results: a vibrant, engaged industry that cross-sells and is tied into state's efforts

Program Statistical Data**2008 Visitors Study**

Longwoods International estimates the size of ND's domestic market has grown to 15.27 million visitor trips. Sixty percent of trips are day-trips with 40% overnight.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** North Dakota Tourism**Reporting level:** 00-601-300-00-00-00-00000000**Canadian Travel**

For the timeframe of 2006 to 2008, Canadian travel to North Dakota was up 32.1%, yielding 1.5 million trips. Statistics Canada, Canada's central statistical agency, reports Canadian expenditures grew 86% from 2006 to 2008, totaling \$273 million in 2008.

2008 Tourism Satellite Account

Global Insight estimates ND's tourism expenditures at \$2.4 billion with visitors from other states representing the largest portion of spending at 61%.

2008 ND Economic Base

Researchers at North Dakota State University report all non-resident spending in North Dakota contributing \$4.13 billion in 2008, a 2.1% increase over the previous year.

North Dakota's Economic Base, 2008

Agriculture	\$8.16 billion
Oil	\$5.49 billion
Tourism	\$4.13 billion
Manufacturing	\$2.20 billion
Coal	\$1.81 billion
Exports	\$1.11 billion

Publications

The 2009 Travel Guide was made available through request fulfillment, at sport and travel shows, at in-state rest areas, visitor centers and traveler-frequented businesses. 325,000 copies were printed and fully distributed by November.

The 2009 Hunting & Fishing Guide was made available through request fulfillment, at sport and travel shows and at visitor centers and traveler-frequented businesses. 70,000 copies were in circulation – a 40% increase in circulation from 2008.

The

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** North Dakota Tourism**Reporting level:** 00-601-300-00-00-00-00000000*2009-2011 Official Highway*

Map is distributed in partnership with the ND Dept. of Transportation. 1.2 million copies of the map are printed for the two-year distribution at in-state rest areas, visitor centers and traveler-frequented businesses. They are also made available through request fulfillment.

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Publication Fulfillment

North Dakota Tourism continues a partnership with One Fulfillment for collecting brochure requests. In 2009, a total of 23,079 orders were filled, with March being the busiest month. The top states requesting fulfillment were: Minnesota, Wisconsin, Texas, Illinois and Michigan.

In its sixth year of the rest area brochure rack program, 111 tourism industry partners participated with 137 brochures. Usage of brochures and travel guides continued to increase. The ND Travel Guide had a 14% increase in distribution in 2009, over the 300% increase in 2008.

In 2009, cooperative advertising was available in 27 publications. 141 partners advertised in the ND Travel Guide and 19 in the ND Hunting & Fishing Guide. Newspaper inserts mailed to 2.2 million households included co-op ads from 10 partners.

Travel counselors for North Dakota Tourism answer more than 17,000 phone calls, emails, letters and online requests for information annually

Explanation of Program Costs

The budget includes dollars in the following major categories:

Telecommunications – this includes our 800 number (800-HELLOND) – the number we advertise to call for travel packets.

Postage – this covers postage on the thousands of information packets our division sends out in response to travel inquiries. It also includes sending cases of our vacation guide and other brochures to trade shows, information centers, gas stations, etc.

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Advertising/Marketing Design – a majority of the division’s expenditures involve advertising design, production and placement. This includes the design of all television, radio, print, direct mail and on-line ads and the cost of placing them in the targeted markets. This also includes the development of special market brochures such as the Cultural and Heritage Guide, Hunting and Fishing Guide and image pieces. All costs incurred for the maintenance and enhancement of the division’s Web site and additional interactive marketing projects are included in these expenses.

Information Technology- a new category for IT has been carved out of the existing budget. As travelers demand more electronic and mobile information this area is expected to continue to grow as we market, track and fulfill requests electronically.

Printing – a large part of our budget is allotted for the printing of our publications and brochures that promote the State and provide valuable travel information to visitors. These publications include the ND Travel Guide, ND Hunting & Fishing Guide, Cultural and Heritage Guide, student packets, ND Group Tour Planning Guide and media kits.

Program Goals and Objectives

The Department of Commerce is North Dakota’s lead economic development agency and our mission is to improve the quality of life of the people of North Dakota. The ultimate goal of our investment in tourism is to increase the impact of tourism on North Dakota’s economy and the well being of our citizens. Various studies have shown that we’re accomplishing our goal. The growth in tourism spans the whole state – east, west, north, south, rural and urban. A recent IHS Global Insight study revealed that every county in North Dakota saw positive growth. Forty-six counties posted double digit growth – with overall growth at 11.5% between 2006 and 2008.

Five counties in North Dakota make up 51% of tourism spending. These counties are: Cass, Burleigh, Ward, Grand Forks and Richland. Of these counties, Cass has the largest share of tourism spending with 19%.

Eight years ago, the “Legendary” brand was launched focusing in on our state’s rich history and culture, scenic beauty and fun things to see and do. It taps into those unique attributes potential visitors find most appealing about North Dakota.

One strategy under the Legendary brand umbrella is our border/city experience strategy that focuses on the city/weekend getaway experience and targets the Canadian market, as well as border states. This success in visitor tourism-related spending shows the border/city strategy is working.

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Another initiative the tourism division focused on in 2009 was tourism development. The creation of a tourism development position will allow the division to help connect the programs and services available to businesses to potential new tourism operations. One of the focuses will be on developing more rural tourism opportunities in areas such as agri-tourism, recreation and eco or nature tourism. Whether marketing our cities or our rural areas – the division’s marketing efforts continue to evolve as we strive to attract more visitors to North Dakota.

Defying the odds: North Dakota Tourism stats show growth

Global airlines suffered the worst-ever fall in passenger demand in 2009 (-3.5%), according to the International Air Transport Association (IATA) while in North Dakota airports posted a 5% increase in boarding’s.

According to Smith Travel Research (STR), U.S. hotel industry posted these results: supply (+3.2%), demand (-5.8%), occupancy (-8.6%), ADR (-8.8%) and RevPAR (-16.7%). On an average day in 2009, there are 215,000 fewer rooms sold nationally, generating \$42 million less in revenue than a year and a half ago while in North Dakota our results showed: supply (+3%), demand (+3.6%), occupancy (+1.5%), ADR (+4.3%) and RevPAR (+5.8%) and our lodging tax receipts were up 8%.

A number of indicators suggest that business travel was the segment most negatively affected in 2009. American Express’ global corporate travel sales shrunk 30% year over year in 2009 to \$14.6 billion. North Dakota hotels reported strong business use in 2009. This segment increased to 25% of all overnight travel in 2008.

National parks nationwide apparently benefited from changing traveler preferences, with recreation visits reported to have risen about 5% in 2009. In North Dakota visitation to our National Parks grew by 15% to 644,000 visitors. The increase is partially attributable to increased foreign visitation and increased interest in camping. State parks in North Dakota also enjoyed strong increases up 19% over 2008.

2010 first quarter statistics reveal similar visitation increases:

State Parks 15%

National Parks 66%

New visitors to web site 30%

Attractions 6%

Visitor centers 4%

Lodging tax 9%

Canadian border crossings 13%

RevPAR (Revenue per room for hotels) 10%

PROGRAM NARRATIVE

601 Department of Commerce

Date: 01/13/2011

Time: 11:33:52

Program: North Dakota Tourism

Reporting level: 00-601-300-00-00-00-00000000

Tourism Division research and current statistics all demonstrate the same theme. In North Dakota tourism is growing - and it is growing faster than the national average.

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: North Dakota Tourism Reporting Level: 00-601-300-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	983,354	1,063,682	48,070	1,111,752	0
Temporary Salaries	59,678	45,000	12,720	57,720	0
Overtime	12,067	5,000	(5,000)	0	0
Fringe Benefits	348,528	455,863	(39,197)	416,666	0
Total	1,403,627	1,569,545	16,593	1,586,138	0

Salaries and Wages					
General Fund	1,403,627	1,569,545	16,593	1,586,138	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	1,403,627	1,569,545	16,593	1,586,138	0

Operating Expenses					
Travel	151,548	202,890	(17,203)	185,687	(9,489)
Supplies - IT Software	2,758	2,000	12,000	14,000	(2,000)
Supply/Material-Professional	1,975	4,050	(1,900)	2,150	0
Food and Clothing	365	1,150	0	1,150	(304)
Miscellaneous Supplies	57,125	241,250	(1,850)	239,400	(700)
Office Supplies	13,273	16,000	(1,500)	14,500	(400)
Postage	404,841	404,000	(20,000)	384,000	(22,315)
Printing	694,532	688,300	(10,650)	677,650	(61,900)
IT Equip Under \$5,000	2,463	22,000	(3,000)	19,000	(4,000)
Office Equip & Furn Supplies	0	12,000	0	12,000	0
Insurance	1,555	1,900	(540)	1,360	0
Rentals/Leases-Equip & Other	2,900	5,200	920	6,120	0
Rentals/Leases - Bldg/Land	107,295	107,300	5,176	112,476	(2,300)
Repairs	189	1,500	(56)	1,444	(94)
IT - Data Processing	26,070	36,900	5,600	42,500	0
IT - Communications	35,024	40,000	0	40,000	(2,256)
IT Contractual Svcs and Rprs	29,607	53,000	8,403	61,403	0
Professional Development	52,956	65,500	1,250	66,750	(4,350)
Operating Fees and Services	4,640,797	4,745,739	47,350	4,793,089	771,287
Fees - Professional Services	934,342	1,033,650	(24,000)	1,009,650	(4,379)
Total	7,159,615	7,684,329	0	7,684,329	656,800

Operating Expenses					
General Fund	7,083,751	7,321,329	0	7,321,329	656,800
Federal Funds	0	0	0	0	0

REQUEST DETAIL BY PROGRAM

601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: North Dakota Tourism		Reporting Level: 00-601-300-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Special Funds	75,864	363,000	0	363,000	0
Total	7,159,615	7,684,329	0	7,684,329	656,800
Grants					
Grants, Benefits & Claims	258,143	2,315,800	(2,100,000)	215,800	400,000
Total	258,143	2,315,800	(2,100,000)	215,800	400,000
Grants					
General Fund	233,126	2,315,800	(2,100,000)	215,800	400,000
Federal Funds	0	0	0	0	0
Special Funds	25,017	0	0	0	0
Total	258,143	2,315,800	(2,100,000)	215,800	400,000
Total Expenditures	8,821,385	11,569,674	(2,083,407)	9,486,267	1,056,800
Funding Sources					
General Fund					
Total	8,720,504	11,206,674	(2,083,407)	9,123,267	1,056,800
Special Funds					
443 Department of Tourism Fund 443	100,881	363,000	0	363,000	0
Total	100,881	363,000	0	363,000	0
Total Funding Sources	8,821,385	11,569,674	(2,083,407)	9,486,267	1,056,800
FTE Employees	11.00	10.75	0.00	10.75	0.25

CHANGE PACKAGE DETAIL

601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: North Dakota Tourism **Reporting Level:** 00-601-300-00-00-00-00000000

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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Base Budget Changes

One Time Budget Changes

A-E 8 Remove Prior beinnium one-time approp.		0.00	(2,100,000)	0	0	(2,100,000)
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Total One Time Budget Changes		0.00	(2,100,000)	0	0	(2,100,000)
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Ongoing Budget Changes

Base Payroll Change		0.00	16,593	0	0	16,593
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Total Ongoing Budget Changes		0.00	16,593	0	0	16,593
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Total Base Budget Changes		0.00	(2,083,407)	0	0	(2,083,407)
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Optional Budget Changes

Ongoing Optional Changes

A-C 20 Tourism FTE	2	0.25	0	0	0	0
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A-C 13 Tourism Operating	8	0.00	930,000	0	0	930,000
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A-C 15 Tourism Grants	10	0.00	400,000	0	0	400,000
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Total Ongoing Optional Changes		0.25	1,330,000	0	0	1,330,000
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Total Optional Budget Changes		0.25	1,330,000	0	0	1,330,000
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Optional Savings Changes

A-G 10 Cost Savings Plan	1	0.00	(273,200)	0	0	(273,200)
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Total Optional Savings Changes		0.00	(273,200)	0	0	(273,200)
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PROGRAM NARRATIVE

601 Department of Commerce

Date: 01/13/2011

Time: 11:33:52

Program: ND Workforce Development

Reporting level: 00-601-400-00-00-00-00000000

Program Performance Measures

GOAL 1 : Keep North Dakota businesses competitive by supporting efforts to provide an available and skilled workforce.

Strategy 1 : Identify critical industry sectors and assist in the coordination of workforce intelligence studies to accurately identify labor availability, workforce shortage occupations, emerging shortage occupations, requisite skills, and emerging competencies.

Tactic 1: During the 2011-2013 Biennium support industry sector workforce needs assessment studies in the targeted industries included in the Economic Development Foundation Strategic Plan.

Tactic 2: During the 2011-2013 Biennium continue to coordinate and provide matching funds to communities to help conduct Standardized Community Labor Availability Studies.

Strategy 2 : Train, retrain and upgrade the workforce to succeed in high skilled, high wage jobs.

Tactic 1: Work with the Governor's Office and the North Dakota State legislature to obtain support for adequate levels of funding for workforce development and workforce training programs.

Tactic 2: Work with the Governor's Office and the North Dakota State legislature to develop new programs that address the delivery and accessibility of career ladder training to low skill and underemployed to prepare them for high skill, high demand opportunities.

GOAL 2: Encourage those not currently in North Dakota's workforce to enter or re-enter the labor market.

Strategy 1: Coordinate efforts to help businesses learn how to attract and employ persons with disabilities, seniors, immigrants, students, homemakers, welfare recipients, minorities and military retirees.

Tactic 1: Will prioritize the use of Workforce Investment Act Title I funds to help special population groups transition into the workforce.

GOAL 3: Foster and expand the civic engagement and volunteerism on the part of North Dakota citizens.

Strategy 1: Support the expansion of AmeriCorps Projects and AmeriCorps Member enrollment as a way to address the gaps and service needs of communities.

Tactic 1: Conduct community and town hall meetings across the state to orientate communities on AmeriCorps programs and to identify community service needs for input into a Unified State Plan on Community Service.

Tactic 2: Help organizations in the development of applications for National Competitive

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** ND Workforce Development**Reporting level:** 00-601-400-00-00-00-00000000

AmeriCorps and Learn and Serve funding.

GOAL 4: Focus efforts on creating responses to help call attention to and respond to the increasing drop out issues in secondary and postsecondary education.

Tactic 1: Expand Jobs for America's Graduates pilots in North Dakota to serve at-risk students in the secondary and postsecondary education system.

Tactic 2: Work with the Governor's Office and State legislature to secure adequate "core" funding to support maintenance and expansion of JAG in North Dakota/

Program Statistical Data

not applicable

Explanation of Program Costs

The program costs for the Workforce Development Division cover 3.0 FTEs. 1.0 FTE for the Executive Assistant, 1.0- FTE for the Talent Coordinator, 1.0 FTE for the division director. 50% of the director's salary goes to support the North Dakota Workforce Council, North Dakota Youth Development Council, the remaining 50% of the director's salary is used to support and provide matching funds for the North Dakota State Commission on National and Community and to support the Service and the Office of Faith-Based and Community Initiatives, and development and implementation of the North Dakota Talent Strategy. Other operating costs are \$200,000 to continue Labor Availability Studies and Industry Sector Workforce Needs Assessments, \$1.0 million Workforce Enhancement Grant, and 1.0 million (federal funds) for AmeriCorps sub grantee projects.

Program Goals and Objectives**The Division of Workforce Development:**

The Division of Workforce Development provides administrative support to Governor appointed Councils and Commission which are mandated under federal law in order for the State to receive federal funds under the Workforce Investment Act of 1998 and the National Community Service Act of 1992. In addition, the Workforce Development Division has a legislated responsibility for development and implementation the state talent strategy.

The Workforce Development Division in support of the North Dakota Talent Strategy of basing all decisions on qualitative and quantitative workforce intelligence provides matching funds to communities to conduct Standardized Community Labor Availability Studies and to conduct industry sector workforce and skill needs assessments.

Program: North Dakota Workforce Development Council:

The North Dakota Workforce Development Council was authorized under executive order 95-01. The Council is a twenty-five member board that is appointed by the

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** ND Workforce Development**Reporting level:** 00-601-400-00-00-00-00000000

Governor and serves in an advisory capacity to the Governor with responsibility for recommendations on policy and improvements to the North Dakota Workforce Development and Workforce Training System.

Responsibilities:

Council's responsibility to the Governor:

Recommend the vision, goals and objectives of the State's workforce development system.

Recommend workforce policy changes to federal and state programs that will improve the effectiveness and efficiency of the State's workforce development system.

Recommend strategies to address current and future economic development and workforce investment needs of the state.

Develop and monitor performance and accountability measures to improve the overall quality and effectiveness of the State's workforce development system.

Coordinated development of a comprehensive workforce development strategic plan for the State that supports the Governor's vision and goals for economic development and workforce development.

Recommend objectives and priorities for federal and state Workforce Development and Workforce Training Programs and funding.

Develop policy guidance and exercise oversight of the State's job training plan and associated activities.

Perform duties and functions of the Local and State Workforce Investment Boards as prescribed under applicable federal and state law.

Key Concepts: The major focus is on policy, vision setting, strategic planning and oversight with emphasis on workforce development and workforce training system outputs and performance. The delivery of programs and services are the responsibility of the respective state agency fiscal and grant recipient agencies.

The Council sets Benchmarks and Standards and provides oversight.

Program: Workforce Development Division:

The Workforce Development Division has a legislated role to: 1) Develop and implement the state's talent strategy; 2) Actively monitor local, regional, and national private and public workforce development initiatives; and 3) Develop and implement a statewide intelligence coordination strategy.

In addition, the Workforce Development Division is legislatively mandated to develop, in partnership with State Agencies, a Consolidated Biennial State Strategic Plan for Workforce Development, Workforce Training and Talent Attraction.

Federal and State funded programs which are administered through the Division of Workforce Development include:

AmeriCorps*State

Lean and Serve American

Workforce Enhancement Grants

Jobs for America's Graduates

Program: North Dakota State Commission on National and Community Service:

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** ND Workforce Development**Reporting level:** 00-601-400-00-00-00-00000000

The North Dakota State Commission on National and Community Service was authorized under executive order 2002-02. The Council is a twenty voting and two ex-officio member (non-voting) board that is appointed by the Governor and serves in an advisory capacity to the Governor with responsibility for advancing civic engagement and volunteerism in the State and for administration of the AmeriCorps*State Formula grants under the National and Community Service Act of 1990.

Responsibilities of the North Dakota State Commission on National and Community Service Include:

1. Development of a comprehensive State Service Plan and establishment of State priorities for use of AmeriCorps*State Formula funding and the expansion of civic engagement and volunteerism;
 - a. Administer a competitive grant process to select program sponsors for national service programs;
 - b. Administer grant programs selected and awarded in the state, including evaluation and monitoring of sub grantee programs.
 - c. Assist State educational agency in preparing the application for subtitle B school-based service learning programs;
 - d. May apply to the Corporation to receive funding for community-based after coordination with the State Educational Agency.
 - e. Provide technical assistance to local nonprofit organizations and other entities in planning programs, applying for funds and in implementing and operating high quality programs.
 - f. Provide services to promote disability inclusion in national corporation programs in the State.

State Commission Administration:

Federal funds provide 100% of the salary and benefits of 1.20 full time equivalent permanent positions, along with the operating budget for the State Commission. The federal funds require a non-federal match of a maximum of 50%. This non-federal match will be leveraged by using the State General Funds salary and travel appropriation included in the budget for the Workforce Development Division.

Staff:

100% Federal and State Funds

Operations Budget:

100% Federal Funds

State Commission Program Development Assistance and Training (PDAT):

States receive federal Program Development Assistance and Training (PDAT) funds to support building capacity and infrastructure consistent with Administrative Standard Eight, *Implementing Training and Technical Assistance*, and the *Characteristics of a Successful Training and Technical Assistance Program*, established by the Corporation for National and Community Service. The Program Development Assistance and Training activities must be consistent with these guidelines provided by the Corporation for National and Community Service and with the State Commission's Administrative Plan. PDAT funds are the principal resource available to Commissions for enhancing and sustaining high quality, effectively-functioning AmeriCorps*State and National service programs.

Federal funds provide 100% of the salary and benefits of one .50 full time equivalent permanent position, along with the operating budget. No non-federal match is required.

Staff:

100% Federal Funds

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** ND Workforce Development**Reporting level:** 00-601-400-00-00-00-00000000

Operations Budget:
100% Federal Funds

State Commission Disability Placement:

The federal Disability Placement Funds which are available to State Commissions are for the placement, reasonable accommodation, and auxiliary services for members and potential members with disabilities, serving in AmeriCorps*State and AmeriCorps*National Direct programs.

Federal funds provide 100% of the salary and benefits for a .50 FTE position, along with the operating budget. No non-federal match is required.

Staff:
100% Federal Funds

Operations Budget:
100% Federal Funds

State Commission AmeriCorps*State Formula Funds:

The federal AmeriCorps*State Formula funds which are available to the State Commission are for sub grant awards to nonprofits, community based, faith-based, state and local government agencies to conduct allowable community service activities under AmeriCorps funded programs. No non-federal match is required.

Operations Budget: 100% Federal Funds (Sub Grantee Contracts)

Office of Faith-Based and Community Initiatives:

The Office of Faith-Based and Community Initiatives was transferred from the Governor's Office to the ND Department of Commerce by the 2007 Legislative Assembly. The Faith-Based and Community Initiatives Advisory Committee is a seven member board that is appointed by the Governor and serves in an advisory capacity to the Governor with responsibilities to establish policies, priorities, and objectives for the state's comprehensive effort to enlist, equip, empower, and expand the work of faith-based and community organizations to the extent permitted by law. There is no budget to support this initiative.

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: ND Workforce Development Reporting Level: 00-601-400-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	437,252	568,563	58,149	626,712	0
Temporary Salaries	47,846	3,030	65,454	68,484	0
Fringe Benefits	151,053	243,670	(9,176)	234,494	0
Total	636,151	815,263	114,427	929,690	0
Salaries and Wages					
General Fund	349,501	480,923	16,355	497,278	0
Federal Funds	286,650	334,340	98,072	432,412	0
Special Funds	0	0	0	0	0
Total	636,151	815,263	114,427	929,690	0
Operating Expenses					
Travel	123,840	203,200	7,250	210,450	0
Supplies - IT Software	6,255	3,665	0	3,665	0
Supply/Material-Professional	5,685	3,612	(55)	3,557	0
Food and Clothing	760	0	0	0	0
Miscellaneous Supplies	783	2,100	1,010	3,110	0
Office Supplies	10,158	5,186	4,700	9,886	0
Postage	5,645	6,372	(800)	5,572	0
Printing	1,999	9,729	(3,800)	5,929	0
IT Equip Under \$5,000	7,167	10,786	(2,200)	8,586	0
Office Equip & Furn Supplies	630	4,172	0	4,172	0
Insurance	0	537	389	926	0
Rentals/Leases-Equip & Other	1,315	1,872	2,100	3,972	0
Rentals/Leases - Bldg/Land	33,026	35,171	8,707	43,878	0
Repairs	0	800	(400)	400	0
IT - Data Processing	7,180	7,256	7,836	15,092	0
IT - Communications	10,211	6,764	7,765	14,529	0
IT Contractual Svcs and Rprs	751	6,531	(2,188)	4,343	0
Professional Development	55,335	38,568	2,246	40,814	0
Operating Fees and Services	317,488	354,161	(49,213)	304,948	675,000
Fees - Professional Services	7,133	253,107	(40,200)	212,907	0
Total	595,361	953,589	(56,853)	896,736	675,000
Operating Expenses					
General Fund	292,671	388,645	(2)	388,643	675,000
Federal Funds	241,402	389,944	(56,851)	333,093	0
Special Funds	61,288	175,000	0	175,000	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: ND Workforce Development		Reporting Level: 00-601-400-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Total	595,361	953,589	(56,853)	896,736	675,000
Grants					
Grants, Benefits & Claims	969,508	1,000,000	200,000	1,200,000	0
Total	969,508	1,000,000	200,000	1,200,000	0
Grants					
General Fund	0	0	0	0	0
Federal Funds	948,174	1,000,000	200,000	1,200,000	0
Special Funds	21,334	0	0	0	0
Total	969,508	1,000,000	200,000	1,200,000	0
Workforce Enhancement Fund					
Grants, Benefits & Claims	0	1,000,000	(1,000,000)	0	1,600,000
Total	0	1,000,000	(1,000,000)	0	1,600,000
Workforce Enhancement Fund					
General Fund	0	1,000,000	(1,000,000)	0	1,600,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	1,000,000	(1,000,000)	0	1,600,000
Economic Develop Initiatives					
Salaries - Permanent	86,184	0	0	0	0
Fringe Benefits	27,349	0	0	0	0
Travel	13,914	0	0	0	0
Miscellaneous Supplies	130	0	0	0	0
Postage	138	0	0	0	0
Printing	657	0	0	0	0
IT Equip Under \$5,000	3,111	0	0	0	0
Rentals/Leases-Equip & Other	160	0	0	0	0
Rentals/Leases - Bldg/Land	4,230	0	0	0	0
IT - Data Processing	830	0	0	0	0
IT - Communications	2,294	0	0	0	0
Professional Development	1,957	0	0	0	0
Operating Fees and Services	600,082	0	0	0	0
Total	741,036	0	0	0	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: ND Workforce Development		Reporting Level: 00-601-400-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Economic Develop Initiatives					
General Fund	741,036	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	741,036	0	0	0	0
Total Expenditures	2,942,056	3,768,852	(742,426)	3,026,426	2,275,000
Funding Sources					
General Fund					
Total	1,383,208	1,869,568	(983,647)	885,921	2,275,000
Federal Funds					
A048 Workforce Development	218,203	216,681	15,982	232,663	0
A060 WFD NDCNCS	1,241,223	1,507,603	225,239	1,732,842	0
A066 WIA Talent Initiatives	16,800	0	0	0	0
Total	1,476,226	1,724,284	241,221	1,965,505	0
Special Funds					
330 Economic Dev. Fund 330	82,622	175,000	0	175,000	0
Total	82,622	175,000	0	175,000	0
Total Funding Sources	2,942,056	3,768,852	(742,426)	3,026,426	2,275,000
FTE Employees	6.00	6.00	0.00	6.00	0.00

CHANGE PACKAGE DETAIL601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: ND Workforce Development			Reporting Level: 00-601-400-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes**One Time Budget Changes**

A-E 8 Remove Prior beinnium one-time approp.		0.00	(1,000,000)	0	0	(1,000,000)
Total One Time Budget Changes		0.00	(1,000,000)	0	0	(1,000,000)

Ongoing Budget Changes

A-A 1 Miscellaneous Changes		0.00	104,998	(56,851)	0	48,147
A-A 2 Operation Changes		0.00	(105,000)	0	0	(105,000)
A-A 3 Program Changes		0.00	0	200,000	0	200,000
Base Payroll Change		0.00	16,355	98,072	0	114,427
Total Ongoing Budget Changes		0.00	16,353	241,221	0	257,574
Total Base Budget Changes		0.00	(983,647)	241,221	0	(742,426)

Optional Budget Changes**One Time Optional Changes**

A-D 18 Workforce Enhancement Fund	4	0.00	1,600,000	0	0	1,600,000
A-D 17 Skill upgrade program	11	0.00	400,000	0	0	400,000
Total One Time Optional Changes		0.00	2,000,000	0	0	2,000,000

Ongoing Optional Changes

A-C 14 Jobs for America's Graduates	7	0.00	380,000	0	0	380,000
Total Ongoing Optional Changes		0.00	380,000	0	0	380,000
Total Optional Budget Changes		0.00	2,380,000	0	0	2,380,000

Optional Savings Changes

A-G 10 Cost Savings Plan	1	0.00	(105,000)	0	0	(105,000)
Total Optional Savings Changes		0.00	(105,000)	0	0	(105,000)

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Economic Development and Finance**Reporting level:** 00-601-500-00-00-00-00000000**Program Performance Measures**

ED&F's performance is primarily measured through benchmarks established through the Department of Commerce – ED Foundation Strategic Plan and through goals established amongst the ED&F Division staff. Measurement most applicable to ED&F's efforts include:

Local economic development organizations participating in state marketing strategy

Net job growth in ND

New private sector businesses in ND

Average annual wage growth in ND

Per capita personal income growth in ND

Net migration into ND

Increase in population in ND

Net job growth in manufacturing businesses in ND

Net job growth in business services businesses in ND

New private sector businesses in manufacturing sector in ND

New private sector businesses in business services sector in ND

Increase in gross domestic product in ND

Program Statistical Data**Program Statistical Data for the 05-07 Biennium and first 11 months of the 07-09 biennium****APUC**

The Agricultural Products Utilization Commission (APUC) was established in 1979 by the North Dakota legislature with the mission of adding value to agricultural products through the promotion of ethanol. The Agricultural Products Utilization Commission has broadened its mission to create new wealth and jobs through the development of new and expanded uses of North Dakota agricultural products. The Commission administers seven grant programs; Basic and Applied Research, Marketing and Utilization, Farm Diversification, Prototype Development, Agricultural Technology, Nature-Based Agri-Tourism and Technical Assistance.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Economic Development and Finance**Reporting level:** 00-601-500-00-00-00-00000000

2005-2007 Biennium &dash APUC funded 74 projects totaling \$2,225,963.85

2007-2009 Biennium &dash APUC funded 54 projects totaling \$1,507,015

2008-2011 Biennium to-date (June 30, 2010) &dash APUC funded 17 projects totaling \$552,026.00

BUSINESS DEVELOPMENT

The ED&F business development team through the support assistance of the ED&F research group has aggressively worked to generate and pursue business development opportunities that have resulted in the following:

2007-2009 Biennium

* New Active Business Development Projects 92

New Primary Sector Projects Successfully Developed 15

2009-2010 Biennium to-date (June 30, 2010)

* New Active Business Development Projects 40

New Primary Sector Projects Successfully Developed 9

* Active Projects are those companies that have a defined project and are either uncertain of their ND or are considering ND as a location for their company.

level of interest in

Community and business partnership efforts were enhanced to take on a more focused approach during the 07-09 biennium for the business development team to visit ND communities to better understand the attributes and challenges of communities across the state and to promote open communications between ED&F and local community leaders. This effort also includes visiting existing ND businesses to better address issues these companies may be dealing with and to understand their capabilities so the business development staff can promote linkages between ND companies and companies outside of ND.

2007-2009 Biennium

Community visits 43

On-site company visits 49

2009-2010 Biennium to-date (June 30, 2010)

Community visits 18

On-site company visits 19

NORTH DAKOTA DEVELOPMENT FUND (NDDF)

The North Dakota Development Fund, created in 1991 is a division of the Department of Economic Development and Finance under the North Dakota Department of Commerce and is a statewide nonprofit development corporation. It has the authority to take equity positions, provide loans, or use other innovative financing mechanisms to provide capital for new or expanding "Primary Sector" businesses in the state, or relocating businesses to the state. The Fund is responsible for the administration and management of two "fund pools," the Development Fund and the Regional Rural Development Revolving Loan Fund (Rural Fund) in addition to managing the New Venture Capital Program offered through the Bank of ND. The Regional Rural Development Revolving Loan Fund was created in 1993 from a one-time appropriation of \$8.7 million. Since then the NDDF has invested approximately \$28.5 million into projects located in companies operating in rural communities with a population of 8,000 or less or located more than five miles outside the city limits. During the 2009 ND legislative session, the NDDF was directed to develop and manage a new "Child Care" funding program to be delivered during the 09-11 biennium. The NDDF was appropriated \$1,250,000 to provide funding for child care start-up and expansion businesses. The NDDF and its assets are directed by the NDDF's Board of Directors

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Economic Development and Finance**Reporting level:** 00-601-500-00-00-00-00000000

2005-2007 Biennium &ndash NDDF funded 55 projects totaling \$11,735,326.

With the NDDF dollars invested, there has been \$140,928,768 leveraged from other financing institutions resulting in a \$12.01 to 1 ratio - for every NDDF dollar invested \$12.01 was invested from other sources. Of the 55 projects invested in, 23 were start-up companies, with 16 of them being in rural communities. The average investment by the NDDF increased from \$112,297 in 2005 to \$231,936 in 2007.

2007-2009 Biennium &ndash NDDF funded 45 projects totaling \$12,761,558.

With the NDDF dollars invested, there has been \$35,004,928 leveraged from other financing institutions resulting in a \$4.73 to 1 ratio &ndash for every NDDF dollar invested \$4.73 was invested from other sources. Of the 45 projects invested in by the NDDF, 16 were start-up companies, with 7 of the companies located in rural communities. The average investment by the NDDF increased from \$231,936 in 2007 to \$307,943 in 2009.

2009-2011 Biennium to date (June 30, 2010) &ndash NDDF funded 20 projects totaling \$4,179,128.

With the NDDF dollars invested, there has been \$22,747,647 leveraged from other financing institutions resulting in a \$5.44 to 1 ratio &ndash for every NDDF dollar invested \$5.44 was invested from other sources. Of the 20 projects invested in by the NDDF, 7 were start-up companies, with 4 of the companies located in rural communities, and 5 of the companies were child care businesses. The average investment by the NDDF on all projects is \$245,142.

Since its inception in 1991, the NDDF has received \$31.25 million from legislative appropriations. Since 1991, the NDDF has invested nearly \$85 million in 465 companies with \$28.5 million invested in rural communities, and has contributed \$2 million back to the general fund.

Explanation of Program Costs

The North Dakota Development Fund (NDDF) did not receive an appropriation from the ND legislature during the 05-07 biennium. Increased investment activity and investment size limited the scope of potential project activity the NDDF could be involved in during the 07-09 biennium and therefore the ND legislature appropriated \$3 million while also granting the Industrial Commission authority to transfer up to \$1 million in additional funds from the Bank of ND at the request of the Department of Commerce. The NDDF has not accessed the additional \$1 million in funds from the Bank of ND. During the 2009 ND legislative session, the NDDF was directed to develop and manage a new "Child Care" funding program to be delivered during the 09-11 biennium. The NDDF was appropriated \$1,250,000 to provide funding for child care start-up and expansion businesses.

The Ag Products Utilization Commission received an enhancement to its General Fund appropriation for the 09-11 biennium of \$187,814 to support grant funding for projects. This increase helps offset a continual decrease in ND gas tax collections, of which a portion of these collections provides funds for APUC's granting programs. Considering the decrease in gas tax collections has an impact on the number of projects APUC is able to support in coming years, the 2009 legislature established an additional funding source for APUC, which was 5% of the State Mill and Elevator Association's net income earned during each fiscal year to be transferred to the agricultural fuel tax fund to support APUC project funding.

ED&F business development activities continue with a targeted and focused effort on pursuing opportunities within specific industry sectors, providing services to assist with entrepreneurial start-ups, existing business expansions, business recruitment, creating linkages between business and universities, and provide very broad business support and promotion of North Dakota around the world. The business development staff is made up of individuals with expertise in Energy, Value-Added Agriculture, Aerospace, Science & Technology, and Information Technology. Over the past biennium ED&F has more aggressively delivered a business retention and expansion (R&E) program to support existing North Dakota businesses. This R&E strategy has taken on a focus to create linkages between existing ND companies as well as linkages between ND companies and out-of-state companies in an effort to promote new contract manufacturing and

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Economic Development and Finance**Reporting level:** 00-601-500-00-00-00-00000000

service opportunities for existing companies. ED&F Research has creating a system to collect information about the capabilities of ND manufacturers and processors. This information is available via the ED&F website to increase business-to-business opportunities among ND companies. As companies struggle during the current national recession, ED&F is also working to maintain close relationships and providing support to companies operating in North Dakota but are headquartered in other states or countries. ED&F is continuing to web-enable more data to be used by businesses and the general public to provide more products that will enable users to electronically access information to support their informational needs and development efforts.

Program Goals and Objectives

The ED&F Division implements relevant and effective strategies, programs and services to support business and community growth in the state. The primary objectives to be realized include, but are not limited to:

- Business leaders and entrepreneurs choose to start-up, expand or locate their business operations in North Dakota.
- Grow North Dakota's innovative and entrepreneurial base.
- Diversify and expand marketable uses for North Dakota's agricultural resources, natural resources, and intellectual resources.
- Provide services and financial resources that will support businesses and communities growth and development needs.

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Economic Development and Finance **Reporting Level:** 00-601-500-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	1,495,350	1,656,732	165,684	1,822,416	0
Temporary Salaries	6,323	0	0	0	0
Overtime	17	0	0	0	0
Fringe Benefits	470,260	710,028	(97,650)	612,378	0
Total	1,971,950	2,366,760	68,034	2,434,794	0

Salaries and Wages					
General Fund	1,421,344	1,724,399	64,969	1,789,368	0
Federal Funds	0	0	0	0	0
Special Funds	550,606	642,361	3,065	645,426	0
Total	1,971,950	2,366,760	68,034	2,434,794	0

Operating Expenses					
Travel	191,393	305,397	6,943	312,340	(2,930)
Supplies - IT Software	3,197	6,600	1,400	8,000	(1,400)
Supply/Material-Professional	73,036	98,719	(9,368)	89,351	0
Miscellaneous Supplies	3,056	9,279	(3,000)	6,279	0
Office Supplies	9,538	9,184	(6,064)	3,120	0
Postage	8,533	10,998	(1,835)	9,163	(22)
Printing	3,713	6,882	0	6,882	0
IT Equip Under \$5,000	5,347	13,292	(2,792)	10,500	(1,600)
Office Equip & Furn Supplies	689	0	0	0	0
Insurance	3,094	3,399	(939)	2,460	0
Rentals/Leases-Equip & Other	3,623	3,106	1,654	4,760	0
Rentals/Leases - Bldg/Land	117,450	112,280	(2,523)	109,757	0
Repairs	150	0	0	0	0
IT - Data Processing	57,041	30,008	(2,225)	27,783	0
IT - Communications	24,317	26,420	270	26,690	0
IT Contractual Svcs and Rprs	39,969	50,500	2,650	53,150	(3,900)
Professional Development	97,004	118,800	4,100	122,900	0
Operating Fees and Services	98,790	209,891	6,576	216,467	(70,986)
Fees - Professional Services	6,268	22,700	(1,000)	21,700	0
Total	746,208	1,037,455	(6,153)	1,031,302	(80,838)

Operating Expenses					
General Fund	746,160	969,911	290	970,201	(80,838)
Federal Funds	0	0	0	0	0
Special Funds	48	67,544	(6,443)	61,101	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Economic Development and Finance		Reporting Level: 00-601-500-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Total	746,208	1,037,455	(6,153)	1,031,302	(80,838)
ND Development Fund					
Grants, Benefits & Claims	3,000,000	1,299,700	(1,299,700)	0	400,000
Total	3,000,000	1,299,700	(1,299,700)	0	400,000
ND Development Fund					
General Fund	3,000,000	1,299,700	(1,299,700)	0	400,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	3,000,000	1,299,700	(1,299,700)	0	400,000
Economic Develop Initiatives					
IT Contractual Srvcs and Rprs	15,000	0	0	0	0
Operating Fees and Services	135,542	186,846	0	186,846	(5,605)
Fees - Professional Services	30,000	0	0	0	0
Total	180,542	186,846	0	186,846	(5,605)
Economic Develop Initiatives					
General Fund	142,798	186,846	0	186,846	(5,605)
Federal Funds	0	0	0	0	0
Special Funds	37,744	0	0	0	0
Total	180,542	186,846	0	186,846	(5,605)
Agric. Products Util. Comm. (APUC)					
Salaries - Permanent	192,336	200,241	2,167	202,408	0
Fringe Benefits	64,054	85,818	(12,090)	73,728	0
Travel	29,073	33,000	1,460	34,460	0
Supplies - IT Software	619	500	250	750	0
Supply/Material-Professional	1,058	600	1,400	2,000	0
Miscellaneous Supplies	217	3,350	(850)	2,500	0
Office Supplies	980	1,000	1,000	2,000	0
Postage	699	1,188	12	1,200	0
Printing	1,816	5,000	(2,500)	2,500	0
IT Equip Under \$5,000	3,298	2,000	1,200	3,200	0
Rentals/Leases - Bldg/Land	10,480	10,277	1,723	12,000	0
IT - Data Processing	2,152	5,852	0	5,852	0
IT - Communications	4,673	4,828	0	4,828	0
Professional Development	8,707	15,000	0	15,000	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Economic Development and Finance		Reporting Level: 00-601-500-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Operating Fees and Services	412	9,195	(3,695)	5,500	0
Fees - Professional Services	0	5,000	0	5,000	0
Grants, Benefits & Claims	1,717,641	3,051,104	(699,116)	2,351,988	(50,599)
Transfers Out	5,000	0	0	0	0
Total	2,043,215	3,433,953	(709,039)	2,724,914	(50,599)
Agric. Products Util. Comm. (APUC)					
General Fund	1,469,988	2,145,669	(459,039)	1,686,630	(50,599)
Federal Funds	70,078	300,000	0	300,000	0
Special Funds	503,149	988,284	(250,000)	738,284	0
Total	2,043,215	3,433,953	(709,039)	2,724,914	(50,599)
Equine Processing Study					
Travel	0	2,000	(2,000)	0	0
Fees - Professional Services	0	48,000	(48,000)	0	0
Total	0	50,000	(50,000)	0	0
Equine Processing Study					
General Fund	0	50,000	(50,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	50,000	(50,000)	0	0
Economic Development Grants					
Grants, Benefits & Claims	50,000	0	0	0	0
Total	50,000	0	0	0	0
Economic Development Grants					
General Fund	50,000	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	50,000	0	0	0	0
Total Expenditures	7,991,915	8,374,714	(1,996,858)	6,377,856	262,958

Funding Sources**General Fund**

REQUEST DETAIL BY PROGRAM

601 Department of Commerce

Bill#: HB1018

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:33:52

Program: Economic Development and Finance		Reporting Level: 00-601-500-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Total	6,830,290	6,376,525	(1,743,480)	4,633,045	262,958
Federal Funds					
A053 APUC Rural Business Enterp. Grants	70,078	300,000	0	300,000	0
Total	70,078	300,000	0	300,000	0
Special Funds					
224 Alcohol Motor Vehicle Fuel Fund 224	503,149	988,284	(250,000)	738,284	0
330 Economic Dev. Fund 330	588,398	709,905	(3,378)	706,527	0
Total	1,091,547	1,698,189	(253,378)	1,444,811	0
Total Funding Sources	7,991,915	8,374,714	(1,996,858)	6,377,856	262,958
FTE Employees	17.00	16.84	0.16	17.00	0.00

CHANGE PACKAGE DETAIL601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Economic Development and Finance	Reporting Level: 00-601-500-00-00-00-00000000
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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 8 Remove Prior beinnium one-time approp.		0.00	(1,349,700)	0	0	(1,349,700)
Total One Time Budget Changes		0.00	(1,349,700)	0	0	(1,349,700)
Ongoing Budget Changes						
A-A 1 Miscellaneous Changes		0.00	(14,391)	0	(6,443)	(20,834)
A-A 2 Operation Changes		0.00	14,681	0	0	14,681
A-A 22 Carryover Appn. Adjustment		0.00	(459,039)	0	0	(459,039)
A-A 3 Program Changes		0.00	9,923	0	(250,000)	(240,077)
Base Payroll Change		0.16	55,046	0	3,065	58,111
Total Ongoing Budget Changes		0.16	(393,780)	0	(253,378)	(647,158)
Total Base Budget Changes		0.16	(1,743,480)	0	(253,378)	(1,996,858)
Optional Budget Changes						
One Time Optional Changes						
A-D 12 Childcare Program	5	0.00	400,000	0	0	400,000
Total One Time Optional Changes		0.00	400,000	0	0	400,000
Total Optional Budget Changes		0.00	400,000	0	0	400,000
Optional Savings Changes						
A-G 10 Cost Savings Plan	1	0.00	(137,042)	0	0	(137,042)
Total Optional Savings Changes		0.00	(137,042)	0	0	(137,042)

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000**Program Performance Measures**

- 1) Timely distribution of community development program funds in accordance with Housing and Urban Development guidelines.
- 2) Timely distribution of energy program funds in accordance with the Department of Energy guidelines.
- 3) Timely distribution of self sufficiency program funds in accordance with Health and Human Services guidelines.
- 4) Increase the number of Renaissance Zones in the State.
- 5) Enhance the quality of site built, manufactured and modular structures in North Dakota through training and program implementation.

Program Statistical Data

Services provided by the Division of Community Services are organized into the four major program areas of Community Development, Office of Renewable Energy and Energy Efficiency, Self-Sufficiency and Governmental and Technical Assistance.

Community Development

Time Period: 7/1/09-6/30/10

3 HOME rental units assisted.

52 homes Rehabilitated through the HOME program.

140 families provided with home ownership assistance through the HOME program.

637 families provided with security deposits or rental assistance through the HOME program.

300 jobs created or retained through the Community Development Block Grant program for economic development projects.

24 homeless shelters funded through the ESGP program.

7 economic development projects funded.

45 public facilities funded.

6 housing projects funded.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000Office of Renewable Energy and Energy Efficiency

In the past two years ending June 30, 2010:

- 1,984 homes throughout North Dakota received Weatherization Assistance.
- 1,301 households received heating and cooling repair or replacement services.
- Received \$25,266,330 of ARRA Weatherization funds in July of 2009.
- Expended \$9,047,042 or 36% of ARRA Weatherization funds.
- An on-line audit and reporting program was implemented in 2009 for use by the Community Action Agencies.
- The Renewable Energy Development program, established by the 2007 legislature, awarded over \$1.8 million in the current biennium for renewable energy projects.
- Economic conditions related to the state ethanol production incentive were monitored and evaluated. A significant payout went to producers in August 2009 for the second quarter due to unfavorable ethanol and corn prices. The payout depleted the fund. However, a large deposit is expected in 2010.
- ARRA injected \$24.5 million into the State Energy program.

Self Sufficiency

-

Goal: Help low income people become more self sufficient.

257 of 527 unemployed Community Action Agency (CAA) clients who participated in a CAA employment initiative became employed.

242 of 279 clients who opened an Individual Development Account (IDA) or other savings account saved \$91,958 toward their goal of purchasing a home, pursuing post-secondary education or starting a business.

Goal: Low income people own a stake in their community.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000

Volunteers provided 184,909 hours of volunteer service in the CAAs. Calculating those hours at the federal minimum wage, those volunteer hours provided \$1,260,227 of in-kind support the CAAs.

Goal: Agencies increase their capacity to achieve results.

\$6,563,308 (15%) in CSBG funds enabled the CAA to mobilize \$37,975,185 (85%) in other resources to address poverty in North Dakota. Including CSBG ARRA funds in this outcome shows: \$11,091,019 (21%) in CSBG and CSBG ARRA funds mobilized \$42,885,116 (79%)

Goal: Low income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments.

7,897 senior citizens and 3,830 individuals with disabilities who received services from the CAAs were able to maintain an independent living situation.

3,450 of 4,009 parents participating in CAA services to strengthen their parenting skills were able to learn and demonstrate their new skills.

Governmental and Technical Assistance

-

Renaissance Zone program: 49 North Dakota communities have Renaissance Zones. Our goal is to designate at least four Renaissance Zones during the biennium. In 2009-2010 we designated 5 new Renaissance Zones. We are currently working with 5 communities on Renaissance Zone designations.

The North Dakota State building code is in the process of being updated which includes adopting, with amendments, the 2009 IBC, IRC, and IMC codes. Unique to this process is the inclusion of an energy code as required by Senate Bill 2352. The updated building code will go into effect on January 1, 2011. The energy code program provided assistance for 7 trainings.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000

Third Party Inspections: DCS continues to implement the 3rd Party Inspection program which insures modular structures, both residential and commercial buildings, built by manufactures adhere to the State Building Code, State Plumbing Code and State Electrical Code. The program has been successful in identifying and correcting code violations throughout the state. An Advisory Committee has been formed for input and guidance concerning the process.

Manufacture Home Installation Program: The North Dakota Manufacture Home Installation programs focus is on the proper set-up and installation of manufactured homes through the training of installers and inspectors. Each home is required to be installed by a state trained installer and inspected by a state trained inspector. An insignia is affixed to the home after it passes inspection. The state offers several trainings per year in different locations to assure all inspectors and trainers are current with the latest rules of the program. Both inspectors and installers are required to register and be trained on a yearly basis. DCS has implemented its own training rather than hiring out of state firms. We are in the process of implementing on-line software with procedures to track, identify and contact parties not conforming to the state regulations. All Inspectors, Installers, Manufacturers and Dealers will have access to the system.

State Administrative Agency (SAA)

- o Third Party Complaint Program

- DCS receives and processes consumer complaints regarding the construction of modular homes. DCS then forwards complaints for corrective action to the manufacturer and SAA in the state where the manufacturer is located.

- o Manufactured Housing Complaint Program

- DCS also receives and processes consumer complaints regarding the construction of manufactured homes. DCS forwards complaints for corrective action to the manufacture and the SAA in the state where the manufacturer is located. DCS assures that corrective actions are completed on the homes in question.

PROGRAM NARRATIVE**601 Department of Commerce****Date:** 01/13/2011**Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000**Explanation of Program Costs**

Approximately ninety-three (94%) percent of the funds in the DCS base budget are passed on to sub-recipient grantee agencies. The remaining six (6%) percent is used for salaries, fringe, and operating expenses. Over ninety-even (97%) percent of the division's base budget is from federal and other sources and are subject to federal and other judicially imposed regulations. It is necessary that DCS maintain a programmatic and administrative staff to ensure compliance with those regulations and to account for the numerous grants and sources of funds.

Three (3%) percent of the DCS base budget request is for general funds. These funds are used for administering state programs and to meet the matching requirements imposed by some federal sources. In addition to the base budget, the DCS budget contains \$24.4 million of stimulus funds.

Program Goals and Objectives

DCS's budget includes funds to maintain the divisions IT support. This past biennium, DCS continued the implementation of an electronic document management system (EDMS) hosted by ITD. Efforts are continuing to input existing CDBG documents and records on to the system in order to reduce space and provide for quicker access to sub-grantee records at a reduce cost. This will be expanded to other programs within the division.

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Community Services**Reporting level:** 00-601-600-00-00-00-00000000

In addition, DCS continues the successful implementation of the HOMENet system which is a Web based program where clients can submit required reports and request funds electronically. This allows for requests for funds to be processed more quickly & accurately and reduces duplication of reports while creating a better tracking for HOME program projects. The system has reduced work and prep time for clients administering HOME projects.

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Community Services		Reporting Level: 00-601-600-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Salaries and Wages					
Salaries - Permanent	1,690,416	1,999,832	(127,710)	1,872,122	0
Temporary Salaries	7,374	9,200	(9,200)	0	12,480
Overtime	953	0	0	0	0
Fringe Benefits	553,972	655,254	2,276	657,530	1,248
Total	2,252,715	2,664,286	(134,634)	2,529,652	13,728
Salaries and Wages					
General Fund	851,074	1,160,657	(141,856)	1,018,801	13,728
Federal Funds	1,314,572	1,499,249	(108,607)	1,390,642	0
Special Funds	87,069	4,380	115,829	120,209	0
Total	2,252,715	2,664,286	(134,634)	2,529,652	13,728
Operating Expenses					
Travel	147,148	199,227	(18,020)	181,207	(15,215)
Supplies - IT Software	8,140	42,400	(25,275)	17,125	(2,490)
Supply/Material-Professional	9,216	16,101	(5,288)	10,813	0
Miscellaneous Supplies	1,784	20,000	11,500	31,500	0
Office Supplies	4,367	12,128	(1,278)	10,850	(390)
Postage	13,320	19,860	(6,235)	13,625	(4,500)
Printing	12,933	28,360	(1,400)	26,960	0
IT Equip Under \$5,000	2,844	14,300	(4,100)	10,200	0
Other Equip Under \$5,000	67	0	0	0	0
Office Equip & Furn Supplies	4,066	2,500	6,800	9,300	0
Insurance	2,085	2,684	1,316	4,000	0
Rentals/Leases-Equip & Other	2,974	0	3,000	3,000	0
Rentals/Leases - Bldg/Land	98,055	93,450	5,133	98,583	0
Repairs	73	0	1,020	1,020	0
IT - Data Processing	61,121	34,100	28,795	62,895	0
IT - Communications	20,724	25,090	(4,166)	20,924	50
IT Contractual Svcs and Rprs	19,725	2,000	1,500	3,500	0
Professional Development	76,587	53,180	(1,730)	51,450	(5,000)
Operating Fees and Services	62,100	339,046	(38,040)	301,006	(15,235)
Fees - Professional Services	202,878	391,024	(137,882)	253,142	(6,500)
Total	750,207	1,295,450	(184,350)	1,111,100	(49,280)
Operating Expenses					
General Fund	169,256	412,977	(22,376)	390,601	(49,280)
Federal Funds	513,931	732,284	(57,780)	674,504	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Community Services **Reporting Level:** 00-601-600-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Special Funds	67,020	150,189	(104,194)	45,995	0
Total	750,207	1,295,450	(184,350)	1,111,100	(49,280)

Capital Assets

Equipment Over \$5000	0	25,000	4,018	29,018	0
Motor Vehicles	0	0	35,000	35,000	0
IT Equip/Sftware Over \$5000	0	0	6,000	6,000	0
Total	0	25,000	45,018	70,018	0

Capital Assets

General Fund	0	0	0	0	0
Federal Funds	0	25,000	45,018	70,018	0
Special Funds	0	0	0	0	0
Total	0	25,000	45,018	70,018	0

Grants

Grants, Benefits & Claims	35,132,965	69,695,258	(12,133,064)	57,562,194	500,000
Transfers Out	813,463	0	0	0	0
Total	35,946,428	69,695,258	(12,133,064)	57,562,194	500,000

Grants

General Fund	550,964	6,996,579	(6,531,579)	465,000	500,000
Federal Funds	31,833,677	56,499,679	(5,626,485)	50,873,194	0
Special Funds	3,561,787	6,199,000	25,000	6,224,000	0
Total	35,946,428	69,695,258	(12,133,064)	57,562,194	500,000

Federal Stimulus Funds - 2009

Salaries - Permanent	0	545,000	(545,000)	0	0
Temporary Salaries	0	80,000	(80,000)	0	226,800
Overtime	0	5,000	(5,000)	0	0
Fringe Benefits	0	196,000	(196,000)	0	22,680
Travel	0	65,100	(65,100)	0	0
Supplies - IT Software	0	15,100	(15,100)	0	0
Supply/Material-Professional	0	5,000	(5,000)	0	0
Miscellaneous Supplies	0	100	(100)	0	0
Office Supplies	0	1,100	(1,100)	0	0
Postage	0	1,000	(1,000)	0	0
Printing	0	500	(500)	0	0
IT Equip Under \$5,000	0	9,000	(9,000)	0	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Community Services **Reporting Level:** 00-601-600-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
Other Equip Under \$5,000	0	10,000	(10,000)	0	0
Office Equip & Furn Supplies	0	2,000	(2,000)	0	0
Rentals/Leases - Bldg/Land	0	10,000	(10,000)	0	0
IT - Communications	0	6,000	(6,000)	0	0
IT Contractual Svcs and Rprs	0	60,000	(60,000)	0	0
Professional Development	0	10,200	(10,200)	0	0
Operating Fees and Services	0	320,000	(320,000)	0	791,000
Fees - Professional Services	0	10,000	(10,000)	0	0
Grants, Benefits & Claims	0	68,117,393	(68,117,393)	0	23,456,270
Total	0	69,468,493	(69,468,493)	0	24,496,750
Federal Stimulus Funds - 2009					
General Fund	0	0	0	0	0
Federal Funds	0	69,468,493	(69,468,493)	0	24,496,750
Special Funds	0	0	0	0	0
Total	0	69,468,493	(69,468,493)	0	24,496,750
Total Expenditures	38,949,350	143,148,487	(81,875,523)	61,272,964	24,961,198

Funding Sources**General Fund**

Total	1,571,294	8,570,213	(6,695,811)	1,874,402	464,448
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Federal Funds

E011 CDBG 1994	10,038,332	11,276,181	(21,381)	11,254,800	0
E012 Home 1994	4,653,156	7,393,541	25,531	7,419,072	0
E013 SEP Admin 2001	594,208	1,043,188	(702,899)	340,289	0
E018 CSBG 2001	6,302,711	6,849,494	(40,577)	6,808,917	0
E030 Shelter Plus Care	533,435	500,000	(50,000)	450,000	0
E035 ESGP 2000	532,776	521,699	(34,115)	487,584	0
E037 DOE2000	6,225,013	5,782,759	43,033	5,825,792	0
E040 Homeless Mis Supportive Housing Pro	136,578	135,682	(128,847)	6,835	0
E050 LHP 2000	2,449,574	5,754,759	(1,982)	5,752,777	0
E053 SAA	40	0	0	0	0
E056 IC 1999	424,097	482,186	38,690	520,876	0
E061 Shopp Heating & Oil Prog.	1,072	6,064	0	6,064	0
E064 EERE	15,278	0	0	0	0
E065 CF&N	0	30,000	0	30,000	0

REQUEST DETAIL BY PROGRAM601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Community Services		Reporting Level: 00-601-600-00-00-00-00000000			
Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
E078 CDFD 1997	93,828	15,000,000	(3,893,810)	11,106,190	0
E104 LHP EF 2003	690,209	2,837,780	(37,780)	2,800,000	0
E106 SEP Sp-Rebuild Amer	19,776	0	0	0	0
E119 LHP Cooling 98	7,030	1,270,000	(1,270,000)	0	200,000
E139 SSEP	27,574	25,587,000	(25,587,000)	0	9,000,000
E181 Community Services Block Grt.	0	142,879	56,283	199,162	0
E189 SCSBG	98,157	4,853,305	(4,853,305)	0	0
E309 SHPRP	6,695	2,571,000	(2,571,000)	0	1,250,000
E379 SDOEWX	812,641	25,318,330	(25,318,330)	0	9,100,000
E901 SEECBG	0	9,990,000	(9,990,000)	0	4,796,750
E902 SEEARP	0	615,000	(615,000)	0	0
E903 SSGR	0	263,858	(263,858)	0	150,000
Total	33,662,180	128,224,705	(75,216,347)	53,008,358	24,496,750
Special Funds					
342 Intergovernmental Assist. Fund 342	3,715,876	6,353,569	36,635	6,390,204	0
Total	3,715,876	6,353,569	36,635	6,390,204	0
Total Funding Sources	38,949,350	143,148,487	(81,875,523)	61,272,964	24,961,198
FTE Employees	17.99	17.28	(0.20)	17.08	0.00

CHANGE PACKAGE DETAIL601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Community Services	Reporting Level: 00-601-600-00-00-00-00000000
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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 8 Remove Prior beinnium one-time approp.		0.00	(6,520,300)	(68,642,493)	0	(75,162,793)
Total One Time Budget Changes		0.00	(6,520,300)	(68,642,493)	0	(75,162,793)
Ongoing Budget Changes						
A-A 1 Miscellaneous Changes		0.00	(21,530)	10,818	(12,029)	(22,741)
A-A 2 Operation Changes		0.00	(12,125)	(5,695,083)	(67,165)	(5,774,373)
A-A 3 Program Changes		0.00	0	70,018	0	70,018
A-F 9 Remove capital assets		0.00	0	(25,000)	0	(25,000)
Base Payroll Change		(0.20)	(141,856)	(934,607)	115,829	(960,634)
Total Ongoing Budget Changes		(0.20)	(175,511)	(6,573,854)	36,635	(6,712,730)
Total Base Budget Changes		(0.20)	(6,695,811)	(75,216,347)	36,635	(81,875,523)
Optional Budget Changes						
One Time Optional Changes						
A-D 12 Childcare Program	5	0.00	520,338	0	0	520,338
A-D 11 ARRA Optional Request	12	0.00	0	24,496,750	0	24,496,750
Total One Time Optional Changes		0.00	520,338	24,496,750	0	25,017,088
Total Optional Budget Changes		0.00	520,338	24,496,750	0	25,017,088
Optional Savings Changes						
A-G 10 Cost Savings Plan	1	0.00	(55,890)	0	0	(55,890)
Total Optional Savings Changes		0.00	(55,890)	0	0	(55,890)

PROGRAM NARRATIVE**Date:** 01/13/2011**601 Department of Commerce****Time:** 11:33:52**Program:** Division of Energy**Reporting level:** 00-601-800-00-00-00-00000000**Program Performance Measures**

This is a new division within the Department of Commerce. Performance measure have not yet been developed.

Program Statistical Data

This is a new division within the Department of Commerce. Program statistics are not yet available.

Explanation of Program Costs

This is a new program within the Department of Commerce. Program expenses are anticipated to include salaries and wages, contracted services and other operating expenses.

Program Goals and Objectives

The Division of Energy is responsible for promoting energy development within the state, handling energy infrastructure issues, and managing renewable energy programs.

REQUEST DETAIL BY PROGRAM

601 Department of Commerce
 Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011

Time: 11:33:52

Program: Division of Energy **Reporting Level:** 00-601-800-00-00-00-00000000

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Request 2011-2013
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Funding Sources

Total	0	0	0	0	0
Total Funding Sources	0	0	0	0	0

CHANGE PACKAGE DETAIL

601 Department of Commerce
Biennium: 2011-2013

Bill#: HB1018

Date: 01/13/2011
Time: 11:33:52

Program: Division of Energy **Reporting Level:** 00-601-800-00-00-00-00-00000000

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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Base Budget Changes

		0.00	0	0	0	0
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