



NORTH  
**Dakota**

Be Legendary.™

**ACCELERATE ND  
PROPOSAL**

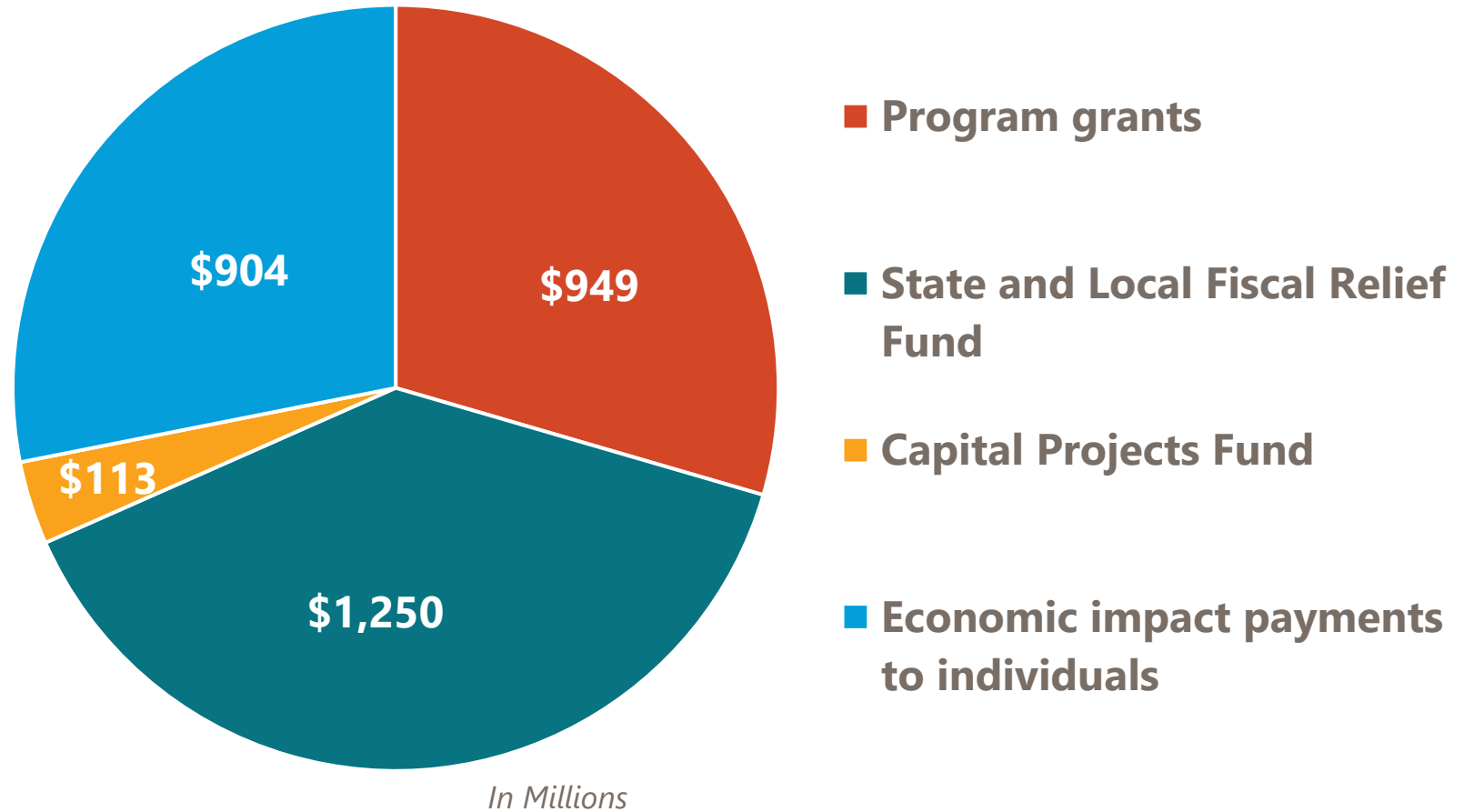
Investment Strategy for North Dakota

WELCOME  
devils lake

FOURTH AVE

# AMERICAN RESCUE PLAN ACT (ARPA) FUNDING FOR ND

**\$3.2 Billion**

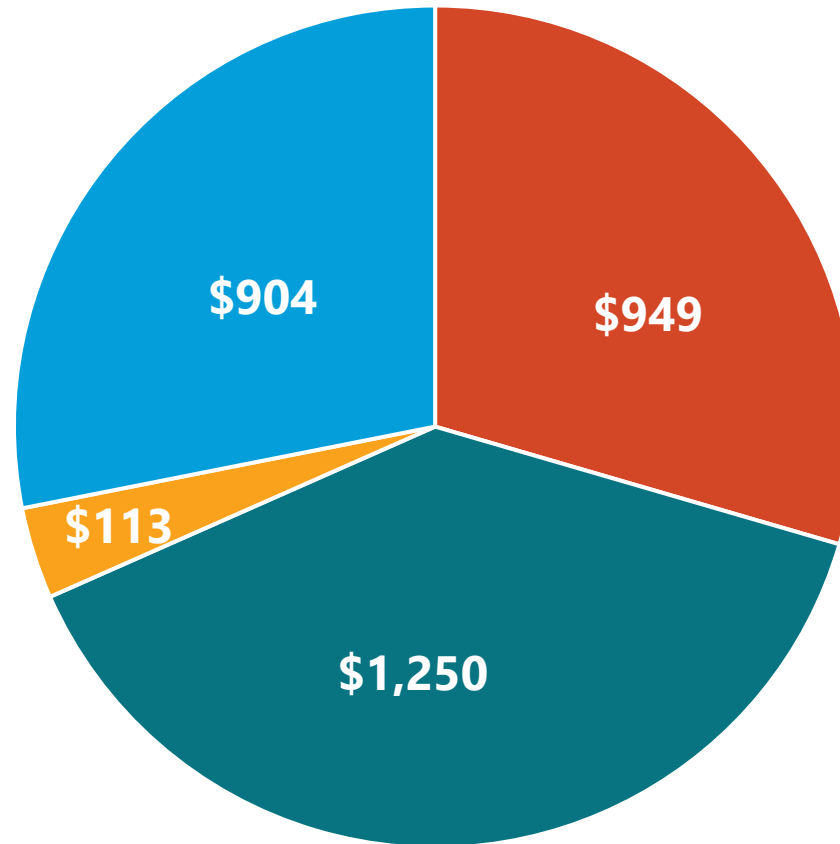


# ARPA FUNDING FOR ND

**\$3.2 Billion**

## Capital Projects Fund Appropriations by 2021 Legislature:

\$70 M CTE  
\$5.9 M Magic City Science Center  
\$5 M UND airport apron  
\$4 M DSU Pulver Hall  
\$3 M LETA remodel  
\$500,000 Cooperstown Medical Center  
\$157,600 Judicial Branch IT  
\$2 M Intermodal facility grant  
\$11.7 M Parks and Rec deferred maint  
\$4.2 M Historic site repairs  
**\$106.4 M Total Appropriation**

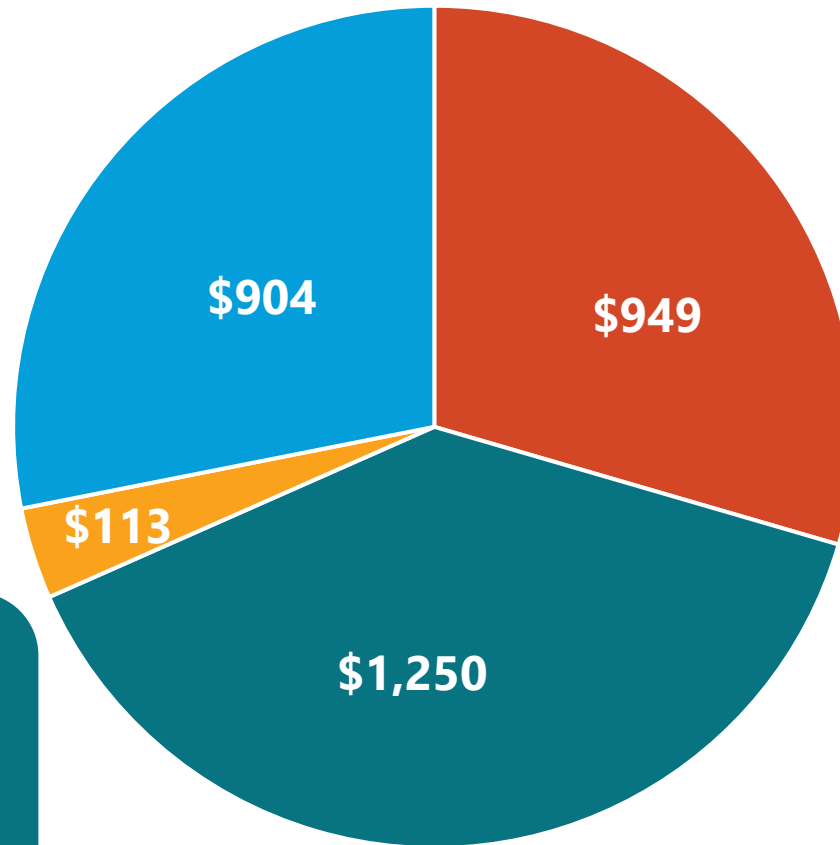


*In Millions*

- Program grants
- State and Local Fiscal Relief Fund
- Capital Projects Fund
- Economic impact payments to individuals

# ARPA FUNDING FOR ND

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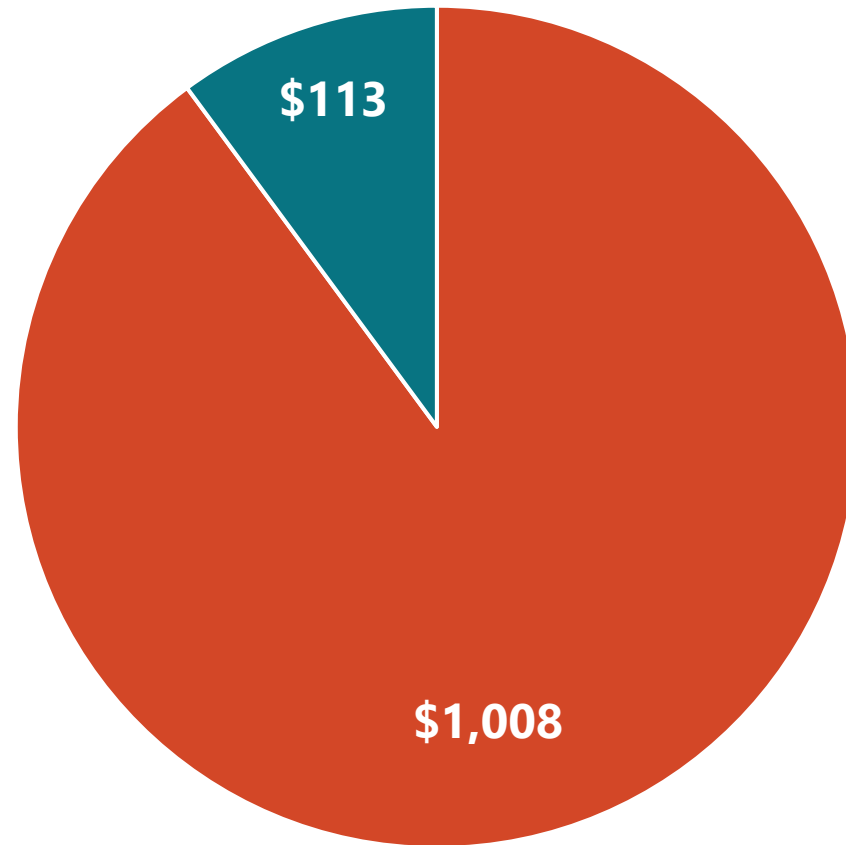
## State and Local Fiscal Relief Fund:

- \$1.008 B State share
- \$53.2 M Allocations to NEU cities through state
- \$148 M Direct allocation to counties
- \$41.3 M Direct allocation to cities

*In Millions*

# ACCELERATE ND INVESTMENT PROPOSAL

**\$1.12 Billion**



■ **ARPA State Fiscal Relief Fund**

■ **ARPA Capital Projects Fund**

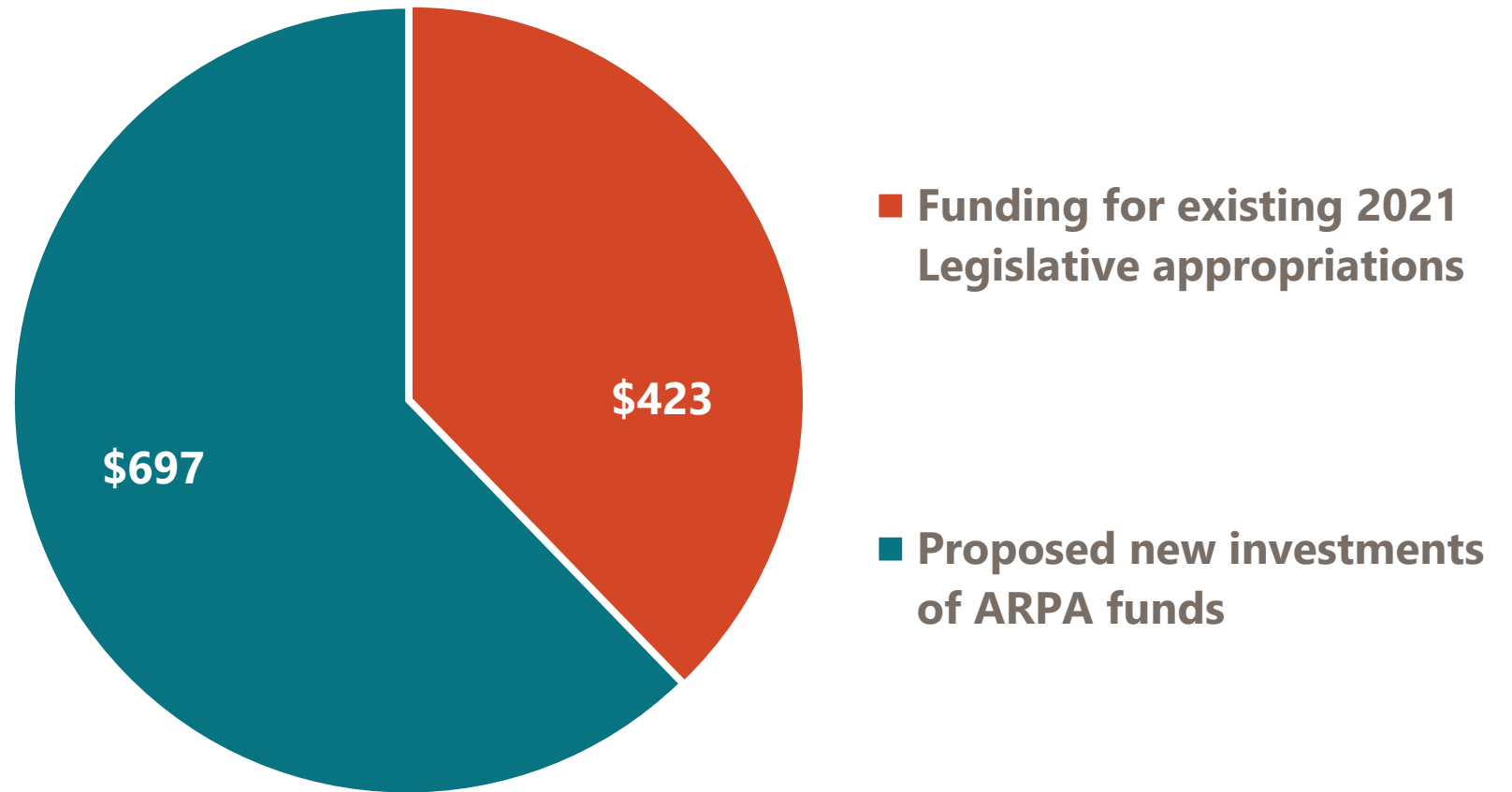
*In Millions*



# FUNDING 2021 LEGISLATIVE PRIORITIES

## FUNDING SOURCE FOR EXISTING APPROPRIATIONS

**\$1.12 Billion**



*In Millions*

# FUNDING FOR EXISTING APPROPRIATIONS

	<b>Coronavirus Capital Projects Fund Amount</b>	<b>ARPA State Fiscal Relief Fund Amount</b>	<b>Total</b>
DOT - COVID-19 federal funds (HB1395)		\$317 M	\$317 M
Various agencies – Coronavirus Capital Projects Fund (HB1015 and other bills)	\$106 M		\$106 M
Total	\$106 M	\$317 M	\$423 M



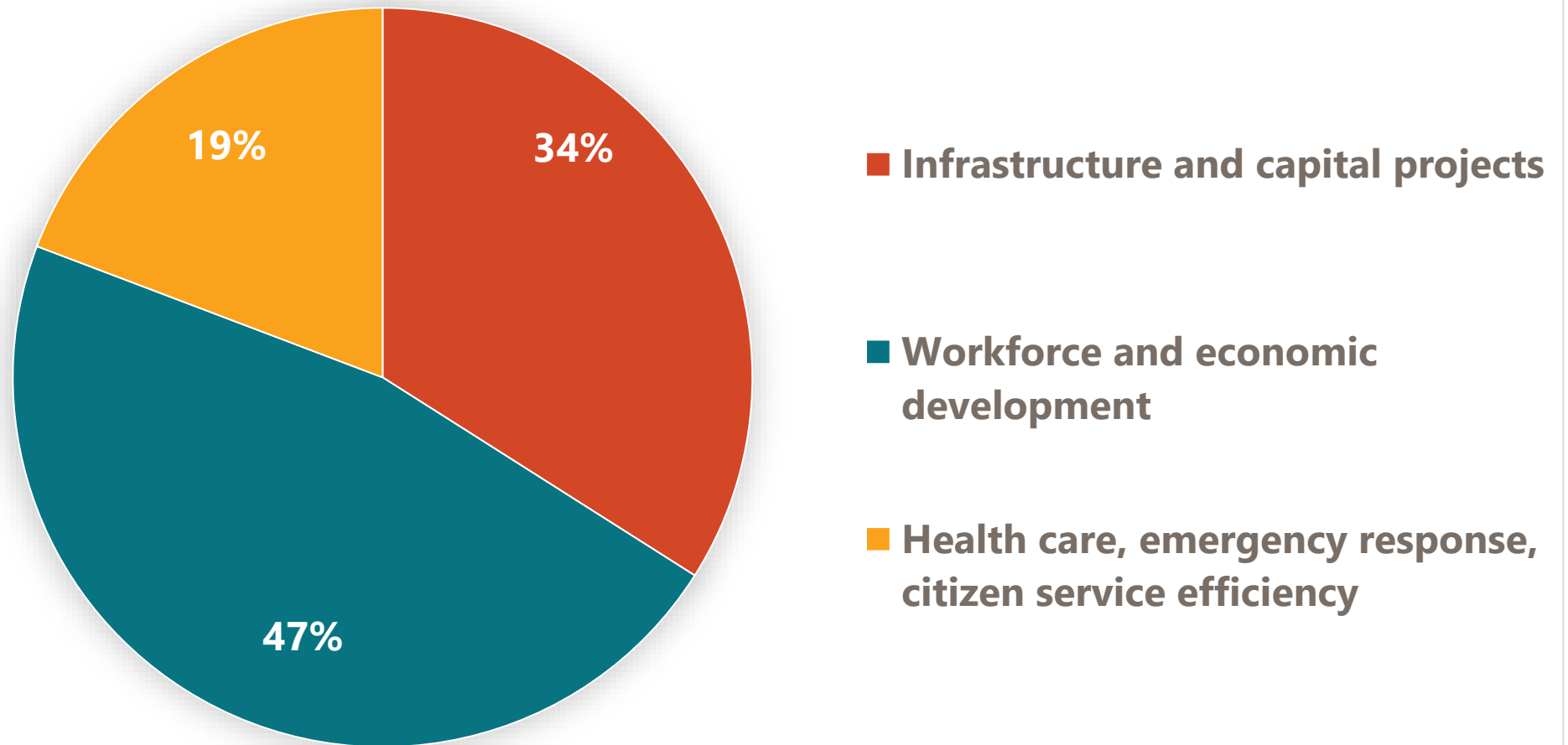


**ACCELERATE ND INVESTMENT STRATEGY**



# PROPOSED ARPA INVESTMENTS EXCLUDING AMOUNTS ALREADY APPROPRIATED

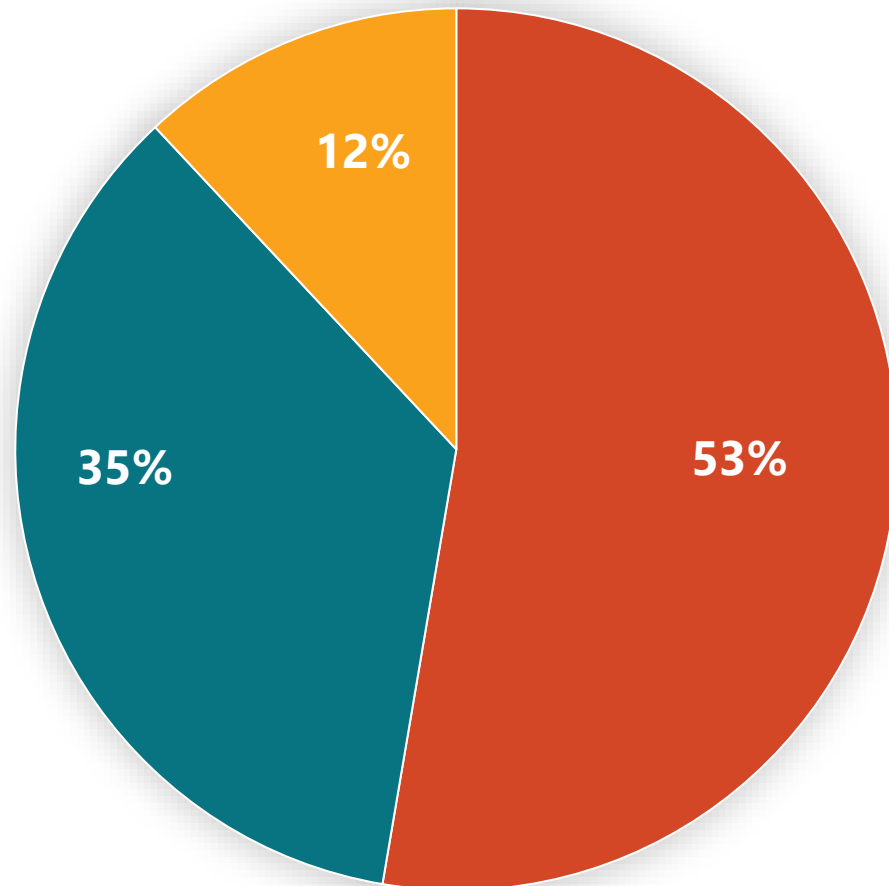
**\$697 Million**



# PROPOSED ARPA INVESTMENTS

## INCLUDING AMOUNTS ALREADY APPROPRIATED

**\$1.12 Billion**



- **Infrastructure and capital projects**
- **Workforce and economic development**
- **Health care, emergency response, citizen service efficiency**

# DEPARTMENT OF TRANSPORTATION

## Total Recommendation - \$355 M

- Highway, Road and Bridge Repairs and Construction - \$332 Million
  - *Includes SFRF allocation of \$317 M to fund appropriation in HB1395*
  - Projects ready to bid for Spring 2022
  - Address critical road needs across the state
- Township Road Repairs - \$23 Million
  - Townships were excluded from the Local Fiscal Recovery Fund distribution due to their delivery of limited services that qualified for ARPA
  - \$13 M emergency road repairs
  - \$10 M to match state funds for normal township road repairs and improvements



# DEPARTMENT OF COMMERCE

## Total Recommendation - \$119.8 M

- Hydrogen Development Grants - \$20 Million
  - 1:1 matching grants to advance and accelerate the hydrogen industry in ND
  - Investment in new industry, build out infrastructure, redevelop existing facilities, retain and grow jobs
- Vantis Expansion Grants - \$10 Million
  - Grants to accelerate the start up and relocation of UAS businesses and manufacturers to the state for applied research, product development, commercialization of UAS technology
- Autonomous Agriculture Matching Grant Program - \$10 Million
  - 1:1 matching grant to accelerate innovation and research within the autonomous agriculture industry

# DEPARTMENT OF COMMERCE

## Total Recommendation - \$119.8 M

- Statewide Workforce Incentive Program - \$10 Million
  - 1:1 matching grant program to attract non-resident workers to ND
  - Incentive program to cost share with business partners to provide rental assistance, childcare assistance, moving expenses, and sign-on bonuses for workers relocating to ND
- Local Workforce Development Incentive Program - \$25.5 Million
  - 10% match requirement from regional workforce development councils
  - Targeted at specific needs by region to support efforts to recruit, retain, or retrain workers
- Technical Skills Training Program - \$3.2 Million
  - 1:1 matching grant program to provide workforce training
  - Expansion of successful workforce training programs to allow business to establish or expand internal training and training for new workers
  - Grants up to \$50,000 per business

# DEPARTMENT OF COMMERCE

## Total Recommendation - \$119.8 M

- Workforce Innovation Grants - \$10 Million
  - Grant program to focus on attracting skilled workers to ND from targeted communities and regions
- Regional & Community Attraction Grants- \$10 Million
  - Grants for start-up or enhancement of entertainment and outdoor recreation opportunities to attract and retain citizens and grow the workforce
- Workforce Housing Redevelopment Program – \$21.08 Million
  - Funds to support community efforts to acquire blighted property, remove the blighted structure, clear the land and partner with private sector partners to redevelop the property and address housing needs



# INDUSTRIAL COMMISSION

## Total Recommendation - \$132.4 Million

- Natural Gas Infrastructure - \$100 Million
  - 1:1 matching grant program to capture and transport excess gas from western to eastern ND
  - Will facilitate growth in value-added industries in ND
  - Potential to add up to \$50 M per month in additional oil tax revenue due to additional natural gas takeaway capacity
- Abandoned Oil Well Conversion to Water Supply – \$6.4 Million
  - Conversion of 20-30 abandoned wells to livestock freshwater supply wells for permanent drought resiliency

# INDUSTRIAL COMMISSION

## Total Recommendation - \$132.4 Million

- Critical Infrastructure Corridor and Route Modeling - \$1 Million
  - Artificial Intelligence and GIS modeling to determine optimal corridors and routes for carbon capture, utilization, and storage infrastructure
  - Provide first-of-its-kind model as a service to infrastructure developers in ND
- Clean Sustainable Energy Grants - \$25 Million
  - 1:1 matching grant program to support the development of low-emission energy production technologies in ND

# INFORMATION TECHNOLOGY

## Total Recommendation - \$92.2 M

- Transformation of Services & Process Improvement- \$19 Million
  - \$11 M to improve IT service delivery to team members, agencies and the public, improve project outcomes and enhance cloud migration
  - \$8 M dedicated to commence ND Business Gateway project and improve service delivery to state citizens and businesses
- Cybersecurity Enhancements - \$36 Million
  - Eliminate high-risk vulnerability.
  - Implement additional security tools to protect state network



# INFORMATION TECHNOLOGY

## **Total Recommendation - \$92.2 M**

- Mail Digitization - \$3.5 Million
  - Transformation of mail services through collaborative project involving several agencies
  - Reduce paper processes and scan incoming mail and route digitized mail to recipients
- Broadband Infrastructure - \$33.3 Million
  - *Funding from Coronavirus Capital Projects Fund*
  - Cost share grants to providers to expand coverage and ensure reliable high-speed broadband internet is available to all addresses in ND
- Grant to the ND Stockman's Association - \$401,000
  - Conversion of paper-based brand inspection program to an electronic system

# CAREER AND TECHNICAL EDUCATION

## Total Recommendation - \$80 M

- Career Academies/Multi-Purpose Community Facility Matching Grant Program - \$80 Million
  - *Funding from Coronavirus Capital Projects Fund*
  - \$70 M requires 1:1 match, as required in HB1015
  - Additional \$10 M has no matching requirement – Provided to address added costs to meet federal guidelines and add facilities to facilitate health monitoring services
  - Facilities must enable work, education, and health monitoring to qualify for use of Coronavirus Capital Projects Fund

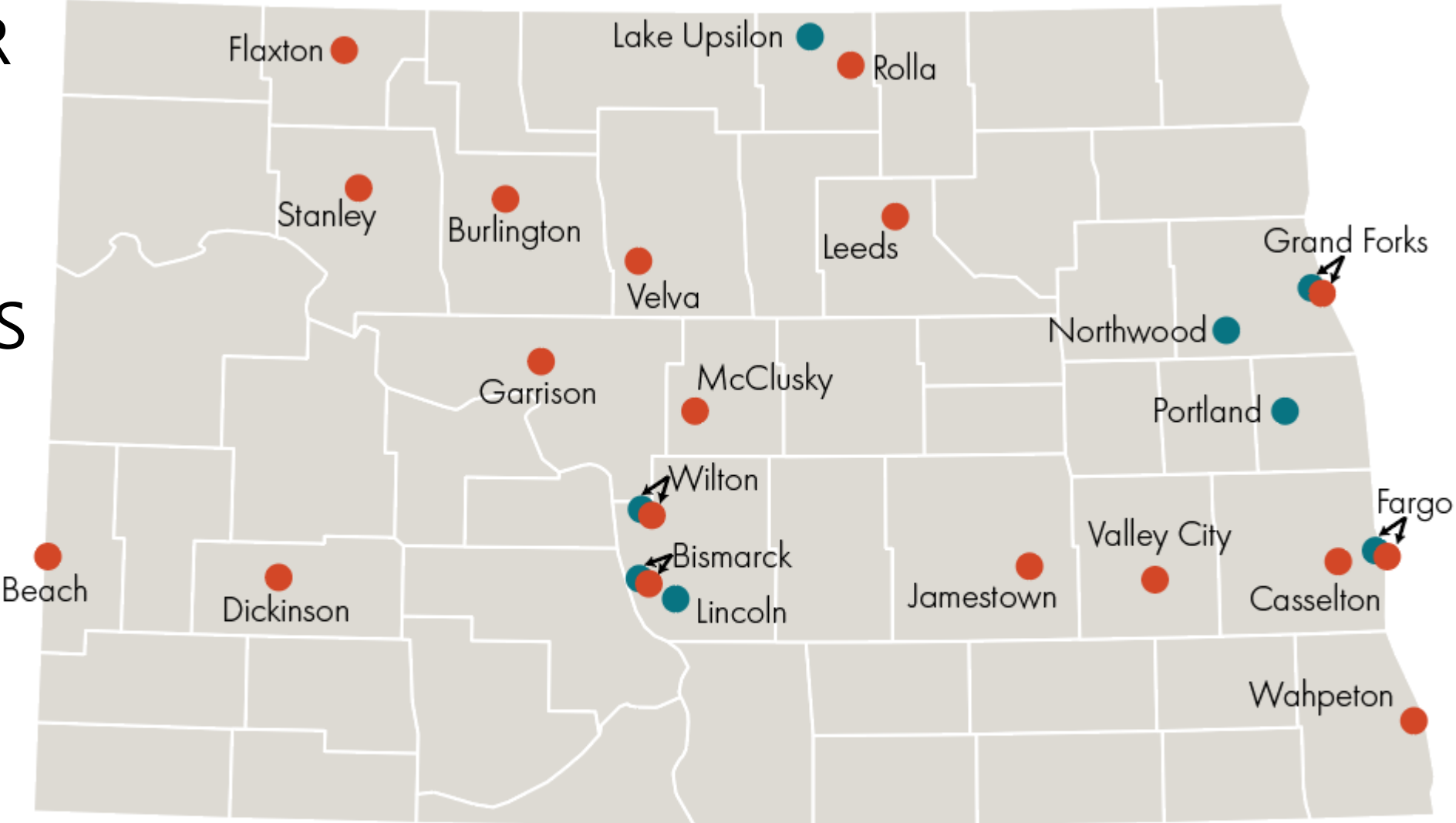
# DEPARTMENT OF ENVIRONMENTAL QUALITY

## Total Recommendation - \$55 M

- Lead Service Line Replacement Projects - \$25 Million
  - Improve the quality of drinking water systems through removal of lead service lines
  - Provide up to 90% loan forgiveness for lead service line replacements
  - 4,290 service line replacements identified for priority replacement
- Sewer and Nonpoint Source Project Funding - \$30 Million
  - Wastewater, storm sewer, and other CWSRF qualifying projects
  - Provide 90-100% loan forgiveness for Clean Water State Revolving Fund qualifying projects



FUNDING FOR  
WATER  
PROJECTS  
SUPPORTS  
COMMUNITIES  
ACROSS THE  
STATE



● Wastewater

● Lead Service Line

# DEPARTMENT OF WATER RESOURCES

## **Total Recommendation - \$50 M**

- Support for strategic water infrastructure projects, including major water distribution systems
- Facilitation of additional value-added economic growth and increased energy production

# HIGHER ED

## Total Recommendation - \$36.8 M

- BSC Polytechnic Workforce Center - \$25 Million
  - Polytechnic education center to provide flexible, accessible and transformational spaces to respond to industry workforce needs
  - Required 1:1 match
- NDUS CTS Cybersecurity - \$1 Million
  - Advanced endpoint software for all NDUS/institutions
  - Implement security orchestration and automation software in the NDUS security operations center.
  - Implemented in coordination with NDIT

# HIGHER ED

## Total Recommendation - \$36.8 M

- Workforce Initiatives - \$1.8 Million
  - Funding for BSC, DCB, LRSC, DSU, MaSU, WSC
  - Nursing Program/Simulators; CNA training; Virtual/Remote Labs; Fire Safety; UAS equipment; Program Simulators/Interactive textbooks
- UND Airport Apron - \$5 Million
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*
- DSU Pulver Hall Project - \$4 Million
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*



# PARKS AND RECREATION DEPARTMENT

## Total Recommendation - \$33.6 M

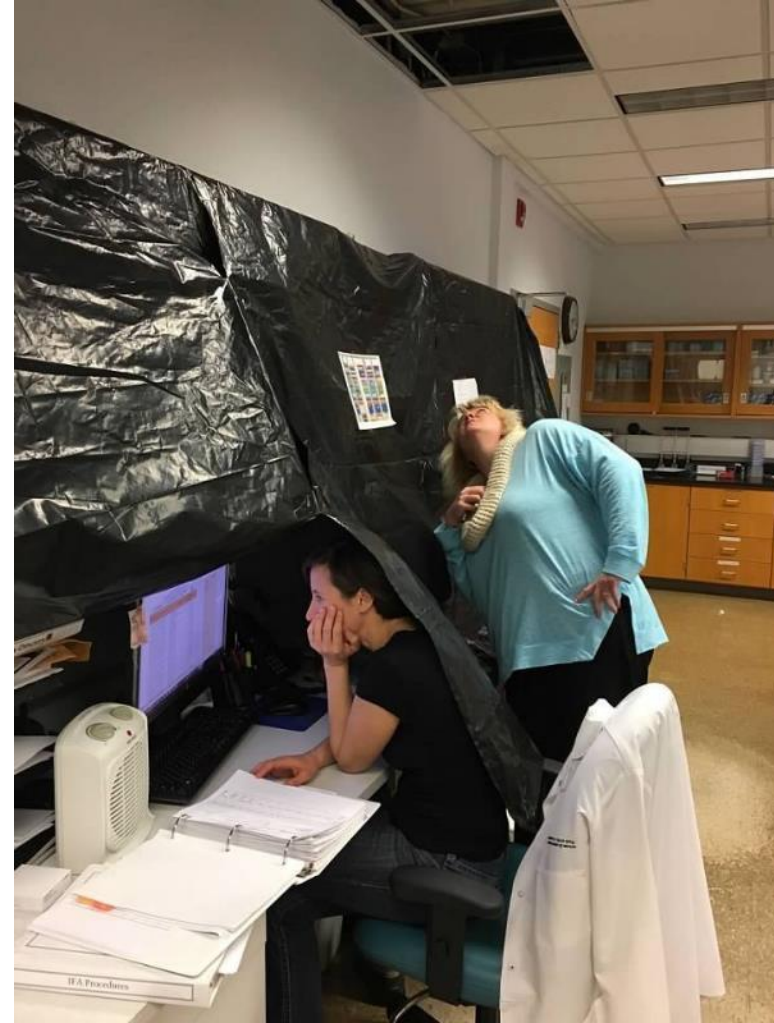
- Deferred Maintenance and Essential Infrastructure - \$28.6 Million
  - *Includes SFRF allocation of \$11.7 M to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1019*
  - Various projects across the parks system to improve facilities and address the backlog of critical deferred maintenance
  - Broadband, water and electrical service upgrades to improve the visitor experience
- Road improvements - \$5.0 Million
  - Road work to repair and improve access roadways across the park system

# DEPARTMENT OF HEALTH

## Total Recommendation - \$31 M

- Public Health Laboratory Renovation - \$30 Million
  - Present lab built in 1974 with add-on in 2004.
  - Current facility is undersized and has significant deferred maintenance
  - Currently using 3 trailer labs as supplemental lab space
  - Additional storage space is rented for supplies/equipment
- High Risk Infection Disease Ambulance Project - \$1 Million
  - Provide 4 ambulances – one in each region of the state (Bismarck, Minot, Fargo, Grand Forks)
  - Provide protection for first responders and healthcare personnel, patients, and communities

# DEPARTMENT OF HEALTH LAB IN SUBSTANDARD CONDITION



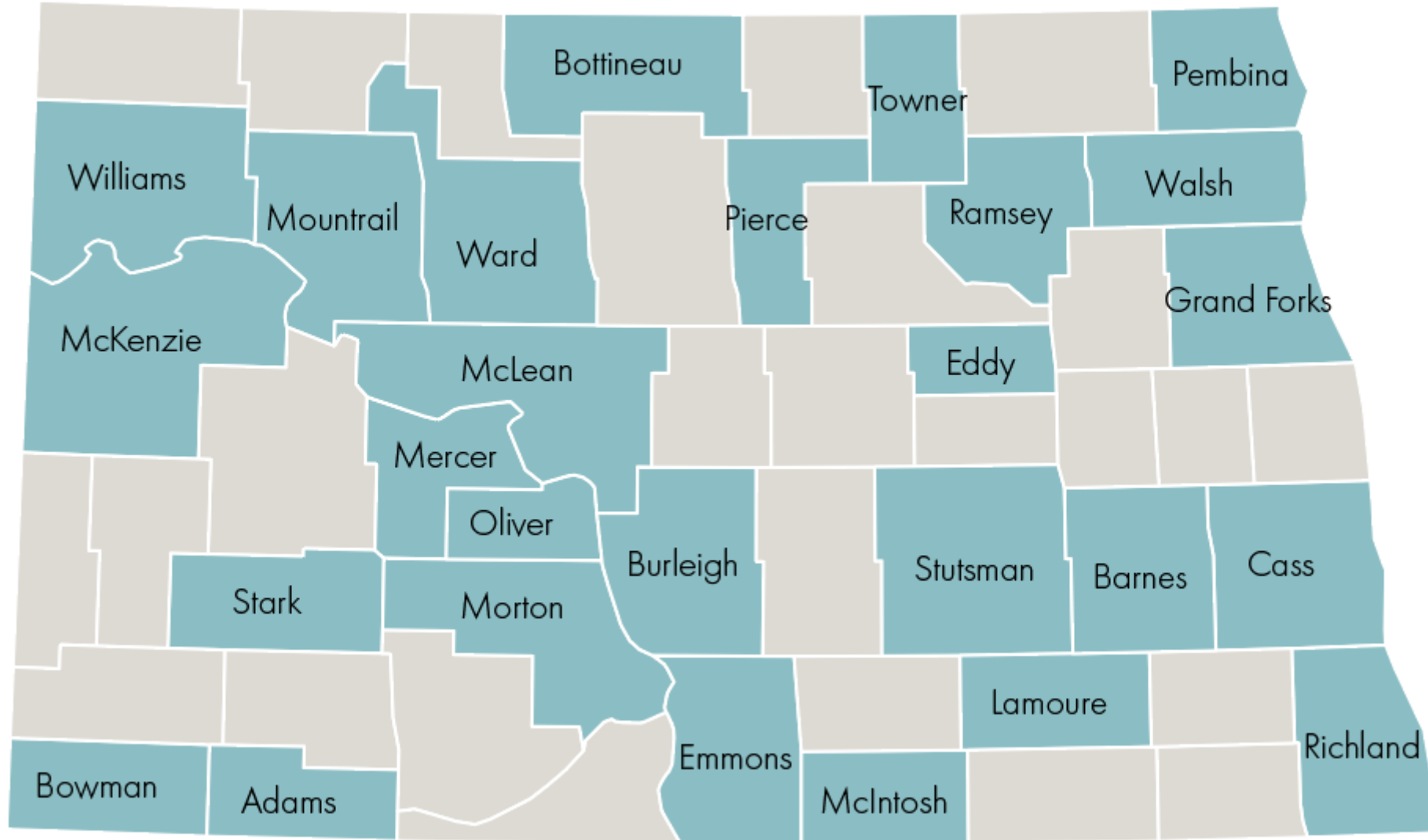
# DEPARTMENT OF CORRECTIONS AND REHABILITATION

## Total Recommendation - \$26.5 M

- **Deferred Maintenance and Facility Upgrades - \$8 Million**
  - Address deferred maintenance backlog across system
  - JRCC medical and senior living remodeling projects
- **Free Through Recovery Program - \$3 Million**
  - Increase program capacity and reduce wait times, reduce recidivism and improve outcomes
- **IT Improvements and Upgrades - \$10.7 Million**
  - Replace or upgrades to major systems, such as offender management, resident tracking, crime victim portal
- **Stipends to County Jails - \$4.8 Million**
  - Payments to counties for costs to house inmates sentenced to DOCR but deferred admission due to COVID



# JAIL REIMBURSEMENTS SUPPORT COUNTIES IN ALL AREAS OF THE STATE



# DEPARTMENT OF HUMAN SERVICES

## Total Recommendation - \$20.35 M

- Community-Based Behavioral Health Program - \$4 Million
  - Free Through Recovery funding directly to DHS to fully fund program and meet service demands
- Early Childhood Workforce Tuition Waiver - \$6.75 Million
  - Tuition waiver to incentivize students pursuing degrees in early childhood education
- Public-Private-Partnership to Invest in Child Care - \$9.6 Million
  - Establish 1:1 match cost-share programs with private businesses to offer child-care assistance and services to their employees

# DEPARTMENT OF AGRICULTURE

## Total Recommendation - \$19.6 M

- Bioscience Innovation Grants - \$10 Million
  - Required 1:1 matching grant program to support innovation and growth in ND bioscience industry
- IT System Upgrades - \$1.1 Million
  - Replace outdated databases and integrate with the Department's CRM - \$550,000
  - Grants to veterinary clinics and auction markets to provide for better data transfer to the Ag Department - \$550,000

# DEPARTMENT OF AGRICULTURE

## Total Recommendation - \$19.6 M

- Intermodal Facility Grant - \$2 Million
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in SB2245*
- Livestock Finishing & Processing Grants - \$6.5 Million
  - Cost share grant program to fund equipment upgrades

# OMB – ALLOCATION TO VARIOUS AGENCIES

## Total Recommendation - \$19.7 M

- Critical Maintenance Projects – Level 4-5 projects - \$18.7 Million
  - Items identified from facility condition assessment completed in 2019-21 to address projects identified with the highest priority:
    - Weighted score of 4.0 to 5.0 considering current condition; interconnection with other systems; agency priority; return on investment; and health, safety and security issues
    - Projects in *Alarm* status – Equipment failure inevitable or excessively past useful life
- HR Transformation Initiative - \$500,000
  - Consulting services to assist in developing a statewide, strategic HR organization with efficient processes, tools and structure
- Medical Center Grant - \$500,000
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*



# JOB SERVICE

**Total Recommendation - \$14.02 M**

- Reduction of Barriers to Employment - \$1.02 Million
  - Job Placement for ex-offenders - \$510,000
  - Outreach program to populations with barriers to employment - \$510,000
- UI System Modernization - \$13 Million
  - Incremental modernization of current system and move to cloud-based platform rather than mainframe system

# DEPARTMENT OF PUBLIC INSTRUCTION

## Total Recommendation - \$8.4 M

- Board Governance Training - \$2.5 Million
  - Address educational disparities, improve outcomes for all students, and transform the school experience
  - Training to equip district leadership with skills to align inputs to outcomes and identify high-impact actions to support continuous improvement
- Grant to Children's Science Center Project - \$5.9 Million
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*

# LEGISLATIVE BRANCH

**Total Recommendation - \$7 M**

- HVAC improvements
  - Legislative chambers and Brynhild Haugland room
  - Improve air quality and enhance public safety and protection from airborne viruses

# HISTORICAL SOCIETY

**Total Recommendation - \$5.15 M**

- Essential Infrastructure at Historic Sites - \$950,000
  - Broadband connectivity to remote sites, including the Yellowstone-Missouri Confluence Center near Williston.
  - HVAC system at Lewis and Clark Interpretive Center
- Historic Site Deferred Maintenance - \$4.2 Million
  - Address backlog of deferred maintenance at various sites across the state
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1018*

# ADJUTANT GENERAL

## Total Recommendation - \$4.9 M

- State active-duty software replacement - \$405,000
  - Agency will lose support for current system (new development since 2021 session)
  - Upgraded system will provide more security and improved capabilities for managing state emergencies
- Camp Grafton Housing Enhancement - \$4.5 Million
  - Addition of 32 lodging rooms to ensure ability to meet needs of public and private sector
  - Creation of fitness center for year-round training



# HIGHWAY PATROL

## Total Recommendation - \$3 M

- Law Enforcement Training Academy Center remodeling project - \$3 Million
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*

# NDSU EXTENSION

## Total Recommendation - \$2.7 M

- Area 4 Soil Conservation District Research Farm - Land Purchase
  - Area 4 Soil Conservation Research Farm works in cooperation with the USDA Northern Great Plains Research Laboratory
  - Purchase 270 acres in Morton County, which has been leased from private landowner since 1983
  - Purchase is needed for continuation of soil conservation research and utilization of 40 years' baseline research

# JUDICIAL BRANCH

## Total Recommendation - \$2.18 M

- Replace Supreme Court docket system - \$2.02 Million
  - Current system is no longer supported
  - New system will provide better data retrieval and analysis capabilities
- IT Equipment - \$157,600
  - *SFRF allocation to replace funding already appropriated from Coronavirus Capital Projects Fund in HB1015*

# ATTORNEY GENERAL

## Total Recommendation - \$1 M

- Replace prosecuting case management system
  - Total project is \$1.98 Million
  - Application submitted for a NCHIP 21 grant to cover \$980,000 of the project

# PROTECTION AND ADVOCACY

**Total Recommendation - \$181,186**

- First responder training
  - Training for first responders on how to interact with individuals with disabilities.
  - Training for individual with disabilities on how to interact positively with first responders.

# DEPT OF VETERANS' AFFAIRS

**Total Recommendation - \$147,000**

- Veteran's medical transportation
  - Provide stipends to incentivize volunteer drivers to participate in the DAV van program to transport veterans to medical appointments
  - Expand program to meet the transportation needs in 17 non-highly rural ND counties (rural areas which do not qualify for the Highly Rural Transportation Grant)



# OFFICE OF ADMINISTRATIVE HEARINGS

## Total Recommendation - \$20,000

- Develop web-based document management system
  - Difficult for agency to accumulate funding for system replacement through cost-based fee structure
  - Will create efficiencies through converting a manual, paper-based process to an electronic process





# CORONAVIRUS CAPITAL PROJECTS FUND



# PROPOSED INVESTMENT OF CORONAVIRUS CAPITAL PROJECTS FUNDS

- **Broadband infrastructure**

- State grant program to assist providers in delivering quality broadband service to every underserved area of the state = \$33.3 M

- **Multi-purpose community facility grant program**

- Expanded CTE grant program proposal to create qualifying multi-purpose facilities = \$80 M

# CORONAVIRUS CAPITAL PROJECTS FUND APPROPRIATIONS

Agency	Project	2021 Leg Approp	Proposed	
			Capital Project Fund	ARPA SFRF*
OMB	Medical center grant	\$500,000		\$500,000
Judicial Branch	IT equipment	157,600		157,600
DPI	Children's science center grant	5,900,000		5,900,000
UND	Airport apron project	5,000,000		5,000,000
DSU	Pulver Hall	4,000,000		4,000,000
CTE	Career center initiative/multi-purpose community facilities	70,000,000	80,000,000	
Highway Patrol	LETA remodel	3,000,000		3,000,000
Historical Society	Historic site repairs	4,200,000		4,200,000
Parks and Recreation	Deferred maintenance projects and IPG loan	11,716,400		11,716,400
Dept. of Agriculture	Intermodal facility grant	2,000,000		2,000,000
NDIT	Broadband infrastructure and grant program	N/A	33,276,228	
<b>Total</b>		<b>\$106,474,000</b>	<b>\$113,276,228</b>	<b>\$36,474,000</b>

\*ARPA State Fiscal Relief Fund





**EXCESS GENERAL FUND BALANCE**



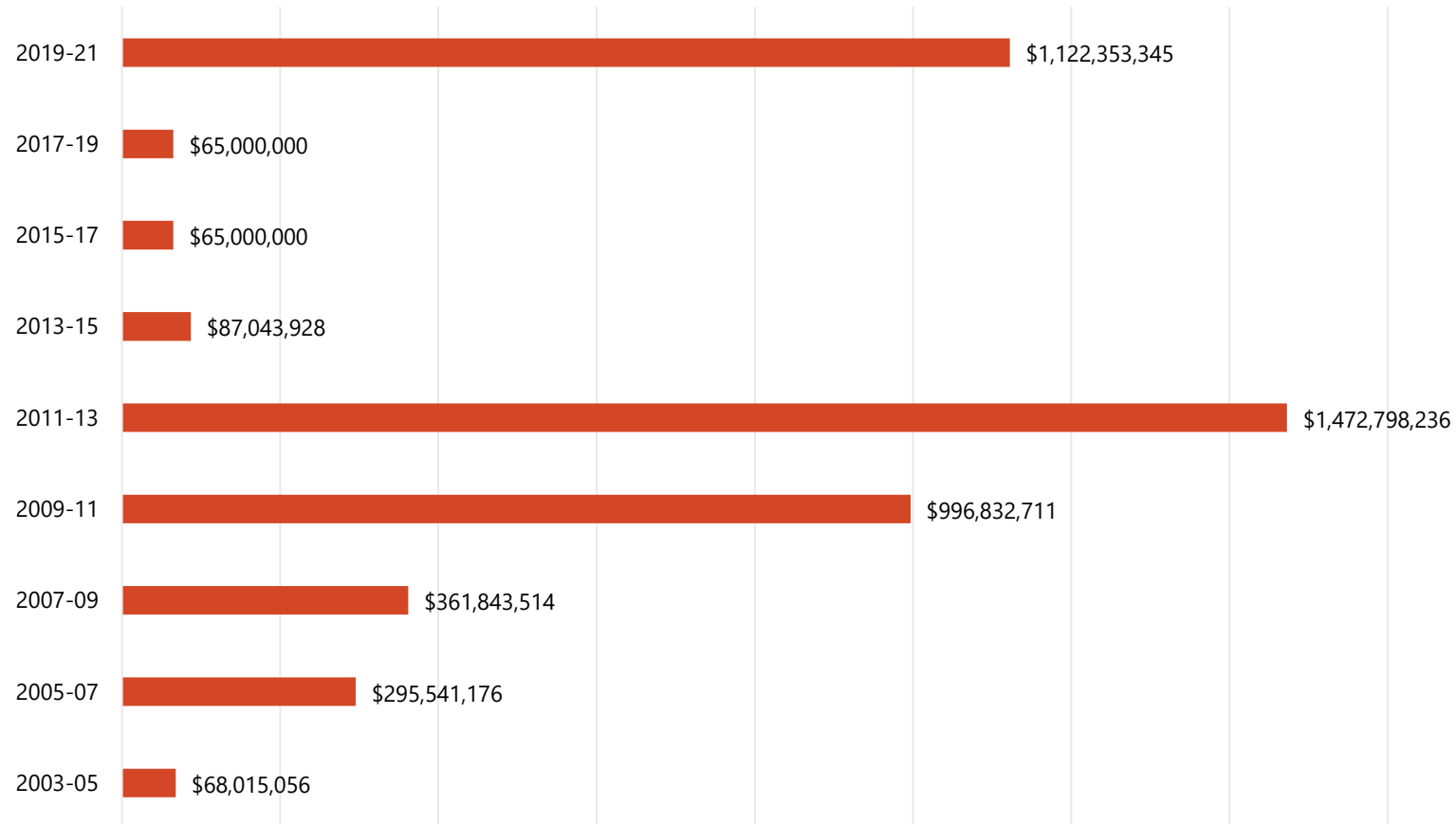
# EXCESS GENERAL FUND BALANCE

- Unique opportunity to strategically invest the excess general fund balance of \$412 M
  - Actual June 30, 2021 balance of \$1.122 B
  - Legislative estimate of \$710 M used in 2021-23 budget
  - Excess balance = \$412 M
- One-time funding to invest in one-time uses



# NEAR RECORD GENERAL FUND BALANCE

General Fund Ending Balance by Biennium



# FACTORS THAT LED TO STRONG GENERAL FUND BALANCE

- Strategic use of Coronavirus Relief Fund to offset state costs for public safety officer salaries during the pandemic
- Revenues that exceeded the legislative forecast in May and June 2021
- Legacy Fund earnings transferred to the general fund on June 30, 2021, that exceeded the legislative forecast
- Record agency unspent appropriations (turnback)
- Fully-funded Budget Stabilization Fund

# ND'S STRONG BALANCE SHEET

- Budget Stabilization Fund
  - Highest balance ever at \$750 M
  - 15% of 2021-23 general fund budget = \$748.9 M
  - Earnings over cap will be transferred to general fund
- General Fund balance at near record level
  - \$1.12 B
- SIF uncommitted balance at \$567 M

# PROPOSED ONE-TIME INVESTMENTS OF EXCESS GENERAL FUND BALANCE

	<b>Amount</b>
Temporary individual income tax credit for resident ND taxpayers – Tax years 2021 and 2022	\$207 M
Economic development investments:	\$100 M
LIFT Fund capital - \$15 M	
Development Fund capital - \$15 M	
Clean Sustainable Energy Fund capital - \$50 M	
Ag and Energy higher education research grant - \$20 M	
Pension fund infusion (reserved pending completion of legislative study and plan to close defined benefit plan)	\$100 M
<b>Total proposed investments</b>	<b>\$407 M</b>