



## North Dakota's Diversifying Economy

North Dakota Department of Commerce

# JOHN SCHNEIDER

## Economic Development & Finance Division Director

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- Native of Rugby, ND
- Served as executive director for the Agricultural Products Utilization Commission over the last 16 years
- Served as the Interim State Director of the Small Business Development Centers
- Past Executive Director for Harvey Area Economic Development
- Bachelor of Science degree in economics and business administration from North Dakota State University

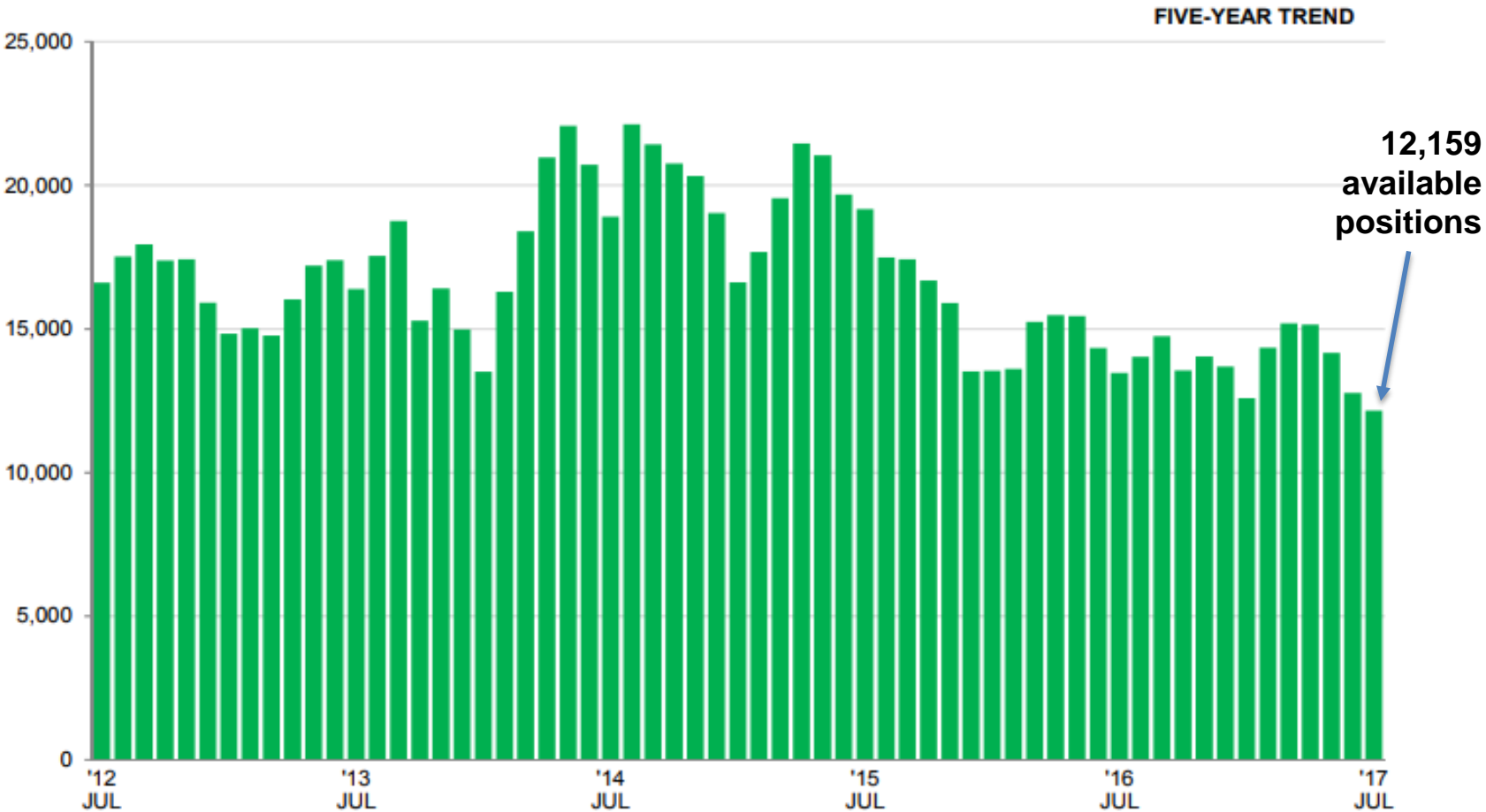


# Current Job Openings

JULY 2017 ONLINE JOB OPENINGS REPORT

## JOB OPENINGS DATA

### JOB OPENINGS--TOTAL



# ATTRACT, RETAIN & EXPAND WEALTH

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Charged With Growing Our State  
& Improving The Quality Of Life



**ECONOMIC DEVELOPMENT**



**TOURISM**



**WORKFORCE DEVELOPMENT**



**COMMUNITY SERVICES**



*North Dakota*  
LEGENDARY

## 5 Essential Strategies

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1. Maintain a positive business climate that supports private sector investment, growth and job creation.
2. Continue investing in university-based research and development conducted with the private sector that engages North Dakota in emerging industries such as life sciences and advanced technology.
3. Embrace entrepreneurship and foster a culture of entrepreneurship where innovative, tech-savvy companies can thrive.
4. Continue investing in statewide talent strategies that address education, training recruitment and retention to provide a steady supply of skilled workers needed to fuel long-term business growth.
5. Promote export trade by linking North Dakota businesses with foreign buyers and markets.

# Commerce Legislative Update

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- Overall appropriation of \$99,478,338 to Commerce, of which \$31,342,680 is from the general fund.
  - Previous approved budget was \$131,373,174, of which \$56,203,701 was general fund.
- Authorizes 66.40 FTEs, a decrease of 3.0 FTEs.
- Removes previously funded “one-time” items, such as:
  - Research ND – was \$4.5 million
  - Child Care Facility Grants - was \$2.25 million
  - Workforce Enhancement Grants – was \$1.0 million
  - Tourism Infrastructure Grants – was \$750,000
- Removes designation for general funded grants (could still be funded from discretionary), including:
  - AHEC (\$200,000)
  - Continuum of Care (\$75,301)
  - Emergency Solutions (\$244,669)
  - Self Sufficiency (\$110,000)
- Removes general funds from APUC – was \$1.2 million

# Commerce Legislative Update

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- Base Budget includes \$30,342,680 of general funds and \$55,333,906 of other funds (mainly federal) for a total of \$85,676,586.
- Examples of Base Budget Funding Items includes:
  - ~\$13 million in Salaries & Wages
  - ~\$15 million in Operating Expenses, such as:
    - ~\$8.4 million for Tourism Marketing & Operating
    - \$950,000 for Operation Intern
  - ~\$1.94 million for Partner Programs
  - \$2.0 million for ND Trade Office
  - \$750,000 for Innovate ND

# Commerce Legislative Update

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- Ongoing general fund base budget has a net decrease of \$6,294,565 including:
  - \$274,522 less in Salaries & Wages tied to 3.0 FTE reduction
  - \$1.5 million less for Pre-K Community Grants
  - \$1,222,983 less general funds for APUC
  - \$924,807 less for Tourism (partially offset by \$500,000 in one-time Research ND funds)
  - \$750,000 less for Innovate ND (partially offset by one-time Research ND funds)
  - \$613,400 less for the ND Trade Office
  - \$550,000 less for Operation Intern
  - \$282,199 less for Partner Program
  - \$629,970 less for general funded grants and \$271,918 more for Discretionary Funds
  - \$300,000 for Homeless Shelter Grants (previously one-time)



# Commerce Legislative Update

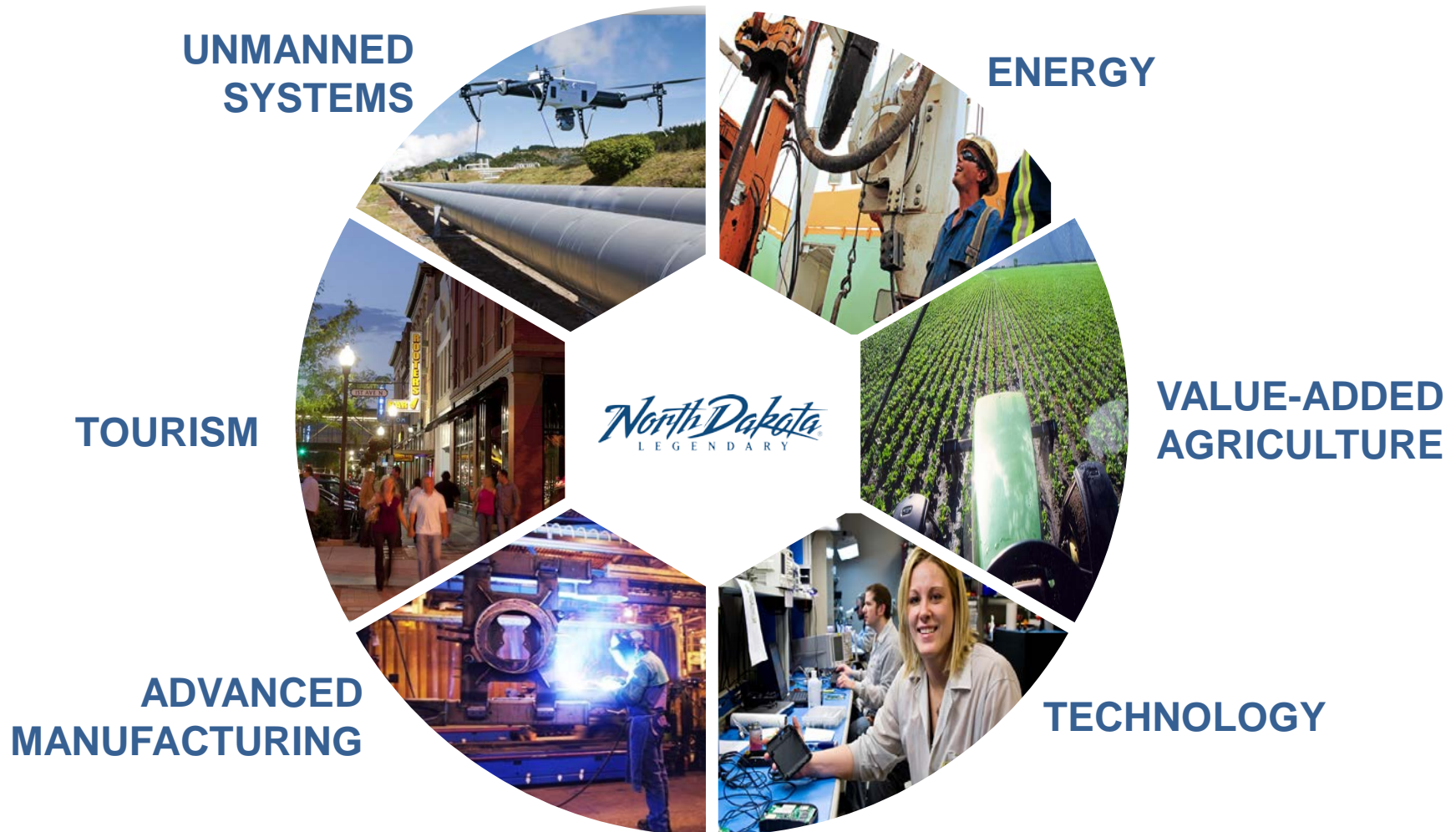
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- One-time Funding Items including:
  - \$3.5 million appropriated out of the Research ND Fund:
    - \$500,000 for Tourism
    - \$1.5 million for Innovate ND, including:
      - \$900,000 to entrepreneurship centers
      - \$300,000 in biotechnology grants
      - Governor vetoed \$300,000 set aside for ND Safety Council
    - \$500,000 for a grant to the EERC
    - \$1.0 million for Commissioner Discretionary Funds
  - \$500,000 from the Student Loan Trust Fund for Tribal College Grants
  - \$4.6 million from Strategic Investment and Improvements Fund:
    - \$600,000 for Base Retention Grants
    - \$2 million for UAS Test Site
    - \$2 million for Enhanced Use Lease Grants (Grand Sky)
      - Plus \$1 million in general fund
  - \$5,201,752 in federal Flood Impact Grants/Loans

## 5 TARGET INDUSTRIES ... AND UAS

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Targets to broaden the state's economic base,  
create new wealth and generate quality jobs for our people.





## ***A Silicon Valley for Drones, in North Dakota***

....A new, tech-savvy generation is grabbing a piece of the growing market for drone technology and officials want to help them do it here, where there is plenty of open space and — unlike in other sparsely populated states — lots of expertise already in place.



## WHY NORTH DAKOTA IS TAKING THE LEAD

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- **Expertise**  
*A decade of UAS history*
- **Experience**  
*50 years of manned experience and training*
- **R&D**  
*Leading edge research and development*
- **Opportunity**  
*Growing entrepreneurs and first UAS business park*
- **State Support**  
*\$43 million invested to advance UAS collaboration*



# *The Future of UAS*



## **Agriculture**

Monitor crops for weeds, pests and disease.

## **Energy**

Monitor pipelines and power lines

## **Scientific Research**

Monitor atmospheric conditions and other scientific data sources.

## **New Business Opportunities**

Industry forecasts estimate that UAS could create as many as 23,000 new jobs by 2025.

## **Emergency Responders**

Quickly locate accident or fire scenes.

## **Natural Disasters**

Monitor flood, tornado and forest fire areas.

# MAIN STREET INITIATIVE

- What is Main Street?
- Steps to Success
- How You Help
- Measuring the Effort





# 3 PILLARS OF MAIN STREET

## Healthy, Vibrant Communities

- Education
- Public Safety
- Quality of Life

## Smart, Efficient Infrastructure

- People-Focused Development
- Good Fiscal Decisions

## 21<sup>st</sup> Century Workforce

- Talent Recruitment/Attraction
- Fostering Entrepreneurship

FARGO

# MAIN STREET TASK FORCES

## HEALTHY, VIBRANT COMMUNITIES

- Commerce Division of Community Services and Tourism Division
- Department of Health
- Bank of North Dakota
- Parks and Recreation Department
- ND Council on the Arts
- NDSU Extension
- Vision West ND
- Local Economic Developers – EDND
- Local Chambers of Commerce

## SMART, EFFICIENT INFRASTRUCTURE

- Department of Transportation
- League of Cities
- Association of Counties
- Commerce Division of Community Services
- Bank of North Dakota
- North Dakota Public Finance Authority
- State Water Commission
- ITCND
- North Dakota Planning Association
- Regional Planning Councils
- Information Technology Department
- Securities Department
- Workforce Safety & Insurance

## 21<sup>ST</sup> CENTURY WORKFORCE

- North Dakota Workforce Development Council
- Commerce Workforce Development Division
- Bank of North Dakota
- Job Service North Dakota
- ND University System
- Department of Public Instruction
- Center for Distance Education
- Department of Health
- Department of Corrections & Rehabilitation
- Career & Technical Education
- North Dakota STEM Network
- Indian Affairs Commission
- Information Technology Department
- Workforce Safety & Insurance



# MAIN STREET SUCCESS

- Business Startups
- Business Expansions
- Building Permits
- Renaissance Zone
- Payment in Lieu of Taxes (PILOT)
- Gigabit Internet
- Main Street Traffic Speed
- Debt/Citizen
- Community Gathering Spaces
- Access to Health Services
- Quality of Life Attractions
- Light Poles
- Diagonal Parking





# NORTH DAKOTA BY THE NUMBERS

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**#1 Best-Run State** – *Wall Street 24/7 (4<sup>th</sup> consecutive year)*

**#1 Housing growth per capita** - *U.S. Census (4th consecutive year)*

**#1 Growth Performer States Since 2000** - *U.S. Chamber*

**#1 Best States for Young Adults** — *Moneyrates.com*

**#1 Best States for Entrepreneurship** -*Univ. of Nebraska*

**#1 Best States for Millennials** — *Moneyrates.com*

**#2 Oil Producing State** - *ND Mineral Resource Division*

**#3 Economic Competitiveness** – *American Legislative Council*

**#2 In State Competitiveness** - *Beacon Hill Institute*

**#8 Best States for Business** - *Forbes Magazine*

**#6 Pro-Business State** - *Pollina Corporate RE*

**519% increase in exports since 2000** - *U.S. Dept. Commerce*



# North Dakota

## LEGENDARY

## Doing Business Better

Attracted to North Dakota's strong business climate, new companies and facilities are opening in the state while existing companies are expanding operations. This map reflects the state's new and recently expanded businesses in targeted industries.

