Minutes of the
ND Economic Development Foundation Meeting
National Information Solutions Cooperative
3131 Technology Drive NW, Mandan
March 12, 2019

Members Present: Lyn James, Erik Diederich, Pamela Schmidt, Tommy Kenville, Mike Seminary, Vicki Monsen, Maria Effertz Hanson, Bruce Gjovig, Megan Laudenschlager, Perry Miller, Jared Melville, Eric Trueblood, Kari Ness, Tom Campbell, Kevin Black

Members Present Via Phone: Chuck Hoge, Linda Butts, Kyle Blanchfield

Members Absent: Gene Veeder, Kristin Hedger, Bruce Thom

Guests Present: Michelle Kommer, Shawn Kessel, Sara Otte Coleman, Bonnie Malo, James Leiman, John Schneider, Ellen Huber, Connie Ova, Sherri Frieze

WELCOME & CALL TO ORDER
Chairwoman Lyn James, called the meeting to order at 10:00 a.m.

WELCOME & INTRODUCTIONS
Chairwoman James welcomed members and guests, with introductions made around the room and on the phone. The newly appointed Commerce Commissioner, Michelle Kommer; new members Tom Campbell, and Kevin Black were also welcomed. Chuck Hoge and Craig Lambrecht were recognized for their many years of service as they retire from the foundation board.

CONSENT AGENDA
- Approval of Agenda – March 12, 2019
- Approval of Minutes – December 3, 2018

Motion: Mike Seminary moved to approve items within the Consent Agenda. Kari Ness seconded the motion. Motion carried.

FINANCE COMMITTEE REPORT/RECOMMENDATION
The finance committee was tasked with two items for recommendation to the board:
- The need for an operational audit and the need for a budget.

The finance committee met via phone call in February to discuss the need for an audit. It was found that the “Find the Good Life” (FTGL) funds were audited in 2015, leaving $23,000, to be spent this year. The committee also noted no new incoming dollars and very few outgoing dollars were spent, all of which were minor and were of ordinary operations.

Based on these findings, the finance committee recommended to the foundation board not to conduct an operational audit at this time.
The next item was the creation of a budget. The finance committee reviewed expenditures from the past year and looked at known and anticipated funding requests for the next 12 months. Soon it was realized, more information was needed to complete the budget and final appropriations given to Commerce this biennium, will determine priorities and programs for the agency going forward, as well as the foundation.

Based on these findings, the finance committee recommended the creation of a budget be delayed and presented at a future meeting.

**Motion:** Pam Schmidt moved to approve the finance committee’s decision to not conduct an operational audit and to delay the creation of a budget. Jared Melville seconded the motion. Motion carried.

**FIND THE GOOD LIFE CAMPAIGN FUNDS**

*Sara Otte Coleman*

Sara discussed the option of transferring a portion of the designated funds of $23 thousand from the FTGL fund towards current branding efforts that will be transferred to the [ND.gov website](#).

Sara then asked for support to use $19 thousand of the FTGL funds for advertising in the May issue of the American Way magazine; an inflight free magazine that reaches over 16 million passengers every month. The May issue will spotlight North Dakota with interviews from Governor Burgum and Commerce Commissioner Michelle Kommer.

**Motion:** Maria Effertz Hanson moved to approve the transfer of designated FTGL funds to be used for current branding efforts that will be transferred to the ND.gov website along with the remaining dollars of $19 thousand to be spent for advertising of ND in the May issue of the American Way magazine. Erik Diederich seconded the motion. Motion carried.

**COMMERCE OVERVIEW**

*Commissioner Michelle Kommer and James Leiman*

An overview of the organizational staffing/duties were highlighted by Commerce Commissioner Michelle Kommer, and James Leiman.

Michelle talked about transitions in the Economic Development & Finance (ED&F) Division, Workforce Division, and the Main Street Initiative for community building.

Changes amongst staff included the move of leadership from the ED&F Division to the Agricultural Products Utilization Commission (APUC) for John Schneider. John has resumed the position of Director and will continue as a lead developer in the ED&F Division. James Leiman assumed the duties of Director for ED&F and interim Director for the Workforce Division. Lastly, Deputy Commerce Commissioner Shawn Kessel, has taken on interim leadership for the Main Street Initiative (MSI); community building arena.

James Leiman discussed new market opportunities for Commerce and the North Dakota Trade Office (NDTO). Currently, Commerce is looking for more integration with NDTO in the sectors of biotechnology and bioenergy, desiring to expand bio. to western North Dakota.
WORKFORCE STRATEGY DEVELOPMENT

Commissioner Kommer

Michelle mentioned the ecosystem for success that exists within the Department of Commerce in building healthy vibrant communities, a strong 21st workforce and the success needed to attract, recruit and retain our companies.

The workforce crisis in North Dakota had spurred the work of the ND Development Council’s summary report has five themes; Technical Skills Gap, Nursing & Healthcare Technician Shortage, Need for Net In-Migration of North Dakotans, Need for Youth Engagement Earlier & More Diverse Career Exploration, and Support Populations with Barriers to Employment.

WORKING LUNCH

National Information Solutions Cooperative (NISC) overview – Tracy Porter

The National Information Solutions Cooperative (NISC), NISC was formed July 2000 as a consolidation of Central Area Data Processing Cooperative (CADP) and North Central Data Cooperative (NCDC). Both predecessor organizations were formed in the mid-1960s. NISC maintains offices in Cedar Rapids, Iowa, Saint Louis, Missouri, Mandan, ND and Shawano, Wisconsin with over 1,300 between NISC and subsidiaries and a little over 200 virtual employees.

LEGISLATIVE UPDATE

Deputy Commissioner Shawn Kessel

HB 1018 – Commerce optional funding request – Deputy Commerce Commissioner Kessel discussed the request outside of the normal Commerce operating budget; of $21 million that was requested for Unmanned Aerial Systems (UAS) development, with breakdowns for $15 million to Beyond the Visual Line of Sight (BVLOS), $3 million for Test Site, and $3 million for the development of Grand Sky. Decisions were made to approve $30 million for BVLOS with $3 million for Test Site and $3 million for Grand Sky.

HB 1019 – Career Academies – Kessel explained this bill would help students finish high school on track to meet their life goals and North Dakota workforce needs. It will replicate partnerships between BSC and high schools with $30 million from the Legacy Fund earnings along with a 1 to 1 match.

HB 1040 – Automated Tax Credit Expansion – Ellen Huber, Business Development Director, City of Mandan, spoke of the 21st Century Manufacturing Workforce Incentive for industries with labor shortage. The bill has passed the House, with $500,000 per year appropriated. It is hopeful that the sunset clause attached to it will also be removed.

HB 1333 – This bill has been referred to as the LIFT bill; (Legacy Innovation Fund to Support Technology Advancement). James Leiman talked about the Research ND program that was not marketed well in the past and this bill could be a better next generation model. The Senate has many amendments proposed for it along with a possible transition from a grant program to a loan program. The governance of the program will need to be considered.

HB 1402 – Area Health Education Center (AHEC) – Commerce has administered this bill for the past two sessions. This program goes into the schools discussing healthcare field opportunities. Funding through Commerce for the last two biennia's; $200 thousand into the Commerce bill.
HB 1457 – Tourism Logo contest – has passed the House and is currently awaiting the Senate. Commerce has had to pause on future logo items, until the bill has resolution.

SB 2192 and 2193 – County lodging and restaurant tax – the two bills coincide with each other; regarding counties to exercise tax abilities that are allowed in the same manner by the city. Currently, the bill is held up in the House, regarding accordance with tax laws.

SB 2224 – Bioscience Innovation Grant bill - $1 million in the bill for support; $300 thousand of it is in the Commerce bill, with the thought to incorporate it into this bill. Discussion will need to happen in conference committee, on the vehicle is should be funded through.

SB 2250 – Early Childhood Education – Bill has been with Commerce for a few years and is now being looked upon for it to move to the Department of Public Instruction (DPI). Commerce supports this move and is willing to train staff, for easier transition.

SB 2263 – Homeless Shelter Grants - $1.5 million in the Commerce bill to help with funding 38 different shelters and funds associated with.

SB 2328 – Agriculture Products Utilization Commission (APUC) – Bill has consideration of moving APUC to the Agriculture Department. Bill has passed the Senate.

SB 2341 – Operation Intern – Bill has been in Commerce for many years. Internships have been a success in ND for startup small companies, while apprenticeships have been used by the larger companies. This bill will take funding out of Operation Intern and use it for more funding towards apprenticeships. Kommer mentioned possibly not to support the bill or support the bill when the language is cleared up. Currently, it has passed the House, with funding from $950 thousand, dropped to $855 thousand.

SENIOR TEAM MOCK TESTIMONY HEARING

Senior Team
A mock testimony hearing was given by the Commerce Senior Team. This mock hearing was to be used as a learning tool to engage and receive recommendations from the foundation members on how they perceive testimony will be received by Senators. Many good constructive comments, such as less data, keep it simplified, use more stat comparison to other states, use of body language, and the use of positive not negative verbiage were all taken into consideration. Senior Team asked for a suggestive rename to the Commerce Commissioner’s “Discretionary Fund”, as it may be perceived to some as a fund “set aside”. It was discussed to mention the fund during testimony as an “Opportunity Fund,” “Momentum Fund,” or a “Community Investment Fund.”

PLUG AND PLAY TECH CENTER

James Leiman
James talked about Plug and Play Technology Center in California. This global innovation company has a mission to find, invest, and accelerate great start up technology companies. Plug and Play is open to working with investors, accelerators, and incubators, pooling these resources for startups, corporations, or venture capitalists. James visited the company last year in November and found them to not have an Agriculture Technology based program. The visit resulted in a call with the CEO of Plug and Play and Governor Burgum. Plug and Play agreed that a company would need to become an anchor tenant in California and then Plug and Play would locate an Agriculture Technology center in Fargo. Currently, James has had a follow up meeting with two ND companies.
MAIN STREET INITIATIVE SUMMIT
Deputy Commissioner Kessel
Shawn told foundation members to block calendars for October 29, 30, and 31, 2019 for the Main Street Initiative Summit, to be held at the Bismarck Event Center. Shawn asked members for their notion regarding inspiring speakers. Those could be sent to him or Emily Brown at Commerce. Shawn also discussed the option for sponsorships that range from $500.00 - $12,000. The coordinators of the event would like this to be an event that communities can implement ideas soon after or take items to a board for implementation.

ND.gov WEBSITE AND NEW LOGO
EDND & ECONOMIC DEVELOPMENT FOUNDATION LEGISLATIVE TALKING POINTS
Sara Otte Coleman
Sara talked about the ND.gov website and explained that Commerce has been working with the Information Technology Department (ITD) over the past few months to get the site up. The branding effort of the new logo across state agencies, stands with 11 agencies adopting the logo, 3 agencies using it, and 7 agencies have declined its adoption. Lastly, Sara mentioned the Commerce Legislative Priorities talking points handout, that could be used as discussion with Legislators tonight at the EDND Legislative Social.

FUTURE MEETING
The next meeting will take place in June; location to be determined. The meeting will focus on strategic discussion, priorities, role and contribution of members, and economic development initiatives. A possible survey may be sent out to members, pre-meeting.

ADJOURNMENT
Motion to adjourn was made by Jared Melville and was seconded by Tommy Kenville. Meeting was adjourned unanimously. Chairwoman James adjourned the meeting at 3:00 pm

_________________________________ ____________________________
Lyn James                                                                    Date
Chairwoman

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Sherri Frieze                                                                 Date
Recording Secretary