

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Department of Commerce Overview

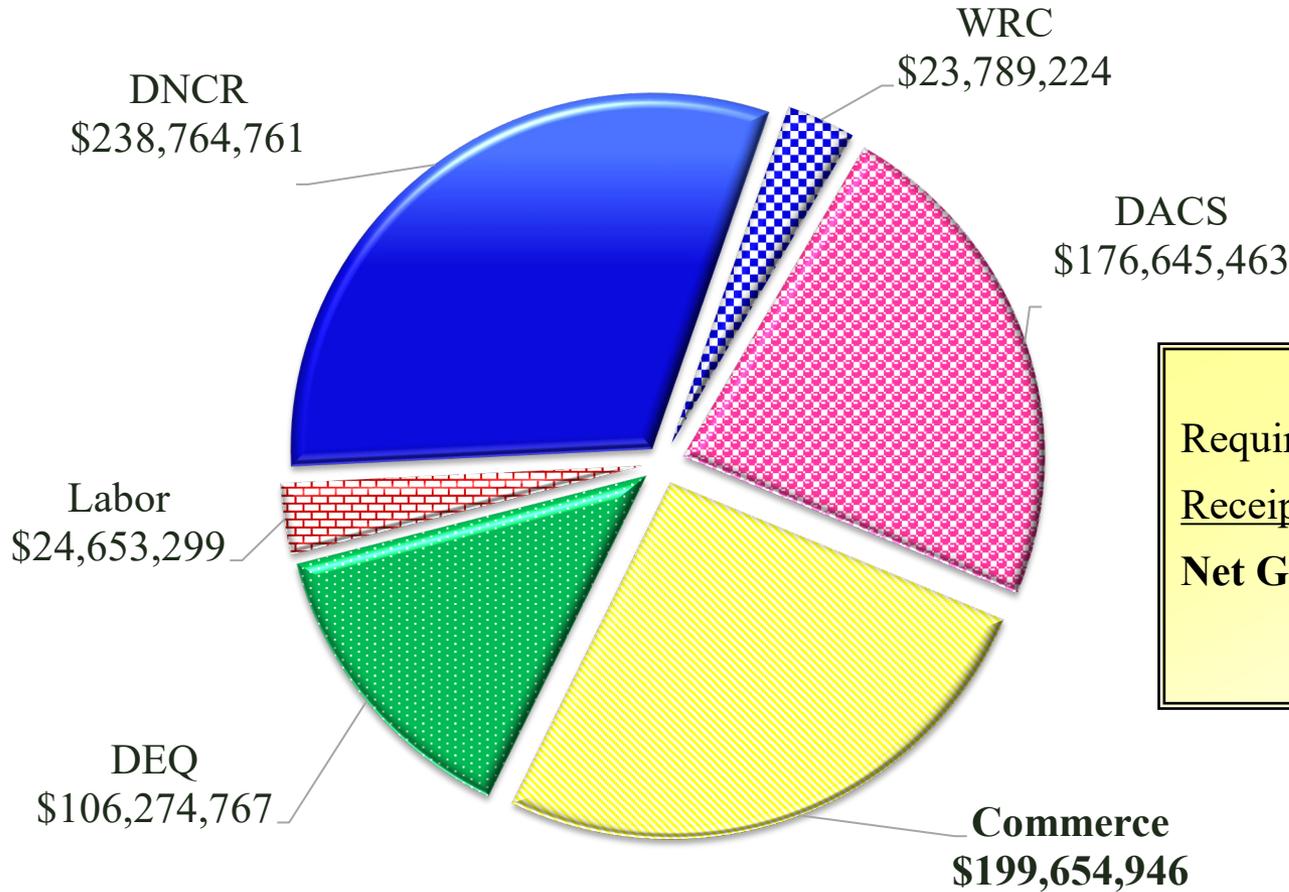
**Joint Appropriations Committees on Agriculture,
Natural, and Economic Resources**

February 15, 2023

Jennifer Ford

AgNER December 31 Authorized Budget by Agency FY 2022-23

Net General Fund Appropriation



Requirements:	\$1,416.7 million
<u>Receipts:</u>	<u>\$646.9 million</u>
Net GF Budget:	\$769.8 million

Source: Dec. 31, 2022 BD701s



Outline

- Department Overview
- Division Budgets
 - Labor and Economic Analysis Division
 - Office of Science, Technology, and Innovation
 - Rural Economic Development Division
 - Commerce Finance Center
- State Aid
- Economic Development
- Boards and Commissions



Commerce Overview

Commerce is the lead agency promoting economic development, workforce development, and travel and tourism within the State.

- G.S. 143B-427 *et seq.*
- Secretary Machelie Baker Sanders
- Includes:
 - Labor and Economic Analysis Division
 - Rural Economic Development Division
 - Commerce Finance Center
 - Office of Science Technology, and Innovation



Commerce Overview

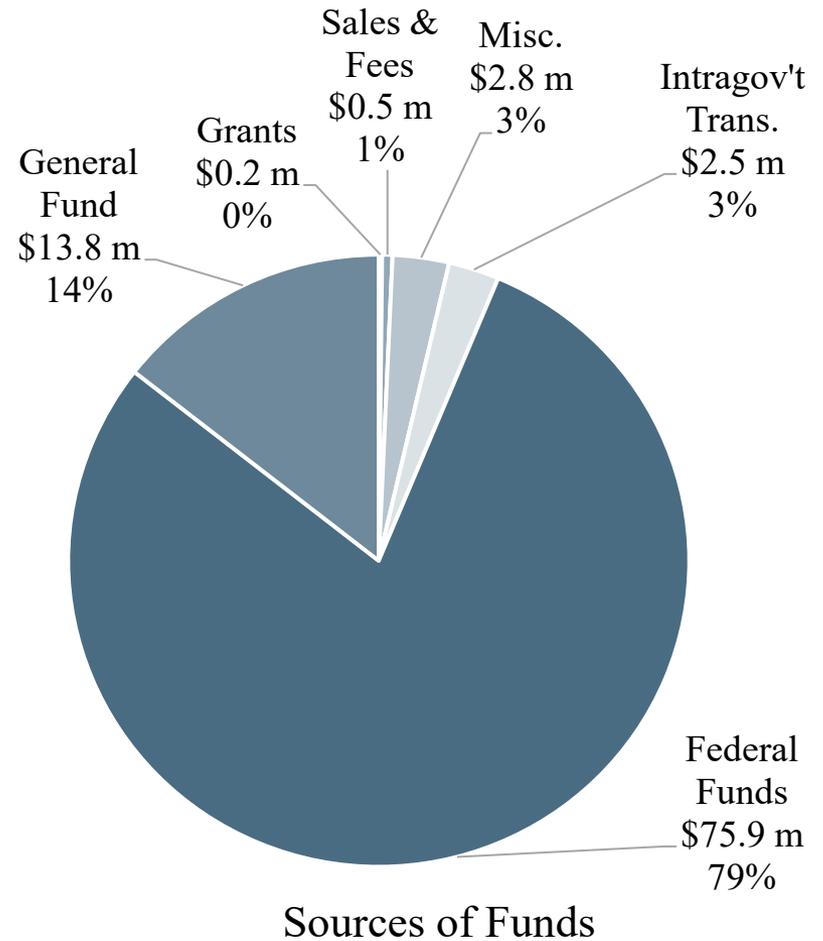
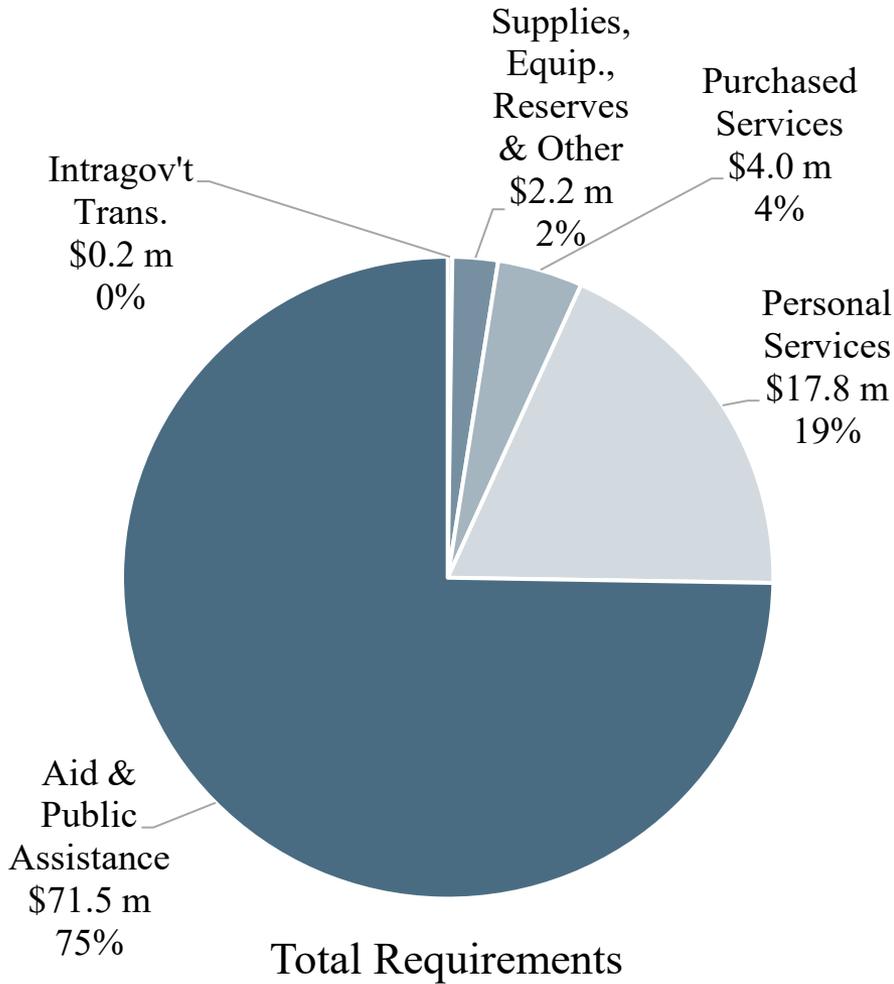
- Three General Fund Budget Codes
 - 14600: Commerce
 - 14601: Commerce – State Aid
 - 14602: Commerce - Economic Development

Agriculture, Natural, and Economic Resources

Agriculture and Consumer Services	D-1
Commerce	D-20
Commerce - State Aid	D-29
Commerce - Economic Development	D-40
Environmental Quality	D-49
Labor	D-74
Natural and Cultural Resources	D-83
Natural and Cultural Resources - Roanoke Island Commission	D-102
Wildlife Resources Commission	D-111



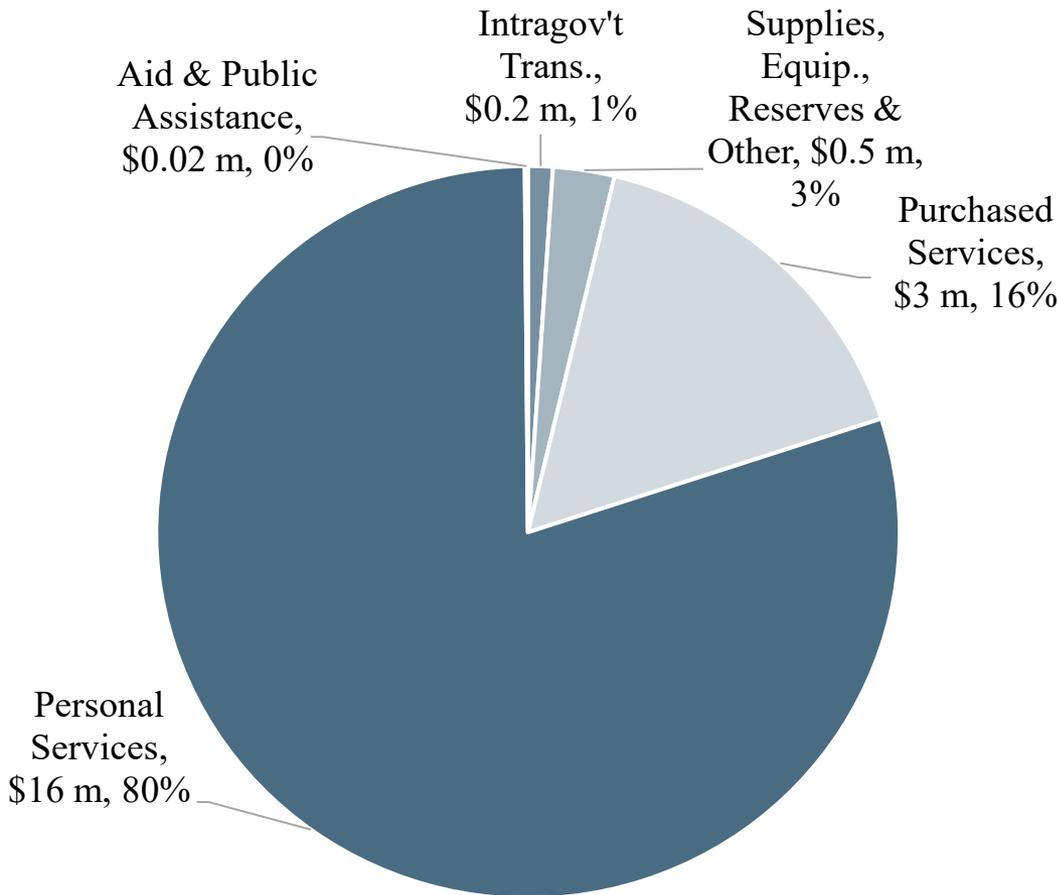
Commerce - General



Source: Dec. 31, 2022 BD 701



Commerce - General



Total Requirements without CDBG

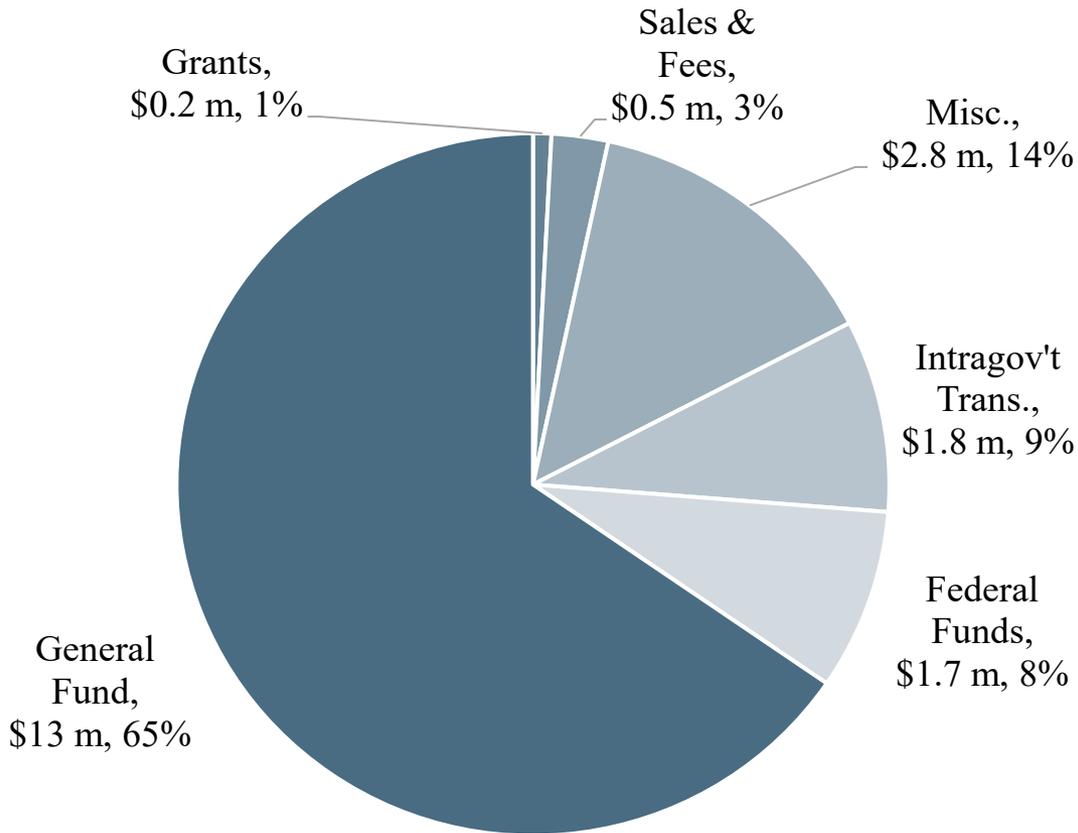
Note: CDBG is the federal Community Development Block Grant program; FY2022-23 appropriation: \$48.7 million

Requirements:	\$20.1 m
Receipts:	\$6.9 m
Net Appropriation:	\$13.1 m

Appropriated:	114.229
Receipt Supported:	62.165
Total:	176.394

Source: Dec. 31, 2022 BD 701

Commerce - General



Sources of Funds without CDBG

Total General Fund Budget

Requirements:	\$20.1 m
Receipts:	\$6.9 m
Net Appropriation:	\$13.1 m

Total FTE

Appropriated:	114.229
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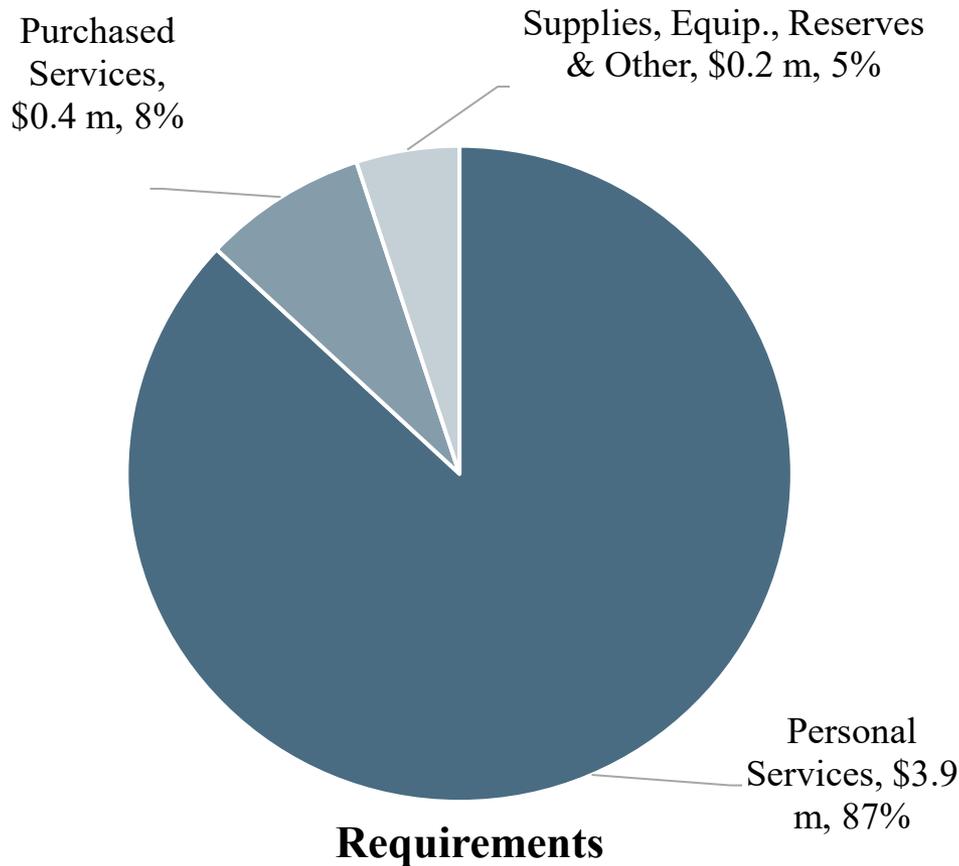


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Labor and Economic Analysis (LEAD)



Total General Fund Budget

Requirements:	\$4.5 m
Receipts:	\$3.5 m
Net Appropriation:	\$0.9 m

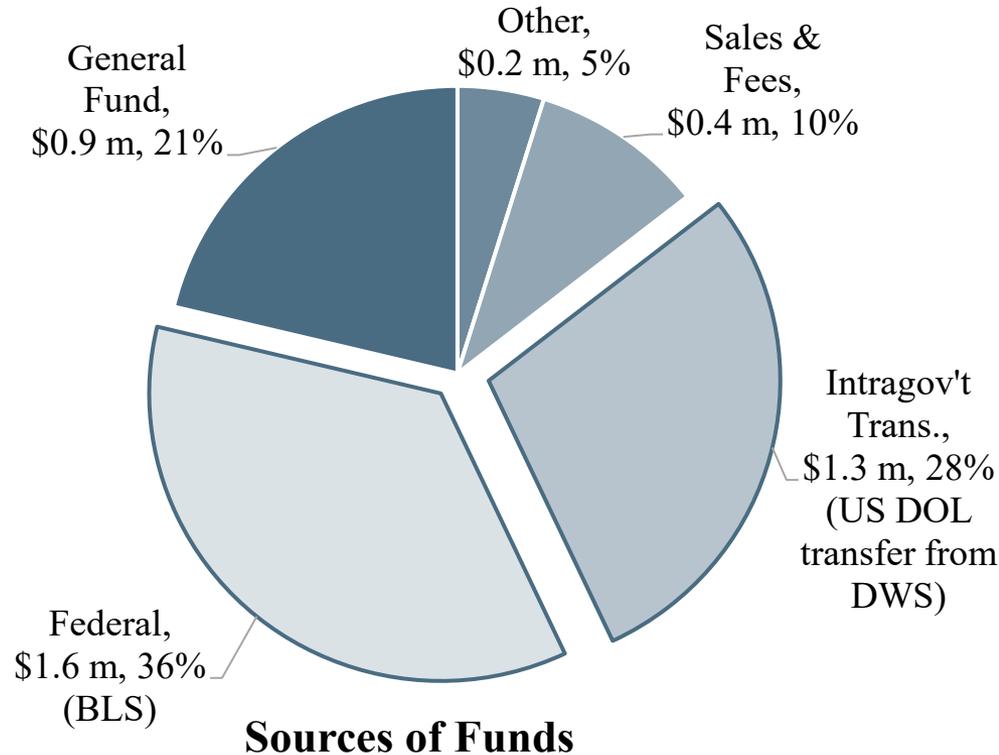
Total FTE

Appropriated:	6.320
Receipt-Supported:	31.900
Total:	38.219

Source: Dec. 31, 2022 BD701



Labor and Economic Analysis (LEAD)



Total General Fund Budget

Requirements:	\$4.5 m
Receipts:	\$3.5 m
Net Appropriation:	\$0.9 m

Total FTE

Appropriated:	6.320
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Source: Dec. 31, 2022 BD701



LEAD

County Profile

Guilford County (NC)

May 2022

Demographics

Population & Growth

2019 Est Population
 2020 Census Total Population
 Jul2020 NC Certified Population Estimate

Population

527,868
 541,299
 542,255

% Annual Growth

0.8%
 1.1%
 1.1%

Urban/Rural Representation

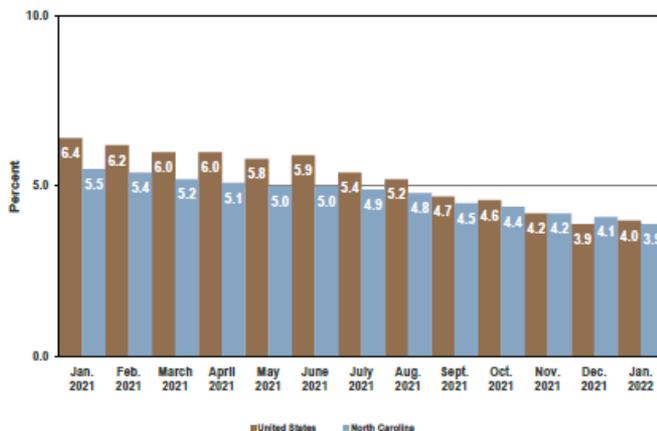
2010 Census Total Population: Urban
 2010 Census Total Population: Rural

426,406
 62,000

Urban/Rural Percent

87.3%
 12.7%

United States/North Carolina Unemployment Rates
 January 2021–January 2022
 (Seasonally Adjusted)



Welcome to D4

Demand Driven Data Delivery

North Carolina's Official Labor Market Data Source

The most current and historical labor market information available.

View, share, and download statewide, local, and regional data.



Industry Employment

Quarterly Census of Employment & Wage (QCEW)

North Carolina
 Unemployment Rate (seasonally adjusted)

3.9%
 December, 2022

Local Area Unemployment Statistics (LAUS)

North Carolina
 Total Nonfarm Employment (seasonally adjusted)

4,846,400
 November, 2022

Current Employment Statistics (CES)



Employment by Occupation

Occupational Employment & Wage Statistics (OEWS)



Largest Employers

Largest Employers (OCEW)



Employment Projections

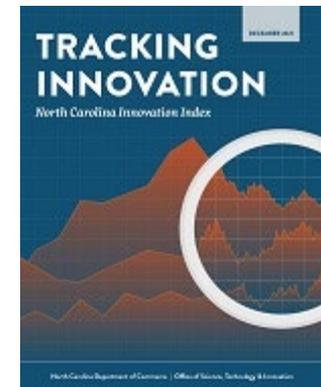
Industry and Occupational

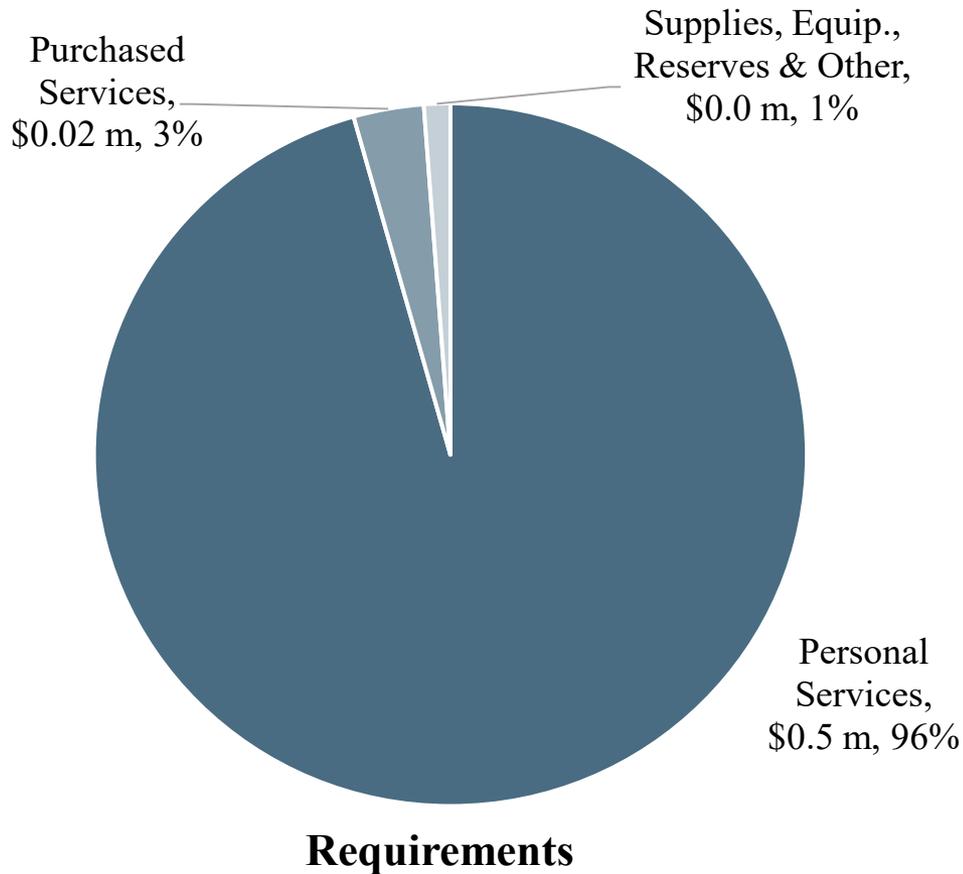


Office of Science, Technology, and Innovation (OSTI)



one north carolina
Small Business Program





Total General Fund Budget

Requirements:	\$0.5 m
Receipts:	\$0.1 m
Net Appropriation:	\$0.4 m

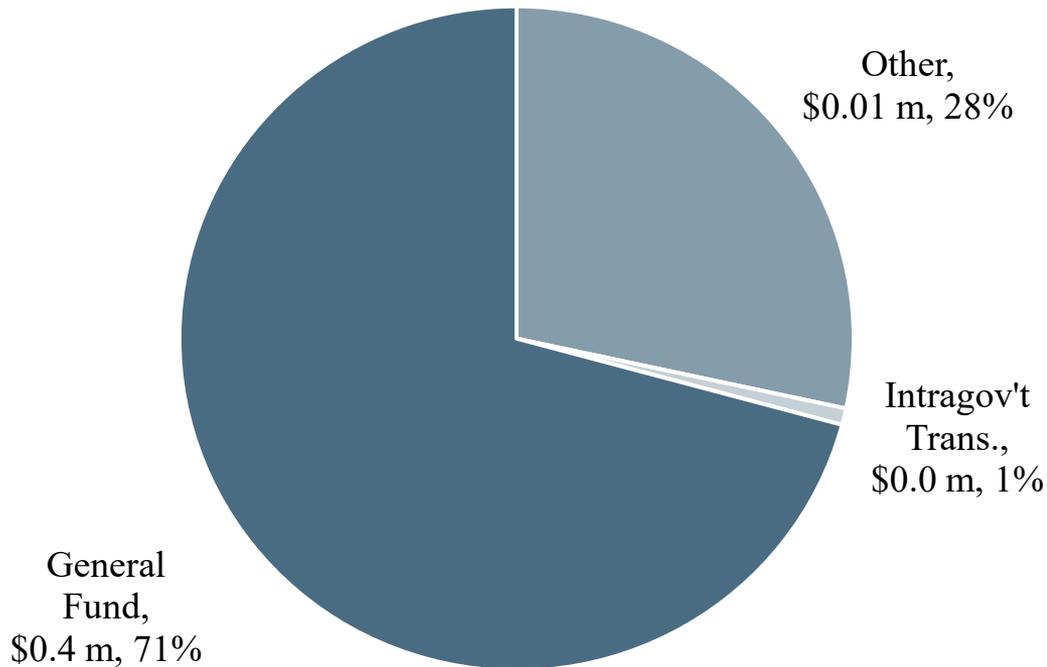
Total FTE

Appropriated:	2.574
Receipt-Supported:	0.838
Total:	3.412

Source: Dec. 31, 2022 BD701



Sources of Funds



Total General Fund Budget

Requirements:	\$0.5 m
Receipts:	\$0.1 m
Net Appropriation:	\$0.4 m

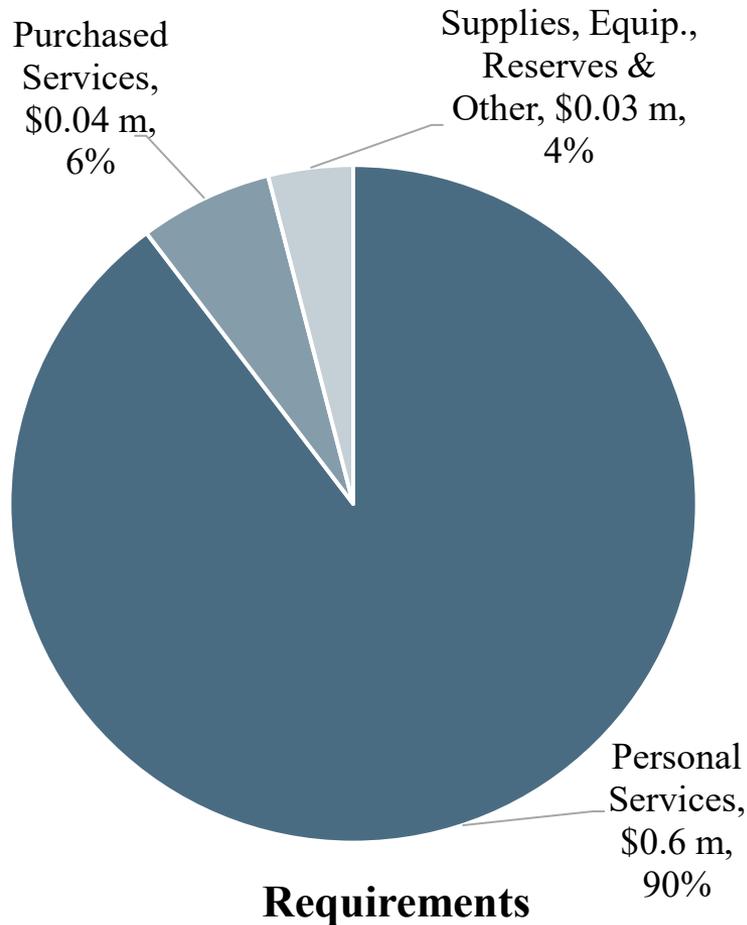
Total FTE

Appropriated:	2.574
Receipt-Supported:	0.838
Total:	3.412

Source: Dec. 31, 2022 BD701



Rural Economic Development Division (REDD)



Total Budget

Requirements:	\$0.7 m
Receipts:	--
Net Appropriation:	\$0.7 m
Total FTE:	4.600



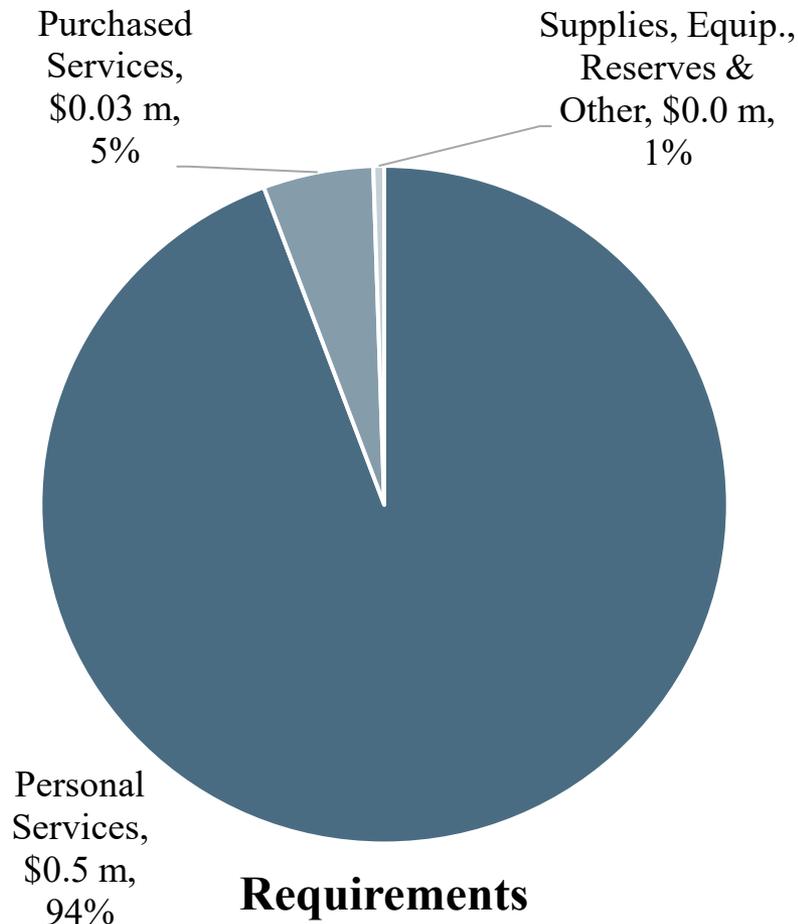
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FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

Commerce Finance Center (CFC)



Total Budget

Requirements:	\$0.6 m
Receipts:	--
Net Appropriation:	\$0.6 m
Total FTE:	4.785



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Commerce – State Aid

NC Biotech

Promotes life sciences businesses and research
Provides grants and loans
Auth. budget: **\$17.1 m**



High Point Market Authority

Coordinates furniture market held twice per year
Also receives transportation funding
Auth. budget: **\$2.3 m**



Research Triangle Institute (RTI)

Nonprofit research institute
State funding used to match federal research funding
Auth. budget: **\$1.5 m**



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Commerce – Economic Development

CFC-administered Grants

- Job Development Investment Grant (JDIG)
- Job Maintenance and Capital Development (JMAC)
- One NC
- Film Grant
- Esports

REDD-administered Grants

- Community Development Block Grant (CDBG)
- State Rural Grants
- Rural Transformation Grant Program



North Carolina Tier System

- Measure of relative economic distress across counties
- Commerce updates annually
- Used to determine eligibility, match criteria, and funding priority
- Four indicators (G.S. 143B-437.08)
 - Property tax base per capita (most recent taxable year)
 - Percentage population growth (36 months)
 - Median household income (12 months)
 - Unemployment average (12 months)



Job Development Investment Grant (JDIG)

- Provides cash grants directly to companies
- Only awarded in competitive recruitment or retention situations
- Grants are paid out over time if the company meets the agreed job creation and investment goals
- G.S. 143B-437.50 *et seq.*
- Amount of grant tied to number of positions
- Award capped based on annual liability per award year
- Special JDIG Categories
 - High-Yield
 - Transitional
 - Transformative
- Appropriation: \$71.7 million R



One North Carolina Fund (One NC)

- Discretionary, cash-grants to local governments for job creation and retention
- Local governments must provide a match
- Funds are dispersed in 25% increments as job creation goals are met
- G.S. 143B-437.70 *et seq.*
- Program is capped at \$17 million annually
- S.L. 2021-180 Sec. 11.8 reserves \$3 million of that cap for smaller Tier Three counties
- Appropriation: \$11 million R



Film and Entertainment Grant

- Grants to encourage the production of movies, TV shows, and commercials in the State
- Productions must meet minimum spend requirements
- Grant is a 25% rebate on qualifying expenses
- G.S. 143B-437.02A
- S.L. 2021-180 Sec. 11.6 lowered minimum spend requirements and increased max grant amount for TV series
- Appropriation: \$31 million R



State Rural Grants

- Awards to local governments for economic development projects in three categories:
 - Building reuse
 - Demolition
 - Infrastructure
- Local match required
- Projects must lead to the creation of new, full-time jobs
- G.S. 143B-472.127
- Appropriation: \$12.1 million R



Economic Development Partnership of North Carolina (EDPNC)

- G.S. 143B-431.01 allows Commerce to contract with a nonprofit for certain functions
- The EDPNC cannot administer grants except for:
 - Megasites Readiness Program
 - Rural Tourism Recovery Pilot Program
- Contract renewed for three years in 2022
- Contracted Functions:
 - Business marketing and recruitment
 - Existing industry and small business support
 - Export assistance
 - Tourism, film, and sports development
- Net Appropriation: \$21.2 million



- Small Business Advisors
 - Free, one-on-one phone consultation services
 - Open to businesses of all sizes
 - Will help with regulatory requirements, licensing and permitting, how to hire employees, and more
 - By phone: (800) 228-8443, 8:30 a.m. to 4 p.m. Monday-Friday
 - Online at <https://edpnc.com/start-or-grow-a-business/start-a-business/contact-blnc/>

Recent Budget Actions

S.L. 2021-180, Sec. 11.13 – Esports Industry Grant Fund

- Provides funds to encourage esports events to be held within the State
- Grant is a 25% rebate on qualifying expenses
- Program is capped at \$5 million in awards per year
- \$5 million R

S.L. 2022-74, Sec. 11.11 – Megsites Readiness Program

- Provides funds to identify and develop megasites for economic development
- Initial \$1 million NR approp. to contract a site selection firm for identification



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Boards and Commissions

Staffed by and provides policy direction to Commerce:

- Board of Science, Technology, and Innovation
- NCWorks Commission
- Rural Infrastructure Authority

Receives administrative oversight from Commerce:

- Banking Commission
- Community Development Council
- Credit Union Division
- Marine Industrial Park Authority
- NC Towers
- Rural Electrification Authority
- Travel and Tourism Board
- Utilities Commission and Public Staff



Thank You!

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