

Testimony of Teran Doerr
Economic Development Association of North Dakota
In Support of SB 2097
March 7, 2025

Chairman Longmuir and Members of the Committee,

My name is Teran Doerr, and I serve as the Executive Director of Roosevelt Custer Regional Council. I also have the privilege of serving as President of the Economic Development Association of North Dakota (EDND), which represents economic development professionals across our state who are committed to strengthening communities, growing our economy, and improving the quality of life in North Dakota.

First, I want to express my appreciation for the legislature's ongoing efforts to support rural communities this session. The rural set-asides and funding initiatives being considered demonstrate a strong commitment to ensuring the long-term sustainability of our small towns. SB 2097 is a critical step toward addressing the financial challenges many rural communities face.

However, while we fully support the intent of SB 2097, we believe it can be strengthened with targeted amendments.

Expand the Definition of Eligible Communities – The bill currently limits eligibility to communities with a population of fewer than 1,000 residents. While we recognize the importance of prioritizing the smallest communities, this threshold is too restrictive. Communities with populations of up to 5,000 or even 8,500 residents face many of the same challenges, struggling to maintain schools, hospitals, workforce housing, and infrastructure. This could be amended in Section 1, subsection 7. Given that this fund is designed to be a long-term endowment, limiting eligibility in this way may hinder its overall effectiveness in sustaining rural North Dakota. We understand that many of these communities do not have paid economic development or chamber staff, but even in communities over the threshold, these staff members wear multiple hats, often representing multiple communities.

Preserve SB 2097 as a Rural Endowment Fund Without Establishing a Separate Structure - SB 2097 and SB 2390, the Rural Catalyst Grant Program, complement each other by addressing both the long-term financial sustainability of rural communities and immediate funding needs for projects. SB 2097 provides a permanent funding source that ensures rural communities have access to sustained investment over time, while SB 2390 offers a framework for distributing project-specific grants in areas like workforce, economic development, and community enhancement.

Rather than creating a new board and administrative structure, the funding from SB 2097 should be managed within existing state and regional structures that are already equipped to administer rural investments. This could be amended in Section 1, subsections 5 and 6. This approach avoids duplication, reduces administrative overhead, and ensures funding is deployed efficiently. By aligning SB 2097 with established mechanisms, we can create a cohesive strategy that strengthens rural North Dakota without adding unnecessary complexity.

Implement a Matching Requirement – To ensure projects have strong local buy-in and are well-developed, we support adding a matching funds requirement. While we recognize that smaller communities may struggle with cash matches, in-kind contributions should be considered as an alternative. This could be amended in Section 1, subsection 5 or 6. Additionally, flexibility should be granted to allow waivers in specific cases where community support is evident but financial contributions may be difficult.

I urge the committee to consider these changes to strengthen SB 2097 and ensure that more rural communities have access to the resources they need for long-term success. Thank you for your time and for your dedication to rural North Dakota. I am happy to answer any questions you may have.