



House Appropriations Committee – SB 2018

Representative Delzer, Chair

March 3, 2021

Dear Chairman Delzer and Members of the House Appropriations Committee

My name is Nathan Schneider and I am Vice President of the Bismarck Mandan Chamber EDC and a board member of the Economic Development Association of North Dakota (EDND). It is in this capacity that I testify in support of SB 2018.

The Bismarck Mandan Chamber EDC serves as the organization that leads the advocacy and economic development efforts of the Bismarck Mandan community as well as Burleigh and Morton counties. EDND represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

As you all well know, the Department of Commerce offers support to local economic development organizations across the state and both the Chamber EDC and EDND is supportive of those efforts. One vital component of support provided by the Department of Commerce is through its funding of partner programs such as the ND Small Business Development Centers (ND SBDCs), CTB, Impact Dakota, and the North Dakota Procurement Technical Assistance Center. These partner programs are instrumental in assisting local economic developers to grow businesses in their communities. The partner programs had a significant impact on the Bismarck Mandan business community specifically and it is the support of these partner programs that I would like to focus my attention on today.

- The SBDC, which provides one-on-one consulting to people looking to start or expand their business, has assisted 751 individuals out of the Bismarck office with 15 small businesses opening due to the assistance of SBDC. These businesses mostly in manufacturing, wholesale trade, healthcare and social assistance, professional/scientific/technical services, and retail trade reported over \$8,300,000 in capital investments with the assistance of the Bismarck SBDC.

- Impact Dakota is a part of the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) program. Impact Dakota provides services to manufacturers and processors across the state of North Dakota. These services focus on instructing companies to implement process improvements that eliminate waste in their production processes and business operations – resulting in increased productivity while reducing costs. The service offerings range from continuous improvement tools, to quality management systems, to CMMC cybersecurity, and numerous other areas focused on the needs of manufacturers. After the services are provided an independent third party surveys the manufacturer to find out the impact realized. The results for the Bismarck Mandan area show since 2015 through Q3 of 2020 Impact Dakota has assisted 20 manufacturers. The assistance provided nearly \$57,000,000 in total impact to the Bismarck Mandan economy. This includes \$32.4 MM in increased and retained sales, \$8.2 MM in total savings to the manufacturers, and \$16.2 MM in new product, equipment, and facility investments. Ultimately the assistance created 59 new jobs and the retention of another 112 as reported by the independent third party.
- CTB, which is headquartered in Bismarck, provides programs and resources to leaders, students, and entrepreneurs throughout North Dakota. CTB is a certified entrepreneurial center through the Department of Commerce and is also one of the centers that clients of Innovate ND must work with as they go through that program. CTB is supervising 23 Innovate clients from Burleigh and Morton counties and currently working with 8 clients outside of the Innovate program. This biennium the CTB has provided 118 individual business advising sessions and provided training to 352 Burleigh and Morton county clients. This training includes business, personal development, and professional/leadership trainings. CTB is the only authorized entity through the Department of Commerce to certify Woman-Owned Businesses at the state level. There are 12 certified Woman-Owned Business in Burleigh/Morton counties that currently employ 124 people and generate \$23,503,392 in gross sales.

As you can see the partner programs funded through the ND Department of Commerce have a significant impact on Bismarck Mandan and Burleigh and Morton counties. It is important to note that the partner programs each offer a unique set of services and do not duplicate each other's efforts. Nor do the duplicate the services of the local economic development professional or the ND Department of Commerce Staff – they are a supplement to all of our efforts. It is my understanding that even though the partner program line item remains unchanged from the 19-21 biennium a portion of the funding for the partners came from the discretionary line item of the DOC budget which has been significantly cut for the 21-23 biennium. Local economic developers depend upon these partner programs to assist us in our efforts. Please consider addressing the partner program line item to account for the lost discretionary funds and fund all of the partner programs at their 2019-2021 levels. Thank you.