



Testimony

House Appropriations Committee

HOUSE BILL NO. 1379

January 8, 2023

Chairman Vigesaa and members of the House Appropriations Committee. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by economic development, chamber of commerce, and higher education leaders – to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The business executives who lead companies across the state of North Dakota that comprise the VPP desire to strengthen and diversify our economy. They feel that investing in research and development is critical to insuring a robust and prosperous future for all North Dakotans.

North Dakota's universities and colleges are important economic drivers, whose research and development capabilities sustain our competitive advantages in agriculture and energy and translate innovations into new economic opportunities, a more skilled workforce, and higher-paying jobs for North Dakotans.

HB1379's provisions relating to an economic diversification research fund are right on target. We need to find ways to build a more innovation-driven economy, whether it is to build upon our existing economic base or by attracting new talent and ideas that are outside of ag & energy. HB1379 can be a strong start and an example to accomplish both of these.

Thank you for your consideration of these important investments in research and development that will lead to new innovations and enable the expansion of opportunity and prosperity in North Dakota.

Valley Prosperity Partnership Steering Committee

Brian Johnson, CEO, Choice Bank,
Co-Chair Valley Prosperity Partnership*

Judd Graham, Market President
Dacotah Bank - Fargo
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Jonathan Holth, JLG Architects
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Marshal Albright, President & CEO
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Andrew Armacost, President
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Steve Burian, President & CEO
Burian & Associates

Dan Conrad, President & CEO
Blue Cross Blue Shield North Dakota

David Cook, President
North Dakota State University

Tim Curoe, CEO
RD Offutt Company

Mylo Einarson, President & CEO
Nodak Electric Cooperative

Chad Flanagan, Partner
Eide Bailly

Rod Flanigan, President
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Altru Health System

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Jeff Melgaard, Vice President
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Tammy Peterson, Grand Forks Region
President & Ag Banking Director
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Joe Raso, President & CEO
Greater Fargo Moorhead EDC*

Jim Roers, President & CEO
Roers Construction & Development

Richard Solberg, Chairman & CEO
Bell State Bank & Trust

David White, President
Border States Electric

Barry Wilfahrt, President & CEO
The Chamber Grand Forks/East Grand
Forks*

Chris Wolf, North Valley Market President
Alerus Financial

Delore Zimmerman, Executive Director*

* Member Executive Committee

Economic Diversification Research Fund



North Dakota's universities and colleges are important economic drivers, whose research and development capabilities sustain our competitive advantages in agriculture and energy and translate innovations into new economic opportunities, a more skilled workforce, and higher-paying jobs for North Dakotans.

A broad-based business coalition led by the **Valley Prosperity Partnership** supports the Economic Diversification Research Fund, which will stimulate economic activity across the state through innovation of new technology, concepts, and products.

NEED for R&D

- **BEYOND OIL & SOIL:** North Dakota's economic trajectory is directly linked to the strength of the agriculture and energy sectors.
- **STRENGTHEN & DIVERSIFY:** Business leaders support strengthening and diversifying our economy to meet the unique needs of the State.
- **ADVANTAGE:** North Dakota does not have a stream of funding that supports basic and applied research and development at research universities.

GOALS for INVESTMENT

- Promote job creation and career and wage growth,
- Enhance health care outcomes,
- Address loss of revenue and jobs in communities with economies that depend primarily on the fossil fuel industry, and
- Provide experiential learning opportunities for students.

FUNDING PROPOSAL

- \$ **15.0% OF LEGACY FUND EARNINGS** or other comparable State funds allocated annually for use by UND, NDSU, the 9 other public universities, and the private sector.
- \$ **10.0% of RESEARCH FUNDING to ND's NON-RESEARCH UNIVERSITIES:** At minimum, 10% of the State-awarded amount is to be made available to fund research proposals at any of the 9 non-research university entities within the purview of the State Board of Higher Education.
- \$ **LEVERAGE FUNDING:** Leverage federal, private, and additional sources of funding.

GUIDELINES for USE OF FUNDS

- \$ **LEVERAGE FUNDING:** Basic or applied university research, with the expectation it will leverage funding from federal, corporate, or other sources
- \$ **PARTNERSHIPS:** University-originated research partnerships with industry, and
- \$ **INDUSTRY SUPPORT:** Research that is originated by a business, public or private university or non-profit organization that is conducted in partnership with a NDUS university or college.

ACCOUNTABILITY

- ✓ **ECONOMIC DIVERSIFICATION RESEARCH COMMITTEE:** Review and award grants. Provide annual reports on performance of the Fund.
- ✓ **INTERNAL ADVISORY COMMITTEE:** Members appointed from the education institutions would review and formulate recommendations on effectiveness and implementation of research programs.
- ✓ **EXTERNAL ADVISORY COMMITTEE:** External scientific and commercialization experts would provide feedback and recommendations on the program's strategic direction.

IMPACT

- ✓ **INVESTMENT ECOSYSTEM:** Round out the state's R&D ecosystem by getting more ideas to the LIFT program and leveraging existing research activities, including NDSU Extension projects, the EERC and ND's research councils.
- ✓ **MATCH FEDERAL FUNDING** that is available for research and training.
- ✓ **ATTRACT TALENT & FUNDING:** Long term, predictable funding will attract research talent and funding for sectors that are key to strengthening and diversifying North Dakota's economy.

STRENGTHENING AND DIVERSIFYING NORTH DAKOTA'S ECONOMY BY INVESTING IN **RESEARCH AND DEVELOPMENT**

