

TESTIMONY of TIFFANY FORD
HB 1014
MARCH 9, 2023

Chairman Sorvaag and members of the Committee:

My name is Tiffany Ford, State Director for your ND Small Business Development Centers (ND SBDC). The ND SBDC was established in 1986 and is hosted by the University of North Dakota Nistler College of Business and Public Administration. The national Small Business Development Centers (SBDC) program is federally funded and administered by the U.S. Small Business Administration, with state and local matching funds provided by the Department of Commerce, UND, cities, counties, and private contributors. Our program here in North Dakota is nationally accredited by America's SBDC (ASBDC).

The mission of the ND SBDC is to power the creation, growth, and success of small business in North Dakota. Our credentialed advisors empower North Dakota small and medium-sized businesses and entrepreneurs to thrive, through customized guidance and resources that help owners and entrepreneurs achieve their goals at any stage of their business. The comprehensive expertise and certifications of our staff is incomparable, and the array of tools available to our clients are not available through any other service or organization, not even those that do charge a fee.



The ND SBDC program is North Dakota's widest reaching and most substantial business support program, **assisting individual clients in each of our state's 53 counties**. We accelerate business growth and success across our state, strengthening and diversifying the economy, resulting in long-term positive impacts. *When small businesses thrive, communities thrive. North Dakota thrives.*

The ND SBDC is a fundamental component of the North Dakota entrepreneurial ecosystem. Small business is BIG business in this state, with 98.8% of firms defined as small businesses. The statewide services provided by the ND SBDC have direct economic impacts including jobs, tax base, and quality of life. The state's return on investment for the ND SBDC program is estimated to exceed \$70 million in state tax revenue impact. **With the current state funding level at just over \$750,000 per biennium, that calculates an approximate benefit to cost ratio of 124:1.**

Small businesses ARE the foundation of our communities and provide essential services and products to support the operations and success of all of our state's industries, including our top producers: oil, energy, agriculture, and tourism. Regardless of industry or interest, from manufacturing to childcare, innovation to rural vitality, and workforce development to business transition planning – the path for each client and business is unique, and the ND SBDC guides these businesses towards success.

BND has included in this bill a proposal to fund the ND SBDC program at \$1.5 million in the 2023-25 biennium. This is a positive change for the ND SBDC, which will ensure stability in funding and in turn, in programming and services to small businesses across the entire state. BND and the ND SBDC align on many levels, our entrepreneurial focused missions and support services are strong, and we collaborate on programming offered to a parallel client base, both lenders and businesses. This level of funding proposed is necessary:

- To meet the required dollar for dollar (1:1), non-federal match to the federal award the program receives each calendar year. **If the non-federal match is not obtained, we lose federal funds as well.** \$1.5 million will ensure that we can continue to leverage the maximum amount of federal funding available to our state, meaning the maximum impact to our local and state economies
- To allow us to strategically assess our organizational structure, determining if we have the optimal staffing and center structure to **meet client and stakeholder demand**, and fill those gaps, if they exist
- To sustain and increase service capacity and program offerings, as appropriate, to meet the increased demand for assistance from our program: compared to 2019, we are seeing nearly **70% more clients** (almost 3000 clients advised and trained in 2022) and **almost double the amount of capital invested into small businesses in ND** (over \$106 million in 2022)
- To allocate a portion of these non-federal matching funds to EACH service center across the state, alleviating some of the burden of seeking local financial support from resources that are straining to support their own, reducing the time spent “fundraising,” and shifting time to be better used in **servicing our small business clients**. *NOTE: the requirement for local match in all centers will not be removed, but the amount of operational support from local sources will be reduced because of this funding.*



The ND SBDC is a long-standing, strong program with undeniable positive impacts for our state’s economy, businesses, and communities – large and small. We as a network of passionate and invested individuals look forward to serving this state for years to come. I appreciate having this opportunity to share this information with you. Thank you for your time, and for your support of the ND SBDC. I’m happy to answer any questions that you have.

Sincerely,

Tiffany Ford
State Director, North Dakota Small Business Development Centers