



North Dakota Association of Rural Electric Cooperatives
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March 13, 2025

To: North Dakota House Political Subdivisions Committee

From: Ellen Huber, NDAREC Rural Development Director

RE: **Support of Senate Bill 2390**

Chairman Longmuir and members of the House Political Subdivisions Committee,

On behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and our members, I share our support for Senate Bill 2390 to create a rural catalyst committee and grant program. We view this proposal as an important investment in rural development, small towns and small businesses.

For 30-plus years, our state association has operated a Rural Development Center to power grassroots efforts with development experience and resources to assure quality of life in North Dakota's communities. Specialty areas of focus for initiatives and projects include rural emergency services, health care, childcare, grocery and local food access, meat processing, and quality of life amenities.

This impactful work is made possible through support from North Dakota's electric and broadband cooperatives, the Broadband Association of North Dakota (BAND), and a USDA Rural Cooperative Development Grant. Elected board members and staff from these co-ops guide our work. Electric and broadband cooperatives, NDAREC and BAND are also members of the Rural Development Finance Corporation (RDFC), which helps finance the implementation of many initiatives for community, co-op, small business and non-profit organizations with low-interest loans and grants.

A philanthropic organization also contracts with NDAREC to facilitate applications that assist rural community, nonprofit or cooperative-based projects serving low to moderate income persons. The organization is a grantor of last resort for projects with a funding gap that show evidence of community financial support and fundraising.

With this toolkit of support for rural development, we've had much success. Yet the 76 projects on our active tracking list demonstrate the needs in small towns outweigh the means. There's plenty of work to be done and we need many hands to accomplish it.

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The NDAREC also submitted written testimony in support of Senate Bill 2097, which proposes a rural endowment. We favor combining the best features of each bill into one piece of legislation. The ceiling for SB2097 is a population of 1,000. SB2390 requires that at least 50% of funding after expenses to be allocated to communities under population 1,000. With either bill, increasing this population threshold to 1,500 could offer help to 20 more communities.

Having representation on a rural catalyst committee from regional councils helps assure geographic representation across our state with knowledge of each region's unique and diverse needs. Regional councils are trusted partners in economic and community development. We frequently collaborate to help a community, organization or business with grants and financing.

A challenge or matching format assures some "skin the in the game" from the local community, that the idea for which grant funding is being sought is embraced and supported by the residents.

In conclusion, the proposed catalyst fund is a strategic investment in small towns that provide essential services to people producing our food and energy.

NDAREC asks for a "Do Pass" recommendation on SB2390.