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Chairman Luick and committee members,

Thank you for the opportunity to submit my testimony for SB 2097.

Senate Bill 2097 would create a Rural Community Endowment Fund. This is an amazing opportunity to support the rural areas of our state that are in need. The bill outlines how the principal investment of \$50 million would remain in the fund and administered by a committee approved by the state. Only the interest from the principal would be used to fund eligible projects. This may be the most important bill and investment in rural areas under 1,000 people that has ever been proposed in the State of North Dakota. I hope you see the enormous potential this bill has to improve the lives of rural North Dakotans and that you pass SB 2097.

I have grown up and lived in rural North Dakota nearly my entire life. My family has been living, farming, and running businesses in and around Munich for 5 generations. I am the fourth generation.

I have worked as a City Planner and Senior City Planner for the City of Devils Lake and the City of West Fargo. I moved back to Munich to take over the family farm and started a community planning and zoning consulting firm Intelliplanz, LLC.

People in rural North Dakota are creative, resilient, hardworking, and community minded. Over the past few decades, the number of people who live in these areas has decreased significantly and has put a strain on towns, citizens, and businesses. It is getting increasingly more difficult for small town governments and businesses to provide the services required to deliver a quality-of-life that their residents and customers have become accustomed to.

None of the city governments, businesses, or service providers I have worked with are expecting a handout but are all looking for a way to support, maintain, and build without raising taxes as the only option to make it happen. I believe this bill can do exactly that.

Over the past 13 years I have worked with dozens of rural communities and counties in many capacities in all corners of the state. The locations of a community may change, but the needs and issues remain the same.

The recurring issues I have heard in nearly every rural community I have worked in are:

- 1) Workforce Housing – often mislabeled as affordable housing.
- 2) Retaining necessary services – schools, grocery stores, etc.
- 3) Infrastructure improvement needs.
- 4) Retaining existing businesses.
- 5) Attract residents and businesses.

Workforce Housing

I learned early on working in rural areas that housing is one issue that nearly every community has regardless of size. The most common need is the need for workforce housing. Such individuals are farm workers, teachers, school administrators, and workers for all support industries. You will not be able to attract or retain workers without adequate housing stock.

Rural school districts from all over the state have problems recruiting and retaining teachers because there are limited housing options compared to larger school districts. Everyone in the community understands the problem, but most often there is a lack of financial resources and expertise in these areas to work towards solving this problem. This bill would provide resources for communities to hire professionals that can help them understand if and how the housing problem can be overcome.

Retaining Essential Services

Rural areas of the state have lost a majority of their essential services over the past few decades. Schools, fire departments, emergency services, grocery stores, cafes, service stations, etc., are all core services that used to be available in most communities, which are now only available in a handful with a population under 1,000.

The communities that still have these services depend on them to retain their current residents. While schools are funded using public money, grocery stores and other services are not and are as important for rural communities to survive. There have been multiple studies conducted that show the two most important services in a rural community are a

school and a grocery store. The lack of one or both of these leads to rapid population loss and most often the loss of the other and their employees.

Food deserts, areas where people have to drive at least 30 minutes to buy food, are becoming more common in North Dakota with the dwindling population in rural areas. This bill would provide a much-needed source of funding to support creative solutions to help solve this problem and to support current grocery stores and other businesses in areas of need.

Infrastructure Improvements/Maintenance

Adding housing units is not as simple as adding lots and retaining essential services is not as simple as patronizing them. A community must be able to provide reliable infrastructure to its businesses and residents just to survive. Making major improvements or adding to its current infrastructure such as sewer lift stations, additional lagoon cells, replacing failing pipes, lot filling, building water towers, etc. are most often cost prohibitive, yet essential, for small communities to grow.

One of the biggest roadblocks for communities to making the necessary infrastructure improvements is coming up the money from the city budget for the dollar match requirements for grants, such as USDA Rural Development grants. There simply is not enough money in small town budgets to meet minimum match requirements on larger infrastructure projects. This bill would provide funding to help these communities make necessary improvements to their infrastructure while still allowing a community to retain its financial stability.

Retaining Existing Businesses

Rural areas have a tough time retaining businesses because of the limited client base and limited-service area population. It is more important for these areas to be able to retain existing businesses than larger cities because most often once they leave, they are gone for good.

There are circumstances that arise that these businesses need financial help for repairs and updates to equipment and/or buildings to be able to continue operating. SB 2097 would be a source for these businesses to be able to make these necessary upgrades and continue serving the community.

Attracting Residents and Businesses

Attracting new residents and businesses is not something that has felt realistic to small communities in North Dakota for years. There is a generational shift happening in farm communities of our parent's generation looking to retire and passing responsibility to their children. This is the first time in 30-40 years that a shift includes such a high percentage of rural residents. This bill could provide a source of funding to help this new generation revitalize rural areas and attract new residents.