

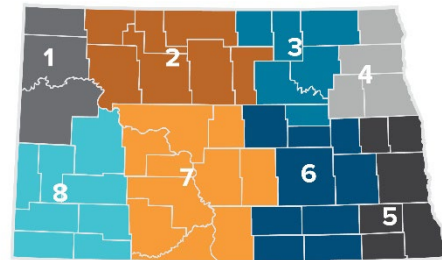
**Testimony of Dawn Mandt in support of SB 2390**

**To the Senate Agriculture and Veterans Affairs**

**Friday, February 7, 2025**

**Chairman Luick, Vice Chairwoman Myrdal, and Committee Members,**

Hello, my name is Dawn Mandt, and I'm the Executive Director of the Red River Regional Council in Grafton. My team serves four counties in the northeast corner of North Dakota. I've been working in rural development here since I was a junior at Jamestown College in 1992—so that's 33 years of experience helping small towns thrive.



I appreciate the chance to talk about SB 2390. We respect all the hard work that has gone demonstrating the great need for rural funding and we admire the dedication of small-town residents who work every day to keep their communities strong. As a small-town resident myself, I know how tough it can be to find funding for important projects.

**We're offering an alternative to SB 2097 because we believe there's a way to create a more effective and organized funding structure that will have a greater impact.**

I'm also the Chairwoman of the ND Association of Regional Councils. The state set up eight regional councils 50 years ago to provide leadership in economic and community development across North Dakota. Yesterday, our request for increased state funding for these councils received a **"Do Pass as Amended" recommendation with a 12-2 vote** in the House Finance and Taxation Committee. **This would be the first time the state directly invested in the system it created, helping expand services to small towns.**

**Why SB 2390 Matters**

We created this bill to help small towns get funding for important projects that often don't qualify for other state programs. The Rural Catalyst Program would support small towns up to 8,500 people, strengthen regional collaboration, and encourage more philanthropy.

Every day, we hear from small-town leaders asking, "Are there any grants for this project?" We see the needs and the gaps in funding firsthand. This bill would help fill those gaps for projects that are difficult to fund.

## **Examples of Projects That Could Benefit**

### **1. Gilby (Population: 240)**

- The town's **community center needs a new HVAC system, costing \$35,000.**
- They applied for a state grant but didn't qualify. Federal programs require expensive energy audits and complex applications, making them hard for small towns to access.
- Despite these challenges, Gilby is a thriving small town. They have a volunteer-run coffee shop, host murder mystery dinners, and even welcome visitors for a national geocaching festival.
- Their community center is a vital gathering place, but they need help to keep it running.

### **2. Park River (Population: 1,385)**

- **The town is planning a \$20 million wellness center to replace an old ice rink from the 1950s.**
- The new facility would include an ice rink, a walking track, a gym, a community center, and a concession area for events.
- This project builds on previous efforts, including a sports complex with baseball fields and a campground funded in part by the Outdoor Heritage Fund.
- A facility like this could serve as a regional hub for tournaments and events, bringing life and activity to the town.

### **3. Grafton (Population: 4,059)**

- The Walsh County Childcare Center is a public-private partnership creating 35 much-needed childcare slots, doubling the size of an existing business.
- The JDA director and board members have worked tirelessly for 2.5 years on this \$1.4 million project, securing funding from 12 sources. **But they still need \$370,000.**
- **A Rural Catalyst Grant would provide the final piece to get this project completed.**

### **4. Swimming Pools Across the Region**

- Many towns, including Grafton, Park River, Drayton, Walhalla, and Hoople, have pools that are failing or have already closed.
- The only state funding option offers a maximum of \$150,000, while a modest new outdoor pool costs between \$5 million and \$8 million.

## **Why Support Communities Up to 8,500 People?**

- Small towns like Gilby, Park River, and Grafton operate similarly, relying heavily on volunteers and limited financial resources.

- **City and county budgets focus on essential government functions, leaving little room for community enhancements.**
- This region also faces frequent natural disasters, with at least one federal disaster declaration per year. That takes up resources that could otherwise go toward community projects.

### **Why a Matching Requirement?**

- A match encourages partnership between communities, the state, and regional councils, strengthening relationships and improving long-term planning.
- Match funding could come from local cash contributions, donations, or volunteer hours. Volunteer work has real value—\$33.49 per hour in 2025, according to The Independent Sector.
- In some cases, if a community can't meet the match, the Grant Committee could waive it.

### **A Simple and Effective Grant Process**

- Small projects would have an easy, straightforward application process.
- Larger projects would require more details, but regional councils can help guide communities through the process.
- Over the past five years, **regional councils have helped with 1,410 funding applications, securing \$365 million for projects of all sizes.**

**With 50 years of experience in project development, grant writing, and grant management, regional councils are well-equipped to ensure funds are used responsibly and effectively.**

Attached to this testimony, you'll find a comparison chart between SB 2390 and SB 2097, as well as a five-year impact report from the ND Association of Regional Councils.

I urge you to support SB 2390—it's an investment in the future of North Dakota's small towns.

*Dawn Mandt, Executive Director*  
701-520-0487

[SB 2390 - Overview | North Dakota Legislative Branch](#)    [SB 2097 - Overview | North Dakota Legislative Branch](#)

The first hearing is scheduled for Friday, February 7 at 11:15 a.m. before Senate Agriculture and Veterans Affairs Committee. Voting on SB 2097 has been held to hear SB 2390 and compare endowment vs. challenge grant and delivery mechanisms.

	<b>SB 2390 Rural Catalyst / Challenge Grant</b>	<b>SB 2097 Rural Endowment Fund</b>
<b>Appropriation</b>	<p>\$30 million</p> <p>Expected to be a four-year program providing grants ranging from \$10,000 to \$5 million. Will result in portfolio of statewide impacts and understanding of rural needs to later justify the need for an endowment fund. Responsive to a broad range of locally defined needs.</p>	<p>\$55 million</p> <p>Endowment would produce approximately \$2.5 million annually with up to \$250,000 for administration. If appropriations is reduced, less funding would be available annually.</p>
<b>Delivery mechanism</b>	<p>Integrates the eight regional councils – the state’s system to “<i>establish a consistent, comprehensive statewide policy for planning, economic development, program operations, coordination, and related cooperative activities of the state and local governmental units ...</i>” (NDCC 54.40.1)</p> <p>The regional councils are the boots on the ground supporting grassroots efforts as well as leading regional initiatives around workforce, housing, entrepreneurship. The regional councils are led by 202 local officials and community leaders from every county in the state. Each council has an average of 2.5 staff.</p> <p>HB 1524 also calls for state funding to enable more regional development staff, enabling higher impacts in small towns.</p>	<p>Provides an unnamed single nonprofit, presumably Strengthen ND, which does not have a statewide system or presence.</p>
<b>Project development support and grant writing</b>	<p>The regional councils have a 50-year history of “finding the money”. Experts in federal, state, regional, local, private funding – often linking multiple sources into one project.</p> <p>Regional Councils are experts in project development, grant writing, loan packaging, and more to individuals, communities,</p>	<p>Limited experience in public grant writing and stacking multiple sources of funds in a single project to solve root issues or achieve a maximum impact.</p>

	businesses, and established new programs by <b>developing over 1,410 applications in the past five years yielding \$365 million in funds.</b>	
<p><b>Serves rural communities</b></p> <p>Total # Cities 355                  Cities 5-1,000 304                  Cities 1,001-8500 40                  Cities 8,501+ 9</p> <p>Note: Approximately half of the cities under 1,000 are under 100 people</p>	<p>Cities under 8,500</p> <p>The “Under 1,000 population” arbitrarily leaves out several small towns with slightly larger communities with comparable levels of resources. These slightly larger communities similarly lack flexible funding in key areas.</p> <p>Between 2019 and 2023, the RCs assisted with <b>1,410 successful funding applications, nearly half communities under 1,000 were impacted by these projects.</b></p>	<p>Cities under 1,000</p> <p>Limiting to communities under 1,000 creates a <b>“missing middle”</b> whereby other rural community of a slightly larger size with similar issues and resources levels do not have access.</p>
<p><b>Grant management system</b></p>	<p>The regional councils are experts in grant management and accountability and subjected to federal single audits annually.</p> <p>The <b>regional councils have 50 years' experience in managing programs that have received federal, state, regional, local, and private funds and therefore apply prudent management practices</b> that satisfy the smallest projects to the large, complex systems.</p> <p>The regional councils have also provided fiscal sponsorship and management for volunteer groups working to improve their community and require prudent fiscal management.</p> <p>This system and expertise would ensure accountability and accuracy in reporting.</p>	<p>Limited experience in managing public funds.</p>
<p><b>How will funds be used?</b></p>	<p>Small towns often <b>need help where there are no other sources available and/or funding requirements are a barrier for small-scale projects.</b></p>	<p>Has proposed to address broad large-scale complex issues such as public infrastructure and housing – duplicating other state program proposals and/or seeking to match state dollars with state dollars.</p>

	<p>The Catalyst Fund proposes flexible funding for quality-of-life amenities, community and economic development, healthcare and education enhancements.</p> <p>There are other bills that address complex, costly issues such as housing and infrastructure and a growing awareness for the need for rural set asides with rural-friendly program rules – much due to input and advocacy by the regional councils.</p>	<p>Demonstrates limited expertise in these areas or other available funding programs.</p>
<p><b>Leverage: Opportunity to incentivize philanthropy</b></p>	<p>There is private wealth in ND.</p> <p>As a \$2 state grant matching \$1 nonstate funds, it requires more local conversations and planning as well as strengthening local ability to connect with local givers.</p> <p>The challenge grant would be a tool to leverage a portion of the \$380B generational wealth transfer (2005 ND Wealth Transfer Study and expectedly much greater today) and provide local opportunities for donor-advised investments and increasing giving to local and regional projects and initiatives.</p>	<p>Does not consider system approach and fails to take advantage to leverage philanthropy.</p>
<p><b>“Skin in the game”</b></p>	<p>The challenge grant requires match.</p> <p>Match would be flexible and waivable on a case-by-case basis. Match can be cash or in-kind donations or hours.</p> <p>Proposed projects can be opportunities to support boarder community building.</p>	<p>Assumes no match is possible.</p>
<p><b>Grant Committee</b></p>	<p>Grassroots appointments by integrating regional councils to appoint two rural people from each of the eight regions = 16 rural residents.</p> <p>A grassroots approach strengthened with a legislator, Governor (or designee) as chair, and Commerce Department.</p> <p>This approach will serve as an educational tool on rural needs, the gaps in the system, how funding could be leveraged well for larger projects, and demonstrate the need for the program.</p>	<p>Led by a single nonprofit without a statewide system.</p> <p>Commissioner + nine rural residents appointed by the Commissioner.</p>

# REGIONAL COUNCILS

# Sparking development, strengthening community.

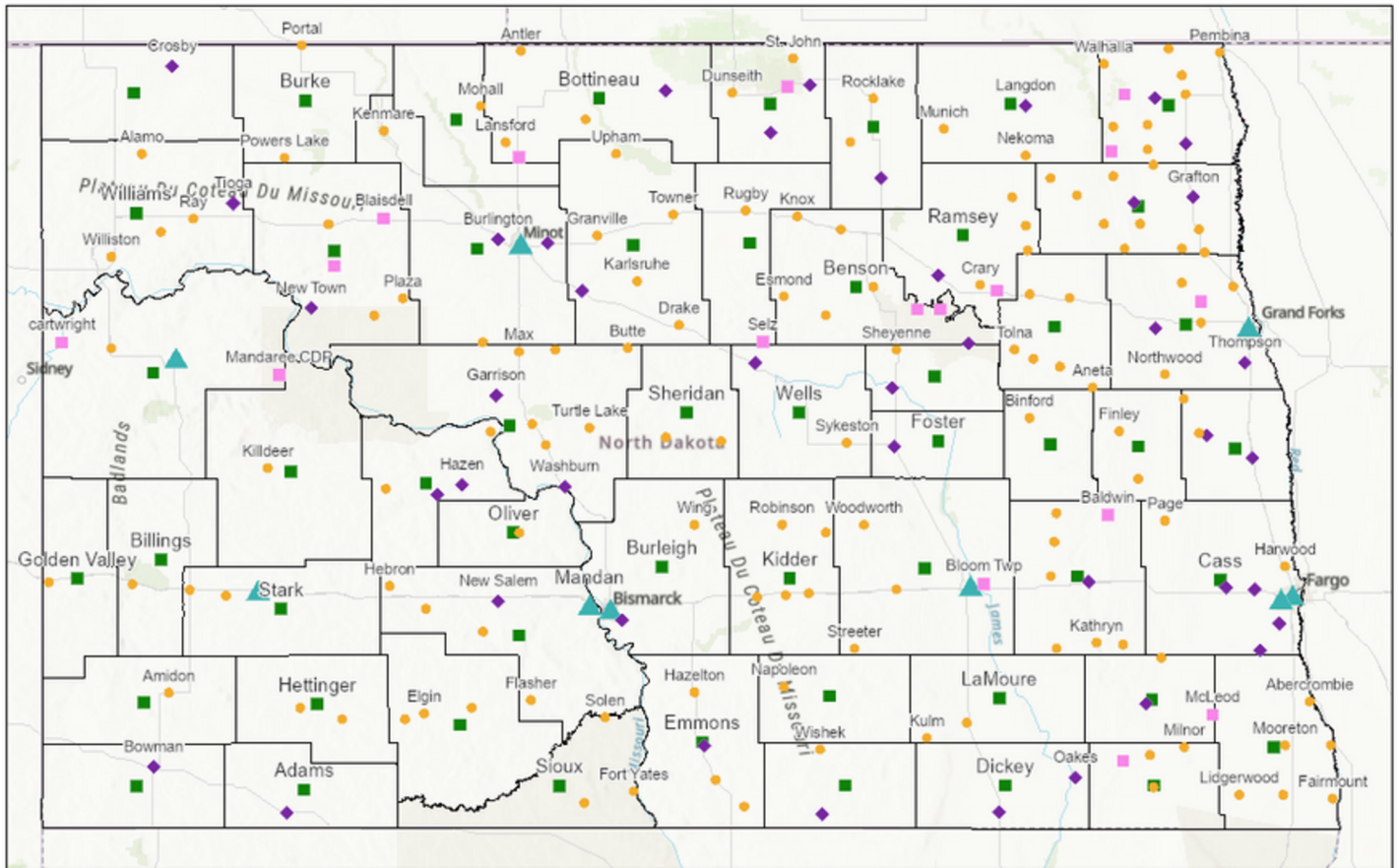
**REGIONAL COUNCILS ARE A CORNERSTONE OF THE STATE'S ECONOMIC RENAISSANCE AND COMMUNITY REVITALIZATION. HERE'S A GLIMPSE INTO THE TRANSFORMATIVE IMPACT**



- Cultivating the economy
- Implementing workforce attraction & retention systems
- Enhancing quality of life through enhanced community experiences
- Providing predictive expertise, skilled project planning, and funding solutions

*REGIONAL COUNCILS' NETWORK OF DEVELOPMENT EXPERTS DRIVE IMPACTFUL RESULTS ACROSS EVERY COUNTY (SEE PAGE 2 FOR DATA)*

ND Association of Regional Councils Impacts 2019-2023



2/3/2025

- Unincorporated Places
- Cities under 1,000 pop.
- Cities 1,000 to 8,500
- ▲ Cities 8,500 to 150,000
- Counties engaged with Regional Councils



**ASSOCIATION**  
OF REGIONAL COUNCILS

# North Dakota Association of Regional Councils Statewide Impact | 2019-2023

Effectiveness of the Regional Councils and contractual partner organizations



FUNDING APPLICATIONS ASSISTED **1,410**

TOTAL FUNDING SECURED WITH REGIONAL COUNCIL ASSISTANCE **\$364,751,823**

ADDITIONAL FUNDS LEVERAGED **\$531,557,176**

**TOTAL INVESTMENT IN NORTH DAKOTA \$896,308,998**

JOBS CREATED OR RETAINED **5,122**

COMMUNITY & ECONOMIC DEVELOPMENT PLANS CREATED **55**

PUBLIC FORUMS, MEETINGS & PLANNING SESSIONS **411**

TOTAL ATTENDEES ENGAGED **5,900**

LOCAL LEADER BOARD MEMBERS **202**



## Long-term Stability and Accountability

Permanent funding for Regional Councils is essential for several reasons:

- Ensures **long-term stability** beyond a single biennium
- Local funds create **high levels of accountability**
- Regional Councils serve as **exemplary models for public-private partnerships**

## REGIONAL COUNCILS REVOLUTIONIZING RURAL COMMUNITIES

### SMART DEVELOPMENT | FUTURE-READY INFRASTRUCTURE COMMUNITY RESILIENCE & GROWTH

- Business development
- Zoning and land use planning
- Grant writing and technical assistance
- Housing development
- Child care support
- Workforce development
- Infrastructure planning
- Tourism and placemaking initiatives
- Disaster recovery planning
- Community leadership development

*By permanently funding Regional Councils, North Dakota can maintain its commitment to fostering economic growth and community vitality across the state, particularly in rural areas that may otherwise struggle to access necessary resources and expertise.*