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Testimony of Dawn Mandt in support of HB 1524

To the Senate Appropriations – Government Operations

Monday, March 31, 2025

Chairman Dwyer and Committee Members,

Hi, my name is Dawn Mandt, and I'm the Executive Director of the Red River Regional Council in Grafton. Our team serves four counties in the northeast corner of North Dakota. I have been a rural developer in North Dakota since I was a junior at Jamestown College in 1992 – this is my 33rd year.



Today, I'm here to provide information the collective impact of all regional councils as well as information on project development.

The Role & Impact of Regional Councils (2019–2023)

- The eight regional councils in North Dakota play a vital role in economic and community development, especially in rural areas.
- These councils help communities secure funding, provide planning support, and assist local businesses and organizations in navigating financial and regulatory processes.
- During the pandemic, the U.S. Department of Commerce Economic Development Administration provided emergency funding to regional councils, allowing them to:
 - Increase staff capacity to respond to urgent economic needs.
 - Establish business revolving loan funds to support affected, new, or expanding businesses.
- Key outcomes over four years:
 - Assisted with 1,410 funding applications, securing \$365 million in direct funding and leveraging another \$532 million, leading to a total impact of nearly \$900 million.
 - Helped create or retain 5,122 jobs statewide.
 - Organized 411 community forums involving 5,900 participants, resulting in the creation of 55 new development plans to address regional economic challenges.

What does development look like? Case Study: Walsh County Childcare Project

- During the first round of the Regional Workforce Impact Grant Program (RWIP), the Red River Regional Council convened all its development partners and conducted focus groups and regional surveys. As a result, Region 4 allocated \$1 million to increase childcare availability.
- Recognizing the severe childcare shortage in Walsh County (which needed at least 137 additional childcare slots), the regional council partnered with the Walsh County Job Development Authority (JDA) to pursue solutions.
- Given the difficulty in establishing childcare facilities due to the significant capital investment, a public-private partnership model was developed, where the JDA would create a turnkey childcare center space and lease it to a private operator.
- Steps in the development process:
 - Conducted focus groups and surveys with parents and childcare providers to assess needs.
 - Evaluated eight potential buildings, selecting one as the best option.
 - Solicited interest from childcare providers to expand operations.
 - Hired architectural firm and designed the space.
 - Managed construction bids, which initially came in \$200,000 over budget.
 - Coordinated with 12 funding sources, ensuring compliance with various grant regulations.
 - Engaged in philanthropic fundraising to help close remaining funding gaps.
- Despite these efforts, the \$1.4 million project remains underfunded, highlighting the ongoing challenge of securing sufficient long-term investment in small towns.
- Rocking Horse Childcare has moved into this completed space and will double its childcare slots.
- The attached case study provides additional details about this project.

Development work is often addressing complex issues getting in the way of economic growth, learning each step of the way, and creating collaborative partnerships.

Sustainable Funding Issues:

At the Red River Regional Council, **we work hard to support small towns and regional partnerships with very limited resources.** Our local leaders are volunteers juggling multiple responsibilities to keep their communities running. **We develop long-term plans with their help, but without proper funding, we often struggle to move forward.**

We recently created a Destination Development Plan, with input from over 600 people, to attract visitors and new residents. We also launched a workforce initiative called Real. Good. to help fill job openings. We've been scrapping funds together to employ a Housing Developer for the past two years. **We piece funding together from any possible source – often funding long-term ideals with short-term grants which is not sustainable.**

Call to Action – Support for HB 1524:

- The state has an opportunity to strengthen partnerships with regional councils to create lasting economic change.
- HB 1524 would provide essential funding and resources to ensure regional councils can continue their work, support small towns, and build a stronger, more resilient North Dakota.

We have created regional collaborations, we've engaged and worked to empower our people, and we have been creating regional momentum. **We'd welcome the state's partnership in many of these efforts.**

We have an opportunity to create real, lasting change for our small towns. That's why I'm asking you to support **HB 1524**—so we can invest in our communities, work together, and build a stronger future for all of North Dakota.

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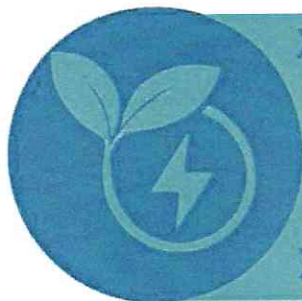


What's Real. Good. in
Northeast North Dakota?
Find out at www.realgoodnd.com.

REGIONAL COUNCILS

Sparking development, strengthening community.

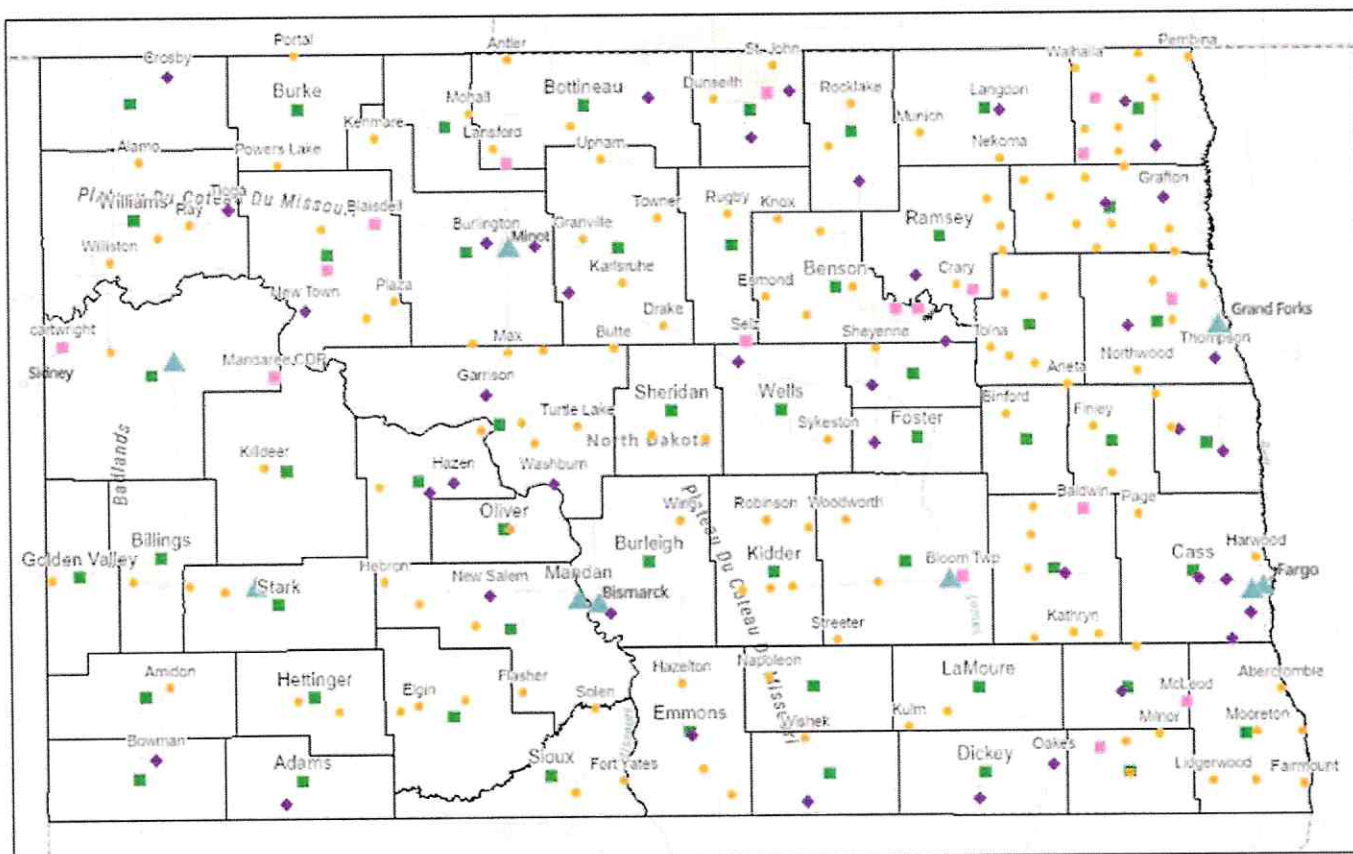
REGIONAL COUNCILS ARE A CORNERSTONE OF THE STATE'S ECONOMIC RENAISSANCE AND COMMUNITY REVITALIZATION. HERE'S A GLIMPSE INTO THE TRANSFORMATIVE IMPACT



- 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
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TOTAL FUNDING SECURED WITH REGIONAL COUNCIL ASSISTANCE	\$364,751,823
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ADDITIONAL FUNDS LEVERAGED	\$531,557,176
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TOTAL INVESTMENT IN NORTH DAKOTA	\$896,308,998
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JOBS CREATED OR RETAINED	5,122
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COMMUNITY & ECONOMIC DEVELOPMENT PLANS CREATED	55
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PUBLIC FORUMS, MEETINGS & PLANNING SESSIONS	411
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TOTAL ATTENDEES ENGAGED	5,900
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LOCAL LEADER BOARD MEMBERS	202
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Long-term Stability and Accountability

Permanent funding for Regional Councils is essential for several reasons:

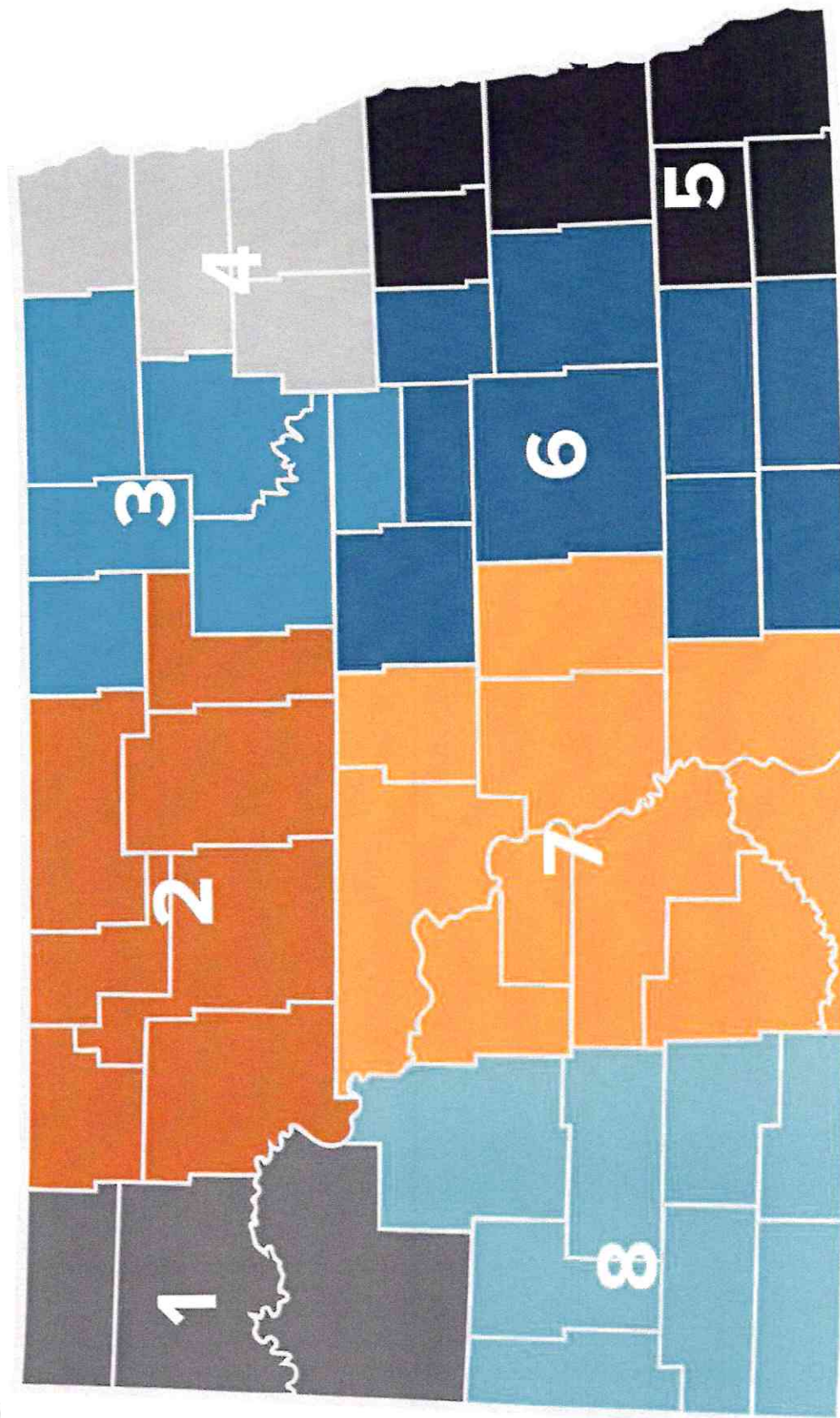
- Ensures **long-term stability** beyond a single biennium
- Local funds create **high levels of accountability**
- Regional Councils serve as **exemplary models for public-private partnerships**

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.



ASSOCIATION
OF REGIONAL COUNCILS

WALSH COUNTY CHILDCARE CENTER

January 2025

Contact:

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Walsh County JDA Director

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OBJECTIVE

To address a critical shortage of childcare services in Walsh County and eliminate the cost prohibitive capital investment burden/risk, the Walsh County Job Development Authority has been developing a turn-key childcare center that will create 25 to 35 new childcare slots. This will become only the second childcare center in Walsh County (population 10,305).



UNIQUE PRIVATE/PUBLIC MODEL

The project is a public-private-nonprofit partnership. To address the high cost of facility investment for a private childcare center, the Walsh County JDA proposed buying and renovating a building to lease to a private childcare business. After completion and meeting certain criteria, the building will be donated to the Red River Community Housing Development Organization (CHDO) for long-term ownership. If the lease ends, the facility will be available for a new childcare provider. This public ownership model has proven successful in similar projects in northeast North Dakota.

Partners

- Walsh County JDA – developer
- Rocking Horse Childcare – childcare provider
- Red River Community Housing Development Organization – eventual building owner

Timeline

2022 to February 2025. Fundraising continues.

JDA staff and board time and money commitments stretched

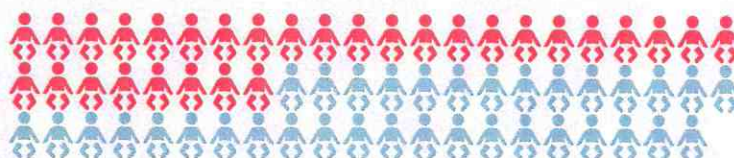
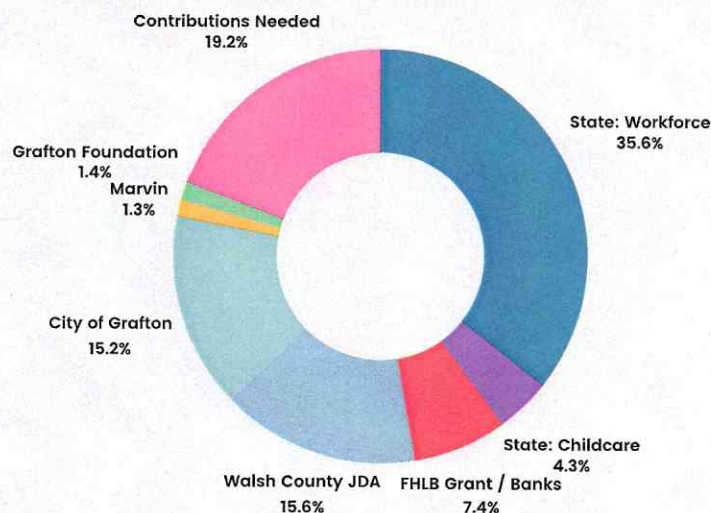
- The Walsh County JDA director, the sole full-time JDA employee, has **invested approximately 1,000 staff hours into this project to date.**
- The JDA has committed significant funding project budget to this single project.
- Real estate development is an entirely new role for the JDA and required learning: facility requirements, childcare regulations, procurement, philanthropy, construction management, and more.

Expanded Capacity: 55-65 childcare slots

Cost

\$1.4 million; \$21,500 per childcare slot

12 Funders and still short \$370,000



Project development

- Evaluated 8 buildings to find an appropriate, existing space
- Sought input on space evaluation from Childcare, Fire Marshall, and provider
- Solicited provider willing to expand and meet proposed timeline
- Secured first RWIP grant and sought match
- Developed procurement policies and procured architect
- Solicited bids, received 9 bids from 8 contractors - total exceeded the project budget by \$200,000
- Construction began in June 2024
- Held weekly construction management meetings and troubleshoot any issues as they arose
- Provider moved into the building in Feb 2025
- Completed grant management tasks and reporting