

**2021 HOUSE APPROPRIATIONS**

**HB 1141**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1141  
1/26/2021

A BILL for an Act to provide an appropriation for the innovation loan fund to support technology advancement; and to provide a statement of legislative intent.

10:00 Chairman Delzer calls the meeting to order

Representatives	
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Potential Economic Impact
- Bank of ND's Role
- Opportunities from LIFT Fund

**10:00 Representative Nathe** Introduces the bill (testimony #3832 and #11512)

**10:08 Josh Teigen-** Director of Economic Development and Finance Division testifies in favor of HB 1141 (testimony 3354)

**10:18 Todd Steinwand-** Chief Business Development Officer for the Bank of ND (testimony # 3207)

**10:22 Joe Raso-** President and CEO of the Greater Fargo and Moorhead Economic Development Corporation (testimony #3833)

**10:27 Jake Joraanstad-** Chief Executive Officer- Bushel; Testifies in favor of HB 1141

**10:32 Patty Post-** Found and CEO Checkable Medical Incorporated – Testifies in favor of HB 1141

**10:40 Sean Carroll-** Access Point Technologies; Testifies in favor of HB 1141 (testimony 3081)

**10:50 Mark Hagerott-** Chancellor- ND University System- Testifies in favor of HB 1141 (testimony 3153)

**10:51 Arik Spencer** President & CEO- Greater North Dakota Chamber; Testifies in favor

**10:52 Kyle Martin** –Executive Director-Technology Council of ND; Testifies in favor (testimony #3215)

**Additional written testimony:** Submitted testimony In Favor; Marshal Albright # 3159, Jennifer Greuel # 2978 and Lauris Molbert # 3010

10:53 Chairman Delzer Closed the hearing on HB 1141

*Risa Berube,*

*House Appropriations Committee Clerk*



Regional Economic Models, Inc.

## **The Potential Economic Impact of the Innovation Technology Loan Fund**

January 12, 2021

Prepared by

**North Dakota Department of Commerce**

Using

**Regional Economic Model Policy Insight**



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## Executive Summary

This report contains an economic impact analysis of the Innovation Technology Loan Fund (LIFT) on the North Dakota economy. As of August 2020, the LIFT initiative has disbursed \$14.05 million in the 2019-2020 biennium year. The North Dakota Department of Commerce utilized the Regional Economic Model Policy Insight (REMI PI\*) to forecast the state level's economic impacts over the next five years, beginning in 2020. The economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); payroll creation (as measured by wages and salaries); and new jobs created (as measured by employment). The estimated impacts are substantial, and the findings of this analysis are outlined below.

The analysis projected that from 2020-2024, the average annual economic impacts from the increase in LIFT funding for North Dakota in a given year would be:

- An annual average increase of 748 jobs across all industries, with 698 jobs occurring in the private non-farm industries, and 60% of the 698 jobs occurring in the technology industry.
- The annual average impact on the state economy is projected to increase by \$151 million in economic output and \$92 million in the GDP.
- The annual average impact on the state employee compensation is estimated to increase by \$49 million in personal income and \$56 million in earnings by place of work.

## Introduction

The LIFT initiative has approved 94 percent (\$14.05 million) of the appropriated funds (\$15 million). The program has also provided funding for 18 North Dakota businesses in specific sectors outlined in House Bill 1333<sup>1</sup>. The following table illustrates the dollar amount funded in 2020, the remaining dollar commitment in 2021, and the number of employees reported by the sub-sector.

Table 1: The Disbursement of the LIFT Funds by Sub-sector

Sub-Sector	Dollar Amount Awarded	Dollars Funded in 2020	Remaining Commitment	Direct Jobs Reported	Projected Direct Jobs
Agriculture Technology	\$6,100,000	\$5,312,500	\$787,500	257	317
Healthcare Technology	\$3,100,000	\$2,238,240	\$861,760	61	118
Unmanned Aerial Systems	\$2,350,000	\$1,611,321	\$738,679	9	0
Advanced Computing and Data Management	\$2,000,000	\$2,000,000	\$0	3	8
Value Added Agriculture	\$500,000	\$200,000	\$300,000	0	6

Source: Economic Development and Finance, North Dakota Department of Commerce

The REMI PI+ model requires that the investment spending (i.e., the dollar amount funded) and direct jobs reported are entered as input variables during the years that investment occurs. As such, the analysis applies three different assumptions about the effect that the dollar amount funded, investment expenditure schedule, and the projected direct jobs at the application time would have on the investment capital spending across three categories; (i) the non-residential structures, (ii) non-residential equipment, and (iii) non-residential intellectual property products in North Dakota.

**Assumption 1:** The LIFT program contributed \$11.4 million in 2020 and \$2.7 million in 2021 to the investment capital spending and as a result:

- Investment spending increased due to increased LIFT funding. This increase was split proportionally between three investment spending categories: (i) the non-residential structures, (ii) non-residential equipment, and (iii) non-residential intellectual property products.

**Assumption 2:** The LIFT awardees expended \$11.4 million in 2020 and \$2.7 million in 2021 on investment expenditures and as a result:

- Investment capital spending increased by \$11.4 million in 2020 and \$2.7 million in 2021. That is the amount funded in 2020 and the remaining dollar commitment in 2021. The investment expenditure amount was split proportionally between three investment spending categories: (i) the non-residential structures, (ii) non-residential equipment, and (iii) non-residential intellectual property products.

**Assumption 3:** The LIFT awardees expended \$11.4 million in 2020 and \$2.7 million in 2021 on investment expenditures and as a result:

- The LIFT awardees met their projected direct employment after 24 months in 2021 which remained the same through 2024.

<sup>1</sup>More info can be found by visiting [House Bill 1333](#)



## Methodology

The main idea behind economic impact analysis is that one more (or less) dollar spent in a local or regional economy results in a greater than one dollar change in economic activity in the area. The most common and widely respected method of examining such changes involves using economic models called input-output models. A key feature of input-output models is that they are ideally suited to capture the interdependence among different industries. That is, input-output models are designed to capture the effects of a change in one industry on other industries and households. The Department of Commerce utilized version 2.4 of the REMI PI+ model. Briefly, the REMI PI+ model is a sophisticated regional economic model that dynamically simulates the year-by-year economic effects of public policy initiatives and is widely used by state agencies and legislatures, universities, and other organizations and experts. The REMI model is also tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration, and other reliable data sources<sup>2</sup>.

## Economic Impact Results

This section presents the estimated economic impacts on the state GDP, employee compensation/payroll creation across all private non-farm industries (personal income, earnings by place of work, wages, and salaries), new jobs created in private non-farm industries, and sales tax revenue from private non-farm industries for the five year projection period. The Glossary section in Appendix B provides definitions of these economic performance measures.

### Gross Domestic Product

Table 1 shows the economic impacts on state GDP and output. During 2020-2024, on average, the state GDP is projected to increase by \$92 million. This increase is related to a rise in the total output of \$151 million. While the REMI model lacks customization that allows the projection of state revenues, this increase in the output mostly represents taxable sales for North Dakota.

Table 1: Economic Impacts on the State Gross Domestic Product

Economic Performance Measure	Units	2020	2021	2022	2023	2024	Average
<b>Gross Domestic Product</b>	<b>Millions of Current Dollars</b>	\$68	\$72	\$101	\$108	\$112	\$92
<b>Output</b>	<b>Millions of Current Dollars</b>	\$110	\$117	\$167	\$177	\$184	\$151

Source: REMI PI+ and author's calculations

### Employment

Table 2 depicts the employment impacts in private non-farm industries. During 2020-2024, the average annual total employment impact across all industries increases by 748 jobs, with an annual average of 425 direct jobs and 323 indirect jobs. This estimate consists of full- and part-time workers.

<sup>2</sup>A more detailed discussion of the methodology framework applied to this study is provided in Appendix I.

Table 2: Economic Impacts on the State Employment

Economic Performance Measure	Units	2020	2021	2022	2023	2024	Average
<b>Total Employment</b>	<b>Individuals (Jobs)</b>	620	598	830	843	850	748
<b>Private Non-Farm Employment</b>	<b>Individuals (Jobs)</b>	593	560	\$777	780	781	698

Source: REMI PI+ and author's calculations

## Payroll Creation

Table 3 demonstrates the economic impacts on the state payroll creation. Earnings, wages, and salaries also increase noticeably, representing additional wealth created for the state's citizens. During 2020-2024, the projected average impact on wages and salaries is \$41 million, driven almost entirely by the growth in labor income derived from the jobs created across all industries. These results suggest wages per job of \$54,800, including both the direct and multiplier employment.

Table 3: Economic Impacts on the State Payroll Creation

Economic Performance Measure	Units	2020	2021	2022	2023	2024	Average
<b>Personal Income</b>	<b>Millions of Current Dollars</b>	\$35	\$37	\$53	\$57	\$62	\$49
<b>Wages and Salaries</b>	<b>Millions of Current Dollars</b>	\$31	\$31	\$45	\$48	\$50	\$41
<b>Earnings by Place of Work</b>	<b>Millions of Current Dollars</b>	\$43	\$43	\$61	\$65	\$68	\$56

Source: REMI PI+ and author's calculations

## Conclusion

This study provides an economic impact assessment of the LIFT initiative. Specifically, the study summarizes the potential economic impact of the \$14.05 million loans disbursed in the 2019-2020 biennium year. The study also examines employment growth at 18 businesses that received funding from the LIFT program and the annual personal income associated with these new jobs. The growth of these businesses and the resulting increase in direct annual economic activity is the basis for estimating the economic impact. Multiplier impacts are also assessed and added to the direct impacts to estimate the total annual economic impact. The 18 businesses will also have a significant total economic impact. The annual average total impact on the state GDP is projected to be \$92 million and \$41 million in wages and salaries. The annual average employment impact is estimated to be 748 jobs. This finding implies that the innovative, growing businesses supported by the LIFT program provide high wage employment.

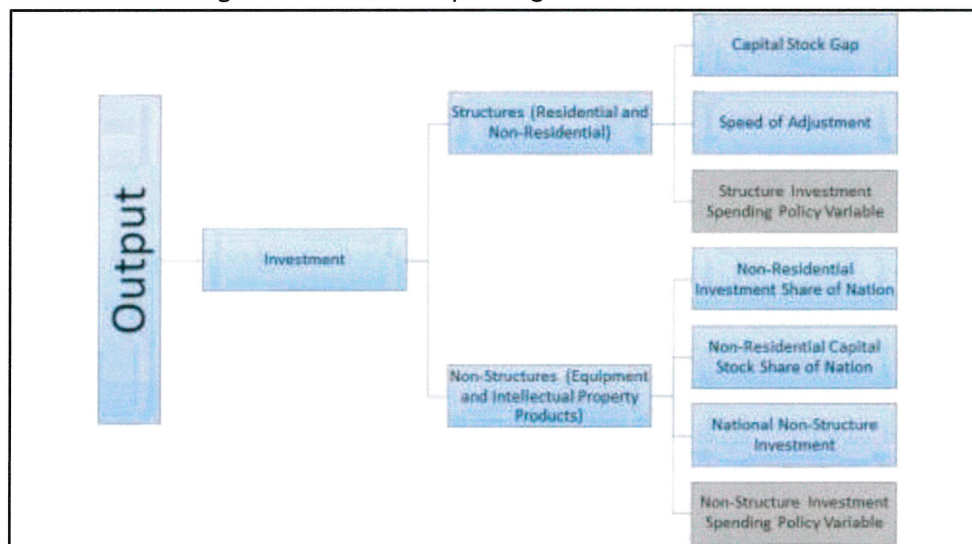
## Appendices

### Appendix A - Overview of the REMI PI+ Model

REMI's PI+ software is a regional simulation of the North Dakota economy. The model is tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Energy Information Administration. The model is a regionalized version of a benchmarked national model. The REMI PI+ model is a general equilibrium model with feedback, and thus, the model describes the entire economy as it changes over time. For example, changes in population, demographics, and wages each influence the labor supply at any moment in time. Still, they are themselves affected in the future by the changes in the labor supply. These adjustments happen gradually, so the economy does not statically jump from one equilibrium to another.

With approximately 40 years of experience, REMI is a worldwide leader in providing dynamic regional U.S. macroeconomic and demographic models to evaluate health care policy and many other policy issues such as taxes, economic development, transportation, energy and the environment, and trade. REMI consultative services and modeling software have been utilized on several health care policy studies, including Medicaid studies in several states, including Oklahoma, Iowa, Ohio, Maryland, and North Carolina. Our partners on those included the American Hospital Association and George Washington University, the latter of whom also used REMI modeling to analyze the impacts of repealing the Affordable Care Act.

Figure 1  
REMI Model Linkages for Investment Spending

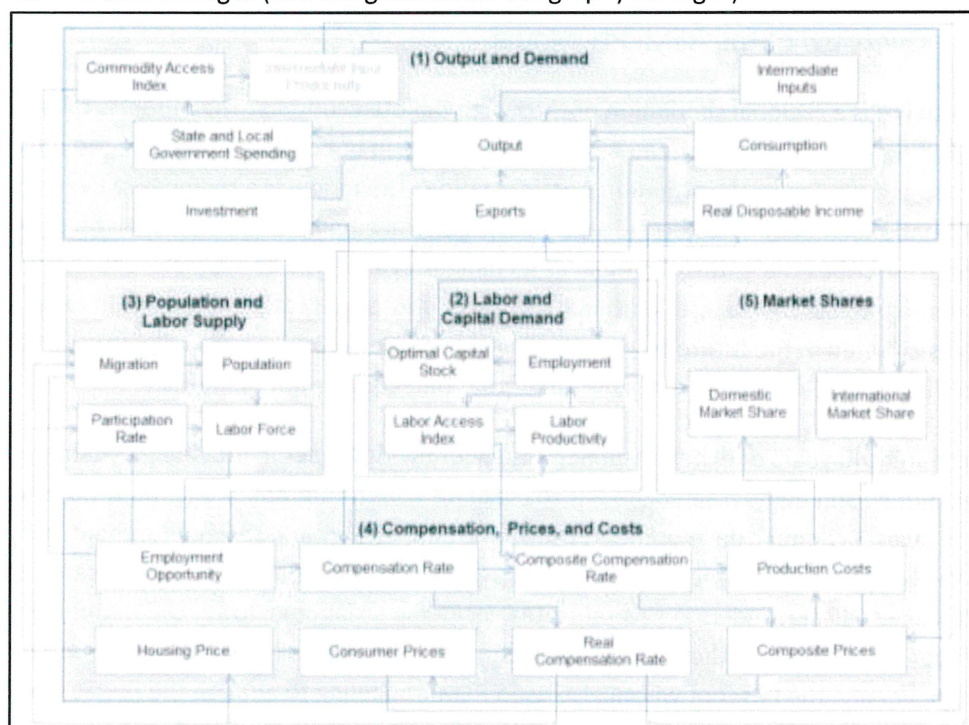


Source: REMI PI+ Model Equations 2020



Figure 2

REMI Model Linkages (Excluding Economic Geography Linkages)



Source: REMI PI+ Model Equations 2020

## Appendix B - Glossary

### **Employment:**

Employment comprises estimates of the number of jobs, full-time plus part-time, by place of work for all industries. Full-time and part-time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included.

### **Gross Domestic Product:**

GDP is the market value of goods and services produced by labor and property in the United States, regardless of nationality.

### **Output:**

The amount of production, including all intermediate goods purchased and value added (compensation and profit). It can also be thought of as sales or supply. Output components are Self Supply and Exports (Multi regions, Rest of Nation, and Rest of World).

### **Personal Income:**

This is income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.

### **Wages and Salaries:**

The monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; voluntary employee contributions to certain deferred compensation plans, such as 401(k) plans; and receipts in kind that represent income.

### **Earnings by Place of Work:**

The sum of Wages and Salaries, Supplements to Wages and Salaries, and Proprietors' Income.



## Economic Impacts from the Innovation Technology Loan Fund

As of August 2020, the Innovation Technology Loan Fund (LIFT) initiative has approved \$14.05 million (94 percent) of the appropriated funds (\$15 million)<sup>1</sup>. The program has also provided funding for 18 North Dakota businesses in specific sectors outlined in House Bill 1333. The businesses participating in the LIFT program have added 330 new jobs in the state, which is projected to increase by 36 percent in 24 months. The North Dakota Department of Commerce utilized the Regional Economic Model Policy Insight (REMI PI+)<sup>2</sup> to forecast the state level's economic impacts of the LIFT funds over 2020-2024. The projected economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); payroll creation (as measured by wages and salaries); and new jobs created (as measured by employment). The analysis projected that from 2022-2026, the average annual economic impacts from the LIFT initiative for North Dakota in a given year would be:

- An increase in the size of the state economy of \$151 million in economic output and \$92 million in the State GDP.
- An increase of 748 jobs across all industries, with 698 jobs occurring in the private non-farm industries and 60 percent of the 698 jobs occurring in the technology industry. This estimate consists of full-time and part-time workers.
- An increase of \$49 million in personal income and \$41 million in wages and salaries, driven almost entirely by the growth in labor income derived from the jobs created across all industries. These results suggest wages per job of \$54,800, including both direct and indirect employment.

### Methodology

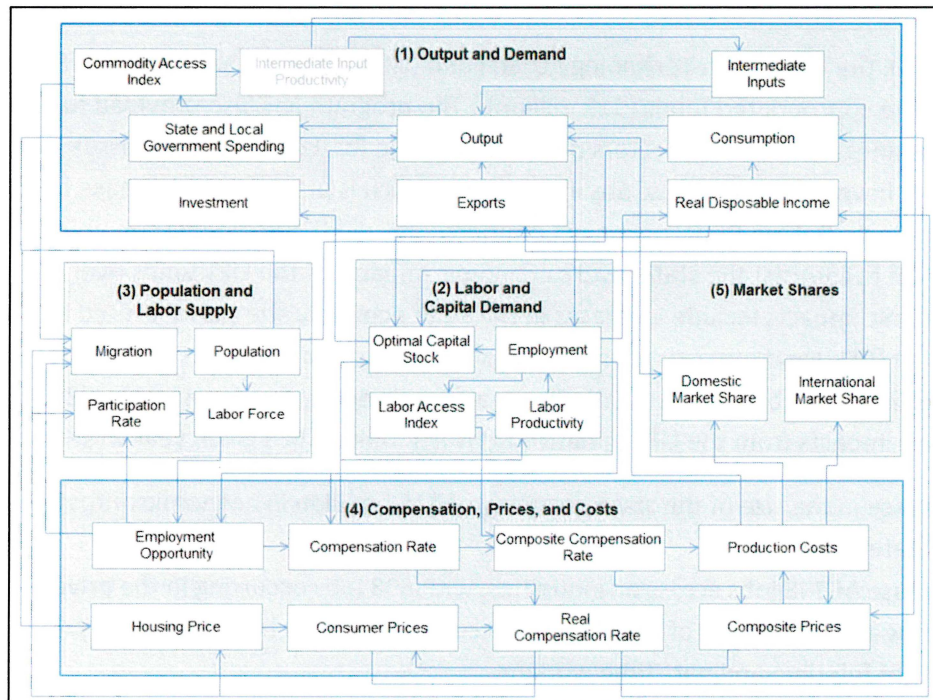
The main idea behind economic impact analysis is that one more (or less) dollar spent in a local or regional economy results in a greater than one dollar change in economic activity in the area. The most common and widely respected method of examining such changes involves using economic models called input-output models. A key feature of input-output models is that they are ideally suited to capture the interdependence among different industries. That is, input-output models are designed to capture the effects of a change in one industry on other industries and households. The Department of Commerce utilized version 2.4 of the REMI PI+ model. Briefly, the REMI PI+ model is a sophisticated regional economic model that dynamically simulates the year-by-year economic effects of public policy initiatives and is widely used by state agencies and legislatures, universities, and other organizations and experts. The REMI model is also tailored to North Dakota using data from the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration, and other reliable data sources.

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<sup>1</sup>For more information, contact Carla Valentine at [crvalentine@nd.gov](mailto:crvalentine@nd.gov)

<sup>2</sup>Regional Economic Models, Inc. (REMI) is an independent company with offices in Amherst, MA and Washington, D.C. that provides non-partisan economic analysis and modeling software to its clients, who include federal, state, and local government agencies, non-profit organizations, universities, and private companies.

Figure 1: REMI Model Linkages (Excluding Economic Geography Linkages)



Source: REMI PI+ Model Equations 2020

### Assumptions

**Assumption 1:** The LIFT program contributed \$11.4 million in 2020 and \$2.7 million in 2021 to the investment capital spending and as a result:

- Investment spending increased due to increased LIFT funding. This increase was split proportionally between three investment spending categories: (i) the non-residential structures, (ii) non-residential equipment, and (iii) non-residential intellectual property products.

**Assumption 2:** The LIFT awardees expended \$11.4 million in 2020 and \$2.7 million in 2021 on investment expenditures and as a result:

- Investment capital spending increased by \$11.4 million in 2020 and \$2.7 million in 2021. That is the amount funded in 2020 and the remaining dollar commitment in 2021. The investment expenditure amount was split proportionally between three investment spending categories: (i) the non-residential structures, (ii) non-residential equipment, and (iii) non-residential intellectual property products.

**Assumption 3:** The LIFT awardees expended \$11.4 million in 2020 and \$2.7 million in 2021 on investment expenditures and as a result:

- The LIFT awardees met their projected direct employment after 24 months in 2021 which remained the same through 2024.

Mr. Chairman and members of the committee,

My name is Josh Teigen and I am the Director of Economic Development and Finance Division for the ND Department of Commerce. Previous to this role, I served as the Head of Investments and Innovation for Commerce where I directly oversaw the administration of the LIFT program.

I want to begin my testimony by thanking the members of this Committee and the legislature as a whole for the foresight to establish the LIFT program in the first place. You took a risk in hopes of a big return for the state, and I believe it was a well placed investment. The LIFT program is one of, if not the most impactful economic development tool that the legislature has ever deployed.

The Department of Commerce in collaboration with the Bank of North Dakota took this program from an idea to a fully functional program by starting with building a world class Committee to review the applications. We recruited private sector entrepreneurs, finance experts, venture capitalists, and even the former head of GE Capital. We build a robust application process and launched a program that has already delivered lasting impacts and returns for ND.

We recruited companies from outside the state that never would have ended up here without this program. Companies such as Access Point Technologies formerly located in Minneapolis, which is building a center for excellence campus in a small town south of West Fargo to commercialize and manufacture their cutting edge medical devices. Checkable Medical who's founder uprooted her family from Minneapolis to move to ND and launch her business here due to LIFT. Checkable Medical has since received millions in private sector funding. KSI Video who has launched a presence in Grand Forks instead of California.

In addition, we have greatly expanded existing ND businesses as well such as Bushel, founded by a Rolla, ND native. Signum IOT out of Richardton, TracFrac of Bismarck, and many others.

Not only are we helping our ND entrepreneurs, attracting new businesses to state, and creating new wealth for ND, but we are also filling an important gap in the financing continuum. The recipients that are here today can attest to that.

Some data based on the \$15 million in investment from the deployed LIFT funding is projected to increase ND GDP by \$92 million annually. Deliver \$49 million in increased employee compensation, and a \$151 million annual economic output increase. This initial investment will create nearly 750 new jobs.

As you can see, this program has profound impacts for our state and I would advocate strongly to continue to fund this momentum moving forward as one of the highest ROI tools we have at our disposal to increase the overall wealth of the state.

Thank you for your time.

January 26, 2021

Todd Steinwand, Chief Business Development Officer, BND  
Testimony on House Bill 1141  
House Appropriations Committee

Position: Support

Mr. Chairman and members of the Appropriations Committee, I am Todd Steinwand, Chief Business Development Officer for Bank of North Dakota, here today in support of HB 1141. The Innovation Loan Fund, better known as LIFT, was created last session in response to financing needs identified by the Bank of North Dakota and the Department of Commerce.

LIFT fills an identified niche in assisting companies across the financial “valley of death”. This gap in funding between development of applied research and translating it into a viable business or “commercialization” is many times a stumbling point. LIFT fills this gap and gives the state a competitive advantage.

One question asked of BND regarding LIFT is the effectiveness as a loan program. There was some concern that companies would not apply to LIFT because it utilizes a debt instrument as opposed to investment. Interestingly, the loan concept and its structure is being well received by the companies applying to LIFT. Utilizing a loan structure enables the founders to retain a greater share of their company and enables the company to draw on the funding over a period of time as opposed to taking it all at once.

A second key function of the LIFT program is assisting North Dakota in its economic diversification efforts. Everyone is familiar with the challenges of North Dakota’s strong reliance on commodities. In looking to the future of North Dakota the development and attraction of new companies is essential to the state’s economic success.

Thank you for the consideration of HB1141. I’m happy to answer any questions.



## Testimony

### House Appropriations Committee

### HOUSE BILL NO. 1141

January 26, 2021

Good morning Chairman Delzer and members of the House Appropriations Committee. My name is Joe Raso. I am the President and CEO of The Greater Fargo Moorhead Economic Development Corporation, and also an executive committee member of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

First, I'd like to thank all of you who served in the last legislative session for your leadership in creating the Legacy Innovation Fund to support Technology (LIFT) program to advance innovative technologies across our state. I've had the pleasure of serving more than 27 years in economic development and find this to be one of the most valued, beneficial and utilized programs to support the growth of regional and state economies. And its creation and utilization couldn't have come at a more opportune time.

In less than one year, we were able to partner with leading technology companies, using LIFT and local loan programs, to help them expand in, and locate to, North Dakota. Along the Red River Valley, my organization, and our partners in Grand Forks, have been able to assist fifteen businesses, some of which, I understand, you will be hearing from today.

And as exciting, due to this program and others being discussed, word has gotten out that North Dakota wants to partner with its leading technology companies and attract more to our state. At last count the Greater Fargo Moorhead EDC and Grand Forks EDCs have twelve companies we are working with to attract into the region. These companies are currently headquartered in markets such as MSP, Virginia, Missouri, California, Colorado, and in the UK and Italy. In addition to a strong business climate and targeted industry sectors that align with theirs, much of their interest was piqued by the partnership the LIFT program provides.

Thank you for your consideration of this bill, and please know that we are at the ready to continue working with you, the Department of Commerce, Bank of North Dakota and all those leading the charge to strengthen and diversify our economy.

Access Point Technologies EP Inc



## ND LEGISLATIVE SESSION TESTIMONY ON HB1141



1/25/2021

Presented by  
Sean Carroll

## ND Legislative Session Testimony on HB1141

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Access Point Technologies EP is a medical technology & device development company focused on the treatment of cardiac arrhythmias. HQ in Rogers MN since 2003, the company manufactures and sells highly specialized catheters in more than 20 countries including, Japan, Korea and the USA. We partner with world leading physicians to identify unmet device needs in their field and then develop solutions they can use to improve the care for their patients.

Our company leadership has relationships with globally recognized subject matter expert physicians who help us understand the unmet needs in their practice and share with us their ideas for novel devices to help them treat their patients. Our company leadership team are named inventors on more than 100 issued US patents and have brought many medical devices to market. We have worked in small and large companies and understand how to take a project from concept & napkin sketch through the design, prototype, testing and commercialization process. As you all know, there are significant costs associated with taking an early-stage concept into a device that is ready for the market. The most significant barrier to successful medical device development is access to the capital required to bring devices through design, development, and regulatory clearance.

We have participated in several MN based economic development programs, but we were attracted to ND by the LIFT funding program. This program helped us close a significant funding gap for testing and new technology development to move a new technology forward. This is an important gap that other programs fail to address. The LIFT program played a significant role in our decision to open a new facility in ND. We have used the LIFT funding to accelerate hiring, perform device prototyping and support testing of novel cryo systems. We are excited to expand our business in ND with the support of the commerce department programs, because of programs like LIFT and the strong level of engineering talent coming out of the ND colleges. We initially planned to lease space in existing facilities but have decided to make the commitment to purchase and build a custom facility for our Med Device R&D center in Horace ND. Let me be clear, we would not have made that commitment without the LIFT program funding.

Our new building will be the anchor for this development complex which will focus on Medical Technology Development. This is possible, in part, because the LIFT funding is specifically allocated for activities that more traditional lending sources cannot easily support, such as applied research, experimentation/testing and Intellectual Property Development. While these activities are absolutely essential to the development of new intellectual property, new technologies and new business, they are not easily supported by traditional lending sources, so investor capital has to be obtained and then allocated to these activities. The LIFT funds supplement seed investor cash which gives the banks the confidence they need to mitigate cash flow risks in the business, and thus facilitate their lending to support business expansion in ND. The LIFT funding allows the bank to leverage partnerships with us and other sources of financing as we move forward. This is critically important in the early stages of the company and technology development.

We are planning to develop our novel cryo system capabilities in our new facility in Horace with our initial focus on providing a solution to physicians who are treating Atrial Fibrillation. This disease affects 1 in 4 adults over the age of 40 and is approximately a \$4B global market. We expect this facility to be the

cornerstone of a medical device development campus where we plan to design and develop several new cryo systems and devices for other indications. Like the aerospace industry, the medical device development process requires contributions from many disciplines. Mechanical and electrical engineering as well as software and quality engineering and quality systems are all required as part of a multidiscipline team to bring these devices to clinical practice. This system will also be capable of addressing unmet clinical needs in other applications with other projects that we anticipate starting in 2021 and 2022. These additional projects will also require funding in the initial testing and development stage and we hope and expect that the environment in ND will continue to support the development of these programs as we expand our base of operations in the coming months and years.

Thank you very much for the time and opportunity to present today. We are looking forward to growing our presence in Horace and helping to bring a medical device development capability to the area that represents a significant economic diversification opportunity for ND.

Thank You

*Sean Carroll*

President, APT EP Inc







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**HB1141**

House Appropriation

January 25, 2021

Mark Hagerott, Chancellor

701.328.2963 | [mark.hagerott@ndus.edu](mailto:mark.hagerott@ndus.edu)

Chair Delzer and Committee Members: My name is Mark Hagerott, and I am the Chancellor at the North Dakota University System. Thank you for allowing me a few minutes to speak in support of the renewal of the “LIFT” Bill, HB1141. While this is not a “Higher Education” bill, it is closely related to the university system in that it promotes building the emerging advanced technology industry in our state, which will serve as future employers for our students and partners for our researchers. The NDUS is therefore supportive of HB1141 and recommends a “Do Pass”.

This concludes my testimony for HB1141, and I will stand for questions from the committee.

Thank you.



## **Testimony of Kyle Martin**

Executive Director

TechND

## **In Support of HB 1141**

January 26, 2020

Chairman Delzer and Members of the House Appropriations Committee:

My name is Kyle Martin, executive director of the Technology Council of North Dakota (TechND). I am appearing today to voice support of HB 1141.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has over 60 member organizations, with representatives from both the public and private sector.

TechND supports programs that create or encourage a favorable business climate in North Dakota for the technology sector. Access to capital is critical for technology businesses wishing to capitalize on new and emerging ideas. The Innovation Technology Loan Fund (LIFT) was created to provide a mechanism to support new and existing growth companies in North Dakota with financing for the commercialization of intellectual property. The program has been impactful, providing funding for existing companies and attracting new business to North Dakota.

Shortly after LIFT's deployment, its entire \$15 million appropriation was exhausted in eight months, demonstrating this program's popularity and success. Through the renewal of LIFT, the program can continue its course of success and carry the potential to generate new high-paying jobs to bolster our economy.

We thank you for your support of the Innovation Loan Technology Fund and hope you will support its continued funding.



**Testimony**  
**House Appropriations Committee**  
**HOUSE BILL NO. 1141**  
January 26, 2021

Good morning Chairman Delzer and members of the House Appropriations Committee. My name is Marshal Albright. I am the President and CEO of Cass County Electric Cooperative and Co-Chair of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The business executives that lead companies across the state of North Dakota that comprise the VPP desire to strengthen and diversify our economy. They feel the best means of doing so at this moment in our state's history is by investing in research and development. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to debate that seek to diversify the state's economy by investing state dollars into the research enterprise of the state.

One of those proposals is before you today – to continue a legacy innovation fund to support technology advancement. We support this investment in research and development, which has already impacted North Dakota's economy by funding many innovative companies with exciting ideas and high potential.

We also support House Bill 1380, which creates an economic diversification research grant fund to stimulate economic activity across the state through innovation of new technology, concepts, and products. Projects may be initiated by an institution under the control of the state board of higher education or by the private sector.

It's not only business leaders who support the state investing in research and development. So do the voters of ND. In a state-wide scientific poll commissioned by the VPP in 2018, we found that voters demonstrated strong support for research. Specifically, 79% of respondents agreed that the state of North Dakota should invest research dollars in new industries in addition to agriculture and energy in order to diversify the economy.

Thank you for your consideration of each of these proposals, and please know that business leaders throughout the state support funding for research and development to strengthen and diversify our economy.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO  
Cass County Electric Cooperative,  
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO  
Burian & Associates  
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region  
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO  
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President  
University of North Dakota

Tom Astrup, President & CEO  
American Crystal Sugar

Barry Batcheller, Chairman  
Appareo Systems

Dean Bresciani, President  
North Dakota State University

Dan Conrad, President & CEO  
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO  
RD Offutt Company

Mylo Einarson, President & CEO  
Nodak Electric Cooperative

Chad Flanagan, Partner  
Eide Bailly

Shawn Gaddie, Director of Infrastructure  
Management Services  
AE2S

Jim Galloway, Principal  
JLG Architects

Keith Lund, President & CEO  
Grand Forks Region EDC

William C. Marcil, Sr. Chairman  
Forum Communications Company

Pat McAdaragh, President & CEO  
Midco

Jeff Melgaard, Vice President  
Construction Engineers

Dave Molmen, CEO  
Altru Health System

Bryan Nermoe, President  
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager  
Xcel Energy

Joe Raso, President & CEO  
Greater Fargo Moorhead EDC

John Richman, President  
North Dakota State College of Science

Jim Roers, President & CEO  
Roers Construction & Development

Thomas Shorma, President & CEO  
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO  
Bell State Bank & Trust

Steve Swiontek, Executive Chair  
Gate City Bank

David White, President  
Border States Electric

Chris Wolf, North Valley Market President  
Alerus Financial



**Testimony of Jennifer Greuel**  
**Economic Development Association of North Dakota**  
**In Support of HB 1141**  
**Jan. 26, 2021**

Chair Delzer and members of the House Appropriations committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1141.

One of EDND's top legislative priorities for the past few sessions has been related to the diversification of the state's economy. North Dakota has long benefitted from energy and agriculture being the leading pillars of its economy. However, relying heavily on these industries has caused a boom and bust cycle several times over the state's history. The more the state supports investment in other industries, the more stable our economy and tax base will become.

EDND generally supports any funding for economic diversification projects. One tool to help bring new industries to the state is further investment in programs such as the Innovation Technology Loan Program (LIFT) as part of a comprehensive statewide strategy. The UAS and technology fields are quickly becoming an important piece of North Dakota's economy, and the more we can attract similar companies, the more we could potentially see companies making investments in not only eastern North Dakota, but also other parts of the state.

Thank you for the opportunity to express our support for HB 1141 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.

## Testimony in Support of HB 1141

Hello my name is Lauris Molbert and I am submitting this testimony in support of HB 1141

By way of background, I have served as a member of the initial board of the LIFT Committee. In that role, I participated in the Committee's analysis, deliberations, and decisions on applications for loans from the LIFT loan program. I believe the LIFT program should be continued as proposed by the House Bill.

Please indulge me in outlining the reasons that I respectfully believe the program should be continued.

First, the LIFT Committee was comprised of a very strong and impressive group of experienced business professionals that had the requisite skills and experience to properly allocate the important resources of the LIFT program. All agreed to be volunteers of their valuable time and talents without compensation other than an opportunity to make a difference in North Dakota. As a member of the LIFT Committee, I can vouch for the many hours of dedicated work that was required to consider and debate the many applications for the LIFT program loans.

Second, many of the applicants, who ranged from early-stage companies to more mature organizations, offered very compelling needs for the funds and offered a real opportunity to improve North Dakota's economy through innovative technology solutions that would create value and new employment opportunities in North Dakota

Third, the demand for the LIFT resources was far greater than the resources available to the Committee.

Fourth, both the Department of Commerce and the Bank of North Dakota provided tremendous value to the LIFT program including offering the necessary rigor in the application process and the post-loan processes.

As a retired CEO and also member of a venture capital firm, I know that to have or create a successful business you must have at the minimum the following ingredients: First, and maybe most importantly, a talented management team. Second, very compelling products and/or services. And, finally, access to capital and other financial resources.

In my view and experience, North Dakota's constraint for success in growing businesses in the technology innovation space is with access to capital.

With access to capital North Dakota can support local talent and businesses that are already in North Dakota . Additionally, as we learned on the Lift Committee, access to capital can also encourage management talent to return or relocate to North Dakota.

As a North Dakota native, I am very aware that the dominate economy in North Dakota is built on the foundation of the successes and challenges of agricultural and energy commodities. I believe that the LIFT program by focusing on capital access to technology innovation offers a good opportunity to diversify and strengthen the economy.

In summary, I offer this testimony in support of the HB 1141 and the continuance of the LIFT program as I believe it will make a positive difference to both economy and citizens of North Dakota

Thank you for your consideration.



**2021 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1141**

# **2021 SENATE STANDING COMMITTEE MINUTES**

## **Government and Veterans Affairs Committee Room JW216, State Capitol**

HB 1141  
3/11/2021

<b>Provide a transfer to the innovation loan fund to support technology advancement.</b>
--

**Chair Vedaa** opened the hearing at 3:37 PM with Sen Vedaa, Meyer, Elkin, K Roers, Weber, Wobbema, and Marcellais present.

### **Discussion Topics:**

- \$15 M from Legacy fund
- Out of state grants
- LIFT program
- HB 1141 impactful tool

**Rep Nathe – District 30** introduced the bill #8874

**Josh Teigen – ND Dept of Commerce** – in favor #8799

**Todd Steinwand – BND** - #8684 in favor

**Sean Carroll – via Zoom - Access Point Technologies EP** – in favor #8824

**Mark Haggerott – ND University System** – in favor

**Kyle Martin – ND Technology Council** - in favor #8789

### **Additional written testimony:**

**Bruce Gjovig – Bioscience Association of ND** - in favor - #8631

**Lauris Molbert – Fargo** – in favor - #8661

**Jennifer Greuel – Economic Development Association of ND** – in favor -#8667

**Richard Glynn – Bioscience Association of ND** - in favor - #8777

**Joe Raso – Greater Fargo Moorhead Econ Development Corporation** - in favor - #8818

**Delore Zimmerman – Valley Prosperity Partnership** -in favor - #8820

**Grace Lunski – Three Farm Daughters-Grand Forks** – in favor - #8826

**Arik Spencer – Greater North Dakota Chamber** – in favor - #8830

**Sen K Roers** moved amendment to increase to \$30 M

**Sen Elkin** seconded

**Voice Vote** was taken. Motion Passed

**Sen K Roers** moved a Do Pass as amended and refer to Approps

**Sen Meyer** seconded

**Roll Call Vote:** 7 -- YES 0 -- NO -0- ab Motion Passed

Page 2

<b>Senators</b>	<b>Vote</b>
Senator Shawn Vedaa	Y
Senator Scott Meyer	Y
Senator Jay R. Elkin	Y
Senator Richard Marcellais	Y
Senator Kristin Roers	Y
Senator Mark F. Webber	Y
Senator Michael A. Wobbema	Y

**Sen Vedaa will carry the bill.**

**Adjourned at 4:07 PM**

**Pam Dever, committee clerk**

21.0501.03001  
Title.04000

Adopted by the Senate Government and  
Veterans Affairs Committee  
March 11, 2021

OK  
3/11  
OK

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1141

Page 1, line 6, replace "\$15,000,000" with "\$30,000,000"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1141, as engrossed: Government and Veterans Affairs Committee (Sen. Vedaa, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1141 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "\$15,000,000" with "\$30,000,000"

Renumber accordingly

## Executive Summary

This report contains an economic impact analysis of the Innovation Technology Loan Fund (LIFT) on the North Dakota economy. As of August 2020, the LIFT initiative has disbursed \$14.05 million in the 2019-2020 biennium year. The North Dakota Department of Commerce utilized the **Regional Economic Model Policy Insight (REMI PI<sup>+</sup>)** to forecast the state level's economic impacts over the next five years, beginning in 2020. The economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); payroll creation (as measured by wages and salaries); and new jobs created (as measured by employment). The estimated impacts are substantial, and the findings of this analysis are outlined below.

The analysis projected that from 2020-2024, the average annual economic impacts from the increase in LIFT funding for North Dakota in a given year would be:

- An annual average increase of 748 jobs across all industries, with 698 jobs occurring in the private non-farm industries, and 60% of the 698 jobs occurring in the technology industry.
- The annual average impact on the state economy is projected to increase by \$151 million in economic output and \$92 million in the GDP.
- The annual average impact on the state employee compensation is estimated to increase by \$49 million in personal income and \$56 million in earnings by place of work.

Mr. Chairman and members of the committee,

My name is Josh Teigen and I am the Director of Economic Development and Finance Division for the ND Department of Commerce. Previous to this role, I served as the Head of Investments and Innovation for Commerce where I directly oversaw the administration of the LIFT program. Prior to that I was a private sector entrepreneur who raised significant private investment capital. I joined state government because I love this state, and I saw the opportunity to make a difference for other entrepreneurs like myself to accelerate their businesses and raise the overall wealth of the state of ND.

I want to begin my testimony by thanking the members of this Committee and the legislature as a whole for the foresight to establish the LIFT program in the first place. You took a risk in hopes of a big return for the state, and I believe it was a well-placed investment. The LIFT program is one of, if not the most impactful economic development tool that the legislature has ever deployed.

The Department of Commerce in collaboration with the Bank of North Dakota took this program from an idea to a fully functional program by starting with building a world class Committee to review the applications. We recruited private sector entrepreneurs, finance experts, venture capitalists, and even the former head of GE Capital. We build a robust application process and launched a program that has already delivered lasting impacts and returns for ND.

We recruited companies from outside the state that never would have ended up here without this program. Companies such as Access Point Technologies formerly located in Minneapolis, which is building a center for excellence campus in a small town south of West Fargo to commercialize and manufacture their cutting-edge medical devices. Checkable Medical who's founder uprooted her family from Minneapolis to move to ND and launch her business here due to LIFT. Checkable Medical has since received millions in private sector funding. KSI Video who has launched a presence in Grand Forks instead of California.

In addition, we have greatly expanded existing ND businesses as well such as Bushel, founded by a Rolla, ND native. Signum IOT out of Richardton making our pipelines smarter and safer. TracFrac of Bismarck providing valuable software for our state's energy producers. Three daughters who grew up on a farm in the Northwest corner of the state and have now brought a food product to market using ND grain and is now available in over 20 retail stores. This is just the beginning of many.

Not only are we helping our ND entrepreneurs, attracting new businesses to state, and creating new wealth for ND, but we are also filling an important gap in the financing continuum. The recipients that are here today can attest to that.

Some data based on the \$15 million in investment from the deployed LIFT funding is projected to increase ND GDP by \$92 million annually. Deliver \$49 million in increased employee compensation, and a \$151 million annual economic output increase. This initial investment will create nearly 750 new jobs.

As you can see, this program has profound impacts for our state and I would advocate strongly to continue to fund this momentum moving forward as one of the highest ROI tools we have at our disposal to increase the overall wealth of the state.

Thank you for your time.

March 11, 2021  
Testimony on House Bill 1141  
Todd Steinwand, SVP Business Development, BND  
Senate Government and Veterans Affairs Committee

Position: Support

Mr. Chairman and members of the Senate Government and Veterans Affairs Committee, I am Todd Steinwand, Chief Business Development Officer for Bank of North Dakota, here today in support of HB 1141. The Innovation Loan Fund, better known as LIFT, was created last session in response to financing needs identified by the Bank of North Dakota and the Department of Commerce.

LIFT fills an identified niche in assisting companies across the financial “valley of death”. This gap in funding between development of applied research and translating it into a viable business or “commercialization” is many times a stumbling point. LIFT fills this gap and gives the state a competitive advantage.

One question asked of BND regarding LIFT is the effectiveness as a loan program. There was some concern that companies would not apply to LIFT because it utilizes a debt instrument as opposed to investment. Interestingly, the loan concept and its structure is being well received by the companies applying to LIFT. Utilizing a loan structure enables the founders to retain a greater share of their company and enables the company to draw on the funding over a period of time as opposed to taking it all at once.

A second key function of the LIFT program is assisting North Dakota in its economic diversification efforts. Everyone is familiar with the challenges of North Dakota’s strong reliance on commodities. In looking to the future of North Dakota the development and attraction of new companies is essential to the state’s economic success.

Thank you for the consideration of HB1141. I’m happy to answer any questions.



Access Point Technologies EP Inc



## ND LEGISLATIVE SESSION TESTIMONY ON HB1141



3/11/2021

Presented by  
Sean Carroll

## ND Legislative Session Testimony on HB1141

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Access Point Technologies EP is a medical technology & device development company focused on the treatment of cardiac arrhythmias. HQ in Rogers MN since 2003, the company manufactures and sells highly specialized catheters in more than 20 countries including, Japan, Korea and the USA. We partner with world leading physicians to identify unmet device needs in their field and then develop solutions they can use to improve the care for their patients.

Our company leadership has relationships with globally recognized subject matter expert physicians who help us understand the unmet needs in their practice and share with us their ideas for novel devices to help them treat their patients. Our company leadership team are named inventors on more than 100 issued US patents and have brought many medical devices to market. We have worked in small and large companies and understand how to take a project from concept & napkin sketch through the design, prototype, testing and commercialization process. As you all know, there are significant costs associated with taking an early-stage concept into a device that is ready for the market. The most significant barrier to successful medical device development is access to the capital required to bring devices through design, development, and regulatory clearance.

We have participated in several MN based economic development programs, but we were attracted to ND by the LIFT funding program. This program helped us close a significant funding gap for testing and new technology development to move a new technology forward. This is an important gap that other programs fail to address. The LIFT program played a significant role in our decision to open a new facility in ND. We have used the LIFT funding to accelerate hiring, perform device prototyping and support testing of novel cryo systems. We are excited to expand our business in ND with the support of the commerce department programs, because of programs like LIFT and the strong level of engineering talent coming out of the ND colleges. We initially planned to lease space in existing facilities but have decided to make the commitment to purchase and build a custom facility for our Med Device R&D center in Horace ND. Let me be clear, we would not have made that commitment without the LIFT program funding.

Our new building will be the anchor for this development complex which will focus on Medical Technology Development. This is possible, in part, because the LIFT funding is specifically allocated for activities that more traditional lending sources cannot easily support, such as applied research, experimentation/testing and Intellectual Property Development. While these activities are absolutely essential to the development of new intellectual property, new technologies and new business, they are not easily supported by traditional lending sources, so investor capital has to be obtained and then allocated to these activities. The LIFT funds supplement seed investor cash which gives the banks the confidence they need to mitigate cash flow risks in the business, and thus facilitate their lending to support business expansion in ND. The LIFT funding allows the bank to leverage partnerships with us and other sources of financing as we move forward. This is critically important in the early stages of the company and technology development.

We are planning to develop our novel cryo system capabilities in our new facility in Horace with our initial focus on providing a solution to physicians who are treating Atrial Fibrillation. This disease affects 1 in 4 adults over the age of 40 and is approximately a \$4B global market. We expect this facility to be the

cornerstone of a medical device development campus where we plan to design and develop several new cryo systems and devices for other indications. Like the aerospace industry, the medical device development process requires contributions from many disciplines. Mechanical and electrical engineering as well as software and quality engineering and quality systems are all required as part of a multidiscipline team to bring these devices to clinical practice. This system will also be capable of addressing unmet clinical needs in other applications with other projects that we anticipate starting in 2021 and 2022. These additional projects will also require funding in the initial testing and development stage and we hope and expect that the environment in ND will continue to support the development of these programs as we expand our base of operations in the coming months and years.

Thank you very much for the time and opportunity to present today. We are looking forward to growing our presence in Horace and helping to bring a medical device development capability to the area that represents a significant economic diversification opportunity for ND.

Thank You

*Sean Carroll*

President, APT EP Inc





#8789

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## **Testimony of Kyle Martin**

Executive Director

TechND

## **In Support of HB 1141**

March 11, 2021

Chairman Vedaa and Members of the Senate Government and Veterans Affairs Committee:

My name is Kyle Martin, executive director of the Technology Council of North Dakota (TechND). I am here today to voice support of SB 2333.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has over 60 member organizations, with representatives from both the public and private sector.

TechND supports programs that create or encourage a favorable business climate in North Dakota for the technology sector. Access to capital is critical for technology businesses wishing to capitalize on new and emerging ideas. The Innovation Technology Loan Fund (LIFT) was created to provide a mechanism to support new and existing growth companies in North Dakota with financing for the commercialization of intellectual property. The program has been impactful, providing funding for existing companies and attracting new business to North Dakota.

Shortly after LIFT's deployment, its entire \$15 million appropriation was exhausted in eight months, demonstrating this program's popularity and success. Through the renewal of LIFT, the program can continue its course of success and carry the potential to generate new high-paying jobs to bolster our economy. TechND's is confident the program will spark further innovation in North Dakota, attract new businesses to our region and strengthen the technology workforce.

Thank you for the opportunity to express our support for HB 141 and for your commitment to supporting North Dakota's technology industry.

## For HB 1141 LIFT funding bill

### Chairman Veeda and members of the Senate Government and Veteran Affairs Committee:

**From: Bruce Gjovig, Grand Forks** – Chair of Bioscience Association of North Dakota (BioND), Strategic Advisor for Grand Sky, Strategic Advisor for Grand Forks Chamber, & CEO Emeritus of UND Center for Innovation Foundation [Bruce@Gjovig.net](mailto:Bruce@Gjovig.net) [701-739-3132](tel:701-739-3132)

The **Innovation Technology Loan Fund**, better known as **LIFT**, is a \$15 million gap fund created by the 2019 legislature in response to “funding gaps” with innovation-based companies – a funding gap identified by the Bank of North Dakota and the Commerce Department.

All \$15 M was invested in about 20 companies in 8 months of 2020. There were \$60 M in funding applications indicating the strong demand for this kind of gap financing. *Thus, LIFT funding this biennium should be increased to at least \$30 M... if not \$45 M ...to meet demand and potential impact.*

It is essential that North Dakota **diversify its economy** with **innovation-based** and **technology-based growth companies**. We remain too dependent on ag and energy commodities. LIFT provides critical, flexible gap financing necessary between applied research and the early commercialization stages. LIFT fills this funding gap and provides a **competitive advantage** to our state – a magnet to attract entrepreneurs.

The **innovation companies** in the LIFT portfolio I know from **out-of-state** (Mobile Recon, Krampade, Checkable Medical) would never be in North Dakota without this gap financing for growth. Other states do not offer gap financing like this. Mobile Recon was interested in North Dakota but heading to Oklahoma until they discovered this funding program. Oklahoma said “OK, we *cannot* compete with that.” LIFT attracted entrepreneurs in the bioscience and UAS sectors which we need.

**Innovative entrepreneurs from North Dakota** in the LIFT portfolio I know (Airtonomy, HubEdge, Three Farm Daughters) were stymied trying to raise early-stage equity for growth. The LIFT program – with flexible gap financing – was able to provide essential growth capital while helping them preserve owner equity. These entrepreneurs are in the artificial intelligence, UAS and value-added ag sectors. These entrepreneurs kept control of their venture, and are not at the whim of equity investors from out of state.

The **LIFT Committee** is a huge asset. The committee is made up of a top-performing venture capitalist (Bart Holaday), accountant to entrepreneurs (Randy Schneider), equity investor (Lauris Molbert) and experienced entrepreneur coach and angel fund manager (Tommy Kenville). The LIFT committee in conjunction with Commerce Staff is responsible for application reviews, due diligence, and term negotiations that fund growth entrepreneurs in the innovation and technology sectors.

Thank you for your favorable consideration and support of HB 1141, and to increase the fund size to \$30 to \$45 M.

## Testimony in Support of HB 1141

Hello my name is Lauris Molbert and I am submitting this testimony in support of HB 1141

By way of background, I have served as a member of the initial board of the LIFT Committee. In that role, I participated in the Committee's analysis, deliberations, and decisions on applications for loans from the LIFT loan program. I believe the LIFT program should be continued as proposed by the House Bill.

Please indulge me in outlining the reasons that I respectfully believe the program should be continued.

First, the LIFT Committee was comprised of a very strong and impressive group of experienced business professionals that had the requisite skills and experience to properly allocate the important resources of the LIFT program. All agreed to be volunteers of their valuable time and talents without compensation other than an opportunity to make a difference in North Dakota. As a member of the LIFT Committee, I can vouch for the many hours of dedicated work that was required to consider and debate the many applications for the LIFT program loans.

Second, many of the applicants, who ranged from early-stage companies to more mature organizations, offered very compelling needs for the funds and offered a real opportunity to improve North Dakota's economy through innovative technology solutions that would create value and new employment opportunities in North Dakota

Third, the demand for the LIFT resources was far greater than the resources available to the Committee.

Fourth, both the Department of Commerce and the Bank of North Dakota provided tremendous value to the LIFT program including offering the necessary rigor in the application process and the post-loan processes.

As a retired CEO and also member of a venture capital firm, I know that to have or create a successful business you must have at the minimum the following ingredients: First, and maybe most importantly, a talented management team. Second, very compelling products and/or services. And, finally, access to capital and other financial resources.



In my view and experience, North Dakota's constraint for success in growing businesses in the technology innovation space is with access to capital.

With access to capital North Dakota can support local talent and businesses that are already in North Dakota . Additionally, as we learned on the Lift Committee, access to capital can also encourage management talent to return or relocate to North Dakota.

As a North Dakota native, I am very aware that the dominate economy in North Dakota is built on the foundation of the successes and challenges of agricultural and energy commodities. I believe that the LIFT program by focusing on capital access to technology innovation offers a good opportunity to diversify and strengthen the economy.

In summary, I offer this testimony in support of the HB 1141 and the continuance of the LIFT program as I believe it will make a positive difference to both economy and citizens of North Dakota

Thank you for your consideration.



**Testimony of Jennifer Greuel**  
**Economic Development Association of North Dakota**  
**In Support of HB 1141**  
**March 11, 2021**

Chair Vedaa and members of the Senate Government and Veterans Affairs Committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1141.

One of EDND's top legislative priorities for the past few sessions has been related to the diversification of the state's economy. North Dakota has long benefitted from energy and agriculture being the leading pillars of its economy. However, relying heavily on these industries has caused a boom and bust cycle several times over the state's history. The more the state supports investment in other industries, the more stable our economy and tax base will become.

EDND generally supports any funding for economic diversification projects. One tool to help bring new industries to the state is further investment in programs such as the Innovation Technology Loan Program (LIFT) as part of a comprehensive statewide strategy. The UAS and technology fields are quickly becoming an important piece of North Dakota's economy, and the more we can attract similar companies, the more we could potentially see companies making investments in not only eastern North Dakota, but also other parts of the state.

Thank you for the opportunity to express our support for HB 1141 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.



**Bioscience Association of North Dakota**  
**4200 James Ray Drive**  
**Suite 500 #503**  
**Grand Forks ND**  
**Ph: 701-738-2431**  
[richard@ndbio.com](mailto:richard@ndbio.com)

March 10, 2021

**Position: The Bioscience Association of North Dakota supports  
North Dakota HB 1141 – LIFT FUNDING BILL**

**TESTIMONY OF: Richard Glynn, Executive Director of the Bioscience Association of North Dakota (BioND)**

The Innovation Technology Loan Fund, or LIFT, is a \$15 million gap fund created by the 2019 legislature in response to “funding gaps” with innovation-based companies.

\$15 M was invested in 20 companies in 8 months of 2020 and there were \$60 M in funding requests demonstrating the strong demand for gap financing. LIFT funding should be increased to \$30 to \$45 M to meet demand and potential impact.

BioND is dedicated to expanding the boundaries of bioscience to commercialize, grow and sustain globally competitive bio-science companies, creating high-quality jobs and economic opportunity in North Dakota. Bioscience companies are a great way to diversify and grow the state’s economy. Our mission is to bring forward the entrepreneurial culture into bioscience, biotechnology research and business development in agriculture, life and energy science fields (feed, fuel and heal the world), while concurrently growing economic opportunities in North Dakota.

To fulfill this mission, BioND reaches out to bio-entrepreneurs who may have a desire to relocate to North Dakota for various business and social reasons. One of the biggest reasons that they wish to relocate here is because they originally lived here or received their higher educational degree from here and they missed the quality of life that they enjoyed in North Dakota. A person would be surprised how many people wish to return to North Dakota and bring their now successful businesses with them. After “certain happenings” in other States, a lot of people want to return to the peace, safety and security of North Dakota, not to mention the State’s friendly business climate, low taxes and skilled workforce. But there is a clear need to obtain gap funding in order to make this happen. It is costly to “pick up” and move a whole company from one State to another State, and LIFT funding supplies them with the capital to make that move.

I am personally familiar with three of the companies that received funding through LIFT. They are Access Points, Krampade, and Checkable Medical. Two of the companies, Access Points and Checkable Medical, came from the Twin Cities area and Krampade was originally started in Lincoln, NE. These are good solid companies, and it was through the use of LIFT that we were able to provide the gap financing that enabled them to make this move. About one-third of the LIFT portfolio are



related to bioscience. There is a good pipeline of bioscience companies in the queue for LIFT funding for 2021-23.

LIFT fills this funding gap and provides a competitive advantage to our state – a magnet to attract entrepreneurs.

But LIFT is not only for companies wanting to move from their present location to North Dakota, but also to give entrepreneurs in North Dakota early-stage financing for growth. The LIFT program – with flexible gap financing – can provide essential growth capital while helping to preserve owner equity. These innovative entrepreneurs are then able to keep control of their venture and are not under the control of equity investors from out of state.

The Bioscience Industry is a very competitive industry. If North Dakota wishes to expand this industry in this State, it needs programs such as LIFT in order to offer the help and incentives to have businesses not only move from other locations to North Dakota but to promote innovative entrepreneurs in North Dakota with essential growth capital.

Thank you for your favorable consideration and support of HB 1141, and to increase the fund size to \$30 to \$45 M.

## Testimony

### Senate Government and Veterans Affairs

#### BILL NO. 1141

March 11, 2021

Good afternoon Chairman Veda and members of the Committee. My name is Joe Raso. I am the President and CEO of The Greater Fargo Moorhead Economic Development Corporation, and also an executive committee member of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

First, I'd like to thank all of you who served in the last legislative session for your leadership in creating the Legacy Innovation Fund to support Technology (LIFT) program to advance innovative technologies across our state. I've had the pleasure of serving more than 27 years in economic development and find this to be one of the most valued, beneficial, and utilized programs to support the growth of regional and state economies. And its creation and utilization couldn't have come at a more opportune time.

In less than one year, we were able to partner with leading technology companies, using LIFT and local loan programs, to help them expand in, and locate to, North Dakota. Along the Red River Valley, my organization, and our partners in Grand Forks, have been able to assist fifteen businesses.

And as exciting, due to this program and others being discussed, word has gotten out that North Dakota wants to partner with its leading technology companies and attract more to our state. At last count the Greater Fargo Moorhead EDC and Grand Forks EDCs have twelve companies we are working with to attract into the region. These companies are currently headquartered in markets such as MSP, Virginia, Missouri, California, Colorado, and in the UK and Italy. In addition to a strong business climate and targeted industry sectors that align with theirs, much of their interest was piqued by the partnership the LIFT program provides.

Given the response, in less than one year, of being able to allocate \$15 million to innovative and growing companies; coupled with the pipeline of companies interested in the future of the LIFT program; we believe a considerable increase in allocation to this program is a prudent step for the legislature to take. We know that the House approved an investment of \$15 million, but based on past results and current interest, we would respectfully suggest your consideration of an amount between \$40-\$50 million. We realize this is a significant investment but believe the ROI will be substantial.

As an example, my organization manages a loan fund for Cass County that began in 1995 with a \$7 million investment from Cass County, Fargo and West Fargo. Over the past 25 years, we have been able to support 250 projects, which have created 6,000 jobs and witnessed capital investments of more than \$500 million. We believe the future of the LIFT program can follow this same trajectory.

Thank you for your consideration of this bill, and please know that we are at the ready to continue working with you, the Department of Commerce, Bank of North Dakota and all those leading the charge to strengthen and diversify our economy.

**Testimony**  
**Government and Veterans Affairs Committee**  
**HOUSE BILL NO. 1141**  
March 11, 2021

Chairman Vedaa and members of the Senate Government and Veterans Affairs Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

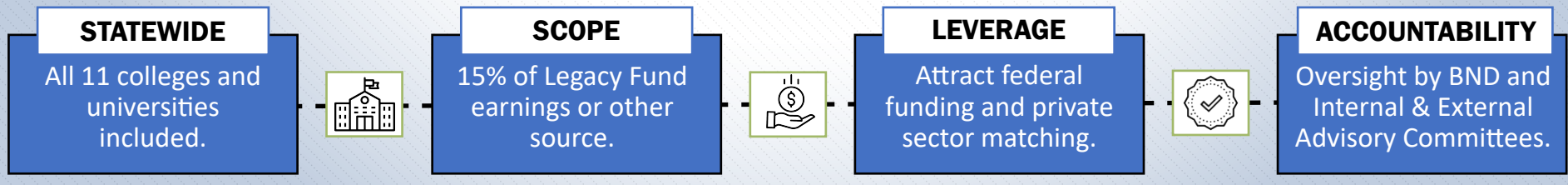
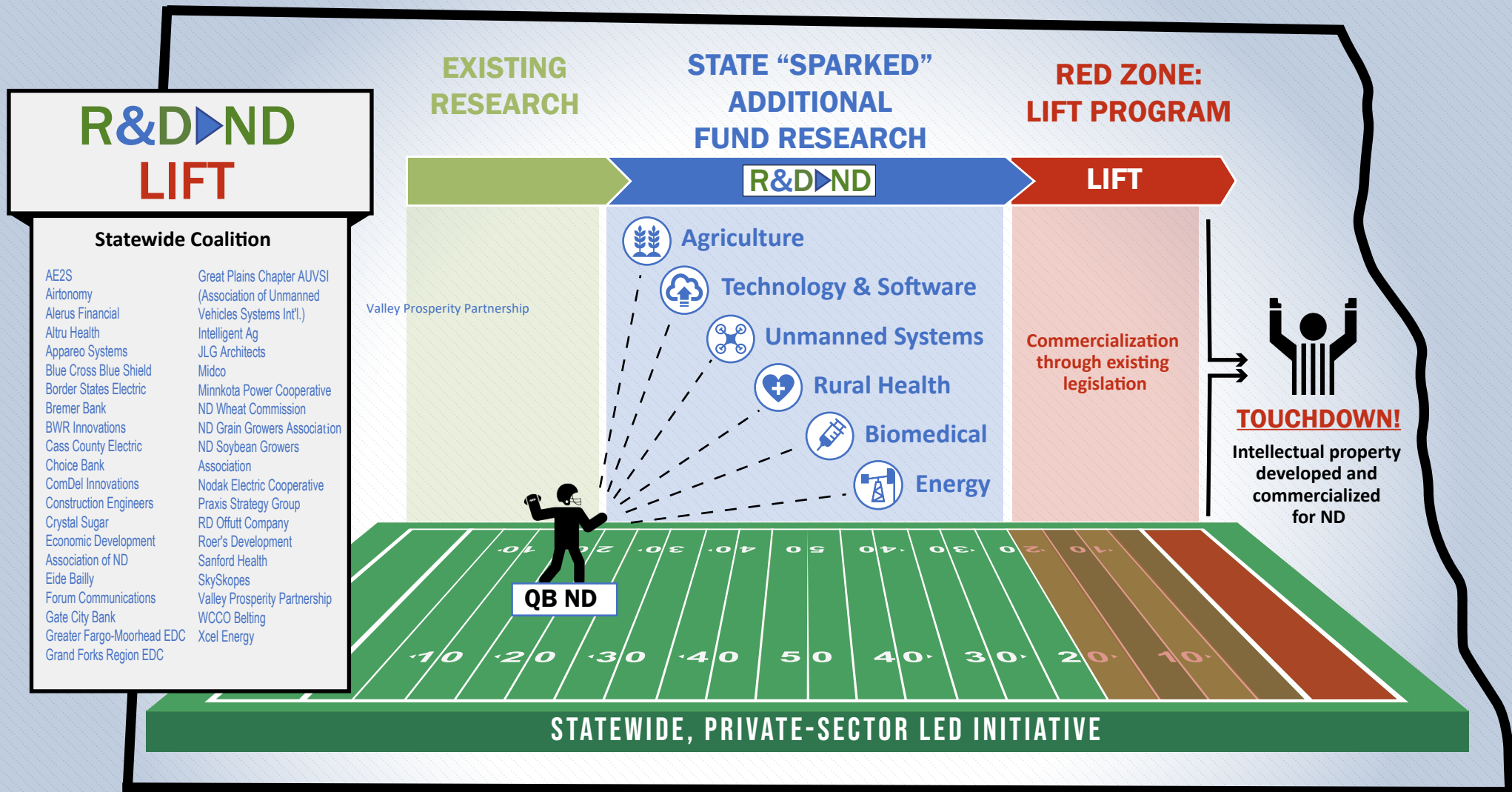
The business executives that lead companies across the state of North Dakota that comprise the VPP desire to strengthen and diversify our economy. They feel the best means of doing so at this moment in our state's history is by investing in research and development. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have several proposals to debate that seek to diversify the state's economy by investing state dollars into the research and development enterprise of the state and into entrepreneurial companies in emerging, technology-driven industries.

One of those proposals is before you today – to continue a legacy innovation fund to support technology advancement. We support this investment in research and development, which has already impacted North Dakota's economy by funding many innovative companies with exciting ideas and high potential.

It's not only business leaders who support the state investing in research and development. So do the voters of ND. In a state-wide scientific poll commissioned by the VPP in 2018, we found that voters demonstrated strong support for research. Specifically, 79% of respondents agreed that the state of North Dakota should invest research dollars in new industries in addition to agriculture and energy in order to diversify the economy.

Thank you for your consideration of HB 1141, and please know that business leaders throughout the state support funding for research and development to strengthen and diversify our economy. As the attached infographic shows, there is considerable support from a coalition of businesses and industry groups for LIFT, which is an important part of the innovation ecosystem in North Dakota.

# STRENGTHENING AND DIVERSIFYING NORTH DAKOTA'S ECONOMY BY INVESTING IN **RESEARCH AND DEVELOPMENT**





Since receiving our LIFT funds we are excited to share that we have officially launched 4 products for sale, 3 pasta shapes (Linguine, Fettuccine and Fusilli) and our 100% Wheat Flour! Our products are for sale on our Three Farm Daughters' website ([threefarmdaughters.com](http://threefarmdaughters.com)), Amazon and can be found at 7 Hugo's locations (Grand Forks, East Grand Forks, Grafton & Crookston), 8 Hornbacher's locations (Fargo, West Fargo, Moorhead), 11 Kowalski's locations (Minneapolis, MN), Palubicki's (Fosston), Lueken's (Bemidji) as well as Northern Roots Boutique (Grand Forks), Geneva Good Finds (Grand Forks), and Birdies Mercantile (Fisher, MN).

A very special part to our pasta is that the GoodWheat semolina we used to make the pasta with was actually milled at the North Dakota State Mill! Additionally, we have been able to utilize three ND logistics companies, a ND food grade warehousing facility, collaborating with a Grand Forks local, Chef Heather Schneider of Joyful Foods, exclusively available on at the Grand Forks' Toasted Frog's menu, as well as working with many other ND companies!

Throughout this process, we have truly felt blessed by our community & state. Whether it be for the funds award from LIFT, the State Mill's willingness to work with us, retailer's acceptance, consumer's feedback or the overall community support provided, we believe we would not be to the point of selling products in the marketplace today had it not been for the help of our state and ND communities.

Greater North Dakota Chamber  
HB 1141  
Senate Government and Veterans Affairs Committee  
March 11, 2021

#8830

Chairman Vedaa, Members of the Senate Government and Veterans Affairs Committee:

For the record, I am Arik Spencer, President and CEO of the Greater North Dakota Chamber (GNDC). GNDC is North Dakota's largest statewide business advocacy organization. We are affiliated with the US Chamber of Commerce and the National Association of Manufacturers. **We are writing in support of House Bill 1141 and urge a do-pass recommendation.**

As North Dakota seeks to continue to strengthen our core industries, GNDC also supports efforts, initiatives, and programs that place emphasis on diversifying the state's GDP. Diversification prompts consistency because of the stabilization to the economy and tax base and in doing so, offers protection from sector reliance and the potential for boom-bust scenarios that North Dakota has seen in the past. Continued investment in the Innovation Technology Loan Program (LIFT) is key to this effort, it assists in attracting businesses, provides gap funding, assists entrepreneurs, and further creates wealth and economic opportunity.

The return on investment of this program demonstrates the impact. The investment of \$15 million has resulted in 748 new jobs with the projection of \$92 million to the state's gross domestic product and \$151 million in economic output. This fund presents opportunities not only to our state but to our businesses and workforce. This is not just a loan program but an economic development tool.

Thank you for the opportunity to express our support for HB 1141. GNDC appreciates your continued commitment to protect and improve North Dakota's business climate through strategic investments in economic development.

Thank you -

**ARIK SPENCER**  
**GNDC PRESIDENT & CEO**

**2021 SENATE APPROPRIATIONS**

**HB 1141**

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1141  
4/1/2021  
Senate Appropriations Committee

A BILL for an Act to provide a transfer to the innovation loan fund to support technology advancement.
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**Senator Holmberg** opened the hearing at 11:04 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

**Discussion Topics:**

- Sunset clause
- Funding sources for the project
- LIFT program

**Representative Mike Nathe, District 30, Bill Sponsor** – introduced the bill and submitted testimony #11286.

**Josh Teigen, Director of Economic Development and Finance, Dept. of Commerce** – testified in favor and submitted testimony #11287.

**Todd Steinwand, CFO, Bank of North Dakota** – testified in favor.

**Additional written testimony:** #11151, #11191, #11192,

**Senator Holmberg** closed the hearing at 11:30 AM.

*Rose Laning, Committee Clerk*

## Executive Summary

This report contains an economic impact analysis of the Innovation Technology Loan Fund (LIFT) on the North Dakota economy. As of August 2020, the LIFT initiative has disbursed \$14.05 million in the 2019-2020 biennium year. The North Dakota Department of Commerce utilized the Regional Economic Model Policy Insight (REMI PI\*) to forecast the state level's economic impacts over the next five years, beginning in 2020. The economic impacts include increases in the state economy size (as measured by the state gross domestic product (GDP) and output); payroll creation (as measured by wages and salaries); and new jobs created (as measured by employment). The estimated impacts are substantial, and the findings of this analysis are outlined below.

The analysis projected that from 2020-2024, the average annual economic impacts from the increase in LIFT funding for North Dakota in a given year would be:

- An annual average increase of 748 jobs across all industries, with 698 jobs occurring in the private non-farm industries, and 60% of the 698 jobs occurring in the technology industry.
- The annual average impact on the state economy is projected to increase by \$151 million in economic output and \$92 million in the GDP.
- The annual average impact on the state employee compensation is estimated to increase by \$49 million in personal income and \$56 million in earnings by place of work.

Mr. Chairman and members of the committee,

My name is Josh Teigen and I am the Director of Economic Development and Finance Division for the ND Department of Commerce. Previous to this role, I served as the Head of Investments and Innovation for Commerce where I directly oversaw the administration of the LIFT program. Prior to that I was a private sector entrepreneur who raised significant private investment capital. I joined state government because I love this state, and I saw the opportunity to make a difference for other entrepreneurs like myself to accelerate their businesses and raise the overall wealth of the state of ND.

I want to begin my testimony by thanking the members of this Committee and the legislature as a whole for the foresight to establish the LIFT program in the first place. You took a risk in hopes of a big return for the state, and I believe it was a well-placed investment. The LIFT program is one of, if not the most impactful economic development tool that the legislature has ever deployed.

The Department of Commerce in collaboration with the Bank of North Dakota took this program from an idea to a fully functional program by starting with building a world class Committee to review the applications. We recruited private sector entrepreneurs, finance experts, venture capitalists, and even the former head of GE Capital. We built a robust application process and launched a program that has already delivered lasting impacts and returns for ND.

We recruited companies from outside the state that never would have ended up here without this program. Companies such as Access Point Technologies formerly located in Minneapolis, which is building a center for excellence campus in a small town south of West Fargo to commercialize and manufacture their cutting-edge medical devices. Checkable Medical who's founder uprooted her family from Minneapolis to move to ND and launch her business here due to LIFT. Checkable Medical has since received millions in private sector funding. KSI Video who has launched a presence in Grand Forks instead of California.

In addition, we have greatly expanded existing ND businesses as well such as Bushel, founded by a Rolla, ND native. Signum IOT out of Richardton making our pipelines smarter and safer. TracFrac of Bismarck providing valuable software for our state's energy producers. Three daughters who grew up on a farm in the Northwest corner of the state and have now brought a food product to market using ND grain and is now available in over 20 retail stores. This is just the beginning of many.

Not only are we helping our ND entrepreneurs, attracting new businesses to state, and creating new wealth for ND, but we are also filling an important gap in the financing continuum. The recipients that are here today can attest to that.

Some data based on the \$15 million in investment from the deployed LIFT funding is projected to increase ND GDP by \$92 million annually. Deliver \$49 million in increased employee compensation, and a \$151 million annual economic output increase. This initial investment will create nearly 750 new jobs.

As you can see, this program has profound impacts for our state and I would advocate strongly to continue to fund this momentum moving forward as one of the highest ROI tools we have at our disposal to increase the overall wealth of the state.

Thank you for your time.



**Testimony**  
**Senate Appropriations Committee**  
**HOUSE BILL NO. 1141**  
March 31, 2021

Chairman Holmberg and members of the Senate Appropriations Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The business executives that lead companies across the state of North Dakota that comprise the VPP desire to strengthen and diversify our economy. They feel the best means of doing so at this moment in our state's history is by investing in research and development. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have several proposals to debate that seek to diversify the state's economy by investing state dollars into the research and development enterprise of the state and into entrepreneurial companies in emerging, technology-driven industries.

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Thank you for your consideration of HB 1141, and please know that business leaders throughout the state support funding for research and development to strengthen and diversify our economy. As the attached infographic shows, there is considerable support from a coalition of businesses and industry groups for LIFT, which is an important part of the innovation ecosystem in North Dakota.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO  
Cass County Electric Cooperative,  
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO  
Burian & Associates  
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region  
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO  
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President  
University of North Dakota

Tom Astrup, President & CEO  
American Crystal Sugar

Barry Batcheller, Chairman  
Appareo Systems

Dean Bresciani, President  
North Dakota State University

Dan Conrad, President & CEO  
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO  
RD Offutt Company

Mylo Einarson, President & CEO  
Nodak Electric Cooperative

Chad Flanagan, Partner  
Eide Bailly

Shawn Gaddie, Director of Infrastructure  
Management Services  
AE2S

Jim Galloway, Principal  
JLG Architects

Keith Lund, President & CEO  
Grand Forks Region EDC

William C. Marcil, Sr. Chairman  
Forum Communications Company

Pat McAdaragh, President & CEO  
Midco

Jeff Melgaard, Vice President  
Construction Engineers

Dave Molmen, CEO  
Altru Health System

Bryan Nermoe, President  
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager  
Xcel Energy

Joe Raso, President & CEO  
Greater Fargo Moorhead EDC

John Richman, President  
North Dakota State College of Science

Jim Roers, President & CEO  
Roers Construction & Development

Thomas Shorma, President & CEO  
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO  
Bell State Bank & Trust

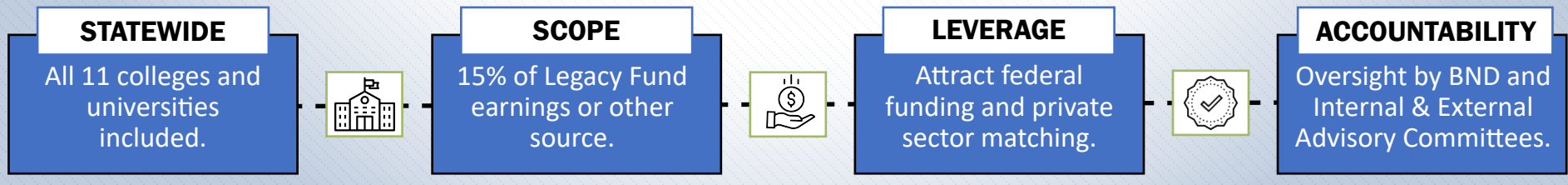
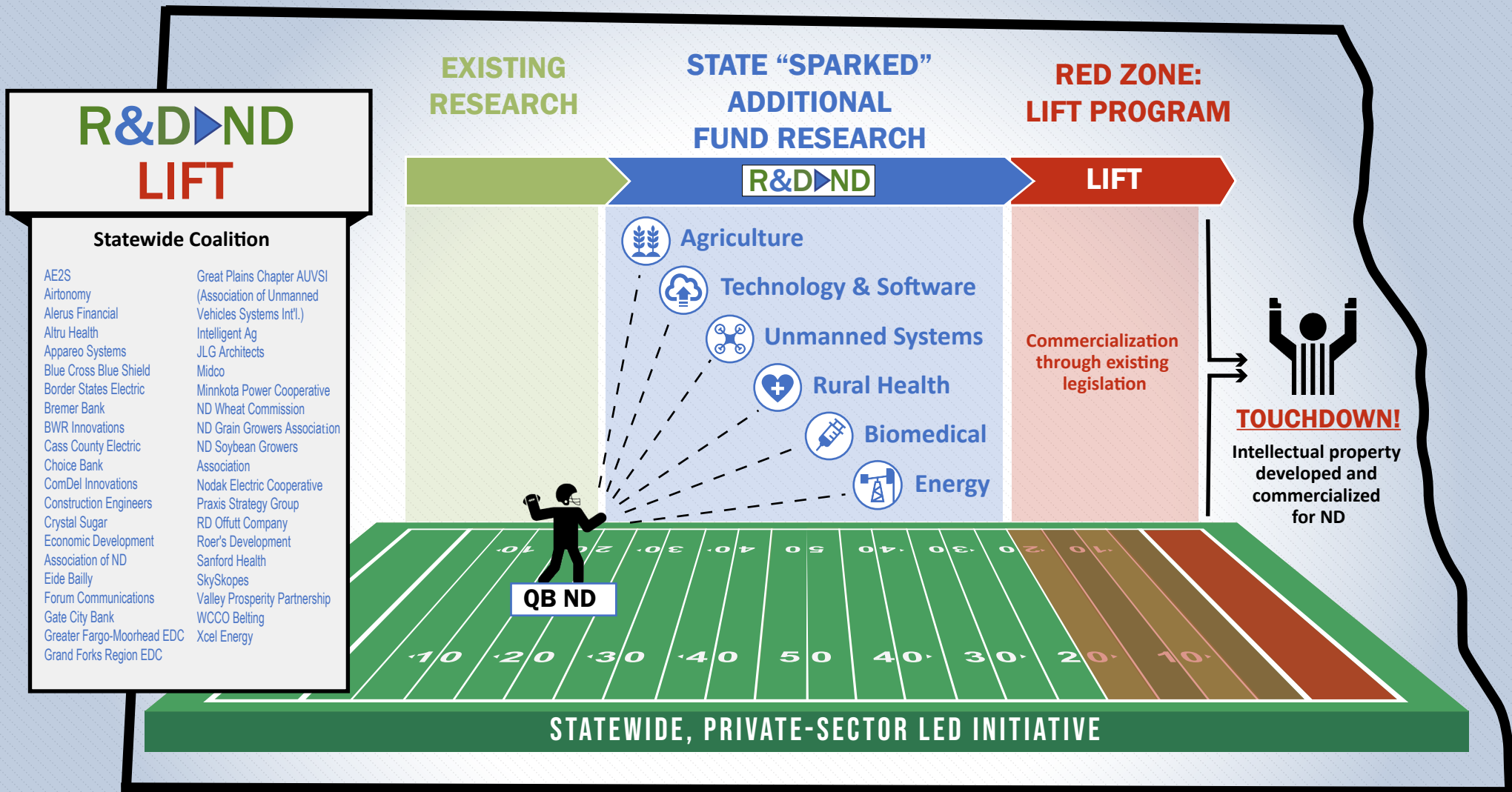
Steve Swiontek, Executive Chair  
Gate City Bank

David White, President  
Border States Electric

Chris Wolf, North Valley Market President  
Alerus Financial



# STRENGTHENING AND DIVERSIFYING NORTH DAKOTA'S ECONOMY BY INVESTING IN **RESEARCH AND DEVELOPMENT**





**Testimony of Jennifer Greuel**  
**Economic Development Association of North Dakota**  
**In Support of HB 1141**  
**March 31, 2021**

Chair Holmberg and members of the Senate Appropriations Committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1141.

One of EDND's top legislative priorities for the past few sessions has been related to the diversification of the state's economy. North Dakota has long benefitted from energy and agriculture being the leading pillars of its economy. However, relying heavily on these industries has caused a boom and bust cycle several times over the state's history. The more the state supports investment in other industries, the more stable our economy and tax base will become.

EDND generally supports any funding for economic diversification projects. One tool to help bring new industries to the state is further investment in programs such as the Innovation Technology Loan Program (LIFT) as part of a comprehensive statewide strategy. The UAS and technology fields are quickly becoming an important piece of North Dakota's economy, and the more we can attract similar companies, the more we could potentially see companies making investments in not only eastern North Dakota, but also other parts of the state.

Thank you for the opportunity to express our support for HB 1141 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.



# 11192

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Bismarck, ND 58502  
701.355.4458  
office@technd.org  
www.technd.org

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## **Testimony of Kyle Martin**

Executive Director

TechND

## **In Support of HB 1141**

March 11, 2021

Chairman Holmberg and Members of the Senate Appropriations Committee:

My name is Kyle Martin, executive director of the Technology Council of North Dakota (TechND). I am appearing today to voice support of HB 1380.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has over 60 member organizations, with representatives from both the public and private sector.

TechND supports programs that create or encourage a favorable business climate in North Dakota for the technology sector. Access to capital is critical for technology businesses wishing to capitalize on new and emerging ideas. The Innovation Technology Loan Fund (LIFT) was created to provide a mechanism to support new and existing growth companies in North Dakota with financing for the commercialization of intellectual property. The program has been impactful, providing funding for existing companies and attracting new business to North Dakota.

Shortly after LIFT's deployment, its entire \$15 million appropriation was exhausted in eight months, demonstrating this program's popularity and success. Through the renewal of LIFT, the program can continue its course of success and carry the potential to generate new high-paying jobs to bolster our economy. TechND's is confident the program will spark further innovation in North Dakota, attract new businesses to our region and strengthen the technology workforce.

Thank you for the opportunity to express our support for HB 141 and for your commitment to supporting North Dakota's technology industry.

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1141

4/5/2021

Senate Appropriations Committee

A BILL for an Act to provide a transfer to the innovation loan fund to support technology advancement.

**Senator Holmberg** opened the committee work at 8:16 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

### Discussion Topics:

- Funding change rationale

**Senator Davison** moved to change the amount of funding from \$30M down to \$15M; #11362.

**Senator Dever** second.

Senators		Senators	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll call vote 14-0-0. Motion passed.

**Senator Davison** moved Do Pass as Amended on HB 1141.

**Senator Bekkedahl** second.

Senators		Senators	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll call vote 14-0-0. Motion passed.

**Senator Holmberg** closed the committee work at 8:20 AM.

*Rose Laning, Committee Clerk*

1801  
416

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1141

In lieu of the amendments adopted by the Senate as printed on page 856 of the Senate Journal, Engrossed House Bill No. 1141 is amended as follows:

Page 1, line 8, after "loans" insert a comma

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment decreases the transfer from the strategic investment and improvements fund to the innovation loan fund to support technology advancement by \$15 million from the previous amendment adopted by the Senate, from \$30 million to \$15 million, which is the same as the House version.

**REPORT OF STANDING COMMITTEE**

**HB 1141, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1141, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on page 856 of the Senate Journal, Engrossed House Bill No. 1141 is amended as follows:

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Renumber accordingly

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21.0501.03002  
Title.

Prepared by the Legislative Council staff for  
Senate Appropriations Committee  
April 5, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1141

In lieu of the amendments adopted by the Senate as printed on page 856 of the Senate Journal, Engrossed House Bill No. 1141 is amended as follows:

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