**Legacy Fund Earnings Committee**

**November 12, 2019**

**Testimony of Lutheran Social Services of North Dakota**

**Presented by Dan Hannaher, Director of Public Policy and Advocacy**

Lutheran Social Services is honored to have the opportunity to present five ideas that we believe would help strengthen the well-being of families and communities across the state of North Dakota, all of which embrace a broad view of community infrastructure – of what it takes to create successful people and places across our state.

**Healthy Families and Great Beginnings**. Children thrive when both their in-home and out-of-home environments are healthy, safe and supportive. What better Legacy investment can we make than to help ensure that kids get off to the best start possible by helping both parents and professional childcare providers access the resources they need to support great beginnings for our kids. A comprehensive early care and education initiative would further the state’s goal of building strong communities that are able to support healthy families and a productive workforce.

An early care and education initiative could include a wide range of components that address the intersection of well-being, family support and learning.

Focusing on the needs of young families, the state could make voluntary home visiting services available to any parent/family that would like coaching on developmental milestones and overall family health/well-being (available during pregnancy through age 5).

We could help address the high cost of childcare by offering a tuition offset that would help families afford the cost of childcare being offered in quality-rated childcare settings.

Or we could further enhance the quality of care available to families across the state by creating a Quality Care and Education Innovation Fund with dollars that could be invested in child care programs that are pushing themselves further in to the QIRS rating system, incentives to help child care providers attract and retain workforce (ex. pooled benefit packages, training incentives), or matching funds to help communities assemble the resources they need to start/operate child care in their community.

Our state’s greatest resource is our people — and our state’s policies (and bold initiatives) shape people’s possibilities. When we create the conditions that invite children to learn and allow adults to apply their skills, we tap into the hidden human potential all around us.

**Demand Responsive Transportation Network**. Recent technological advances have made it possible for us to re-imagine what a demand-responsive transportation network can look like in a rural state like North Dakota. Being able to help people get where they need to go safely, and in a manner that is affordable to them can help ensure that people can choose to live in places both isolated and urbanized.

North Dakota could pursue the development of a public-private transportation network that harnesses technology-enabled dispatch of vehicles to enable point-to-point transportation on demand. Transit has typically been the purview of federal partners, but an innovative investment in creating supplemental transportation networks designed to work in both rural and urbanized settings could help ensure employees can get to their place of work without interruption while also helping to make aging in place much more possible (and safer) than it is now.

**Hand Up Rental Assistance Program**. Stable housing is an essential element of every family’s ability to be successful. There are a number of federally funded initiatives at work in our state to provide rental assistance to people who are struggling, but it is also true that there are many gaps in how we think about promoting housing stability for families and individuals who are working and living at entry-level incomes. By creating a state-funded rental assistance program we could help keep people who are currently housed from losing their housing, while also helping those who have lost their housing to quickly exit homelessness and move into a stable housing situation.

The Hand Up Program would typically involve the provision of one-time funds to address a temporary crisis, such as rent or utility arrears. It could also provide temporary financial assistance to help homeless people locate housing and address any barriers to moving into the unit. This model is often referred to as “homelessness prevention and rapid re-housing”. As such, assistance usually includes a few months of rental payments and move-in costs, such as security or utility deposits. It could also allow for a few months of support services after move-in to help the household re-establish housing stability.

Because this is not a long-term rental subsidy model, the Hand Up Program would target those households that have fewer barriers to housing and that have resources to sustain that housing after the assistance ends. It would not likely be a good solution for most of the people who are served by the publicly-funded mental health system as they have limited incomes and will need ongoing rental assistance in order to maintain affordable, accessible, and integrated housing in the community. These individuals are more likely to be served via the state’s proposed 1915i Medicaid State Plan amendment and other federally defined resources like HUD Section 8 our USDA 515 rental assistance.

**Human Service Delivery Innovation Fund**. We are a state that embraces the entrepreneurial spirit across all sectors of business. This includes the provision of services designed to help individuals and families realize their potential. Human services essentially help build well-being throughout people’s lives. We know that if we take the best research available and apply it at the right time and in the right degree, that people will become more resilient and will be better able to weather life’s storms.

The creation of a Human Service Delivery Innovation Fund would offer growth and development capital for existing businesses whose growth would help ensure greater access to a range of home and community-based services for people living in communities across the state of North Dakota. We would suggest that this capital fund be available for two specific areas of business development.

The first would help non-profit organizations scale their infrastructure to facilitate both service area growth and growth in service volume. It could be structured as a hybrid of a capacity building grant and a venture fund investment, perhaps offering dollars for both infrastructure investment and professional advisement that can help inform the scaling of the operation.

The second would support scaling of service delivery that helps grow North Dakota’s workforce. This could include gap funding support for businesses who incorporate robust internship, apprentice, and workforce training elements to their business model. The funds would help offset the increased cost to the business that will be created by expected high turnover rates.

Over time, our state has built a human services system that works a lot like a system of train tracks. This system is designed to move our community forward. Its various initiatives support the well-being of children and families, which makes our communities more socially and economically vibrant. These initiatives include quality early learning programs that help children move smoothly into elementary school as well as supports for adults pursuing postsecondary training or other employment-related education.

At times, however, these tracks lack the function of a good junction. A family breadwinner, for example, might be eligible for an education grant but unable to take advantage of it because quality child care is too expensive. Our state’s employment assistance efforts should line up with its child care supports. This might involve a subsidy, but it might be as simple as a case worker starting a conversation about friends and family who might be reliable help. Aligning these programs, connecting them when needed, and extending or rerouting those that need it makes our work more effective. Lining up the tracks that serve children and adults is a two-generation approach to human services, and it is getting our state where it needs to go.

**A More Disaster-Resistant North Dakota**. States across the country are likely to see an increasing number of natural disasters that affect relatively small geographies and/or groups of people. At the same time, there are more large-scale events that draw public attention and federal resources. The relatively small scale of these micro-events is no less devastating to the people affected than are larger events that the general public may be aware of. But our experience tells us that federal response in these types of events is almost non-existent; recovery falls to state resources, local recovery infrastructure, and private dollars that are raised to support recovery.

While the state and many localities within the state have robust efforts to mitigate the impact of natural disasters on traditional community infrastructure (ex. water, sewer, roadways, etc), there are opportunities to think more broadly about disaster mitigation and recovery. Ideas could be as far-reaching as developing a network of privately held wetlands that help mitigate flooding to installation of renewable energy backup systems in places particularly susceptible to power outages, to a fund that could be available to seed local fundraising efforts to support the recovery needs of people affected by disasters.

Improving our state’s resilience to natural disasters by embracing a broad approach could help reduce the cost to the public of responding to disasters and to individuals and businesses who are directly affected by them.

**In Conclusion: Bold, Broad, Targeted Investments in People**

We know investing in elements of community infrastructure, like those described above, help eliminate a constraint on future growth – an unwell workforce/populace. By helping people of all backgrounds and economic situations effectively navigate the challenges they may face - aging parents, young children, personal health, stable housing, gainful employment – we are promoting well-being. And when we support well-being, we make sure that everyone can reach their potential and fully contribute to our communities. In turn, maximizing potential helps our communities to thrive and remain vibrant.

We, like you, believe that it is important to align ideas with appropriate revenue sources. We offered the ideas outlined in this testimony because all of them represent critical investments in community infrastructure where the return on investment is almost always separated from the investment required. Where the critical (and often missing) element is an investor with a long time horizon who can be patient enough to connect the investment that needs to be made with the returns that will ultimately accrue to us all -- healthy families, a productive workforce, and strong, resilient communities. We believe the State, via the Legacy Fund, can be this patient investor.

Thank you for taking the time to gather ideas and for your efforts to invest in our state’s legacy – its people. Bold investment can indeed make a bold vision possible.