

Testimony on HB 1012  
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Senate Appropriations  
March 10, 2021

Mr. Chairman and Members of the Committee:

On behalf of the North Dakota Coalition for Homeless People, I testify today requesting that the Senate Appropriations committee restore funding to supportive housing services. HB 1012 contains a reduction in vital funds for these services and has already passed the North Dakota House of Representatives with those cuts intact. The requisite funding needed for the projects impacted are as follows: \$570,000 for Cooper House, Fargo | \$640,000 – for Edwinton Place, Bismarck | \$515,000 – for LaGrave on First, Grand Forks.

These projects provide permanent supportive housing for people who have experienced chronic homelessness and are a vital asset in addressing homelessness. Permanent supportive housing is effective and is an investment that provides cost savings to the community. The DHS budget assumes the reduction in funds for supportive housing services can be replaced by North Dakota Medicaid 1915(i) reimbursement. This raises the following concerns:

- The 1915(i) plan has not been in existence long enough to be a proven or adequate replacement for these funds. The 1915(i) plan is a positive thing for ND and for homeless services, but it is too soon to tell if it will be an effective funding strategy for permanent supportive housing.
- It is unknown if enough residents of these projects will qualify to make up the gap in funding.
- Without these funds, supports and other components such as 24/7 security would be dramatically reduced or eliminated. Two major concerns from this loss of funding:
  - Reduced services would lead to decreased chances of long-term housing stability.
  - Reduced security would impact resident safety and could increase police calls/interaction at these locations (a costly community resource).

Overall, this loss of funding without a guaranteed replacement will likely bring unintended harm to the vulnerable people it is meant to serve. Housing advocates are appreciative of DHS being a collaborative partner in permanent supportive housing and it is desired for this to continue and increase. Full funding is needed for the next biennium to ensure long term solutions to services for addressing chronic homelessness can continue, including use of the 1915(i).

In summary: The 1915(i) may provide a savings to the DHS budget in the future and may even prove to increase/improve services long term—however, it is too soon to tell. Funding for the next biennium is important to continue services while determining how 1915(i) may be beneficial moving forward.