

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON INSTITUTIONAL SERVICES

Wednesday, February 2, 2000
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Merle Boucher, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Merle Boucher, LeRoy G. Bernstein, Jeff Delzer, Rod Froelich, Scot Kelsh, Joe Kroeber, Ralph Metcalf, Chet Pollert; Senators David E. Nething, Harvey Sand, Wayne Stenehjem

Members absent: Representative William E. Gorder; Senator Harvey D. Tallackson

Others present: See attached appendix

It was moved by Senator Stenehjem, seconded by Senator Nething, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

COLLOCATION OF THE DEVELOPMENTAL CENTER AND THE STATE HOSPITAL

Mr. Alex Schweitzer, Superintendent, State Hospital, presented information on the feasibility and desirability of collocating the State Hospital and the Developmental Center at one location and the related costs. Mr. Schweitzer said the State Hospital and Developmental Center jointly prepared cost estimates of collocating patients of both facilities. Mr. Schweitzer said the estimated costs assume the funding level will not change for the host institution. Mr. Schweitzer presented the following information on the fiscal effect of collocating the State Hospital at the Developmental Center in Grafton:

ESTIMATED FISCAL EFFECT OF COLLOCATING THE STATE HOSPITAL AT THE DEVELOPMENTAL CENTER IN GRAFTON	
Projected biennial general fund cost savings (includes a reduction of 77.5 FTE positions)	\$8,150,797
Less increased general fund costs	
Costs necessary to maintain facility in Jamestown	(2,732,177)
Costs resulting from a reduction in State Hospital federal funds (State Hospital rates are based on costs divided by patient days; therefore, decreasing costs result in decreasing medical assistance revenue)	(1,149,399)
Costs resulting from a reduction in State Hospital other funds (State Hospital rates are based on costs divided by patient days; therefore, decreasing costs result in decreasing other insurance and private pay revenue)	(1,326,206)
Costs resulting from a reduction in Developmental Center federal funds (Title XIX nonallowed expenses allocated to State Hospital)	(1,078,575)
Costs resulting from a reduction in Developmental Center other funds (loss of lease rental revenue)	(34,536)
Total net general fund savings (costs) per biennium	\$1,829,904

Mr. Schweitzer said that although the biennial general fund cost savings total an estimated \$1.8 million, the estimated cost of remodeling 100,000 square feet of space at the Developmental Center to house and provide program space for State Hospital patients totals \$9 million.

Mr. Schweitzer presented information on the fiscal effect of collocating the Developmental Center at the State Hospital in Jamestown as follows:

ESTIMATED FISCAL EFFECT OF COLLOCATING THE DEVELOPMENTAL CENTER AT THE STATE HOSPITAL IN JAMESTOWN	
Projected biennial general fund cost savings (includes a reduction of 62 FTE positions)	\$6,527,052
Less increased general fund costs	
Costs necessary to maintain facility at Grafton	(2,274,235)
Costs resulting from a reduction in Developmental Center federal funds (reduction in operating budget and loss of allowed depreciation)	(6,970,581)

Costs resulting from a reduction in Developmental Center other funds (loss of charges for services revenue)	(531,836)
Costs resulting from a reduction in State Hospital federal funds (current support and administrative costs at the State Hospital would also be allocated to the Developmental Center patients resulting in a decrease in State Hospital rates and lower medical assistance revenue)	(200,000)
Costs resulting from a reduction in State Hospital other funds (current support and administrative costs at the State Hospital would also be allocated to the Developmental Center patients resulting in a decrease in State Hospital rates and lower other insurance and private pay revenue)	(175,000)
Total net general fund savings (costs) per biennium	(\$3,624,600)

Mr. Schweitzer said in addition to the projected increased biennial costs of \$3.6 million, the estimated cost of remodeling 90,000 square feet of space at the State Hospital to house and provide program space for Developmental Center patients totals \$8.1 million.

Mr. Schweitzer said he and Mr. Brian Lunski, Superintendent, Developmental Center at Westwood Park, believe efficiencies and cost savings may be realized without collocating these facilities and without compromising the quality of care. He said he and Mr. Lunski recommend the institutions continue to work on sharing services and attempt to fill vacant buildings. He said they do not recommend the institutions be collocated at this time, but collocating could again be considered if either facility's population would dramatically decrease.

A copy of the report is on file in the Legislative Council office.

Senator Sand said if the state issues bonds for the remodeling costs of either \$8.1 million or \$9 million, the interest costs would be a factor to consider in the decision to collocate.

Representative Boucher asked for the number of staff positions that could be eliminated as a result of sharing services between the institutions without collocating. Mr. Schweitzer said the institutions have not yet determined a specific number of staff that may be reduced as a result of sharing services. He said the institutions are exploring options for sharing services and specific proposals will be presented to the 2001 Legislative Assembly.

Representative Delzer expressed concern that although revenue reductions may result from collocating the Developmental Center patients at the State Hospital, the reductions may be less than presented. He said the Developmental Center should be able to claim federal reimbursement for costs now being paid by the State Hospital that could be considered being paid by the Developmental Center if the institutions were collocated.

Ms. Jean Mullen, Assistant Attorney General, testified on the implementation of 1997 House Bill No. 1047 relating to the sexual offender treatment program. Ms. Mullen said 1997 House Bill No. 1047 established a judicial procedure for committing sexually dangerous predators similar to the procedure used for committing mentally ill individuals to the State Hospital. A copy of her report is on file in the Legislative Council office.

Ms. Mullen said during the 1997 Legislative Assembly, it was estimated that as many as seven commitments may occur during the first biennium. She said the program, now in its second biennium of operation, has had only six individuals committed. Ms. Mullen said two of the six individuals were admitted to the program as a result of a plea agreement. Ms. Mullen said while the number of individuals being committed as a result of plea agreements does not appear to be a major problem, it is a concern. She said the Attorney General is in the process of preparing a letter to all state's attorneys reemphasizing that the law was enacted to enable the state to remove a dangerous sexual predator from the public when the criminal justice system is not an option. She said the commitment procedure is not to be an alternative to the criminal justice system.

Ms. Mullen said the Legislative Council interim Criminal Justice Committee is studying the feasibility and desirability of revising statutory provisions relating to sexual offender commitment treatment and the Attorney General's office is proposing a number of changes to the statute that are being considered by that committee.

Ms. Mullen reviewed the following proposed changes that are being considered by the Criminal Justice Committee:

1. Provide for a process of committing mentally retarded persons who are considered sexually dangerous.
2. Allow detention at a local jail pending a probable cause hearing.
3. Preclude plea bargain commitments.
4. Formalize the State Penitentiary referral process to the program.
5. Establish a transition process for individuals being discharged from the program.

Representative Delzer asked for information on the 20 individuals who have been referred from the State Penitentiary treatment program for possible commitment to the State Hospital sexual offender treatment program, specifically their length of sentence and whether they served the entire sentence. Chairman Boucher asked that the information be provided to the committee.

Representative Pollert asked for the State Hospital's projection of funding needed for the sexual offender treatment program for the 2001-03 biennium. Mr. Schweitzer said the State Hospital has not yet

developed its budget for the 2001-03 biennium; however, he said the State Hospital is planning for a 26-bed unit for this program. He said the program currently has 11 beds available.

Ms. Frances Deaver, Minot, commented on the feasibility of collocating the Developmental Center and State Hospital. Ms. Deaver expressed concern regarding the collocation of the Developmental Center and State Hospital because of the negative impact that collocation will have on the persons living at each of these institutions.

Ms. Deaver stressed the need for more staffing at the Developmental Center to ensure the safety of the residents. She cited examples of instances when lack of staffing could have resulted in injury to Developmental Center residents.

A copy of the testimony is on file in the Legislative Council office.

CONSOLIDATING VISION SERVICES

Ms. Lynn Iverson, Bismarck, commented on the vision services study. Ms. Iverson expressed support

for consolidating vision services under the School for the Blind. She commented on the need for a continuum of services for blind or visually impaired persons throughout their lives. She believes visually impaired persons can be better served under a consolidated service delivery system.

Ms. Iverson stressed the need for early intervention services and the need for additional services for adults. A copy of her testimony is on file in the Legislative Council office.

The Legislative Council staff presented a memorandum entitled *Vision Services Summary* which reviews the types of vision services available across the state. The Legislative Council staff presentation includes the following schedule of the estimated number of persons with moderate or severe visual impairments in each region of the state. The numbers are based on information available from the North Dakota State Data Center at North Dakota State University, the Department of Public Instruction, and the School for the Blind.

No.	Region	Ages 0 to 21*	Ages 16 to 54*	Ages 55 and Over	Total	Percentages in Each Region	
						Visually Impaired Persons	Total Population**
1	Northwest - Williston	16	248	475	739	4.7%	4.4%
2	North Central - Minot	23	813	1,388	2,224	14.0%	13.8%
3	Lake Region - Devils Lake	27	399	912	1,338	8.5%	6.9%
4	Northeast - Grand Forks	33	952	1,212	2,197	13.9%	14.5%
5	Southeast - Fargo	34	1,545	1,934	3,513	22.2%	24.5%
6	South Central - Jamestown	20	460	1,186	1,666	10.5%	9.6%
7	West Central - Bismarck	83	1,190	1,840	3,113	19.7%	20.2%
8	Badlands - Dickinson	31	339	662	1,032	6.5%	6.1%
	Total	267	5,946	9,609	15,822	100%	100%

* The North Dakota Data Center estimates that 11 persons with visual impairments may be shown in both the 0 to 21 age category and the 16 to 54 age category.

** Based on 1998 population estimates.

The Legislative Council staff reviewed vision services provided by the School for the Blind, Vocational Rehabilitation Division and Infant Development Program of the Department of Human Services, special education units, independent living centers, and the State Library.

The Legislative Council staff presented the following schedule showing the number of vision service-related FTE positions of the School for the Blind and the Vocational Rehabilitation Division:

No.	Region	Number of Vision Services-Related FTE Positions			Percentages in Each Region		
		School for the Blind	Department of Human Services	Total	FTE Positions	Visually Impaired Persons	Total Population
1	Northwest - Williston	0.0	0.0*	0.0*	0.0%	4.7%	4.4%
2	North Central - Minot	1.5	1.0*	2.5*	6.5%	14.0%	13.8%
3	Lake Region - Devils Lake	1.0	1.0	2.0	5.3%	8.4%	6.9%
4	Northeast - Grand Forks	22.5	2.0	24.5	64.5%	13.9%	14.5%
5	Southeast - Fargo	1.0	1.0	2.0	5.3%	22.3%	24.5%
6	South Central - Jamestown	1.0	1.0	2.0	5.3%	10.5%	9.6%
7	West Central - Bismarck	1.0	2.5	3.5	9.2%	19.7%	20.2%
8	Badlands - Dickinson	0.0	1.5	1.5	3.9%	6.5%	6.1%
	Total	28.0	10.0	38.0	100%	100%	100%

* The Department of Human Services contracts with a vision services provider for services in the Northwest and North Central regions.

The Legislative Council staff presented the following schedule showing the number of visually

impaired individuals served by the School for the Blind and the Vocational Rehabilitation Division:

Individuals Served - Total				
No.	Region	School for the Blind	Department of Human Services	Total
1	Northwest - Williston	3	72	75
2	North Central - Minot	50	122	172
3	Lake Region - Devils Lake	32	103	135
4	Northeast - Grand Forks	61	114	175
5	Southeast - Fargo	46	113	159
6	South Central - Jamestown	23	94	117
7	West Central - Bismarck	41	200	241
8	Badlands - Dickinson	11	58	69
	Total	267	876	1,143

The Legislative Council staff presented the following schedule showing the percentage of visually

impaired individuals being served each year in each region:

Percentage of Visually Impaired Persons Served Each Year					
No.	Region	Ages 0 to 21*	Ages 16 to 54*	Ages 55 and Over	Total
1	Northwest - Williston	12.5%	4.4%	13.1%	10.1%
2	North Central - Minot	87.0%	7.9%	6.3%	7.7%
3	Lake Region - Devils Lake	100.0%	2.5%	10.7%	10.1%
4	Northeast - Grand Forks	63.6%	7.2%	7.0%	8.0%
5	Southeast - Fargo	76.5%	3.2%	4.3%	4.5%
6	South Central - Jamestown	100.0%	5.7%	6.0%	7.0%
7	West Central - Bismarck	43.4%	3.1%	9.1%	7.7%
8	Badlands - Dickinson	32.3%	3.8%	6.9%	6.7%
	Total	60.7%	4.7%	7.3%	7.2%

* Although 16- to 21-year-olds appear to be reflected in two categories, there is no duplication of individuals since the individuals in this age group are served either by the School for the Blind or by the Department of Human Services.

NOTE: The numbers in this schedule reflect services provided to individuals who are moderately or severely visually impaired. These agencies may provide additional services to less impaired individuals that are not reflected on this schedule.

The Legislative Council staff reviewed the items listed below that were identified by representatives of the Department of Human Services, School for the Blind, and North Dakota Association of the Blind as barriers that may restrict individuals with visual impairments from accessing services:

1. Lack of health insurance coverage for vision rehabilitation services.
2. Fiscal disincentives exist for visually impaired individuals who seek and obtain employment.
3. Lack of awareness of the availability of vision services.
4. Lack of funding to provide additional needed services.
5. Time delays in determining an individual's eligibility for services.
6. Requirement that individuals be seeking employment in order to access services under the vocational rehabilitation employment program.
7. Difficulties in reactivating cases that may have been closed.
8. Travel required to access certain services.
9. Fees required to access certain services.
10. Eligibility requirements associated with the level of vision loss needed to access services.

11. Fragmentation of services for adults because two agencies are involved in providing vision services.
12. Confusion regarding the appropriate service provider to contact.
13. Individuals may deny they need services or may feel they would be unable to learn necessary changes.

Chairman Boucher summarized the discussions of a meeting involving representatives of the Department of Human Services, Department of Public Instruction, School for the Blind, North Dakota Association of the Blind, National Federation of the Blind, consumers, and himself held on February 1, 2000, to discuss vision issues. Chairman Boucher said concerns were expressed regarding the estimated 15,822 individuals identified in the Legislative Council staff report as being visually impaired. He said comments were made that these numbers are based on estimates derived from national incidence studies and are not confirmed cases; therefore, caution was expressed regarding the use of these numbers.

Chairman Boucher said a concern was expressed regarding the disparity of the availability of vision services across the state. In addition, he said, confusion exists relating to the appropriate service provider to contact for services. He said it appears that for ages 0 to 21, the School for the Blind is the primary source of services, for ages 16 to 54 the primary

service provider is unclear, and for those individuals 55 years old or older, the primary service provider appears to be the Vocational Rehabilitation Division.

Ms. Elsie Friesz, Mandan, commented on the vision services study. Ms. Friesz stressed the importance of local vision services to allow visually impaired persons to maintain their independence.

The committee recessed for lunch at 12:10 p.m. and reconvened at 1:00 p.m.

Dr. Gary Gronberg, Department of Public Instruction, presented information on the types of vision services available across the state and whether the services are meeting the needs of individuals who are blind or visually impaired. Dr. Gronberg expressed concern regarding the 15,822 individuals identified in the Legislative Council staff memorandum as being visually impaired in the state. He said the numbers are estimates based on national incidence studies. He said the actual number of individuals seeking services may be less.

Dr. Gronberg said there appears to be a gap in service availability for individuals between the ages of 21 and 54 unless the individual is seeking employment. He said there is no federal program to serve these individuals, and currently the state has not provided general fund support to provide services to these individuals. He said additional general fund appropriations will need to be provided if services for this age group are to be expanded.

Dr. Gronberg suggested amending North Dakota Century Code Chapter 25-06 to clarify the mission and purpose of the School for the Blind and to what extent the school is to serve individuals over the age of 21.

Senator Stenehjem said 1997 Senate Bill No. 2120, introduced at the request of the Superintendent of Public Instruction, has already expanded the mission and purpose of the School for the Blind to be a statewide resource center for providing vision services to residents of all ages in the state.

Ms. Diane Mihulka, School for the Blind, Grand Forks, said while vision specialists from the School for the Blind travel across the state to serve children, these specialists could also be serving older visually impaired individuals. Ms. Mihulka said consolidating vision services under one agency would allow visually impaired persons of all ages to be served most efficiently and economically. Ms. Mihulka distributed a proposal prepared by the School for the Blind for a consolidated vision services agency. A copy of the proposal is on file in the Legislative Council office.

Ms. Mabel Dever, Senior Support Group Leader, Bismarck, commented on the vision services study. Ms. Dever suggested the following enhancements to vision services:

1. Expand the number of support groups.
2. Develop peer counseling programs.
3. Provide leadership training.
4. Provide rehabilitation counselors at eye clinics for making immediate assistance available.

5. Expand the number of family seminars and increase the number of family members involved.
6. Present information on services that are available at seminars and expositions.

A copy of the testimony is on file in the Legislative Council office.

Mr. Allan Peterson, North Dakota Association of the Blind, Fargo, commented on the vision services study. Mr. Peterson said he believes the 15,822 individuals with visual impairments identified in the Legislative Council staff report is an accurate representation of the number of persons with visual impairments in the state.

Mr. Peterson said both School for the Blind/Vision Services programs and Vocational Rehabilitation Division programs are vital to persons experiencing vision loss. He expressed support for the consolidation of the programs under one administration to improve service effectiveness and efficiency. He said consolidating these programs will not affect the level or availability of federal funding for the programs administered currently by the Vocational Rehabilitation Division. Mr. Peterson said consolidating vision services under one administration will also improve the accountability for the services being provided.

Mr. Peterson distributed a letter from the North Dakota Association of the Blind Executive Board expressing support for combining the state's vision services. Copies of the testimony and letter are on file in the Legislative Council office.

Representative Metcalf suggested that in order to address the issue of accountability, one agency be assigned the responsibility for tracking individuals with visual impairments to assure appropriate services are being provided to these individuals.

Senator Sand said improvements need to be made to the current vision service delivery system. He suggested the committee request a bill draft to address this issue.

Senator Stenehjem suggested that more than one bill draft may be appropriate to allow the committee to consider options, one of which would be to consolidate vision services.

Representative Delzer said it may be more appropriate to consolidate the School for the Blind with Vocational Rehabilitation rather than consolidating the Vocational Rehabilitation Division's blind services program with the School for the Blind.

Representative Metcalf suggested a constitutional change relating to reference to the School for the Blind be considered since the purpose of the school has now changed.

It was moved by Senator Stenehjem, seconded by Senator Sand, and carried on a roll call vote that the Legislative Council staff prepare bill drafts to:

1. **Continue the current administrative structure for vision services but clarify the language in North Dakota Century Code Chapter 25-06 providing that the School**

for the Blind serve persons with visual impairments of all ages.

2. Consolidate all vision services under the School for the Blind.
3. Consolidate all vision services under the Department of Human Services.

Representatives Boucher, Delzer, Froelich, Kelsh, Kroeber, Metcalf, and Pollert and Senators Sand and Stenehjem voted "aye." No negative votes were cast.

RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES

Mr. Paul Ronningen, Director, Children and Family Services, Department of Human Services, provided information on children placed in foster care facilities, unmet service needs, and the need for additional foster care facilities. Mr. Ronningen updated the committee on the closure of Southwest Key in Mandan. He said the program operated a 16-bed residential treatment center and a 24-bed residential child care facility. He said 38 youth were residing in the facility when it closed. Of the 38 youth, he said, four returned home, four were placed out of state, and 30 were placed in other facilities in North Dakota.

Mr. Ronningen said Southwest Key cited the lack of adequate funding as their primary reason for closing. However, Mr. Ronningen said the funding provided by the state has not changed since Southwest Key prepared its business plan prior to opening in North Dakota in 1998.

Mr. Ronningen said the maintenance and service payments provided by the state reimburse approximately 70 to 75 percent of a foster care facility's actual costs. He said most foster care facilities operating in North Dakota have either a church or foundation that provide the additional financial support for a facility's operations.

Mr. Ronningen said of primary concern to the facilities is the level of the state's service rate reimbursement which is capped at \$300 per month per child. He said this payment provides approximately one-half of the actual costs of providing services to these children at several facilities in the state.

A copy of Mr. Ronningen's report is on file in the Legislative Council office.

Mr. Don Snyder, Administrator, Independent Living Services and Refugee Program, Department of Human Services, commented on the types of services provided by in-state and out-of-state foster care facilities and the daily rates paid to these facilities.

Mr. Snyder presented a schedule comparing the types of services being offered at North Dakota foster care facilities and Minnesota foster care facilities. Mr. Snyder said the department will be expanding its comparison to include South Dakota facilities, which will be presented at a future committee meeting.

Mr. Snyder noted the major differences between North Dakota and Minnesota facilities include:

1. Minnesota facilities accept children with lower IQs than North Dakota facilities.
2. North Dakota facilities daily costs are significantly less than Minnesota facilities.
3. Minnesota facilities accept younger children than North Dakota facilities.

A copy of the report is on file in the Legislative Council office.

Representative Delzer asked for information on the actual average IQs of the children placed in these facilities. Chairman Boucher asked that the department provide this information in its next report to the committee.

Senator Sand asked for information on the profile of the children placed in foster care facilities. Mr. Ronningen said this information will be included in future materials presented to the committee.

OTHER RESPONSIBILITIES

Mr. David Zentner, Director, Medical Services, Department of Human Services, reported on the status of the nursing facilities alternative grant fund and alternative loan fund programs. Mr. Zentner said the government nursing facility funding pool for the calendar year ending December 31, 1998, totals \$36.8 million, \$24.4 million more than estimated by the 1999 Legislative Assembly. He said the state's matching share on this amount is \$11 million. He said after allowing the governmental nursing facilities in Dunseith and McVile to retain their \$20,000 and after returning the \$11 million of state matching funds to the general fund, \$25.7 million will be deposited in the health care trust fund. He said 1999 Senate Bill No. 2168 appropriated \$8.7 million, \$226,000 for Department of Human Services administrative costs, \$4,262,000 to the service payments for the elderly and disabled program, and \$4,262,000 for nursing facilities alternative grants and loans.

Mr. Zentner said the department plans to seek Emergency Commission and Budget Section approval to borrow additional funds from the Bank of North Dakota to meet the state matching requirements for the increased amounts. He said the state's matching share will be \$11 million, \$7.4 million more than the \$3.6 million estimated during the 1999 legislative session.

Mr. Zentner said the department estimates an additional \$25 million to be deposited in the health care trust fund during the second year of this biennium which will make available approximately \$42 million more than the department projected during the 1999 legislative session. As a result, he said, pursuant to 1999 Senate Bill No. 2168, the department will be requesting Emergency Commission and Budget Section approval to obtain additional spending authority for the loan and grant program.

Mr. Zentner said the primary reason for the substantial increase in the funds generated to the government nursing facility funding pool results from the change made by Medicare to a prospective rate system which substantially increased the Medicare

rates for certain facilities in North Dakota and, as a result, substantially increased the difference between the Medicare rate and Medicaid rate paid by North Dakota.

Mr. Zentner said the department anticipates making the first government nursing facility funding pool payment in March 2000.

A copy of the report is on file in the Legislative Council office.

Representative Delzer asked for the number of applications received by the department for grants or loans. Mr. Zentner said the deadline for applications is February 7, 2000, and to date the department has received three applications.

Mr. Zentner presented a status report on the establishment of a traumatic brain-injured (TBI) facility in western North Dakota and on the estimated number of individuals with traumatic brain injury in western North Dakota.

Mr. Zentner said in January 2000, the department was informed that Housing, Industry, and Training (HIT), Inc., is in the process of obtaining property in Mandan for constructing a TBI facility, has provided preliminary drawings to contractors, and is waiting to receive bids on the construction of the TBI facility. He said the facility is scheduled to open during summer 2000.

Mr. Zentner said HIT, Inc., conducted a survey in southwestern North Dakota to identify the number of individuals with a traumatic brain injury diagnosis. The survey identified 64 individuals in the southwestern part of the state with this diagnosis--36 in Burleigh County, 18 in Morton County, eight in Stark County, and one each in Hettinger and Slope Counties.

A copy of the report is on file in the Legislative Council office.

At the request of Chairman Boucher, Mr. Kirk Greff, Chief Financial Officer, HIT, Inc., commented on the development of a TBI facility in Mandan. Mr. Greff said HIT, Inc., plans to construct a 10-bed facility. He said the daily service rate is anticipated to be \$100 per day during the first year of operation and \$86 per day thereafter.

Senator Sand expressed concern regarding low wages paid to certified nursing assistants in these types of facilities.

Chairman Boucher asked that HIT, Inc., present its budget plan for this facility to the committee at its next meeting and, if possible, provide the information to committee members prior to the meeting. Mr. Greff said the information would be provided to the committee.

Mr. Zentner presented a status report on Alzheimer's and related dementia projects. Mr. Zentner said the department has received seven applications from six different entities to develop Alzheimer's and related dementia pilot projects. He said three projects were denied because they did not meet the criteria established in law or did not provide adequate information to establish that the project

meet the requirements outlined in the application. He said the department approved four projects, three of which will be converting basic care beds to Alzheimer's and related dementia project beds.

Mr. Zentner said the three projects involve Edgewood Vista in Bismarck and Minot and Exner's Basic Care, Inc., in Jamestown. He said Edgewood Vista in Bismarck will convert 14 existing basic care beds to an Alzheimer's and related dementia unit and Edgewood Vista in Minot will convert 16 existing basic care beds to an Alzheimer's and related dementia unit. He anticipates these projects will be implemented by March 1, 2000. Mr. Zentner said Exner's Basic Care, Inc., in Jamestown, intends to construct a new building for 20 Alzheimer's and related dementia residents. He said the basic care beds from one of the company's existing facilities will be transferred to this new facility when complete. He said the old facility will be closed. He anticipates the new building will be constructed and occupied by the end of 2000.

Mr. Zentner said the final project approved will eliminate the entire 40-bed nursing care facility at the Carrington Health Center. He said the company plans to remodel the present facility and create a 24-bed facility that will provide services to other individuals who require 24-hour care. He said Carrington and New Rockford currently have three nursing facilities and no other alternative 24-hour care. He said the converted facility will offer a needed service not currently available in the area.

A copy of the report is on file in the Legislative Council office.

Representative Froelich expressed concern regarding the proposed budget amounts developed by HIT, Inc., regarding its TBI facility. He expressed concern that the Legislative Assembly will be asked to provide additional funding to maintain the facility after it is in operation.

Senator Sand asked that the Developmental Center be asked to comment to the committee on the attitude changes of its clients as a result of moving into new facilities. Chairman Boucher said the Developmental Center will be asked to comment on this issue as part of its budget tour presentation at the next meeting.

Chairman Boucher announced that the next meeting is tentatively scheduled for March 13-14, 2000, in Grand Forks and Grafton. The committee adjourned subject to the call of the chair at 4:30 p.m.

Allen H. Knudson
Senior Fiscal Analyst

Jim W. Smith
Assistant Legislative Budget Analyst and Auditor

ATTACH:1