

2011 SENATE HUMAN SERVICES

SB 2121

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee Red River Room, State Capitol

SB 2121
1-10-2011
Job Number 13087

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the developmentally disabled facility loan program.

Minutes:

Attachments included.

Senator Judy Lee opened the hearing on SB 2121.

Bob Humann, SVP of lending BND, testified in support of SB 2121 and offered an amendment. Attachment #1

Senator Judy Lee thanked Mr. Humann and the BND for their efforts to help make this work in a different way.

Barb Murry, Executive Director of ND ACP, testified in support of SB 2121. Attachment #2

Senator Spencer Berry asked if the current system as set up has created disincentives in term of length of loans, interest rates, and such.

Ms. Murry replied that they would not use the current loan fund with the language that is currently in it because of the interest rate. Some of the disincentives are within their own reimbursement rules which could be changed but they are anywhere from 2-4 years from that taking place.

At the request of **Senator Spencer Berry**, Ms. Murry explained some of the history on the move of the population from 95 to 67 and move to institutionalization. She said one of the problems was they couldn't take some of the people because of the severity of their issues because it was so disruptive to everyone there. At the same time there was a push for a smaller sized group living situation – 2-4 instead of 8.

Senator Judy Lee pointed out that there were really two things that entered in: 1. The judge's decision as a result of the ARC lawsuit and, 2. The Olmstead decision which was a federal court decision that said people should be living in the least restrictive environment.

Least restrictive means as close to individual living that someone with other capabilities would have as possible. In many cases that means with 24 hour support of some sort. When ND moved to the group homes it was with 8 people. Now the magic word is 7 so we are viewed as not being compliant.

The goal is to have choices - that the money will follow them to help them live in the least restrictive environment.

Ms. Murry added that the providers have gotten into this business because they are committed to individuals with disabilities. Their expertise in the financial areas is very strong for some of them but for others it is not as strong. That's why working closely with the BND over the next two years will be a real asset.

Veronica Zietz, Executive Director at The Arc of Bismarck, testified in support of SB 2121. Attachment #3

There was no further testimony.

Senator Spencer Berry moved to **adopt the amendment as proposed.**

Seconded by **Senator Tim Mathern.**

Roll call vote 5-0-0. **Amendment adopted.**

Senator Tim Mathern moved a **Do Pass as Amended.**

Seconded by **Senator Spencer Berry.**

Roll call vote 5-0-0. **Motion carried.**

Carrier is **Senator Spencer Berry.**

FISCAL NOTE

Requested by Legislative Council
12/30/2010

Bill/Resolution No.: SB 2121

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill will repeal 6-09.6 related to the Developmentally Disabled Facility Loan Program and transfer the remaining loans in this program to BND with the proceeds to be deposited in the common schools trust fund.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The proposed changes in legislation will not have a fiscal impact to the State of North Dakota.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

NA


B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NA

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

NA

Name:	Bob Humann	Agency:	Bank of North Dakota
Phone Number:	701-328-5703	Date Prepared:	12/30/2010



At the Request of the Bank of North Dakota

PROPOSED AMENDMENTS TO SENATE BILL 2121

Page 1, on line 9, replace \$694,840 with \$1,293,211.



Date: 1-19-2011

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2121

Senate HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number Bank of ND

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Sen. Berry Seconded By Sen. Mathern

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglen, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

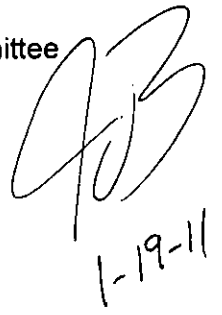
Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

11.8066.01001
Title.02000

Adopted by the Human Services Committee

January 19, 2011



Handwritten signature and date: 1-19-11

PROPOSED AMENDMENTS TO SENATE BILL NO. 2121

Page 1, line 9, replace "\$694,840" with "\$1,293,211"

Renumber accordingly

Date: 1-19-2011

Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB2121

Senate HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.8066.01001 Title .02000

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Sen. Mathern Seconded By Sen. Berry

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglen, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Berry

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2121: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2121 was placed on the Sixth order on the calendar.

Page 1, line 9, replace "\$694,840" with "\$1,293,211"

Renumber accordingly

2011 HOUSE EDUCATION

SB 2121

2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2121
03/22/11
15810

Conference Committee

Committee Clerk Signature



MINUTES:

Chairman RaeAnn Kelsch: We will open the hearing on SB 2121. We will take testimony in support.

Bob Humann – Bank of North Dakota: (Testimony attachment 1).

Rep. Karen Rohr: Are the other bankers aware of this proposal?

Bob Humann – Bank of North Dakota: At this point, no. The only the ones that are aware are the ones that we have been closely working with on projects but we haven't broadcasted this to all the banks in the state about this change. At this point if this bill is passed we will work with the banking associations and we will get the word out to everybody about the change.

Rep. Karen Rohr: Are you anticipating any problems with that proposal?

Bob Humann – Bank of North Dakota: No we don't. That is one of the reasons why we haven't done a loan under this Fund No. 3 in 10 years. It is because a lot of these financing requests area actually being provided by the local banks without participation from this fund or without the participation from the Bank of North Dakota. Keep in mind back in the 80s when these funds were put together this was all new. Nobody had any track record with these nonprofits. All the residents were being moved out of Grafton. There was huge need for this and that is why these funds were set up at that time.

Vice Chair Lisa Meier: What is the current interest rate right now for building loans?

Bob Humann – Bank of North Dakota: If you are talking about a commercial building the interest rate is 5% fixed for 5 years. Right now it really isn't any different than what is on the books right now. The only difference is that this interest rate is fixed for the whole 25 years and most banks will only lot a 5 year interest rate at that 5% interest level.

Rep. Phillip Mueller: Who received these loans and who is eligible? Will this in any way diminish the ability of those organizations from being able to put an elevator in for instance?

Bob Humann – Bank of North Dakota: The recipients of the loans are nonprofit organizations that basically have this in their mission to take care of these types of residents. They are Able Inc., Pride Inc., and those types of organizations. I wouldn't necessarily say they were church organizations. This won't prohibit anybody from getting the type of loans they need for these facilities. I think that will still go on and if somebody needs to put an elevator in a facility there will be financing available for that. Most of the requests we have been getting, and we have been working with the Department of Human Services, are for new construction and they are going to build a whole new facility.

Chairman RaeAnn Kelsch: Further questions? Further support?

Barbara Murry – North Dakota Association of Community Providers: I am here today to testify in support of SB 2121. I am going to deviate from my written testimony for a moment or two. The association is made up of 29 statewide providers and we provide services to approximately 4,500 individuals with developmental disabilities and a little over 5,000 individuals if you include the other populations that we also serve. We are throughout the state. With the services that we take out into the communities, we are in about 90 communities throughout the state but the larger cities are where we tend to have facilities. (Testimony attachment 2).

Chairman RaeAnn Kelsch: How often do the reimbursement rules change?

Barbara Murry – North Dakota Association of Community Providers: Very infrequently. The rules perhaps change or are tweaked maybe every 5 to 10 years.

Chairman RaeAnn Kelsch: Do you see this as a good opportunity to work with the Bank of North Dakota to develop some sort of a statewide program?

Barbara Murry – North Dakota Association of Community Providers: I feel confident that we can work with the Bank of North Dakota in developing a new program that will meet our needs.

Chairman RaeAnn Kelsch: Questions? Further support? Opposition? What are the wishes of the committee?

Rep. Karen Karls: I move a do pass.

Rep. Karen Rohr: Second.

Chairman RaeAnn Kelsch: Discussion? We will take the roll on a do pass motion on SB 2121. Motion carries. We will close on SB 2121.

**15 YEAS 0 NAYS 0 ABSENT
CARRIER: Rep. Karen Karls**

DO PASS

Date: 03-22-11
 Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2121

House EDUCATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
 Amendment

Rerefer to Appropriations Reconsider

Motion Made By REP. KARLS Seconded By REP. ROHR

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson	X	
Vice Chairman Meier	X		Rep. Hunsakor	X	
Rep. Heilman	X		Rep. Mock	X	
Rep. Heller	X		Rep. Mueller	X	
Rep. Johnson	X				
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust	X				
Rep. Sanford	X				
Rep. Schatz	X				
Rep. Wall	X				

Total (Yes) 15 No 0

Absent 0

Floor Assignment REP. KARLS

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2121, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2121 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

SB 2121

TESTIMONY TO THE SENATE HUMAN SERVICES COMMITTEE

SENATE BILL 2121

BOB HUMANN – SVP OF LENDING

BANK OF NORTH DAKOTA


JANUARY 19, 2011

Section 1 of Senate Bill 2121 repeals Chapter 6-09.6 of the North Dakota Century Code referencing the Developmentally Disabled Loan Funds (Fund). The purpose of this Fund is to provide financing to nonprofit corporations for project costs related to the establishment of facilities for developmentally disabled, chronically ill, and physically disabled persons. All applications for this Fund must be approved by the North Dakota Department of Human Services. The loans are not to exceed three-fourths of project costs and can be secured by a second mortgage position against the facility. The loans are set up for a term of 25 years. The interest rate is fixed for 25 years at 10.50% for loans relating to facilities for developmentally disabled persons, and 5% for loans relating to facilities for physically disabled persons and chronically mentally ill persons.

There were three separate funds started under this legislation with Fund No. 1 originated in 1981 with four million dollars from the land and minerals trust fund of the State Board of University and School Lands (SLD). This Fund was discontinued in 2003 with outstanding loans of \$2,004,257 purchased by the Bank of North Dakota (BND) with the funds transferred to the general fund. Fund No. 2 was established in 1982 with five million dollars borrowed from the common schools trust fund of SLD. The remaining loan in this Fund was paid in full in the summer of 2010. Fund No. 3 was established in 1985 with \$4,951,145 from the commons schools trust fund of SLD. There are 6 loans remaining in this Fund which total \$694,840. There is a balance of \$598,371 of availability in Fund No. 3. The last loan originated out of this Fund was for \$75,000 in 2001.

Section 2 would allow the outstanding balances of Fund No. 3 to be transferred to BND with the proceeds to be deposited in the common school trust fund. The outstanding balance of the six loans when this bill was pre-filed was \$694,840. Since the pre-filing date, a developmentally disabled provider has come forward that will most likely use the remaining Fund No. 3 balance of \$598,371. Because of this an amendment is attached to reflect this change with a total dollar amount of \$1,293,211.

With the shrinking Fund size not justifying the annual audit cost and lack of demand due to the interest rate structure, the recommendation to dissolve the remaining Fund is prudent. BND has met with the Department of Human Services (DHS) and Association of Community Providers (ACP) and we have all concluded that it is time to eliminate the Fund. We have also concluded that the financing needs of the providers can be addressed by traditional bank financing or by North Dakota Lenders working with BND on a loan participation basis. BND is willing to use the Flex PACE Loan Program to provide interest buy down to providers to reduce the interest rate by up to 5% from market interest rates. Also, BND is willing to work with North Dakota Lenders, DHS and ACP to create a program that will provide an option for 25 year fixed interest rates. Your approval is recommended.



At the Request of the Bank of North Dakota

PROPOSED AMENDMENTS TO SENATE BILL 2121

Page 1, on line 9, replace \$694,840 with \$1,293,211.



TESTIMONY
Senate Bill 2121 – DD Loan Fund
Senate Human Services
Senator Judy Lee, Chairman
January 19, 2011

Chairman Lee, members of the Senate Human Services Committee, I am Barbara Murry, Executive Director of the North Dakota Association of Community Providers. I am here today to testify in support of Senate Bill 2121.

The DD Loan Fund was used extensively by developmental disability providers during the initial years of deinstitutionalization. Most of our group homes utilized this funding. It has not been used for many years for two reasons. One, the interest rate set in the loan program for developmental disabilities was at 10.5% and not at all competitive with interest rates in the general market. Secondly, for a decade or more, there has been an informal policy in developmental disabilities of "no new bricks and mortar." The philosophy was that all services should be provided in the home of the individual and not in an environment that resembled a group home. It was a sound philosophy.

During the past decade people moved out of the Developmental Center, while new people, with more significant problems moved in. The number of individuals moving out was about equal to those moving in and the

population served at the institution never reduced. The old saying, "if you continue to do the same thing, you are likely to get the same results," applies. In the course of our work on the Transition Task Force, headed by Alex Schweitzer, we jointly realized that the mechanisms for planning and implementing deinstitutionalization that were developed in the 1980's are no longer adequate to create the community capacity needed to get to the next level. The Centralized Project Development team was created to encourage the development of the needed capacity. We also recognized that environments needed to be designed around the specialized needs of small groupings of people with similar needs who now live in the institution. This is a much more focused effort than the old strategy of fitting people into existing living options. It allows for and facilitates state-of-the-art thinking in our field to be implemented that transcends the old models of 8-bed group homes, and provides for more specialized environments than typical apartments in the community.

Because of this new strategy, and a push to downsize the institution to 95 by June 30, 2011; and to 67 by June 30, 2013, there has been renewed interest in using the DD Loan Fund to cover the cost of new environments.

Simultaneous to this process, others recognized that the DD Loan Fund was saddled with an expensive audit process and hadn't been used for

approximately 10 years. The necessary players on both sides of these viewpoints just began discussions early in January of 2011.

DD providers need assistance in the following areas:

- (1) Providers have difficulty obtaining loans for more than 5 years with local banks. Current reimbursement rules create a disincentive for provider funding when there are unanticipated increases in the interest rate, after the five year fixed rate expires. Providers need loans that will extend over the useful life of the building, typically 25 years.
- (2) Providers developing housing options for individuals in Home and Community Based Waiver services need low interest rates to assure the rent is affordable to clients. Clients in those services pay for room and board.
- (3) Some of the loan options explored require providers to compete with other local business entities for community matching funds. They may be successful in some communities. Other communities would prefer a new business coming to their community.
- (4) Additionally, some providers feel that can't afford the 20% - 30% down required by their local banks.

Providers want to meet the needs of those individuals currently at the Developmental Center who are requiring placement in the next biennium. We don't need to have the current DD Loan Fund. We need assistance with a loan program that will help us meet the state's goals and provide creative options for people.

We believe we can work with the Bank of North Dakota and personnel From the Department of Human Services to find new solutions to these Issues.

This concludes my testimony. I would be happy to answer any questions.



P.O. Box 2081
Bismarck, ND 58502-2081
701.222.1854
veronica.zietz@thearcofbismarck.org
www.thearcofbismarck.org

#3

Testimony of Support Senate Bill 2121
Human Services Committee
January 19, 2011

Good morning Madam Chair and members of Human Services Committee. My name is Veronica Zietz (#99); I am the Executive Director at The Arc of Bismarck and I'm here today representing both The Arc of Bismarck and The Arc of Cass County. The Arc is an organization that provides education and advocacy to people with disabilities to foster empowerment and full inclusion in the community.

The Arc supports Senate Bill 2121 which deals with the Developmental Disabilities Loan Fund. It is necessary to repeal Chapter 6-09.6, which provides guidelines to the DD loan fund. These guidelines are extremely outdated and thus not user-friendly. For instance, the interest rates provided in the current DD Loan Fund when enacted were appropriate, but are no longer competitive in relation to other loan providers.

The Arc believes it is necessary for competitive loans to be available to nonprofit organizations, to aid in the establishment of facilities for individuals with developmental disabilities, mental illness, and physical disabilities. However, current Century Code does not allow for this; repealing the DD Loan Fund and transferring DD loans is the most practical and appropriate action to take in order to remedy this issue.

I urge the committee to support Senate Bill 2121. Thank you for your time and attention.

TESTIMONY ATTACHMENT 1

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE

SENATE BILL 2121

BOB HUMANN – SVP OF LENDING

BANK OF NORTH DAKOTA

MARCH 22, 2011

Section 1 of Senate Bill 2121 repeals Chapter 6-09.6 of the North Dakota Century Code referencing the Developmentally Disabled Loan Funds (Fund). The purpose of this Fund is to provide financing to nonprofit corporations for project costs related to the establishment of facilities for developmentally disabled, chronically ill, and physically disabled persons. All applications for this Fund must be approved by the North Dakota Department of Human Services. The loans are not to exceed three-fourths of project costs and can be secured by a second mortgage position against the facility. The loans are set up for a term of 25 years. The interest rate is fixed for 25 years at 10.50% for loans relating to facilities for developmentally disabled persons, and 5% for loans relating to facilities for physically disabled persons and chronically mentally ill persons.

There were three separate funds started under this legislation with Fund No. 1 originated in 1981 with four million dollars from the land and minerals trust fund of the State Board of University and School Lands (SLD). This Fund was discontinued in 2003 with outstanding loans of \$2,004,257 purchased by the Bank of North Dakota (BND) with the funds transferred to the general fund. Fund No. 2 was established in 1982 with five million dollars borrowed from the common schools trust fund of SLD. The remaining loan in this Fund was paid in full in the summer of 2010. Fund No. 3 was established in 1985 with \$4,951,145 from the common schools trust fund of SLD. There are 6 loans remaining in this Fund which total \$694,840. There is a balance of \$598,371 of availability in Fund No. 3. The last loan originated out of this Fund was for \$75,000 in 2001.

Section 2 would allow the outstanding balances of Fund No. 3 to be transferred to BND with the proceeds to be deposited in the common school trust fund. The outstanding balance of the six loans when this bill was pre-filed was \$694,840. Since the pre-filing date, a developmentally disabled provider has come forward that will most likely use the remaining Fund No. 3 balance of \$598,371. Because of this an amendment is attached to reflect this change with a total dollar amount of \$1,293,211.

With the shrinking Fund size not justifying the annual audit cost and lack of demand due to the interest rate structure, the recommendation to dissolve the remaining Fund is prudent. BND has met with the Department of Human Services (DHS) and Association of Community Providers (ACP) and we have all concluded that it is time to eliminate the Fund. We have also concluded that the financing needs of the providers can be addressed by traditional bank financing or by North Dakota Lenders working with BND on a loan participation basis. BND is willing to use the Flex PACE Loan Program to provide interest buy down to providers to reduce the interest rate by up to 5% from market interest rates. Also, BND is willing to work with North Dakota Lenders, DHS and ACP to create a program that will provide an option for 25 year fixed interest rates. Your approval is recommended.

TESTIMONY ATTACHMENT 2

TESTIMONY
Senate Bill 2121 – DD Loan Fund
House Education Committee
Representative RayAnn Kelsch, Chairman
March 22, 2011

Chairman Kelsch, members of the House Education Committee, I am Barbara Murry, Executive Director of the North Dakota Association of Community Providers. I am here today to testify in support of Senate Bill 2121.

The DD Loan Fund was used extensively by developmental disability providers during the initial years of deinstitutionalization. Most of our group homes utilized this funding. It has not been used for many years for two reasons. One, the interest rate set in the loan program for developmental disabilities was at 10.5% and not at all competitive with interest rates in the general market. Secondly, for a decade or more, there has been an informal policy in developmental disabilities of "no new bricks and mortar." The philosophy was that all services should be provided in the home of the individual and not in an environment that resembled a group home. It was a sound philosophy.

During the past decade people moved out of the Developmental Center, while new people, with more significant problems moved in. The number of individuals moving out was about equal to those moving in and the population served at the institution never reduced. The old saying, "if you continue to do the same thing, you are likely to get the same results," applies. In the course of our work on the Transition Task Force, headed by Alex Schweitzer, we jointly realized that the mechanisms for planning and implementing deinstitutionalization that were developed in the 1980's are no longer adequate to create the community capacity needed to get to the next level. The Centralized Project Development Team was created to encourage the development of the needed capacity. We also recognized that environments needed to be designed around the specialized needs of small groupings of people with similar needs who now live in the institution. This is a much more focused effort than the old strategy of fitting people into existing living options. It allows for and facilitates state-of-the-art thinking in our field to be implemented that transcends the old models of 8-bed group homes, and provides for more specialized environments than typical apartments in the community.

Because of this new strategy, and a push to downsize the institution to 95 by June 30, 2011; and to 67 by June 30, 2013, there has been renewed interest in using the DD Loan Fund to cover the cost of new environments. Simultaneous to this process, others recognized that the DD Loan Fund was saddled with an expensive audit process and hadn't been used for approximately 10 years. The necessary players on both sides of these viewpoints just began discussions early in January of 2011.

DD providers need assistance in the following areas:

1. Providers have difficulty obtaining loans for more than 5 years with local banks. Current reimbursement rules create a disincentive for provider funding when there are unanticipated increases in the interest rate, after the five year fixed rate expires.
2. Providers need loans that will extend over the useful life of the building, typically 2 years.
3. Providers developing housing options for individuals in Home and Community Based Waiver services need low interest rates to assure the rent is affordable to clients. Clients in those services pay for room and board.

Some of the loan options explored require providers to compete with other local business entities for community matching funds. They may be successful in some communities. Other communities would prefer a new business coming to their community.

Additionally, some providers feel they can't afford the 20% - 30% down required by their local banks.

Providers want to meet the needs of those individuals currently at the Developmental Center who are requiring placement in the next biennium. We don't need to have the current DD Loan Fund. We need assistance with a loan program that will help us meet the state's goals and provide creative options for people.

We believe we can work with the Bank of North Dakota and personnel from the Department of Human Services to find new solutions to these issues.

This concludes my testimony. I would be happy to answer any questions.

Barbara Murry
220-4778
barbndacp@midco.net