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ROLL NUMBER

DESCRIPTION

2418

2007 SENATE HUMAN SERVICES

SB 2418

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2418

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 03-19-07

Recorder Job Number: 5258, 5261, 5293

Committee Clerk Signature

Victoria Spaulding

Minutes:

JOB # 5258

Roll was taken and all members were present.

Senator Judy Lee, Chairman, opened the public hearing on SB 2418.

Senator Larry Robinson from District 24 introduced the bill. The Veterans' Home in Lisbon is very important. The bill is self-explanatory. Senator Robinson toured the Veterans' Home last Monday. We will soon be receiving a new wave of veterans and we need to be prepared to meet their long term needs. The staff at the Veterans' Home is great but there are concerns about the facilities especially the life safety issues.

Senator Warner asked about the life safety issues.

Senator Robinson said the issues were discovered just last fall. Without going into detail he said they involve the ventilation system. The ventilation system dates to 1950. The ductwork in the ceiling is wide open and is a fire trap. Hallways and bathrooms are narrow. For two scooters to meet in the hallway is a problem. The money to be expended – the \$160,000.00 – is earmarked to take care of the immediate concerns to buy time until they can deal with the entire structure. It is basically to meet safety codes for the short term. It will get them by until it is time to build the new facility and take this one down.

Senator Dever quoted from a letter from US Senator Kent Conrad (see attachment A) that said the VA State Home Grant Program will match 65% of the cost if our state legislature passes an appropriation that will provide 35% of the cost. He asked if the federal funding is already in place.

Senator Robinson said they don't have the check but "it's as close to being in the mail as they have ever been with the federal government." North Dakota has never questioned federal funding for this facility. We are one of four states that have not requested that support. That puts our state high on the list. Coupled with the fact that it's a safety issue moves us to #1.

Senator Heitkamp from District 26 spoke in support of the bill. He feels the time to do this is right. He also mentioned that the people that work at the Veterans' Home are professional.

Senator Lee mentioned that the community involvement in the Veterans' Home is impressive.

Representative Ralph Metcalf from District 24 said this is an important piece of legislation because it serves our veterans. He encouraged the committee members to listen carefully to the stories that would be told. The Veterans' Home is not a regular nursing home. The veterans that are there have special needs that cannot be served in a regular nursing home. We have to make sure what we do is based on the needs of the veterans.

Senator Dever asked when the existing home was built.

Senator Metcalf said the part of the home that needs work was built in the late 50's.

Senator Dever asked if it is of interest to the Historical Society.

Senator Metcalf said he doubts that it has any historical value.

Representative Phil Mueller from District 24 spoke in favor of the bill. There is a big problem with the Lisbon home. We have a rich history of supporting our veterans in North Dakota. This bill could be looked upon as the ultimate support for the veterans.

Bill Goetz, Chief of Staff for Governor Hoeven, offered testimony on behalf of the Governor.

See attachment # 1. He complimented the delayed bills committee for accommodating this bill.

There are more than safety issues here; the facility is outdated. The veterans need a modern facility. He has spoken with the US Dept. of Veteran Affairs. North Dakota has not received any money from the US Dept. of Veteran Affairs in many years. This along with the fact that there are life safety issues puts North Dakota at the top of the list.

Senator Dever expressed appreciation for the leadership of our governor and specifically for his support of veterans overall during his entire administration.

Senator Heckaman asked if the \$166,000.00 would all be used in doing the necessary renovations.

Mr. Goetz responded that all of that amount would be needed to fix up the immediate priorities within the next few months. He understands that eventually part of that will be reimbursed by the US Dept. of Veterans Affairs back to North Dakota.

Senator Heckaman asked if the money needed for planning could be reimbursed by the US Dept. of Veteran Affairs.

Mr. Goetz said he wasn't sure about that.

Mark Johnson, Administrator of the North Dakota Veterans' Home, spoke about the condition assessment of the building. See attachments # 2, 2A and 2B. There are 7 air handling units, all of which bring in cold air. There is no temperate air coming in. In the winter they are bringing in air that is -20 degrees. The biennial utility bill is \$485,000.00. They know they can improve on that.

There are four bathrooms for women and none of them meet ADA requirements. Due to crowding and floor plan, the people standing in the line to get medication overhear the people who are getting their money out. They have a humidity issue in the med room that even

causes some meds to stick together in humid conditions. The dining facility design is institutional. Eighty veterans plus staff all eat in one dining area. The parallel bars are in the same area as the receiving area. Of the 127 residents 80 have mental health issues. This is not a typical nursing home. They need a lot of individual care. With all of the mental health issues it is hard to put them together in a room. In the new building they are going to have over 90% of the rooms as private rooms. The cost of doing the proposed remodeling came to 23 million dollars so they proposed a new building for the skilled care and the basic care.

Senator Lee asked if any part the current facility would be preserved.

Mark said the whole building would be demolished. The sunroom can be salvaged and probably put in the courtyard.

Senator Lee commented how clean and tidy everything is kept on the campus. It speaks very well for the staff.

Senator Dever asked if the demolition was included in the cost. He also asked how this cost compares to the cost of a standard nursing home facility.

Mark said the cost of the demolition is included in those numbers. The cost – because it is a federal facility it needs to meet VA requirements as well as state guidelines. The VA has different requirements so this will cost more than a typical nursing home.

Brad Maasjo who is a veteran of the Viet Nam War and serves on the governing board of the Veterans' Home testified in support of SB 2418. See attachment # 3. In 1893 the veterans' home was built and it served as a hospital in the early 1900's. In 1949 it was rebuilt as a nursing home. In 1980 an addition was constructed to increase the size of the basic care area.

In 1991 a skilled care unit was added. The work done in 1980 and in 1991 were bond issues so the last time they have come before the legislature was in 1949.

On the sixth page of attachment #3 the acronym OIF stands for Operation Iraqi Freedom.

VISN stands for Veterans Integrated Service Network. VISN 23 is the Upper Midwestern VA Region which includes the medical centers in Fargo, Minneapolis and Sioux Falls. The number of newly enrolled veterans far exceeded the expectations at the onset of the present conflict. There are actuarial projections available 35 years out. The projections for the period 10 years from now until 20 years from now reflect that North Dakota is expected to have slightly higher enrollment even though nationwide enrollment is expected to be slightly lower. The rate of those surviving on the battlefield is 90% so there are more survivors and they require very complicated care. These veterans will be staying in our health care facilities longer.

The picture on page 9 is of Corporal Kenny Jeffers who suffered an IED explosion in Iraq. He was given up for dead on the operating table but he survived. He lost both legs and has a titanium plate in his skull. In this picture he is being fitted for new legs and his comment on this day to the doctors was, "I can't wait for you guys to get finished because I am the same person that I always was." The picture on page 10 is of Sgt. Brian Saaristo. When his doctors asked him if he was ready for his new legs, he said he was ready to go for a run and asked his doctors if they were ready to run. Page 11 shows the impact on families. The veteran said he couldn't believe his wife waited for him and married him after what happened to him. After she announced her intentions to marry him the community built them a home and created a job for the veteran. The community said this is what communities do.

There is bi-partisan support for this legislation. On page 13 it mentions 121 beds. The federal government caps each state at a certain number of beds beyond which they can't reimburse.

They don't limit the number of beds a state can have but there is a limit on the number they will reimburse. The governing board feels all 150 beds need to be replaced. See attachment # 4.

The audit that was done revealed if the facility were operating with 150 beds it would pay for itself in the first biennium and be a profit maker after that.

CFR 38, referred to on page 14, is the federal statute that currently limits North Dakota to be reimbursed for 121 beds. The governing board of the veterans' home is advocating for an increase in the number of beds that statute allows North Dakota to be reimbursed for. The governing board is also working at getting a veterans' home approved for another location in the western part of North Dakota.

Demographers have discovered a phenomenon has existed since 1973 with less populated, more rural states with less powerful economies experiencing higher volunteer rates into the military. Those states are bearing the burden of the war disproportionately in this era of an all volunteer force. Vermont, North Dakota, South Dakota, Alaska, Wyoming and some of the states in the Deep South have been affected by this phenomenon. It makes it even more important to get the number changed in CFR 38.

There are five new Community Based Outreach Clinics (CBOC's) in North Dakota. They are operated by the Veterans' Administration. Each is at least two hours travel time apart from each other and from the Medical Center in Fargo. They are located in Williston, Dickinson, Bismarck, Jamestown and Grafton. Lisbon would be another ideal location. This would facilitate the medical care for the residents of the Veterans' Home who now have to travel to Fargo. Many of them are elderly people who are not feeling well and the trip is a hardship especially in bad weather.

Senator Dever asked why the number of beds has been reduced.

Mr. Maasjo said the number of beds has never been reduced but the federal government is limited to doing the matching funds on only 121 beds. Because of that limit, that is the number that evolved into this bill.

Senator Dever asked about the Senate amending it and giving that as an option.

Mr. Maasjo said for \$2.6 million they can build the new building including the additional 29 beds. The cost per bed at that rate is about \$50,000.00 or \$60,000.00. This is cheaper per unit than the initial buy but that final \$2.6 million would not be reimbursed at the 65% rate back to the state. They can amortize it over time and if they get those extra beds they will generate revenue of about a million dollars per biennium.

Senator Dever asked what the rationale is at the federal level.

Mr. Maasjo said the capping limit of 121 was from a chart that was developed in the 1950's and 1960's. At that time there was a draft and there were several large states that had a great deal of influence over the creation of the chart. Some of the larger states had already built several institutions so they grandfathered themselves into the chart.

Senator Warner asked why this bill concerning the additional 29 beds was being run through the Human Services Committee. He also mentioned the criteria for entering a Veterans' Home in the state. He asked if there might be some legal issues with running this bill through Human Services. Would there be trouble with taking Human Service dollars? If you take money that is meant for poverty of anyone and instead spend it on a select group, in this case veterans, could there be problems.

Mr. Maasjo said he would have Mark help him answer that question. They essentially are not adding 29 beds. The point to remember here is that they currently have and operate 150 beds. They don't fill them all because of space and diagnosis limitations. They have 150 and the VA reimbursement program is an existing program. It is not something that would be new but it is a way to help amortize the ones that the feds can't do a grant on.

Mark Johnson, Administrator of the North Dakota Veterans' Home, said when you look at reimbursement on the beds they are reimbursed through indirect, other direct, direct and

property. With that there is a federal FMAP at 68%. They would have the ability to generate those dollars through amortization and depreciation of the building to pay for that skilled care if they do it all at the same time.

Senator Lee asked if they would be under any obligation to serve people other than veterans if part of the financing is through that means. Can you continue to only serve veterans with that portion being separately funded?

Mr. Johnson said they have done revenue bonds in the past and they have never been obligated to go to that... *(I couldn't hear the tape)* Their criteria are serving the veterans and ... *(I couldn't hear the tape.)* His understanding is because they are a state institution and they are a veterans' facility that they would not be obligated to do that.

Senator Lee said because it is already federally established that would not be an issue but she wanted to make sure of that.

Senator Heckaman mentioned that the new plan is only for a 121 bed facility. She asked if a plan existed for a 150 bed facility.

Mr. Johnson stated that the plan is for a 150 bed facility. The federal construction grant will pay for 65% of replacement for 121 beds. That would displace 29 veterans. The other aspect to consider is that they will generate close to \$1 million which will be a relief from the general fund. Their goal is to take the pressure off the general fund. They do not plan to ask for the \$4 million. They plan to ask for \$3 million or possibly less.

Senator Lee asked if the CBOC is in the plan.

Mark said they are right now meeting with the VA... *(I couldn't hear the tape)*

Senator Heckaman asked if the bill does not include the funding for the extra 29 beds.

Mark said that is correct.

Senator Lee said they would have to amend it to use that additional VA's funding formula for that. Senator Lee commended the governing board for the excellent progress they have made. DuWayne Ternes who serves on the governing board and used to be a general contractor testified in support of the bill. He said the problems with the facility are even worse than what the pictures show. He did a walk through for his assessment and saw many liability issues if something would happen. He served on the UBC building codes for the state of North Dakota for many years.

Senator Lee said she heard him saying you can't put lipstick on a pig.

Norris Braaten, Chairman of the Governing Board, introduced the members of the board. He testified in favor of the bill.

Opposition: -

Neutral: - Senator Warner asked for an opinion from Shelly Peterson on how the 29 beds would affect the moratorium.

Shelly Peterson with North Dakota Long Term Care Association said the Veterans' Home had 150 beds. For the moratorium they can keep all 150 beds. If they choose not to put those beds into service they will eventually lose those beds. They need to probably license them if they want to keep them and include them in the construction project. North Dakota Long Term Care Association is supportive of the 150. See attachment # 5.

Senator Warner asked "so funding 29 of the beds through Human Services rather than through Veterans has no effect on the moratorium or on the licensure?"

Shelly: "none." From her understanding that is correct. It's just a money issue, coming up with the money.

Senator Dever asked if the construction project doesn't include those 29 beds, could they sell those beds?

Shelly said they could if they chose to. If they don't license them they would have 48 months to put those beds into service so they could hold onto those beds and either license them within the four year period or they could sell them to another community. Eventually you have to put them into service or sell them or they evaporate from the system. If they move into the new facility and only license the 121 beds they will have four years to put the additional 29 into service.

Chairman Judy Lee closed the public hearing on SB 2418.

JOB #5261

Chairman Judy Lee opened discussion on SB 2418.

Shelly Peterson with North Dakota Long Term Care Association had listened to a discussion Barb Fischer from the Department of Human Services was having. Barb had indicated that it would be an allowable match in the *(I couldn't hear the tape)* budget to get the 35-65 as long as it was within the construction building limits. In SB 2012 there is a proposed increase in those limits so they would be able to get reimbursement up to those limits. She is not sure where they are on the limit issue.

Senator Lee said Senator Warner had asked whether they would have to open the home to non-veterans if it was done as proposed.

Shelly said she didn't think they would have to. They have been receiving federal funds through the Department of Human Services for many years and they have never had to do that.

Senator Warner mentioned there had been talk of revenue bonds and that there was money coming in the future from Human Services. He asked if they are talking about a one-time match coming through Human Services.

Shelly said someone from OMB would be better equipped to answer that. She is not sure where their revenue comes from. Other than through general funds they still have to appropriate the funds.

Senator Warner: "I guess I was concerned if they built the 29 beds and could only occupy 20 of them." ... *(I couldn't hear the tape)*

Shelly said any *(I couldn't hear the tape)* that is under 90% occupancy has a penalty. The Veterans' Home would be subject to that same limitation. She said she doesn't think they have ever had a penalty due to an occupancy issue. They have never fallen below 90%. If they don't fall below they should be able to... *(I couldn't hear the tape)*.

Senator Lee said they would have the same number of beds that they have now.

Senator Warner asked if these 29 beds would be considered separately.

Shelly said they wouldn't. It will be considered one group of 150 not a group of 121 and a group of 29.

Shelly distributed a demographics listing of the North Dakota Veterans' Home Basic Care. See attachment # 6.

There was discussion about the condition of the home and the possibility of changing the name.

JOB # 5293

Chairman Judy Lee opened discussion on SB 2418. She presented the proposed amendments to the bill which would add on the bonding for the additional 29 beds.

Barb Fischer, Assistant Director of Medical Services for the Department of Human Services, was on hand to answer questions that might arise.

Senator Warner asked if Medicaid money is used are they going to be required to take people who are not veterans.

Barb said if Medicaid money is used they could not discriminate against anyone. They would be required to take anyone but veterans would have preference.

Senator Lee asked if the federal government could possibly do an override for the Veterans' Home.

Barb said no, if Medicaid money is used you cannot discriminate.

Mark Johnson, Administrator of the North Dakota Veterans' Home, stood for questions.

Senator Lee asked what would happen if someone from Lisbon wanted to become a resident of the Veterans' Home but they were not a veteran.

Mark said the admissions criteria are standard in the industry. The VA doesn't take anyone outside of the veteran population.

Senator Lee stated they just wanted to make sure they would not create a conflict.

Senator Warner said the feds will fund 121 beds and the additional beds will be funded by Medicaid which forbids you from discriminating. He still feels that at some point the VA will end up having to accept someone in one of those 29 beds.

Senator Lee said they are funded by Medicaid now so nothing will be different.

Mark said they take Medicaid and private pay and insurance and Medicare. If it goes back to what the requirements are from the VA it is very stringent.

Senator Dever asked how close the other nursing homes in the area are.

Mark said they are 20 miles away, 1 mile away and 13 miles away.

Senator Erbele asked if there is always a waiting period or if there are sometimes openings.

Mark said right now there are 14 on a waiting list. On the skilled side there are 6-8 people on the waiting list. Due to the deficiency they received they backed off on their admissions. They were at 132 residents, now they are at 125. During the renovations it may be necessary to temporarily move residents.

Senator Erbele asked if they anticipate being at or close to capacity once the renovations are done.

Mark is confident they will be at capacity. If they are able to get a CBOC (an outreach clinic from the VA) it's going to become a real marketing force for them. They will become an outreach clinic in the southeast corner of North Dakota. People from the surrounding area could come to see the doctor. They already have a pharmacy on site. They are looking forward to what is ahead.

Senator Heckaman asked where the closest clinic in South Dakota is and asked if the Veterans' Home accepts South Dakota residents in the home.

Mark said he didn't know where the closest clinic in South Dakota is and he doesn't know if there is some type of a waiver for accepting residents of other states. Their vision includes North Dakota, South Dakota, Minnesota and Montana.

There was a discussion about the location of different VA facilities. For some veterans' services the veterans just go to the closest facility.

Mark said in Montana there is one in Glendive and one in Miles City. The nursing home is in Glendive and the hospital is in Miles City.

Senator Pomeroy asked how closely related to a veteran someone had to be to be treated at a VA facility.

Mark said the clinic will only serve the veteran. Even a veterans' spouse who is living in the home will be billed by the physician if they are seen by the VA physician.

Barb Fischer added that the Veterans' Home right now does have Medicaid and hasn't had any problems to her knowledge. They are going to get some financing for those additional beds and that will affect the rates that they charge. There shouldn't be any issues of discrimination from the standpoint of Medicaid.

Senator Warner moved to amend SB 2418 with amendment 70881.0101.

Senator Erbele seconded the motion.

Senator Dever asked for clarification. "We are talking about \$6.4 million of general funds to be used as a 35% match with 65% federal money. Twelve point something million dollars for a 120 bed facility with 2.575 million dollars of bonding to be paid for through revenue generated by the facility."

Senator Warner said that 2.5 is additional.

Senator Dever and Senator Lee said it was for the additional 29 beds so it will equal the number of beds they currently have.

Senator Dever asked if there was a possibility that the feds might increase the amount that they would contribute and North Dakota could just bump the amount of general fund dollars.

There was discussion about how to pursue that possibility. Usually it is hard to put pressure on the federal government.

Senator Dever said the total cost to replace the facility is 20 to 25 million dollars.

Senator Warner said the construction may not begin until 2008.

Barb read from attachment # 4. The first bullet says, "The Federal government allows us to have as many beds as we want or need; however, until the Federal law is changed, they can only provide 65% matching funds for up to 121. " So there is a very compelling case to get the 121 limit raised. Senator Conrad's staff is working on this issue.

There was discussion about if we willingly fund it the feds will not pick up any more of the bill so we should pursue that option first.

Senator Dever suggested \$800,000.00 pending federal action to increase the capacity.

Senator Lee is concerned they cannot move forward in a timely fashion with the whole project if they don't know if they have the funding.

Senator Dever said by this amendment the committee can bond for whatever they want. The feds aren't going to take an interest in paying for people who are in service to the federal government.

Senator Heckaman said she would leave it as it is because if the money would come it doesn't have to be used for ...

Senator Dever said he doesn't have any trouble supporting the amendment the way it is and leaving it up to Appropriations Committee to decide.

Senator Lee said she doesn't disagree at all that it is the feds responsibility but she doesn't feel we have the influence to hold them to it. She feels we shouldn't leave the Veterans' Home people hanging.

Senator Warner said the federal government will not change their "bed quota" based on the Veterans' Home in Lisbon, they will base it on the needs of veterans in the country as a whole. There was discussion about what could be done to continue to seek federal support for this. Kristin Lunneborg, Accounting Manager at the North Dakota Veterans' Home, said Senator Conrad's and Senator Dorgan's offices are working at changing that 121 bed reimbursement limit. There is a chance they will get it changed. If the feds up that bed limit within 4 years they will come back and reimburse the state for the 65%. No matter what the legislature decides to do they are still going to work to get that limit changed at the federal level.

(Motion made at bottom of page 13.)

Roll Call Vote: Yes 6 No 0 Absent 0

Senator Dever said he sees no need for the emergency clause.

Senator Warner made a motion to pass the SB 2418 as amended and rerefer it to the

Appropriations Committee.

The motion was seconded by Senator Erbele.

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Senate Human Services Committee

Bill/Resolution No. 2418

Hearing Date: 03-19-07

Roll Call Vote: Yes 6 No 0 Absent 0

Carrier: J. Lee

Date: 3-19-07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2418

Senate HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend to expand to 150 beds.

Motion Made By Sen. Warner Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date: 3-19-07

Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2418

Senate HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70881.0102

Action Taken Do Pass / amended / refer

Motion Made By Sen. Warner Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair 2	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner 1	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Lee

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

REPORT OF STANDING COMMITTEE

SB 2418: Human Services Committee (Sen. J. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2418 was placed on the Sixth order on the calendar.

Page 1, line 2, after "facility" insert "; and to provide for the issuance of revenue bonds"

Page 1, after line 13, insert:

"SECTION 2. APPROPRIATION - VETERANS' HOME CONSTRUCTION PROJECT - ADDITIONAL BED CAPACITY - BOND ISSUANCE AUTHORIZATION.

The industrial commission, acting as the North Dakota building authority, shall arrange through the issuance of evidences of indebtedness under chapter 54-17.2 for the biennium beginning July 1, 2007, and ending June 30, 2009, for costs associated with expanding the veterans' home construction project from the 121-bed capacity facility, as provided for in section 1 of this Act, to a 150-bed facility. The proceeds of the evidences of indebtedness and other available funds in the amount of \$2,575,152 are appropriated to the veterans' home for this project. Non-general fund sources must be used for the retirement of the evidences of indebtedness for the costs associated with this project."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment authorizes the issuance of revenue bonds in order for the Veterans' Home to expand the Veterans' Home building project to a 150-bed facility.

2007 SENATE APPROPRIATIONS

SB 2418

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2418

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-22-07

Recorder Job Number: 5463

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on the construction of a new Veteran's Home which is a delayed bill, SB 2418.

Senator Robinson, District 24, Valley City, the sponsor of the bill discussed SB 2418. He discussed the process of introducing the bill and discussed visiting the existing home. He thanked all publicly for supporting the delayed bill.

Representative Ralph Metcalf, District 24, representing the Veteran's Home, Lisbon and Valley City, indicating he has looked at the amendments made by the Senate and they look good to him. He stated he has worked on this for several months and everything is proceeding down the right road. He sees advances in every paper out of here.

Senator Judy Lee, District 13, Fargo, presented a moment of explanation from the Human Services Committee regarding the amendment and why it raises the number of beds from 121 to 150 and why it is important. She indicated it would be more expensive to construct at a later time, it would be a bigger challenge to construct later because of the moratorium in ND.

Senator Holmberg indicated one other item of note. During the process of looking at the bill there is one wording issue that needs refinement. After the hearing today today Karlene will present an amendment identical to what was passed except with the right words.

Norris Braaten, chairman of the Governor's Board of the Veteran's Home, testified in support of SB 2418, indicating there are other board members also present. He did not furnish any other details but thanked Senator Lee for increasing the bill to include 150 beds. He urged acceptance of this bill as the Veteran's of ND need this very badly.

Mark Johnson, Administrator, ND Veteran's Home, Lisbon, testified in support of SB 2418 distributing a ND State Fire Marshall Safety Inspection, a Dept of Health Life Safety Code, the architect plan and a cost of a new building, correspondence regarding a match for the 121 beds, and a list of priorities with revenue projections and what additional beds would generate.

Senator Christmann indicated he has three concerns:

- 1) The timing of this, when they would start construction, when it would be completed. The response was with time lines; August 15 is when all information must be provided. In September the announcement will be made as to who receives grants. After that funding will take place as of October 8, 2008. The Governor discussed that after approval of federal funds, we can use seed money of the \$6.5 million in the spring of 2008.
- 2) Regarding the million dollars in here and if all of this happens as you are suggesting. This is enough to move in, you don't need furnishings and this is everything or is it just a shell. The response was that this is everything. Some of what is currently used will go to the new facility. Part of the funding put into the bill is the VA will cover a little over \$1 million for equipment upgrades and furnishings.
- 3) With costs and what kind of facility we are building here. In Beulah we are building a facility that is state of the art with 80-90 bed facility with the most modern equipment and plans. That is costing \$15 million, why is yours so much higher. The response is that the biggest issue is requirements by the VA,, as their mandates are more stringent, larger rooms, they have a sheet that tells how to build the facility. They are very stringent on their requirements and specifications.

Senator Mathern indicated the facility has funding in HB 1007 to do some of the planning to become effective August 1. Is there anything in this bill that you need now. The reason I ask is we have the option of an earlier effective date. The response is at this time we are not aware of particular things to be done. We might need something with spending authority with both the federal and state.

Donald Thompson, consultant with Eide Bailey, testified for information purposes on the revenue bonds. He distributed a hand out showing the interest on \$2.6 million over 20 yrs of funding and how he came up with an annual debt services and what goes into rates in bonds. He provided an example and walked through the process showing how at the end of twenty years all of the costs have been into the fund so it comes up to zero.

Senator Grindberg one could argue wouldn't come to 0 in twenty years. Have upgrades or deferred maintenance been built into the model. The response was no this example was just looking at the original cost. If there are certain things to look at for that we look at other components for that. Dollars back come through depreciation.

Senator Grindberg asked how you would come up with actual cash, depreciation is not actual cost. The response was that is the piece we look at with the 29 beds. With those beds we will generate up to \$1 million for a biennium. We will have an excess of cash of about \$600,000 a biennium. We will also look at several other features with this too and that is being efficient with a new building. Currently utilities run \$485,000 a biennium and the new building will have savings there. With more bedrooms we will have the ability to generate more dollars.

Senator Grindberg indicated it sounds like there is enough flexibility to factor in a plan.

Duane Ternes, in Beulah he is familiar with looking at steel with brick. The structure is costing more than a stick frame. Going with an underground heat source, this system is the best out there and will get better, there is minimum maintenance because of the type material we will use and change orders are the worst thing. I ask the question, who is paying for us to make the move into a new bldg, I am here to

support that need. If there is a change order it should come from the architect. I want them to be responsible for their actions. I want to protect the money so that 100 % is used for the structure.

Senator Krauter questioned Mark as it was Senator Krauter's understanding that the vet's have per diem direct, indirect and other costs. The response was all are veterans and have federal per diem. On basic care side, it is a pub institution and the only additional revenue is per diem and get residential rent for basic care, on the skilled side we get a per diem and have rate limits and that is how this is funded,

Senator Christmann indicated we talked total beds what is the difference between basic and nursing bed? What are you licensed for now and what would it be under the 121 scenario and the 150 scenario. The response was they are licensed for 150 beds and where they are today is at 112 for basic care and 38 beds on the skilled side. We are proposing that exact same formula. If there are 121 bides, it would be 38 skilled and 83 basic. They are looking at trying to be more profitable.

Karlene Fine distributed an amendment for a technical correction on the amendment. We have a defined term project costs. We added the word "declare to be in a public interest" on line 20. We clarified when the payment begins. In the 09-11 we will capitalize the interest and cover those costs. Language clarifies their authority to get the bonds and have spending authority.

Senator Bowman moved the amendments, Senator Robinson seconded. An oral vote was taken for the technical amendments. The motion carried.

Senator Bowman moved a do pass as amended, Senator Robinson seconded. Discussion was held.

Senator Christmann questioned if the amendment in the book is already attached.

A roll call vote was taken resulting in 14 yes, 0 no and 0 absent. The motion passed. Representative Judy Lee will carry the bill.

Chairman Holmberg closed the hearing on SB 2418.

Date: 3/22
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2418

Senate Appropriations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

DP as amended

Motion Made By

Bowman

Seconded By

Rob

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes)

14

No

0

Absent

0

Floor Assignment

Judy Lee

Hum Serv

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

REPORT OF STANDING COMMITTEE

SB 2418, as engrossed: 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 SB 2418
was placed on the Sixth order on the calendar.

Page 1, line 2, replace "revenue bonds" with "evidences of indebtedness"

Page 1, line 18, after "for" insert "project"

Page 1, line 20, after "facility" insert "declared to be in the public interest. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayments need not begin until July 1, 2009. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2009, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date"

Renumber accordingly

2007 HOUSE HUMAN SERVICES

SB 2418

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2418

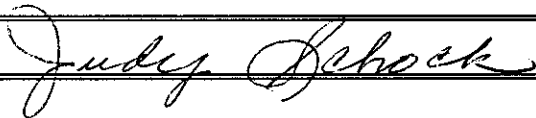
House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: March 29, 2007

Recorder Job Number: 5614

Committee Clerk Signature



Minutes:

Rep. Price: We will open the hearing on SB 2418.

Rep. Berg: *SB 2418 is before us today in this format because we wanted to create an environment to have an open public debate on the issue. Obviously the needs of our elderly and seniors are important. The healthcare needs are. The reason this is before us is because of some of the money that is being made available at the federal level. So I just want to encourage you to go do into this bill, ask the questions, and at the end of the day come out with a recommendation that does serve those needs with the balance of services we have in the state.*

Rep. Bellew: Rep. Berg could you explain the financing to me?

Rep. Berg: We have been very concerned about the ongoing spending. My understanding is that the money being requested is one time for capitol construction. From the appropriations standpoint the other important thing is to look at the ongoing cost.

Sen. Stenehjem: *SB 2418 would provide approximately \$9 million of state money to demolish and rebuild the veteran's home. The legislator is initiating the construction of this new home in response to an opportunity received in the federal government for grant money. We want to honor the brave men and women who have proudly served their country by providing a*

beautiful and caring place for them. Section 1 sets the state chair at 35% or approximately \$6.4 million. The funds would be used to match the \$12 million in federal funds. Section 2 allows the 21 bed capacity to be increased to 150 beds which is in line with what is there now. An additional \$2.6 million is appropriated in the bill to accommodate that bed increase. This important bill continues the legacy of caring for veterans by providing a new facility for those who have special needs. These men and women have given their lives and service to their country. In many cases they have disabilities as a result of their service. I urge you to recommend a do pass for SB 2418.

Sen. Nething: *I'm here this morning to encourage the passage of SB 2418. My interest is probably three fold. First of all I have visited the current home on several occasions. I have had an occasion to vote for the three additions, I wasn't here when the original portion was built. I'm also one of the few Korean War veterans that is in the legislator today. It is really our generation that is going to be triggering part of the need for this facility. I think the veteran's have had some rocky times with the management of the facility. I think they now have their act together. The management is working out very well. The services they provide are the kind of services that we all can be proud of. I would say that on behalf of the veteran's of my era that it is important. I would encourage you to adopt SB 2418.*

Sen. Robinson: *I'm going to be very brief. I have been at the facility many times as my colleague has. The facility is located in Lisbon in a beautiful setting. There is no question about the quality of the management or the quality of the care. We have had a great dedicated staff. They do a lot of work there. The only limitations that they have is with the fiscal facility. There is also no question about the need that is embedded in SB 2418. There are serious life issues that need to be addressed. There is a proposal in another bill to deal with the short term fix. In the long term we do need to move forward with SB 2418 and replace the facility. There is no*

question that we also have a wave of veteran's coming home with special needs from Iraq and Afghanistan. We need to be prepared to provide the current and future residents with the highest possible quality of care and service that we can. Our veteran's deserve no less. With that I would recommend to the committee to support this package. I want to thank everyone for putting this on the fast track.

Sen. Lee: I wanted to bring to you our strong support from the Senate Human Services committee for this bill. You will get a detailed explanation from the folks who will be following who are directly involved with the facility. We wanted to explain the increase of 121 beds that is now qualified to the federal match to 150. That is the amount they currently have. They will explain to you that because of some of the behavioral issues they are not able to fill all the beds because they can't have rooms shared in some of those situations. I would leave those questions to be better answered by staff. The federal reimbursement would be reduced and equally important to us on the ND level. We did it in two phases. If they didn't build all of those beds right now they would have to be ready to occupy in 48 months or they could loose those beds permanently under our law. Those are some of the reasons for having done what we did. We are proud of it. We want to see this move forward if we possibly can for the benefit of the folks who live in the veteran's home and also for the community of Lisbon which is remarkably involved with the activities of the veteran's home there. With that I would bring to you my support of the Senate Human Services committee.

Rep. Amerman: I come before you and ask for your support of this bill. As a commander of legion post 82, I am a lifelong member of the VFW, and I am also a Vietnam Veteran. I will keep this brief for the essence of time and ask for your consideration for a do pass.

Bill Goetz: Chief staff for the Governor. I would like to make several comments relative to SB 2418 and also to the operation of the facility. We have come a long way in the state of ND

in terms of laying a foundation of credibility to the operation of the veteran's home. We certainly had challenges a few years back that have evolved in terms of good management, a board that is responsive, and a board that in term stays in close touch with the governor's office. I think that is fundamental in terms of a comfort zone in addressing the project that we have before us. Relative to the facilities itself, I've been through the facility and obviously there are needs that need to be addressed. This certainly has evolved this session as an issue. It was an issue that was not as focused when the budget was put together. It has come before us early on in the session. I'm here to convey to you the support of SB 2418 in terms of addressing the financial package that is offered before you. The revenue bond addressing the expansion to the 150 beds. I personally have had two conversations with the Department of Veteran's affairs in Washington D.C and have been assured that this is a top priority for the Department in terms of federal funding. On behalf of the governor, I offer support for the legislation before you.

Norris Bratten: Chairman of the Governing Board. *I would like to thank Mr. Goetz for his comments about our management. It has been a very enjoyable board to be a part of. We do thank you for this opportunity in being able to testify in support of SB 2418. Our governing board has three members here. We also have the management of our home. The essence of the bill is to provide a new facility for our home. We as a board have gone on record. We do approve of this construction. We think we need this. We think it is imperative that we have this for our present residents plus the future residents that will come out of our current conflicts. I thank you again for our position to testify.*

Kelly Schmidt: State Treasurer. *I just want to stand before you and ask for your favorable consideration for this bill. As a granddaughter, a daughter, a wife, a mother of people who*

have served in the military. My great grandmother was a resident of this fine facility before she left us. I would just ask that you take this into favorable consideration.

Mark Johnson: Administrator of the ND Veteran's Home. PowerPoint testimony attached.

Rep. Wieland: You are licensed right now for 149, 38 skilled and 111 basic. Is that the number that the revenue would be the same ratio that you would do or would you try to expand one of those areas?

Mark Johnson: Where we are at, we have to get that clarification from the Health Department. We have 150 beds. We put one bed down into an area for a treatment room. I don't know whether or not that bed is given up. We are licensed under the DA standards of 150 beds. If we can get that bed out, that is what we are looking at.

Rep. Wieland: My question was are you going to continue with the 38 skilled and the 112 basic or are you going to change those numbers?

Mark Johnson: WE are looking with keeping with the numbers we have right now. We have to get the one piece clarified with the 112.

Rep. Ekstrom: Are we going to fast track this? Are we going to do a design build and get the shovels in the ground quickly? Do you have an estimate on when we might be able to start construction?

Mark Johnson: When the Governor came down a few weeks back, the basis we have is that we have to have everything done by August 15. Once we get that done they will then make a determination where we sit on their priority list. We have been told that we are the number one priority for them. That will then be able to capture 65% funding. They can tell us that we are going to get those dollars. They have to make their Congressional Budget. That budget will then go to Congress to be voted on. They will then allocate the dollars in October. When the Governor came out he was wondering that we could look at the amount the state is putting up

as seed money and possibly begin construction in 2008. We are trying to fast track it as possible. We have a lot of work to do. You can't imagine all the stuff we have to get done before the August 15 date. We are working very hard to try and fast track it.

Rep. Ekstrom: With your architects, have you discussed with them the idea of design build, in other words get this thing moving as quickly as we can. There are a couple ways to approach things. Sometimes we will just do things as pieces. In a situation like this we can speed up the process. Have you discussed that with them?

Mark Johnson: At this time we have kind of talked about some options. We are very fortunate to have Duane Ternes on our board because he used to own Capitol City Construction. I'm going to let him talk because he will be very vital for us when we move into this process.

Rep. Weisz: Can you tell me why we started out with only 121 beds and why the 29 beds don't qualify for federal match based on your numbers?

Mark Johnson: In the beginning we went after 150 beds. There is a federal grant and a formula that was designed back in the 1960's during the draft. During that time the number became the base. That is what they will pay for replacement of beds doing the 65% match. However we receive that from the federal government. They will pay for more than that. During this time we have also been able to license additional beds and pick up that. We are actually licensed for 150 beds. We are just looking at building to that amount. That is where that happened. That is why we are going after a revenue bond on the 29 beds. The 121 came from a federal match. We have to look at trying to get all of our beds back. That is what we are looking at.

Rep. Weisz: So the dollars that are available are based strictly on beds and it is not total dollars?

Mark Johnson: I guess I'm not quite sure. It is based on beds. There is a very clear format that we have to build in order to meet the VA compliance. You have to have so many rooms. They have to be a certain amount of square footage. We are meeting with those requirements. I don't know if that answers your question.

Rep. Weisz: Well for example you said build 150 beds for \$18 million would be matched. Are they going to drop that down if we only build 121 beds?

Mark Johnson: The VA matches only 121. That is what they will pay the 65% on.

Rep. Pollert: When you go through this process, are you going to have a bidding process? You are not just going to go to one architect or one construction company? We have to secure the funding which means are you going to have a bidding process in place?

Mark Johnson: We have to follow the state guidelines for bidding. We have to go the state and that will be posted with them to come in and bid. From there we will have our own committee. With that committee we will then take the amount of people applying for this and narrow it down to the top group.

Rep. Conrad: What is See Bock?

Mark Johnson: That is a clinic outreach from the VA. My counterpart who does this presentation knows a lot about this. He is from the VA. He can answer that question a lot better.

Rep. Conrad: So this will allow us to serve Veteran's who aren't residence from this facility?

Mark Johnson: Yes. Part of the See bock is if we get that designation our goal is to have an outreach to that southwestern or south eastern part of ND.

Rep. Conrad: How many do you think you can serve there?

Mark Johnson: I don't know how they break that up. I think they kind of do districts to an extent.

Rep. Kreidt: For the process have you taken into consideration that the possibility of buying some beds and rounding them off to 50. In a nursing home setting it takes about 50 beds to become somewhat efficient. 38 beds is kind of shaky. Have you explored that?

Mark Johnson: That is a piece of discussion that we have had from the board level. We have also talked with other representatives about that as well. It is something that I would like to see happen. We can design this in a way that we could do a pod and license it. As those beds would come available that might be something we can talk with.

Rep. Kreidt: I wasn't per vied to the formula that you are working out with the funding. If I'm reading this right, you are allowed to take 29 beds and run that through the state reimbursement to do the revenue bonds. That is kind of a break out of what you are doing here. Has the board given any consideration at possibly doing a bond through the city for the city to have some ownership in this building project? You would be looking at the same principle but it would give the opportunity for community people to participate in this and have some ownership.

Mark Johnson: We haven't looked at that. That was a new piece that we kind of developed. It is certainly something we can look at. As you are aware, the piece of the 29 beds and revenue bonds is something we can pick up through depreciation and amortization. The other piece is that there is also a match the state is picking up for the additional beds. There is a possibility that we can pick up that 35% or up to our 38 beds. We are looking at those kinds of options. That is a great idea with having the city involved. I just don't know all the criteria.

Rep. Kreidt: This is taking a step back. I have heard different numbers and information. Do you remember when you appeared before the Appropriation section and you were talking about life safety surveys and what went on there. We had a lot of discussion and a lot of debate. We are very concerned with the \$600,000 plus that we were going to be sticking into

that. We knew we were going to be doing something at that time. I have heard rumors that it has changed. What has developed since you were last here.

Mark Johnson: In the beginning the numbers that were brought into the house were numbers that I didn't know anything about. When those numbers were brought tot you it was about \$640,000. We had the opportunity to sit down with the health department. With that we were able to whittle away some of that. The cost of what we need right now is \$167,000 for that fix on the building. Then we are also looking at the 90 and 50 that we are looking at for planning.

Rep. Kreidt: If I remember correctly, at that time the Health Department was very adamant that we had to do the \$660,000. How come all of a sudden it is down to where it is at. Can you explain that?

Mark Johnson: I don't know. After you sit down and talk with them we are able to show them what we did. We went and did a life safety survey. It is basically a test that you can use in the building to make your building comply and that is what we were able to do because of having additional security for our alarms. We are also putting in smoke dampers in. We are increasing the security as well as the safety. It was something that the Health Department was willing to work with us.

Rep. Kreidt: We kind of plowed that ground in this committee at that time. We were told that there was no way we could do that.

Mark Johnson: We did plow that ground. We were able to work with the health department and get some of those things worked out. I think our architect brought some more information into the situation. That is where we are at today.

Rep. Price: Do you have anything in writing from the Health Department that this committee could have?

Mark Johnson: No we do not.

Rep. Nelson: We have been able to work on your presentation quite well since the first time you came here. The life safety survey issue was a question that I had too. Most of my questions have been answered. As you know that was a frustration on the Human Resource subcommittee standpoint especially the \$600,000 that would have been needed. In the event of a new building that would have been considered, now that it looks as if it is closer I can see the reason why maybe the health department has more confidence that a new building is going to be built and that might have something to do with the answer to Rep. Kreidt's question. I'm trying to remember on the stuff that is required and the money you identified, are any of those items going to be able to be utilized in the new facility? Is there any consideration to moving some of those items over to the new facility when that is ready to be occupied?

Mark Johnson: I think there are various issues that we have. We are trying to plug into our existing fire alarm and so some of that will be outdated. I don't know what can be moved over. I would say the majority of the stuff can't be moved over. Some of the things that we are putting on means we will have to change some other things like doors. You are going to be looking at anywhere from an 8 foot to a 10 foot hallway.

Rep. Nelson: It amazes me sometimes how the Department of Health said they couldn't make those changes. When we went through this there is no question that there are some issues there. At that time it didn't look like there was any way out. What did they agree to that we missed since January until now. We don't have the 24 hour watch provision we had earlier. That area above the fault ceiling is one of the areas considered. How did they come to an agreement there? What do you have to do?

Mark Johnson: I think there is a whole lot of issues there. One of the things is that when the budget is designed that we brought to you, the state architect was involved. I don't know what kind of communication that he had with the Health Department. I know there was very minimal.

I wasn't involved in any part of that. I don't know what discussions transpired with that. The number was reached at \$640,000. I don't know how that was gathered. When we met with the Health Department we were able to sit down and pound this out. The \$640,000 initially was not being mandated by the Health Department. It was just how do we solve this issue? We didn't know how we were going to solve this issue. After we were able to solve this issue and do a survey on this we were able to come to working at \$167,000.

Rep. Nelson: Do you have to get between the two ceiling levels and clean the dust out of there as part of this plan?

Mark Johnson: At this time that isn't part of what we are looking at doing.

Rep. Porter: What is the current debt load of the facility?

Mark Johnson: All of our bonds will be paid off the next session on that building. We have no debt otherwise.

Rep. Porter: When we were down there and toured this summer, there was a gazebo type unit on the one end. Is that also being planned to be torn down. Are there any parts of the facility in the proposed plan of doing the pod type system that you will be using?

Mark Johnson: At this time we are going to be using the gazebo. It will be used someplace else on the campus. We have to look at how we are going to be attaching that. I know one of the issues we had when the DA came in and did their survey was they had some issues with the building being built on because it went from an A code to actually like a C Code for fire Safety.

Rep. Pollert: This may end up into a few questions. I have to know where the agency budget is at right now. The money they were looking for was for two or three part time employees. Where is that at now? I thought I saw the agency budget for two full time employees?

Mark Johnson: What we were looking at is having a security staff working nights. I think that it had a \$1.4 million dollar. We were looking at having 8 hours each evening.

Rep. Pollert: Are those going to be the proposals for them to go full time or are they going to be part time?

Mark Johnson: They would be full time.

Rep. Pollert: So they are going to go on full time even after the construction of the facility?

Mark Johnson: Right.

Rep. Pollert: On the \$620,000 I need more of an explanation. Is the agency budget now down to \$167,000. Did I hear that number right?

Mark Johnson: Yes. The cost of fixing the building is going to be at \$165,700.

Rep. Pollert: Do you have in writing from the Health Department that the actions you are going to take are going to be sufficient for them before the construction of the project can happen?

Mark Johnson: That has been submitted and it has been accepted.

Rep. Pollert: Verbally or in writing?

Mark Johnson: Verbally at this time.

Rep. Pollert: Is it going to be in writing? Don't get me wrong but as we went through this process as we heard your budget in January there has been some changes. We have talked about that. We would like to make sure that we don't have something happening in between. I would like to see that there are no changes by the Department of Health.

Mark Johnson: It is a requirement by the Health Department that they have to put that in writing.

Rep. Price: Do you have any idea how soon you will get that?

Mark Johnson: It should be shortly. I can't give you the specific drop date.

Rep. Price: Can you keep in contact with Rep. Pollert to make sure he has that as soon as he gets that.

Rep. Pollert: We will probably go to conference committee and we can keep an eye on this process as we go over the next 3-4 weeks.

Rep. Kreidt: You mentioned that the state architect was involved in this. I'm sure he made a number of trips down to the facility to see what was going on so he could give his recommendation, is that correct?

Mark Johnson: We have not seen the state architect at all.

Rep. Nelson: Just a suggestion, I believe the Health Department budget will be in conference as well. Maybe this committee could ask for that hard copy rather than having Mr. Johnson do that. They may provide it quicker if we do.

Rep. Price: In some of the things you passed out you talked about some of the maintenance buildings and cold storage. Yet when I look at your plan you are looking at basically the facility that houses the residents. Are you looking at changing some of the buildings also?

Mark Johnson: At this time, if you follow down this sheet, you will see that there is furnishings allowed and mechanical and woodshop buildings for \$80,000. Yes we are going to be replacing some of those areas.

Rep. Price: That is something that is a federal match?

Mark Johnson: I don't believe they will

Rep. Price: So it is part of the state fund only?

Mark Johnson: Yes.

Rep. Kreidt: I didn't get a chance to really look at all of the information that you have here.

You did mention private rooms in your conversation. How are you going to break that out in regards to the number of private rooms vs. semi private in the new facility? Is that going to be

constructed so all of the beds would actually qualify at some point for beds? Or are we still using the basic concept for some of these beds.

Mark Johnson: The VA standards are for the beds that everything is built at a skilled level. When we started looking at beds we are looking at making approximately making 90% of them private rooms.

Rep. Pollert: Does the language in SB 2418 get what you need to get the federal dollars to you? I know you need a guarantee from the state in order to get the federal dollars by August 15. Is that in SB 2418?

Mark Johnson: To my knowledge it is there.

Rep. Pollert: Because it is policy in dollars, we have to get in both. The dollars that are in SB 2418 for the construction, is the language for that construction only?

Mark Johnson: I believe it is.

Legislative Council: There are two parts of it. The \$6.4 million states to demolish the existing veteran's home and to build a new structure. That will be used to match the \$12 million federal funds. That will get you the 121 bed facility. Section 2 provides for the expansion of the 121 bed facility to the 150 bed facility. That authorizes the \$2.5 million in revenue bonds for the additional cost.

Rep. Price: I see you have a demolition cost of \$250,000 in your proposal. Have you taken a look or talked to someone that does this on how much asbestos you have? The only reason I disapprove the bid is because it is much smaller than this on a higher cost.

Mark Johnson: This dollar amount was recommended by an architect. I don't know what the going rate is. I asked if it would be an appropriate number and she felt that it should work.

Rep. Price: How about the asbestos issues in your building?

Mark Johnson: The one building was built in 1980 so there shouldn't be any asbestos. The 1991 addition is the same way. There has been a lot of asbestos removed in the 1950 addition. I don't know to what degree that there would have to be more asbestos taken out. It sounds like the majority of it has been done. There are floor tiles that have been covered. That is about what we have.

Sheila Peterson: *I think there has been a bit of a misunderstanding of how the \$600,000 number came to be. It appears that the Health Department is getting it. I need to explain that it was the number developed by OMB. The context of what we developed that number was based on us. At the time that you were considering the Health Department budget, you needed a number in order to get it out of your committee. At that point in time there was no plan that had been submitted to the Health Department for them to consider whether or not it would meet their specifications. OMB took a shot in the dark. We visited with the staff at the home, the architect, the Health Department, and the State Architect. We took our best shot at it in terms of what we were going to need. We shot high but we thought it was better to get it and come down then to put in a small amount and go up. For example. I think you visited about the fact that we put 24-7 fire watch coverage on there with full FTE's. Once the checklist went through which is the codes that the inspectors looked at. Would you meet that with this compliance plan? Please don't give the Health Department the black eye. That came from OMB. We took a shot in the dark and we are willing to take our lumps.*

Rep. Kreidt: I guess we aren't blaming anyone. When the Health Department came in here they defended that number like it meant life or death when we tried to talk to them about that. They bought into this.

Rep. Pollert: There were changes from the Department of Health that I don't think some people had anything to do with. That was a set of frustration on their part. When they were

trying to get an agreement done between the veteran's home and the Department of Health, there were some changes going on that they couldn't control. I think there was just some things happening there. They weren't as upfront with the Veteran's Home with the administrator and fiscal analysis. I'm just venting my frustration. They were frustrated at the time because things had changed without their knowledge.

Sheila Peterson: I just wanted you to know how that fiscal note came about. It really was done entirely by OMB, not based on any compliance submitted to the Health Department or anything like that. We took a shot at it and missed. Now we have a good number.

Brad Maasjo: *I was the first chairman of the Governing board after it was created. I entered into active duty in the military during the Vietnam Era and retired after the first war in southwest Asia. I have been involved in the Veteran's home on a volunteer basis since then. I appreciate the opportunity to testify in support of SB 2418. I'm still a member of the board. Now that Mark has told the story of the building I would like to give you the perspective of the board on how we got to here and what we think the future holds. As a previous point, I brought with me the VA documents to address the gentlemen's previous question. This is the federal form checklist for state grant applications. Regarding the language that has to be in the legislation, this checklist says that by August 15 of the year that the grant is requested. In order for state matching funds to be included in the VA's priority one group, the VA must have on file of a legislative act of the state that is appropriating state funds, certification from an authorized state budget official that says the funds are available and how long the funds will remain available. That is word for word what it says in the checklist.*

Sen. Nelson: Is it in the best interest of the board that the money be appropriated just for a biennium or is it in your best interest to have it into another biennium if there is a delay.

Looking at the grant process, would they look at more favorably if the funding was sooner or there was a sunset at the end of this biennium?

Brad Maasjo: I believe that as a continuity it would be more beneficial that there was not a sunset stamp on it. As Mark indicated, there is a significant number of steps between now and August 15. There are 15 or more federal agencies that compliance has to be certified to. There is an awful lot of paperwork to go through. I have spoken with people in the state of Minnesota that have gone through this process. They are willing to help us. They warned us that they have not been through it before. The home had failed two consecutive state audits. There was not a good relationship between the agencies and the staff. There were some media attention and leadership problems. Basically the legislator was not happy. In 2003, significant changes were made. Sen. Andrist and I collaborated on SB 2299 which made sweeping changes. It created the governing board's structure for the home. It provided for leadership changes. It mandated a strategic plan with all the things that come along with that. That strategic plan was not a small effort. We had paid about \$100,000 of the emergency commission's funds and retained professional help. We had a couple of different consultants work with us to create the plan that we operate from. It is a professional product. Just a bit of history, the use of the land was provided for in an act that preceded the constitution of ND. It was a federal enabling act that provided the federal land for seven new states to give them the resources to become states in the western part of the US. In exchange for grants in land it specified that each of those states create certain institutions. There was a variety of them allocated. They were not all the same. South Dakota for example was to create a school of minds. ND got directions for seven institutions, a veteran's home, a school for the blind, a school of forestry and science, a college in Minot and Dickinson, and a state mental hospital that was allocated in Jamestown. The first one specified was the veteran's home. The only one that had a designated amount of

land specified, and the location was specified. Since it was the first thing specified in enabling the act when the constitutional convention convened for statehood in 1889, the home was created by the first assembly in 1891. It was constructed in 1893. It was known as the old soldier's home for the first half of the next century. For a time it was a hospital. In 1949 a basic care unit was constructed. In 1980 basic care was doubled and in 1991 skilled care was added with a bond issue. I point that out that it was been 58 years since we have been to the legislator for general fund money for construction. In our strategic plan in our vision statement, we are proud of the fact that we consider ND to have the best veteran's of all 50 states. A session ago we even commented on the fact that per capita we had the highest volunteer rate of any state in the union. Our vision statement reflects that to provide the best veteran's home. The current situation that we learned is that there are major fiscal problems that Mark talked about. It is not cost effective to repair them. To replace them is a long term and complicated effort. On the order of \$21 million, the good news is that there is federal grant money available for up to 65% match. If we are going to invest at this level, it is prudent that we look carefully at our future needs. We need to analyze demographics. There are approximately 60,000 veterans in the state. The annual general fund appropriation is about \$4 million per biennium of general fund money. Federal dollars that come back from that investment back to the state of ND are tracked by the veteran's administration. They track those figures for all 50 states. The annual dollar figure back into ND, that includes the GI bill with those and the indemnity benefits, medical benefits, home adaptation grants, and all of those things are about \$200 million. Using a 3-1 rule of thumb, that is an annual economic impact of about \$600 million, a return on investment of 300-1 which is pretty phenomenal. It works out to an investment of about \$17 per veteran. Since OIF (Operation Iraqi Freedom), within the northwestern veteran's administration network which includes MN, IO, NE, ND, and SD there have been 13,000 new

veterans enrolled since the initiation. In ND we have 1,308 since the new conflict. Those figures are current up to this month. They project numbers out that are 35-50 years. I took two dates, 10 and 20 years into the future, and looked at 2017 and 2027. Nationwide numbers are projected to be headed slightly downward. In ND they are supposed to go slightly upward. In other states across the northern tier, Alaska, and the deep south. That becomes significant a bit later on in my presentation. Our requirements are pretty stable and are projected to grow moderately over at least 20 years. That is one point in trends. Given that the numbers are going up, what is the challenge? What are the numbers going to be? You need to take a look at the war in Iraq. This is a picture taken from the December issue of National Geographic. One thing that is going on in modern warfare is that more people are surviving. The survival rate from all injuries in Iraq is 90%. That is the highest of any conflict that the US has ever been in. In Vietnam it was about 75%. In WW2 it was about half to 2/3. The most significant and common that occurs is the infamous IED. We have a lot of high technology. WE have soldiers wearing body armor. When they get exposed to those things the consequence is that there are three technical serious injuries that occur. One is traumatic brain or spinal injuries, one is massive burns, and one is multiple loss of limbs. Because of the technology and body armor. The grim truth is despite the high technology the most important medical instrument is still a tourniquet. Here you can see that within 1 minute of an IED being exploded, a soldier is triaged. Within 30 minutes based on the injury is made to take the soldier to a major regional hospital within the combat theater. If the injures weren't taken out of country back to somewhere like Germany, they will be brought back to US within 72 hours. The consequences are what we would call the face of war. These are graphic but are the reality of what we see coming back to us. This guy lost both legs and part of his skull. He has a titanium plate in his head. The day this picture was taken he was being fitted for new legs. His comment to the

doctors was I can't wait for this to be finished because I am the same person that I was before. This guy is at Walter Reed in D.C. This is the day the doctor asked him if he was ready to have his artificial legs and he said no I'm ready to go for a run, are you coming with me? The next slide is someone said that I can't believe Jamie waited for me when she heard I was injured like this in the war and married me hewn I got back. Jamie's comment was that we had a town meeting and talked about this. Not only did I decide that I would marry him but the community built us a home and found Joey a job. This is what communities do. The face of war, the grim reality, is that we have more soldiers surviving. They are injured worse, their injuries are more complicated, and they are going to be more complicated. They are entering in to the VA care system at an earlier age. They are going to remain with us for a longer period of time. There isn't a crystal ball here. We can't tell you what is next. I can tell you that there is going to be wars, they are going to be high technology wars, we are going to have our sons and daughters coming back injured like this. We have a moral and ethical obligation to provide them a home. This has been amazing. As Mark explained, we discovered the significant problems late last fall. We also discovered the planets were literally aligned for us to be eligible for federal funding that is pretty hard to get because it's hard to get to the top of the priority list. This has happened in 101 days. We brought this briefing on the 12th of January. There has just been a swell of bi partisan support. The most significant was 2 weeks ago when the governor flew to Lisbon and brought along members of the legislator from both parties and toured the facility. He declared support for a new building. That brings us to the current situation on the next slide. As we mentioned we don't operate 121 beds right now, we have a facility that is licensed and has 150 beds. We aren't able to fill them because of some size constraints and other issues. Our governing board position is that we need those 150 beds replaced. The state is well positioned to obtain 121 of those. The code of federal regulations, chapter 38 provides for

reimbursement for each state up to a number specified for state veteran home beds. That number for ND is 121. That is how many they will reimburse for. They do not limit how many we can build, they do not dictate the number we can have. They will not reimburse beyond that number. Because our position is we want 150 replaced, we have put a paper in the package that you can read. It contains the pros and cons and what we think is ample justification to make a serious effort to go for the additional effort to go for the 29 beds. That is through an option that is very cost effective and brings the cost per bed down dramatically. That is the end of my presentation for where the board sees this going. There are three additional issues that I want to mention. These are things that we want included in our vision statement and vision of the future. One thing that we need to do is continue to work with our federal delegation to get that 38 title changed. To get that 121 increased. Those numbers were developed back in the 50's and 60's when there was a draft. Many of the highway populated states had built a lot of veteran's homes. The smaller states hadn't quite caught up yet. The draft ended in 1973. In the last third of the century there has been quite a demographic change that has occurred in this nation. I mentioned earlier that I would talk about why the numbers are going down slightly in the eastern seaboard and going up in the deep south. There was a story in US News on January 6, 2007. The headline said how can it be that Vermont is 49th in population and is number 1 in deaths in Iraq. Demographers took a look at that and figured it out. They said the reason was that states like Vermont that have smaller populations, rural areas, and less economic opportunities are experiencing a higher volunteer rate in the armed forces. They are bearing a higher burden of the war. That is exactly what is going on. Things have changed. New York, Florida, and Connecticut have about 3% of those total numbers in the 38th title. ND has about one half of one percent. We have a case to get that 121 raised. If we make a coalition with Wyoming and Montana and so on, we can do that. That is a national issue and

not a state issue though. Why wouldn't we want to do that? If we can get that number up to 200 or 225 then we have the opportunity to include, in our vision statement, a vision of a home in western ND with more beds and the opportunity of federal money to match and get it constructed. It won't have the same priority because it won't have the safety issues. It will be new construction and take a little longer. It's a thing to put in our vision statement and work towards over the long term. The second thing that was mentioned is the thing called See Bock. It is a community based outreach clinic. It is a VA clinic that is operated at a location away from a major VA medical center. We have 5 of them authorized in ND during the Cares Commission. What cares is to the VA is what Brack is to the military bases. It was a realignment nationwide of all VA facilities. Because of travel distance and geographic separation, states like ND were authorized for these outreach clinics. We have one open in Williston, Dickinson, Bismarck, Jamestown, Grafton, and Grand Forks. The next one we ought to go for is one in Lisbon. We can justify that based on travel distance. Co-Location would have synergy. They did it in Minnesota with Fergus Falls. The travel distance there is closer to the medical center in Fargo than it is from Lisbon. It would serve two needs. It would serve the states veteran home and other veterans that are in that community all the way down to Brown's valley. It would minimize travel to the clinic from the veteran's home in Fargo. Almost everyday Mark and his staff put veterans on a bus and send them to Fargo for appointments and procedures. They get up early and ride long hours then come home late because some appointments are at 9 am and some are at 2pm. These are older fellow's that aren't feeling very well. Sometimes appointments are cancelled. If we could get a clinic in Lisbon we could eliminate that. We could also have a physician on the campus that was credentialed through the VA and could write prescriptions, could see charts. They could have digitized radiology. They could have computerized computer records. They could have the whole deal. It would

eliminate the costs of travel, and costs of exposure. It's kind of a hand in hand deal. The final point is the question that one of the gentlemen asked about increasing skilled care to 50. That issue was addressed in a previous session of the legislature. It was approved. The funding fell apart and didn't materialize. The issue has been debated and approved, and made sense. We have a waiting list for skilled carriers. Our census has always had enough people waiting that we could fill 50 beds and still care beds generate more revenue which would be a good thing for the home also. Those are the points for our future. First this is our vision statement. Let's all work together to build this home. We have this golden opportunity. We think we have the nation's best veterans so let's build them the best Veteran's home. This began as a dream for us five years ago when we created our board and developed this vision statement. Now it has come close to doing so. I believe that working together as North Dakotans, we can show the rest of the nation how this is done.

Rep. Dekrey: I was one of the two legislators that went down with the Governor and saw the home. I thought I would give you a few of my observations that I saw while I was there. First off, I would say that I was extremely impressed with the dedication of the staff and how clean the facility was. The other part was that what they have for a facility to work with, which is not very good. We were taken around through the various additions. The latest one was built so it could be moved so I would imagine any new facility that would be constructed that would be able to be moved and attached. We wouldn't have to lose the total investment that we have down there. Some of it can be used. The original building was built as a barracks and has been remodeled several times since then. Space is extremely limited. I think one of the very first things that you notice down there is that everybody is absolutely on top of each other. I really don't know how they get by with complying with the disabilities act because that is one place that I would hate to be in a wheelchair because it would be so tremendously hard to get

around there. They do have veteran's that are in wheelchairs. We saw and met with them. The other observation I saw was how limited their bathroom space is. I think to the point of being unhealthy. Some of the bathrooms have been reconditioned to be ADA compatible. You can literally be on the stool and wash your hands at the same time. Everything is that packed in there. I can't imagine in there that you can even get a wheelchair into. I'm not exactly sure how they handle those bathrooms but it can't be easy. The facility definitely has seen its usefulness. I have heard talk among legislators since this issue has come up of battling ideas. One of them was to leave the facility open and then construct another one at another place so we would have more room than we would now. I really don't think the facility is in any kind of shape that it could be done. If you want to remodel what you have there, that it would be the expense to do that. The costs would be way out for what they would be to build a new one outright. Ralph is on the committee and saw the same things I did. I know when you have your deliberations that he will be a source of information.

Duane Ternes: *Retired general contractor serving on the governing board. I just have a few things I'm going to touch on. Because of the federal money, that is going to dictate how the job is to be bid along with the architects and contractors. State money is easier. In the process what can be done is we could visit with architects, select one and not sign the contract. We could ask them to hold the contract for six months. That would get rid of the 3-6 month period. Then when we are ready to go, we can. Contractors are much the same way. We could ask them to hold their bids so we don't get into trouble as far as not signing. We are looking at about a year's construction. The \$167,000 that we have talked about I have to agree with. Other people looked into this. As we've seen the ideas change, it might lead to something else. I think they were willing and able to change some of what they were doing at the home. Saving some of the things that were installed, yes that is a good idea. Some of the fire alarms and*

stuff like that. It is a state owned building so it can be written into the specs of the contractor doing the demo. They shall save those so they can be used in another state building. There is nothing wrong with that.

Rep. Price: We have received an approval of an acceptable plan from the Health Department.

There are enough copies for the committee. Is there any more testimony for SB 2418? If not we will adjourn the hearing on SB 2418.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2418

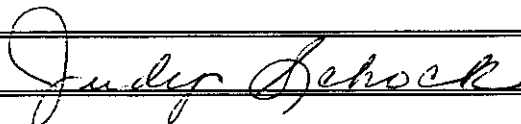
House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: April 4, 2007

Recorder Job Number: 5714 & 5378

Committee Clerk Signature



Minutes:

Chairman Price: We will take out SB 2418, on building the veterans home. I have proposed amendments. See attached.

Representative Porter moves the amendments, seconded by **Representative Conrad**. The verbal vote was unanimous with all present.

Chairman Price: We will delay action until I talk with some of the people from the home who want configuration on the beds. We will just recess until later today.

Chairman Price: We will again call the committee to order. We were approached on this in the 2003 session, with the new construction considered again. The President signed 70% and disabled 100% costs. The building is not different; it is just all skilled care costs.

Mark Johnson: Our per diem rate in basic care is about \$27.00. We get a separate per diem rate and a rate for regular nursing home cost as well. On the skilled side we pick up \$68.00. We generate \$40.00 additional. When you start looking at property costs we come out ahead doing skilled care.

Representative Weisz: How many are on the waiting list?

Mr. Johnson: Any where from 6-10 people.

Chairman Price: If for some reason you didn't need the beds, they can go back to basic if that is where your shift changes. That is something that is allowed with in the law and back to skill again, but only once every 12 months. So you would see no problem if 5-10 years down the road you need changed?

Mr. Johnson: That is correct. With long term care, once they become skilled we have the ability to convert down to basic care over a 12 month period of time, and bring that bed back to skilled. When we start looking at what our demands are going to be.

Representative Conrad: Having a new facility, you might have a greater demand for your services.

Mr. Johnson: We anticipate we are going to have a much larger waiting list. The other piece we are looking at See Back that will become a huge marketing vehicle. It will draw in the whole South East Region.

Representative Pollert: I think we are all in agreement that this is the right thing to do. I think this is a necessary tool. Especially if construction passes, which will help us as a budget committee, as well with their budget with the per diem rates. I think it is a win, win situation.

Representative Kaldor: moves the amendments, seconded by **Representative Hatlestad**. A unanimous verbal vote was taken. **Representative Kaldor** moves a do pass as amended RR/Appropriations, seconded by **Representative Hatlestad**. The vote was 11 yeas, 0 nays, and 1 absent. **Chairman Price** will carry the bill to the floor.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2418

Page 1, line 2, remove "and" and after "indebtedness" insert "; and to provide for reports to the budget section"

Page 2, after line 4, insert:

"SECTION 3. REPORTS TO THE BUDGET SECTION.- VETERANS' HOME CONSTRUCTION PROJECT. The veterans' home is to provide periodic reports to the budget section regarding the status of the veterans' home construction project during the 2007-08 interim."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for periodic reports to the Budget Section from the Veterans' Home regarding the status of its construction project.

Date: 4/4
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES 2418 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Move Amendments

Motion Made By

Rep. Potter

Seconded By

Rep. Conrad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 12 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 0

Floor Assignment

Rep. _____

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

**Conference Committee Amendments to Reengrossed SB 2418 (70881.0301) -
04/04/2007**

Page 1, line 2, remove "and" and after "indebtedness" insert "; to provide for an exception to the moratorium on expansion of long-term care bed capacity; and to provide for reports to the budget section"

Conference Committee Amendments to Reengrossed SB 2418 (70881.0301) - 04/04/2007

Page 2, after line 4, insert:

"SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF LONG-TERM CARE BED CAPACITY. Notwithstanding North Dakota Century Code section 23-16-01.1, after completion of the veterans' home construction project, the veterans' home may add to the state's licensed nursing facility capacity by converting fourteen licensed basic care beds to licensed nursing facility beds.

SECTION 4. REPORTS TO THE BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT. The veterans' home shall provide periodic reports to the budget section regarding the status of the veterans' home construction project during the 2007-08 interim."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment allows the Veterans' Home to add licensed nursing facility beds and provides for periodic reports to the Budget Section from the Veterans' Home regarding the status of its construction project.

Date: 4/4
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES

2418

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

None Amendment

Motion Made By

Rep. Kaldor

Seconded By

Rep. Hatlestad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 11 "Click here to type Yes Vote" No 8 "Click here to type No Vote"

Absent 1

Floor Assignment

Rep. _____

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

Date: 4/4/1
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES 2418 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

As passed as amended R.R./APP

Motion Made By

Rep. Haldor

Seconded By

Rep. Haldor

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman	<u>✓</u>		Kari L Conrad	<u>✓</u>	
Vonnie Pietsch – Vice Chairman	<u>✓</u>		Lee Kaldor	<u>✓</u>	
Chuck Damschen	<u>✓</u>		Louise Potter	<u>✓</u>	
Patrick R. Hatlestad	<u>✓</u>		Jasper Schneider	<u>✓</u>	
Curt Hofstad					
Todd Porter	<u>✓</u>				
Gerry Uglem	<u>✓</u>				
Robin Weisz	<u>✓</u>				

Total (Yes) 11 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent _____

Floor Assignment

Rep. Price

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

REPORT OF STANDING COMMITTEE

SB 2418, as reengrossed: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2418 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and" and after "indebtedness" insert "; to provide for an exception to the moratorium on expansion of long-term care bed capacity; and to provide for reports to the budget section"

Page 2, after line 4, insert:

"SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF LONG-TERM CARE BED CAPACITY. Notwithstanding North Dakota Century Code section 23-16-01.1, after completion of the veterans' home construction project, the veterans' home may add to the state's licensed nursing facility capacity by converting fourteen licensed basic care beds to licensed nursing facility beds.

SECTION 4. REPORTS TO THE BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT. The veterans' home shall provide periodic reports to the budget section regarding the status of the veterans' home construction project during the 2007-08 interim."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment allows the Veterans' Home to add licensed nursing facility beds and provides for periodic reports to the Budget Section from the Veterans' Home regarding the status of its construction project.

2007 HOUSE APPROPRIATIONS

SB 2418

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2418**

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 4-5-07

Recorder Job Number: 5789

Committee Clerk Signature

Diane Saan

Minutes:

Chairman Svedjan: We'll call the Appropriations Committee to order. *During Roll Call the recorder quit working for a few minutes...this is where it resumed.* This is not a public hearing...our purpose here today is to hear about the bill, understand it and focus on the appropriation.

Rep Price, District 40: SB 2418 was heard in a joint hearing with my committee and with the Human Resource section of Appropriations and in the other meetings we had, Rep Pollert, Kreidt and Metcalf attended those so they're all aware of everything that I am on this bill. This came to us as a result of some potential federal funding to rebuild the Veterans Home in Lisbon. The funding that's in the bill in Section 1...to build 121 beds...that's the number from way back in the 60's...it's the magic number for what they're looking at. Section 2 is to build the other 29 beds and those are strictly at state funds. They are currently licensed for 150 beds, 38 skilled beds and the other 112 are Basic Care, with 1 of those being kind of a special licensure. The amendment that's in Section 3 that was added to the bill was added by my Committee, as was Section 4. In the discussion and the presentation, they really spoke of the need and the desire to at some point in the future to look at having 50 skilled care beds versus 38. They currently have a waiting list on this skilled care side where they have open beds of about 25 in the Basic Care side. In talking to the Nursing Home Industry, 50 really is the

minimum that you need for efficiency in a skilled care facility...when you get under that you do lose some economy. It was our committee's feeling that if this is the time we're building it, if there's a need for skilled care versus basic care, we want them to design the building in the most efficient and practical manner possible and that's the reason we put in 52 beds...not 50. We're currently at 38...we added 14 simply because of the way the pods would be designed. Instead of having 2 pods of 13 and 2 of 12, we chose to make all of them a pod of 13 so you had some uniformity. Section 4 was we wanted to make sure that the budget section was kept apprised of the progress of both the building, but also the *(can't understand)* of the federal funds and that is the reason that Section 4 is in there. In 2001 we did look at getting them some more beds and at that time we allowed them to have 8 skilled nursing beds, but because of the cost and all the problems with going forward to rehab, the current facility, those were never really put into service...they didn't move forward. This is the time, if we want to expand skilled care, and the presentation that they gave us is the 3 types of injuries that our soldiers are receiving basically, in the war that they're currently in and 1 of the 3 is traumatic brain injury. A great many of the veterans that are at the Lutheran Home do have different types of needs, not just physical needs, but their mental needs then the people that we're currently serving in our nursing homes across the state.

Rep Bellew: By adding the 14 beds, does that increase the cost at all?

Rep Price: Actually, it will probably be beneficial to both the Veterans Home and the State. They currently get \$76/day per diem in the skilled care and the 2nd piece of it is that Congress has passed and the President has signed a bill that for any veteran who was over 70% disabled in a veterans home...they're going to pick up the cost.

Rep Skarphol: There's a facility in place now...are they going to build on the same spot...or block...what's the mechanics?

Rep Price: I can leave you the plans that they gave us...it would be a new facility because there are a huge number of problems in the care facility including the air handling system, which is going to have to have some work done which will need to have work done even before we get this new facility built...because of life safety issues. It would be on the same campus.

Chairman Svedjan: It likely won't be on the same location because they'll need to care for these people at the time the new structure is being built.

Rep Wald: Have we ever had a study on putting these veterans into community nursing homes and would the federal money follow them, rather than have this Soldiers Home?

Rep Price: I don't know that we've studied this specifically; we do have veterans in different nursing homes across the state. We have a unique population with some unusual needs for most of the people that are at Lisbon. My 1st thought was let's just have veterans wing in each 4 corners of the state...make them closer to their families...all those types of things we argue about in nursing homes all the time. A lot of these cases...their families have written them off due to some of the mental and abuse and addiction type issues.

Rep Kreidt: As a follow up...periodically, we get applicants for skilled care that really aren't appropriate...the needs that they need that can be met at the veterans home, so there is a population out there that they cater to that which we don't want to get involved with.

Rep Price: The administrator from the Home also did say that some of the residents have been asked to leave other Homes because of their special problems.

Rep Carlson: I remember when we did the Veterans Home budget...there was some significant money that was going to be placed in remodeling...is that going to be reduced or pulled out of that budget, because it appears to me it wouldn't make any sense to do that if we're going to be building a new facility?

Rep Pollert: The Veterans Affairs budget just had their 1st conference committee hearing today...on the 1st part of the session OMB had come in with a \$600 and some odd thousand dollar price tag to do the life support and do the study and all that. On the Senate side, there's reductions and whoever chairs that committee could probably tell more, but there was reductions to that and now I think it's down to \$166T in the general fund... for the dampers and some work to make the facility safe until the construction is done...it's in conference committee right now.

Rep Carlson: Our position from the House would be that they should remove all those things unless they're 100% necessary for life safety issues.

Rep Kreidt: (Chairman of the Conference Committee) That item hasn't been addressed yet, but the Senate did make some reductions and I think they removed \$354T out of that \$660T figure and that's in negotiation right now, but we are looking at those numbers.

Rep Nelson: The Senate amendments leave \$165T for life safety, survey updates. There's \$90T in that line item in addition to that for some architectural drawings for the new building...that's part of that reduction of \$600T down to \$230T (whatever the number is). There's a couple of things with that...of the \$165T, some of that money is spent for smoke and fire alarms and the question was asked...when they've used their usefulness in the old facility...if they could be reused in another state facility and the answer is yes, probably not in the new hospital, but the state could reclaim some of the usefulness of those items so there is some savings.

Rep Metcalf: There's a few other things our committee removed before we forwarded it on and that was reconstruction of an elevator in the old facility...we don't need that elevator if we're going to build a new one and we removed the buying of new beds which was on the

budget for this time...we felt they'd be replaced with new. The totals that we removed were close to \$300T for these items.

Rep Pollert: I would like to amend the bill...the amendments being distributed are on SB 2418 and it's amendment **#0302. I would move the amendment.**

Rep Kreidt: I second it.

Rep Pollert: What 0302 does is...for the \$6,483M to come out of general funds, the general funds are being changed over and put against the permanent oil tax trust fund.

Rep Glassheim: Is there anything left?

Chairman Svedjan: The current projected balance in the permanent oil tax trust fund, prior to this amendment, is \$162M some dollars.

Rep Glassheim: Is that with or without the \$116 M in 1051?

Chairman Svedjan: To my knowledge, that includes the \$116M...I don't have those papers in front of me. Mr Wolf, do you have that information?

Don Wolff: The \$162M takes into account the reduction of \$117.5M in 1051.

Rep Glassheim: It's already subtracted out? What's happening to that other bill...take another \$100M for the constitutional?

Rep Carlson: That was killed in the Senate.

Chairman Svedjan: If no further discussion on the amendment, we'll take a **VOICE VOTE on the adoption of the amendment 0302** **MOTION CARRIES**

Rep Skarphol: In reading the bill, it doesn't really say that the repayment of these bonds needs to be made from revenue bonds, I'm wondering if that needs to be that specific or if it's sufficient the way it is...I'm assuming they're revenue bonds, but I'm not sure we should assume anything in this process and I'd ask Council or whoever the powers might be whether or not we should stipulate revenue bonds.

Don Wolff: The language for the bonding was actually provided by Karlene Fine and we incorporated the language that she indicated how it needs to be phrased in order for the revenue bonds to be issued.

Rep Kreidt: I've gotten some numbers of how, by adding the additional skilled beds...we're going to look at some net increase in revenues for this facility. We've got management in place where this is probably going to get turned around and with adding the 52 beds, they're going to become more efficient. Going with the 38 skilled beds and continuing on with 112 basic care beds, they would have had additional revenue of \$1M,32T dollars by going to the 52 beds we're looking at generating about another \$900T over that by adding those beds to that facility. We're looking at a \$2M net revenue increase for this facility and that doesn't take into account figuring the property cost into rate on the skilled side...I think we really made some progress for the Veterans Home and moving in the right direction and I'm sure in 6-8 years, when they come back, they're really going to see the significance in increasing the efficiency of this facility.

Rep Monson: I have a question about the size of the revenue bond...it's like \$2.5M or there about as I'm reading it...kind of a lot smaller...I guess I was wondering if there was any talk of putting the whole thing in revenue bonds or the whole thing into permanent oil tax trust fund, because to issue a bond does cost some money and it's not as efficient if you just have a small one.

Rep Kreidt: With the \$2.5M that we're using in revenue bonds, this is based on the skilled side because they can recoup that to their interest and property cost to pay that bond. It's kind of a direct (*can't understand*) on to the Medicaid system. If we were to look at buying the whole project, this would raise the cost of their rental to a point where they just couldn't

operate so we're using 29 beds to come up with the debt retirement of the \$2.5M...this is a way to go on the project to keep the facility fiscally responsible and in operation.

Rep Pollert: What's going to happen if you try to do revenue bonds through the whole thing...the private pay beds on the skilled side...their dollars of what they're going to charge the private pay are going to go up and they're going to go up so high that they're going to lose residents, so we had to look at where's an equal medium here and that's why we're where we're at...if we'd done the whole thing they'd be losing residents because they'd have to raise their rates to the private pay...is that correct?

Rep Kreidt: That's correct, we did look at all the options...we did look at doing the whole project and how those numbers came out and as Rep Pollert said, that would have raised the rentals to the individuals on the skilled side to the point where nobody would have stayed in that facility with those costs. With this number, they're going to be debt free after this year so there will be no property cost but with the \$2.5M, and now adding in the other 14 beds, I think we're going to be looking at a property cost, if my calculations are right, at about \$20/day.

Rep Aarsvold: By the way of information, how many of those folks are in fact private pay at that facility...what percentage?

Rep Kreidt: I believe about 30% are private pay in the facility right now, which is probably a little below the norm in the State of North Dakota right now.

Rep Metcalf: Expand a little further on Rep Monson's question...the major part of the building is being paid for through the permanent oil tax trust fund and we can do the whole facility, in my opinion, on the permanent oil tax trust fund and not bond, if that's what you're concerned about, but if we moved it to a revenue bond, the original part of it...that \$6.2M will probably not be approved by the federal government because there's a possibility with the intermixing of funds that we would be using some kind of federal fund or income that is not eligible for use in

the federal repayment market...we can use general fund money bonds if we want, but this permanent oil tax trust fund, in my opinion, would be the best way to go with the whole thing.

Rep Guleson: Also, just for a point of information for everybody...the timing on all of this is...we have a pretty narrow window. The application for that federal state home construction grant...that needs to be made by, I believe, April 15th.

Rep Pollert: Not anymore...that's changed to November.

Rep Guleson: At any rate...it's still needs to be timely.

Chairman Svedjan: Just clarify that if you would.

Rep Kreidt: If I understand it correctly, there is a *(can't understand)* of April 15th, but that's just in regards to a letter that has to be submitted and signed by the Governor and I think that's being worked on right now...that's all that's necessary by April 15th. The other part of it that are getting other information is the August 15th deadline...that's the crucial deadline.

Rep Pollert: I move a DO PASS AS AMENDED

Rep Thoreson: I second it.

Roll Call Vote on SB 2418 Yes 23 No 0 Absent 1 Motion Carries
Carrier Rep Kreidt

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2418

Page 1, line 5, replace "general" with "permanent oil tax trust"

Page 1, line 8, remove "general fund" and after "appropriation" insert "from the permanent oil tax trust fund"

Page 1, line 10, replace "general fund" with "state"

Page 1, line 11, after the first "project" insert "authorized in this section".

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment changes the funding for the state share of the Veterans' Home construction project from the general fund to the permanent oil tax trust fund.

Date: 4/5/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2418

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70881.0302

Action Taken adopt amendment 0302

Motion Made By Pollert Seconded By Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleeson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote carries

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2418

Page 1, line 2, remove "and" and after "indebtedness" insert "; to provide for an exception to the moratorium on expansion of long-term care bed capacity; and to provide for reports to the budget section"

Page 1, line 5, replace "general" with "permanent oil tax trust"

Page 1, line 8, remove "general fund" and after "appropriation" insert "from the permanent oil tax trust fund"

Page 1, line 10, replace "general fund" with "state"

Page 1, line 11, after the first "project" insert "authorized in this section"

Page 2, after line 4, insert:

"SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF LONG-TERM CARE BED CAPACITY. Notwithstanding North Dakota Century Code section 23-16-01.1, after completion of the veterans' home construction project, the veterans' home may add to the state's licensed nursing facility capacity by converting fourteen licensed basic care beds to licensed nursing facility beds.

SECTION 4. REPORTS TO THE BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT. The veterans' home shall provide periodic reports to the budget section regarding the status of the veterans' home construction project during the 2007-08 interim."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment allows the Veterans' Home to add licensed nursing facility beds and provides for periodic reports to the Budget Section from the Veterans' Home regarding the status of its construction project.

In addition, this amendment changes the funding for the state share of the Veterans' Home construction project from the general fund to the permanent oil tax trust fund.

VR
4/6/07

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2418

In addition to the amendments adopted by the House as printed on pages 1448 and 1449 of the House Journal, Reengrossed Senate Bill No. 2418 is further amended as follows:

Page 1, line 5, replace "general" with "permanent oil tax trust"

Page 1, line 8, remove "general fund" and after "appropriation" insert "from the permanent oil tax trust fund"

Page 1, line 10, replace "general fund" with "state"

Page 1, line 11, after the first "project" insert "authorized in this section"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

In addition, this amendment changes the funding for the state share of the Veterans' Home construction project from the general fund to the permanent oil tax trust fund.

Date: 4/5/07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2418

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 70881.0302

Action Taken No Pass As Amended

Motion Made By Pollert Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleason	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 23 No 0

Absent 1

Floor Assignment Rep. Kreidt

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

REPORT OF STANDING COMMITTEE

SB 2418, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (23 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed
SB 2418 was placed on the Sixth order on the calendar.

In addition to the amendments adopted by the House as printed on pages 1448 and 1449 of the House Journal, Reengrossed Senate Bill No. 2418 is further amended as follows:

Page 1, line 5, replace "general" with "permanent oil tax trust"

Page 1, line 8, remove "general fund" and after "appropriation" insert "from the permanent oil tax trust fund"

Page 1, line 10, replace "general fund" with "state"

Page 1, line 11, after the first "project" insert "authorized in this section"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

In addition, this amendment changes the funding for the state share of the Veterans' Home construction project from the general fund to the permanent oil tax trust fund.

2007 TESTIMONY

SB 2418

KENT CONRAD
NORTH DAKOTA

website: <http://conrad.senate.gov>

COMMITTEES:
BUDGET, CHAIRMAN
AGRICULTURE, NUTRITION, AND FORESTRY
FINANCE
INDIAN AFFAIRS

United States Senate

February 13, 2007

Attachment A

1-800-223-4457

530 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-3403
(202) 224-2043

220 EAST ROSSER AVENUE, ROOM 228
BISMARCK, ND 58501-3806
(701) 258-4648

657 2ND AVENUE NORTH, ROOM 306
FARGO, ND 58102-4727
(701) 232-8030

102 NORTH 4TH STREET, SUITE 104
GRAND FORKS, ND 58203-3738
(701) 775-9601

100 1ST STREET, S.W., ROOM 105
MINOT, ND 58701-3846
(701) 852-0703

Governor John Hoeven
600 E. Boulevard Ave.
Bismarck, ND 58505-0001

Dear Governor Hoeven:

I am writing to express my concern about the condition of the North Dakota Veterans Home and to urge you to join me in securing funding to renovate or replace this important facility.

As you know, significant structural design problems have been found by building inspectors. Safety, code, and compliance issues have accumulated to a point where the need for action is critical. While short-term measures are being taken to minimize risk, in the long term the only acceptable solution is to repair or replace the Veterans Home in order to eliminate the problems. The total cost to repair or replace the Veterans Home is estimated at about \$20 to \$25 million, a figure that grows higher with every passing year.

I have been working with the Veterans Administration to find federal funding to address these problems. VA officials have assured me that this project will most likely be given the VA's highest priority for funds. However, this cannot happen without the state contributing a portion of the total cost. The VA State Home Grant program will match 65% of the costs if our state legislature passes an appropriation indicating it will provide 35% of the total funding. This amounts to a state commitment of \$7 to \$9 million.

As Chairman of the Budget Committee, I understand the many competing demands for funding. However, I firmly believe that ensuring our veterans have a safe place to retire is the least we can do for the men and women of North Dakota that have bravely served their country.

I would like to strongly urge you to work with the legislature to appropriate the necessary funds to earn the federal matching grant for this project.

Thank you for your time and attention to this matter.

Sincerely,



KENT CONRAD
United States Senate

RE: VETERANS HOME

For the record, I am Bill Goetz, Chief of Staff, offering this testimony on behalf of Governor Hoeven.

Following the submission of the Governor's Executive Budget to the Legislative Assembly, information was brought forward regarding the physical condition and life-safety issues of the North Dakota Veterans Home.

The state Department of Health and the State Fire Marshall have identified a number of safety issues at the facility, and they have recommended several improvements we believe should be undertaken immediately.

These life-safety improvements have budget implications for the 07-09 biennium, which we believe can be addressed with the addition of \$166,000. Necessary dollars for preplanning is also supported.

Since submitting our original budget in December, we have also become aware of the possible availability of federal funding to construct a new facility. Under a program administered by the U.S. Department of Veteran's Affairs, the state would need to fund 35 percent, or \$6.5 million, of the estimated total cost required to build a new 121 unit facility. They will also assume 35 percent of the cost of the current improvements.

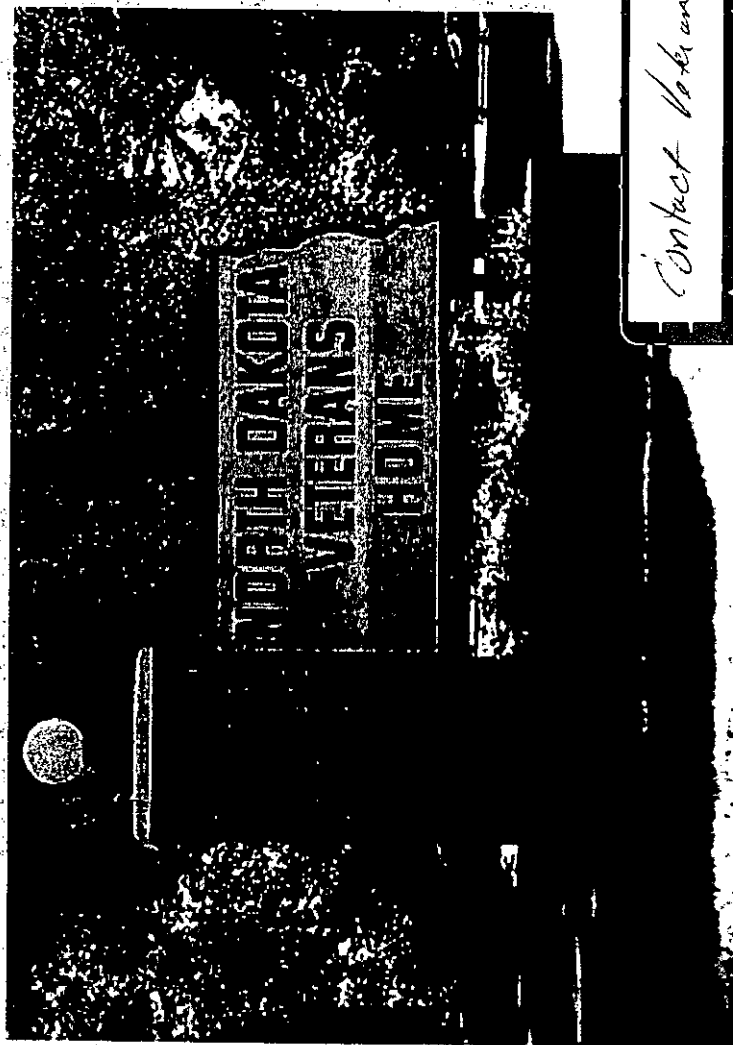
The State of North Dakota could position itself for this funding by appropriating the state's share as a contingency, pending federal approval of its 65 percent portion of the project. Mr. Chairman and committee members, this is a good opportunity for all of us to support both the current and future generations of North Dakota veterans in a very practical way. We encourage you to consider the necessary appropriation.

The Governor extends his appreciation to you in addressing this very important need.

Attachment #2

NORTH DAKOTA VETERANS HOME

Lisbon, North Dakota



Contact Veterans Home for copy

1891 - 2007

Facility Analysis
and
Master Plan Studies
January 2007

YHR
PARTNERS

#2

TECHNICAL CONDITION ASSESSMENT

for

North Dakota Veterans Home Lisbon, North Dakota

December 2006

Prepared by:



ARCHITECTURE PLANNING
420 MAIN AVENUE, BOX 818 • MOORHEAD, MINNESOTA 56560
FAX: 218-233-7988 PH: 218-233-4422

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INTRODUCTION

The following Technical Condition Assessment is a description and evaluation of the building systems at the North Dakota Veterans Home. The purpose of the survey is to evaluate the technical conditions of the buildings, to aid in prioritizing maintenance needs, determining appropriate allocation of resources for building improvements, and understanding issues which could be addressed concurrent with any expansion or remodeling campaign.

The building evaluation is documented in the following categories:

SITE: Parking Areas, Walks, Lawns, Plantings, Misc. Structures, Utilities/Lighting, Signage, Drainage, Fire Department Access.

STRUCTURE: Foundations, Bearing Walls, Skeleton, Floor Structures, Roof Structures.

ENVELOPE: Roofs, Walls (Skin), Windows, Exterior Doors, Soffits.

INTERIOR: Ceilings, Flooring, Wall Finishes, Interior Openings, Stairs/Ramps, Elevators/Lifts, Specialties, Food Service, Toilet & Bath Accessories, Miscellaneous.

CODES: Compliance with Life Safety/Building Codes - Means of Egress, Smoke/Fire Detection & Alarm Systems, Fire Suppression, Area/Occupancy Separations, Lighting Systems, Construction Type.
Handicap Accessibility- Parking/Drop Off, Site Routes, Entrances and Exits, Building Routes, Rooms/Spaces, Toilet Rooms, Signage/Signals.

MECHANICAL: Plumbing System, Plumbing Fixtures, Central Sources, Distribution System, Air Handlers, Air Distribution & Returns, Radiation/Convectors, Temperature Control Systems. (Sprinklers are under Codes)

ELECTRICAL: Main Service, Distribution/Panelboards, Power Distribution System/Outlets, Illumination, Communication/Data Systems, Electric Heating, Mechanical Equipment Connections, Other Systems (Clocks, Security, etc.), Generators.

The number evaluation rating for each entry is based on the rating scales following this summary. The Physical Ratings Scale is used in all categories except for Codes where the Code Compliance Scale is utilized. By glancing through the ratings, chronic deficiencies can be quickly noted. The illustrations and brief descriptions provide further insight into each deficiency.

The conditions were evaluated by visual inspection and consultation with Bob Nelson, Maintenance/Security Officer. Evaluation was conducted by James Simpson, AIA, CSI, CCS of this firm, Dave Obermiller, mechanical engineer of Obermiller Nelson Engineering, and Brian Poykko, electrical engineer of Obermiller Nelson Engineering.

RATING SCALES

PHYSICAL SERVICEABILITY SCALE

9 - 10	New or Performing like new in all aspects.
7 - 8	All major elements performing as intended, minor defects in some areas.
5 - 6	Most major elements performing well even though aged/worn, a few major defects or numerous minor defects.
3 - 4	Some major elements performing well even though aged/worn, some major defects and numerous minor defects.
1 - 2	A few major elements performing well but many in failure, many minor defects.
0	All aspects/elements in failure mode.

CODE COMPLIANCE SCALE

9 - 10	Appears to be in Full Compliance.
7 - 8	In General Compliance with minor elements in violation.
5 - 6	Generally Compliant, but a few large exceptions.
3 - 4	Generally Compliant with numerous large exceptions to Compliance.
1 - 2	Mostly Non-Compliant.
0	Totally Non-Compliant.

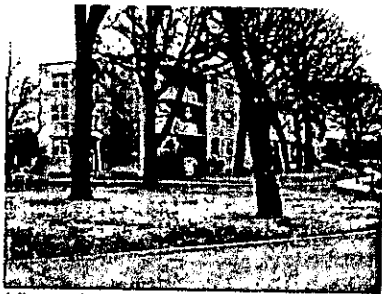
EXECUTIVE SUMMARY

The North Dakota Veterans Home is located at 1400 Rose Street in Lisbon, North Dakota. The 92-acre site is on the south side of Lisbon, just east of the Sheyenne River, and it has numerous large trees and is surrounded by gently rolling hills.

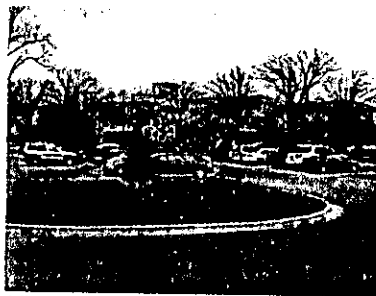
Established in 1891 and originally called the North Dakota Soldiers Home, the first barracks facility was constructed in 1893. In 1899 a hospital was built. The hospital was closed in the late 1940's and it became the Civilian Employee Quarters. The original barracks building was demolished in 1952. The main portion of the present structure was built in 1949-1950. It is a four-story building, with brick veneer. A four-story addition was built onto the east end of the building in 1980. In 1981 a new central heating plant was constructed on the site, along with an addition to the existing boiler room. The name of the facility was changed to the North Dakota Veterans Home in 1983. In 1990 another addition was constructed. It consisted of a two-story infill between the Resident Dining Room and the 1980 addition, and a two-story addition to the east end of the 1980 episode. A single-story Gazebo with a wrap-around deck was added to the east end of the 1990 episode. The original portion and the 1980 addition were re-roofed in the mid-1990's, and the Gazebo was re-roofed in 2006. In addition there have been numerous smaller re-modeling, repair and maintenance projects.

The site has a small park to the SW of the building, along with several picnic areas and pieces of war memorabilia. There is visitor parking immediately in front of the main entrance, with staff parking to the south, and on the north side of the building, and resident parking to the east.

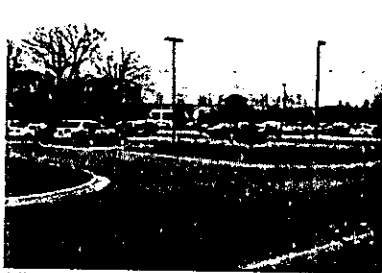
For the purposes of this report, the main entrance of the building faces west.



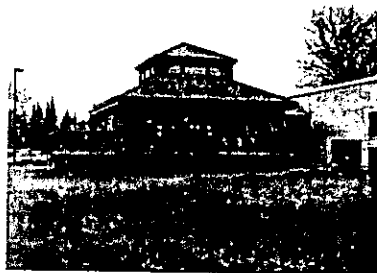
View of building from NW.



View of building from west.



View of 1990 episode from SW.



View of Gazebo from SE.

CODES SUMMARY

While the actual serviceability of various elements of the buildings is important in assessing overall condition, the arrangement of the parts of the building and their relationship to various codes which can affect the use of the building is also important. Three types of regulations apply to building construction, layout and use. They are the International Building Code, the Life-Safety Code (NFPA 101), and the Americans with Disabilities Act. In addition, requirements of the North Dakota Health Dept. and the Dept. of Veterans Affairs also apply.

The International Building Code (IBC) is applicable when a building is initially constructed and again whenever the building is substantially remodeled or modified. The International Building Code has as its purpose the protection of occupants and it prescribes certain building materials and methods based upon the numbers of occupants, size of building, location on the property, use of building and number of stories. Sizes, locations, and numbers of exits are established by the IBC. The International Building Code has as companion codes, the International Mechanical Code and the National Electrical Code. These codes set standards for sanitary facilities, heating, ventilation, and lighting, among others. All of these conditions must be satisfied to obtain building and occupancy permits.

The International Building Code is a dynamic set of regulations updated every three years, and in many case has become more stringent with each new code. As a result, often what was acceptable construction practice at the time the structure was built may not be acceptable today. In addition, many states and cities have modified the IBC adding their own requirements. Owners are not required to keep their buildings current with the International Building Code except when substantial remodeling or additions to existing facilities are undertaken. The definition of 'substantial' is at the discretion of the local code official.

The second regulation is the Life-Safety Code (NFPA 101) which is generally enforced by local fire departments. The Life Safety Code can be enforced on any existing facility to ensure the on-going safety of the occupants. Periodic review of facilities by State Fire Marshals administers these requirements. The compliance requirements placed on owners varies considerably from jurisdiction to jurisdiction.

The intent of both the International Building Code and Life-Safety Code is the protection of life and property.

The Americans with Disabilities Act (ADA) is federal legislation that provides for equal access to buildings and accommodations for those with disabilities. While ADA compliance is dictated as a matter of law, and exempts some facilities, the ADA requirements are now incorporated into the International Building Code without exemptions.

PRIORITY CORRECTIVE ACTIONS SUMMARY

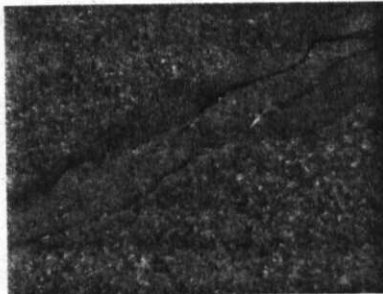
The following chart is a compilation of top priority deficiencies as described in the Condition Assessment Report. The deficiencies have been ranked according to physical serviceability and code compliance scales which are outlined on the previous pages. These rankings are based on our professional judgment with maintaining the integrity of the buildings and protection of life being the primary criteria. They are subject to interpretation and change based on other criteria, but establish a point of departure for developing a strategy for implementing corrective actions.

The estimated cost of the corrective actions for deficiencies assumes that the each action is handled on a individual basis, unless otherwise stated. Efficiencies may be gained by combining corrective actions into a more comprehensive project.

RATING	ELEMENT	DEFICIENCY	POSSIBLE CORRECTION	COST
1	Toilet Rms.	Not accessible	Revise as required; note 2	\$ 235,000
2	Separations	Non-compliant	Revise as required; note 3	\$ 235,000
2	Central sources	Exceeded expected life span	Replace boilers; modify per report; notes 4, 11	\$ 310,000
2	Dist. Syst.	Inefficient	Replace piping/insul. & valves	\$ 370,000
2	AHU's 5, 6, & 7	Deteriorated	Replace air handlers; modify controls; notes 5, 11	\$ 575,000
3	Roofs	Deteriorated built-up roofs	Re-roof original & 1980	\$ 115,000
3	Windows	Poor thermal efficiency	Replace windows	\$ 185,000
3	Rooms	Not accessible	Revise as required	Note 6
3	Signage	Non-compliant	Replace signs, add strobes	\$ 34,000
3	Plumbing	Piping/valves	Replace piping, install valves	\$ 300,000
3	Air Dist.	Non-compliant	Revise/install ductwork & dampers	Note 7
4	Ext. Doors	Poor thermal efficiency	Replace doors	\$ 27,500
4	Ceilings	Deteriorating	Replace ceilings	\$ 158,000
4	Elevators	Old equipment	Replace elec. traction elevators	\$ 260,000
4	Cabinets	Deteriorating	Replace cabinets	\$ 229,500
4	Means of Egress	Non-compliant	Revise as required; note 8	\$ 60,250
4	Bldg. Routes	Not accessible	Revise as required	Note 9
4	Plumb'g fixtures	Excess water usage	Replace fixtures & faucets in original portion	Note 10
4	Temp. Control	Limited coverage; old system	Replace system; add thermostats	\$ 115,000
4	Nurse Call	Old system	Replace system	\$ 82,500
	Health Dept.	Toilet at Hydrotherapy	Add toilet	\$ 15,000
Total				\$3,306,750

NOTES:

1. This Summary does not include corrective actions to accessory buildings.
2. Modifying toilet rooms may reduce the number of resident beds/rooms.
3. Dampers in ductwork are included under AHU's.
4. Cost includes replacing all boilers.
5. Includes modifications to ductwork, dampers etc.
6. Cost included under Separations and Cabinets.
7. Cost included under AHU's.
8. Includes egress control devices and modifications to center stair and Lobby.
9. Cost will vary significantly depending on how problems are solved. Estimate \$100,000 minimum expense.
10. Cost included under Toilet Rooms.
11. Building may have to be un-occupied during HVAC modifications.

CONDITION ASSESSMENT REPORT

Crack in asphalt paving. Note ravelling.



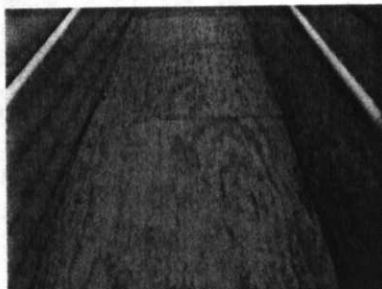
Spalling concrete paving. Note pop-outs.



Parking striping fading away.



Damaged concrete curb.



Finish on ramp at Gazebo deteriorating.

SITE**Parking Areas****Rating: 5**

There are four main parking areas around the building: Visitor parking at the main entrance; employee parking areas on the east and southwest sides; and resident parking to the south. The resident parking lot is paved with concrete while the others have asphalt. The resident lot and the employee lot to the SW have concrete curb and gutter. Asphalt-paved areas were re-sealed in 2003.

The asphalt is ravelling in some areas (losing pavement from the top down), as well as showing slight signs of frost heave and both slight longitudinal and transverse cracking probably caused by substrate settlement and movement.

The resident parking lot is paved with concrete. The surface has many pop-outs, and is both scaling and spalling in numerous places. There are also numerous cracks, ranging from hairline to significant.

Concrete curbs exhibit some minor damage, most likely caused by snow removal equipment.

In all the parking areas the striping is either worn off or fading away.

Roads around the site are paved with asphalt. There are numerous cracks and places where the surface is ravelling.

Walks, Etc.**Rating: 8**

Walks are paved with concrete, and except for minor cracking and pop-outs are in satisfactory condition.

The finish on the plywood ramp from the Gazebo deck is deteriorating. Staff indicated that the Health Dept. required the area beneath the ramp to be completely filled so that sprinklers would not have to be installed. Because of this there is little ventilation, allowing moisture to build up.

Lawns**Rating: 7**

Lawn areas were dormant at the time of the assessment. They appear to be generally healthy, however there are some bare spots. A portion of the site has an automatic sprinkler system

Plantings

Rating: 7

Trees and shrubs were dormant at the time of the assessment, however they appear to be generally healthy.

Misc. Structures

Rating: 6

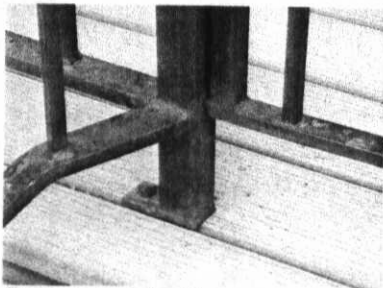
There are several accessory buildings on the site, including the boiler plant, the original boiler plant, a 3-stall garage and a metal storage building. These buildings are discussed at the end of this report. The Commandant's Residence is in a separate report.

There is a granite monument just south of the visitor parking area. Except for minor rust stains on the base it is in satisfactory condition. The rust is most likely due to minerals in the local water supply being deposited on the granite by the irrigation system, then rusting when rained on.

There is a chain link fence on the north side of the building. A hole has been cut for drainage adjacent to the staff parking lot. In addition there are other minor defects in the fabric and the posts.

There is a metal railing at the main entrance. The paint is deteriorating and the metal is rusting in many places.

There is a deck with a wooden railing around the Gazebo, with a ramp down to grade on the south side. A small piece of wood trim is missing from the cap at the bottom of the ramp. The painted finish on the ramp has virtually worn away exposing the plywood.



Rust on metal railing.

Utilities/Lighting

Rating: 8

No problems were observed or reported with any site utilities.

Signage

Rating: 6

There is a lighted monument/planter sign at the entrance to the site. The sign itself is in satisfactory condition, however the joints in the brick base are deteriorating due to water in the planter, and lichens are growing on the brick on the north side.

There is another monument/planter sign just east of the main entrance. The metal letters are in satisfactory condition, but the mortar joints in the brick base are deteriorating due to water in the planter.

There is a wooden address sign adjacent to the entrance to the residents parking lot. Other than slightly deteriorating finish, the sign appears to be in satisfactory condition.



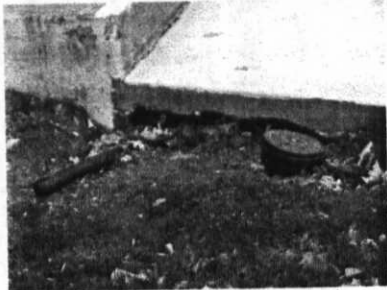
Lichens growing on brick sign base.



Deteriorating mortar joints.



Erosion at staff parking lot.



Erosion under sidewalk at north end of building.



Exposed PVC storm drainage piping near Gazebo.



Settlement adjacent to west side of laundry allows ponding.



Limited access to fire department siamese connection.

Drainage

Rating: 5

Site drainage on the surface, and runs generally to the north and east. There are numerous swales and other surface drainage elements. Holes have been provided in curbs and planter borders to allow for drainage. Exposed PVC pipe is used to drain storm water adjacent to the Gazebo. On the north end of the original portion, and on the west side of the 1980 addition, the soil adjacent to the building has settled, creating areas where water will pond adjacent to the structure. Staff reported that storm water used to infiltrate the Laundry. Additional fill has been added, and more is necessary. On the north side of the staff parking lot on the east side of the building, there is some minor erosion where the drainage passes under a chain link fence. There is also some minor erosion at the east end of the 1990 episode adjacent to where the rain water leader discharges, and also under the sidewalk at the north end of the original portion.

Additional asphalt had to be added adjacent to the north wall of the 1990 addition to provide positive drainage away from the building after the original paving had settled. See also "Structures: Floor Structures".

Emergency Vehicle Access

Rating: 7

There is emergency vehicle access to three sides of the facility. The roadways are somewhat narrow for fire trucks, but for the most part they are looped or ample turn-around space is provided.

There is one fire hydrant near the building. It is just south of the main entrance. Another hydrant is near the Commandant's Residence.

The siamese connection for the fire department is adjacent to the main entrance, but access is limited due to adjacent steps and ramps.

STRUCTURES

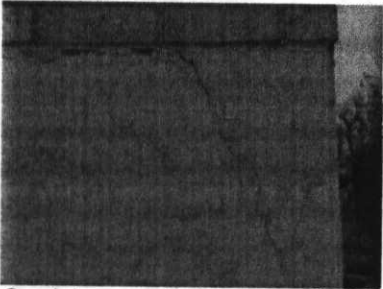
Foundations

Rating: 7

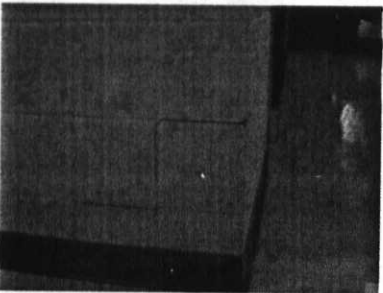
The building has reinforced concrete footings and foundations throughout. Several minor cracks in both interior and exterior walls were observed which could indicate slight settling of the structure. Nothing was observed that would indicate any serious problems with the footings or foundations.



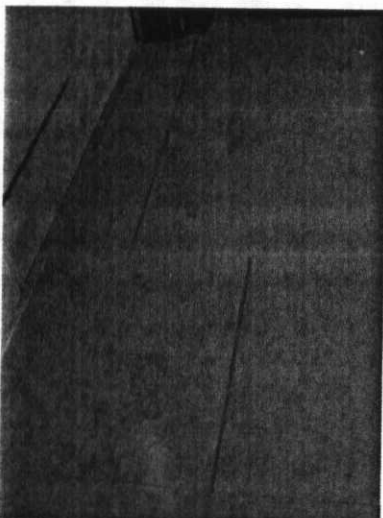
Concrete sun shade spalling.



Crack in concrete bearing wall, SE corner of south wing, 1990 addition.



Crack in concrete masonry bearing wall, first floor, 1990 episode.



Gaps in joints between tile in Receiving Room, 1990 addition.

Bearing Walls

Rating: 7

The original portion of the building has cast-in-place concrete bearing walls around the perimeter, and structural clay tile bearing walls on each side of the center corridor. No problems were observed. At the north and south ends of the original portion there are cast-in-place concrete beams with painted, cantilevered concrete sun shades above the windows. The paint on the sun shades is deteriorating and the concrete is spalling.

Drawings of the 1980 episode were not available for review. However, based on site observations it appears that interior and perimeter bearing walls are concrete masonry. There is a small crack adjacent to the door to the Laundry. No other problems were observed.

The first floor of the 1990 episode has cast-in-place concrete bearing walls at new perimeter walls. On the second floor the new perimeter walls are concrete masonry units. This episode also utilizes the bearing walls of the original portion. One small crack was observed at the SE corner of the south wing, 1990 episode. There are a couple of small cracks in the concrete masonry bearing walls in the corridor on the first floor.

Skeleton

Rating: N/A

The building has no skeleton.

Floor Structures

Rating: 7

The ground floor (lowest level) in the original portion of the building is a concrete slab on metal deck supported by steel joists. There are cracks in the vinyl tile behind the serving line in the Resident Dining Room that could indicate some minor deflection. No significant problems were observed. The ground floor in the remainder of the facility is a concrete slab-on-grade. There are significant floor tile cracks and gaps in joints adjacent to the exterior doors at the Receiving Room. Staff reported that a portion of the floor slab was cut out and replaced because it had settled. The existing cracks and gaps have occurred since that replacement. Minor cracks in the vinyl tile adjacent to the elevator in the 1980 episode could be indicative of slab settlement.

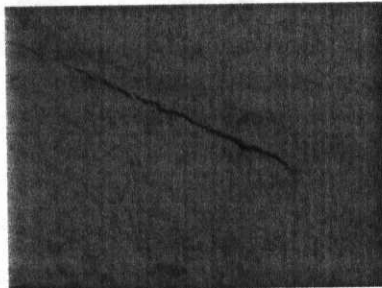
The upper floors in the original portion of the building, and the in the 1990 episode are concrete slab on metal deck, supported by steel joists. In the 1990 addition, steel beams and columns support the joists at interior walls, and where the existing walls could not be used to support the structure. Nothing was observed that would indicate any problems with the floor structure in these areas.



Badly bent metal flashing.



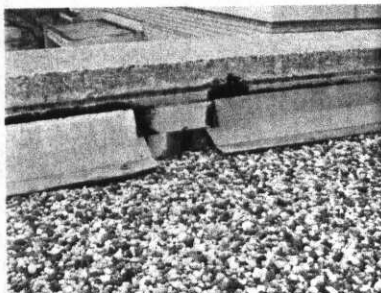
Aggregate surfacing shifting.



Crack in surface of roof repair.



Built-up roof on sun shade.



Typical scupper.

No drawings of the 1980 episode were available for review, but nothing was observed that would indicate any problems with the upper floor structures.

Roof Structures

Rating: 8

The roof on the original portion of the building, and the on the 1990 episode is a concrete slab on metal deck, supported by steel joists. Nothing was observed that would indicate any problems with the roof structure in these areas.

No drawings of the 1980 episode were available for review, but nothing was observed that would indicate any problems with the roof structure.

ENVELOPE

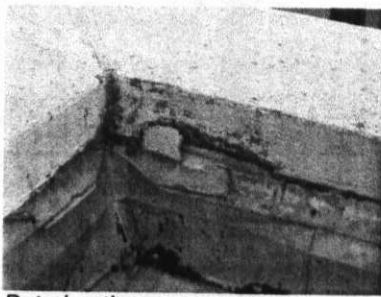
Roofs

Rating: 3

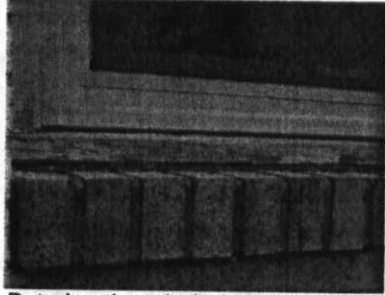
The original portion of the building along with the 1980 addition, have built-up asphalt roofs. These areas were re-roofed in 1996. Both roof drains and through-wall scuppers are provided. Metal perimeter flashing was bent up to accommodate the re-roofing. In most cases it was not bent back down sufficiently to prevent water from getting under the flashing. In addition the presence of the flashing prevents visual inspection of the roof-to-wall intersection. When this portion was re-roofed, the roofing was installed so as to drain away from rather than towards the scuppers. The aggregate surfacing has shifted in some places exposing the asphalt flood coat and membrane. Staff reported several recent roof leaks that appear to have been repaired. There is a large crack in one of the repaired areas.

The concrete sun-shades on the west side of the building also have a built-up asphalt roof system. The edge of the concrete shows signs of spalling in several places, indicating water infiltration beneath the roof membrane. Also, the aggregate is missing from significant areas, exposing the roof system to UV rays. In addition, the mineral-surfaced cap flashing is cracking in many places.

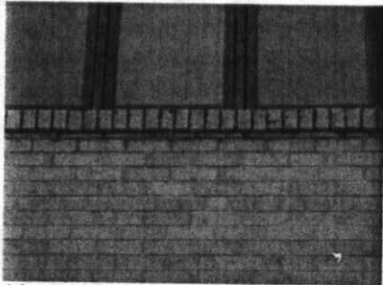
The 1990 episode has a ballasted EPDM roof system, which was replaced in 2006. No problems were observed or reported. The nature of EPDM is that it will shrink over time. With a ballasted roof system, this shrinkage will be noticeable at the roof-to-wall transition where the membrane will form a "tent" between the roof and wall. Because this "tent" is in tension, any small puncture or other hole will rapidly increase in size.



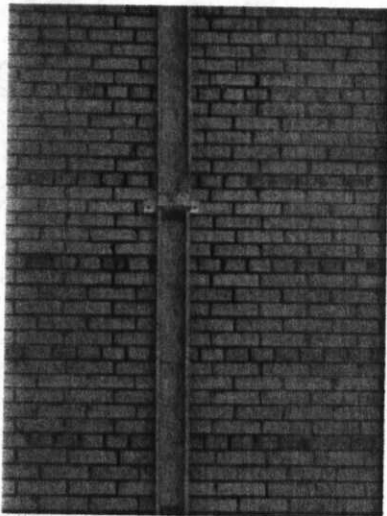
Deteriorating concrete coping.



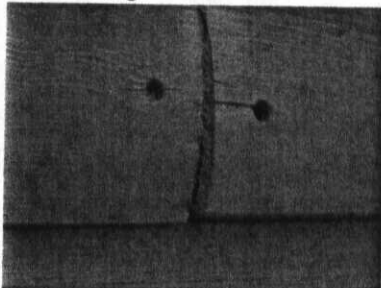
Deterioration of window sill and caulking.



Mortar joints at sill deteriorating.



Mortar joints behind downspout deteriorating.



Log siding shrinking and splitting.

The parapet around the entire building is capped with a precast concrete coping. The coping on the original portion of the building is spalling and pitting. In addition head joints have deteriorated or are deteriorating and should be replaced. Directly above the main entrance, one section of coping has shifted such that it sticks out past the wall 1" - 2".

Walls (Skin)

Rating: 6

The walls are mostly face brick veneer, with some areas of painted concrete.

The brick is in satisfactory condition, however mortar joints are deteriorating at some window sills, and behind downspouts on the north side of the original portion and the 1990 infill portion. In addition there are several small holes in the mortar on the north side of the east wing, 1990 episode. The lintel supporting the brick above the window on the west end of the 1990 Activity Room does not extend the full width of the opening.



Lintel does not extend full width of opening.



Paint damaged by lawn care equipment.

The paint is spalling off of the concrete in several places. In addition the paint is being scraped off the walls at the bottom by lawn care equipment. One small area adjacent to the main entrance was not re-painted when a sign was removed. On the west side of the east wing, 1990 addition, the painted wall is badly soiled from an exhaust vent.

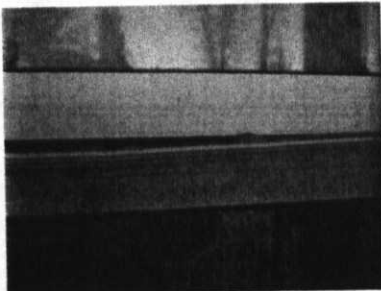
The Gazebo has split-log type wood siding. Some boards are shrinking creating gaps between boards. Some boards are also splitting at the fasteners.

The painted finish on window-well covers is deteriorating, and the screens are bent.

Windows

Rating: 3

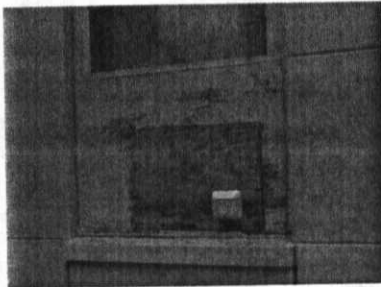
The original portion of the facility has painted, single-hung, single-glazed wood windows with storm windows in most areas, with aluminum fixed and casement windows with insulating glass at the SE and SW ends of the building and



Failure of caulking at aluminum window adjacent to entrance.



Duct tape used to repair window.



In-filled window; note paint deterioration.



Lack of weatherstripping between door leafs.



Paint on door scratched.

adjacent to the main entrance. These aluminum windows are not original to the building as the plans indicate steel sash windows. The caulking around the perimeter of the aluminum windows adjacent to the entry has failed. Only the windows in the 1980 episode provide satisfactory thermal insulation.

The interior finish of the wood windows is in satisfactory condition for the most part, however the painted finish on the exterior has deteriorated, especially at sills, allowing the wood to check and split. Duct tape was used to make repairs to a window on the west side of the Resident Dining Room. One pane of glass in the Resident Dining Room is broken. Windows on the Ground Floor (lowest level) are difficult to open for some residents and staff due to the height of the sash above the floor. No problems were observed with the aluminum windows at the north and south ends of the original portion.

The 1980 and 1990 episodes have metal-clad wood fixed and casement windows. The windows in the 1980 addition have insulating glass, while those in the 1990 episode have double panes of single glazing. One pane of insulating glass on the east end of the third floor of the 1980 episode was fogged, indicating that the insulating seal has been broken. Several windows have been modified to accommodate air conditioning units.

Several windows have been filled in with painted wood. The paint is deteriorating in most of these cases.

The caulking around the perimeter of the windows in the original portion of the building has deteriorated. Caulking around windows in the later episodes is beginning to deteriorate, especially on the east and south sides.

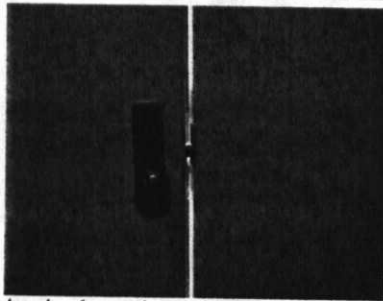
Exterior Doors

Rating: 4

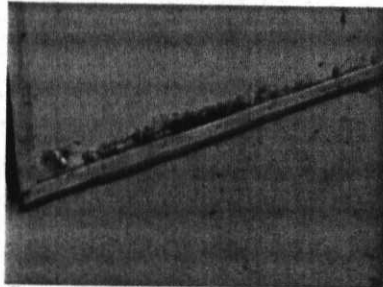
The main entrance doors are aluminum with single glazing. The weatherstripping around and between the door leafs does not provide an adequate seal. Light is visible between the door leafs. The sidelites have single glazing in wood frames. The finish on the wood, both interior and exterior, is deteriorating. Other exterior doors in the original portion of the building are painted hollow metal in painted steel frames, with wired glass and old hardware and weatherstripping.

There are no exterior doors in the 1980 addition.

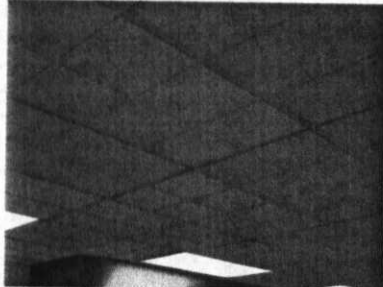
Exterior doors at the 1990 episode are painted hollow metal in painted steel frames. The paint on the door from the SE corner of the Activity Room is scratched and deteriorating. At the pair of doors on the north side of the Mechanical Room, north of



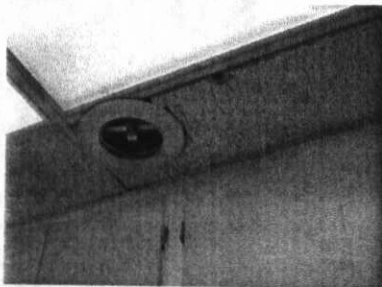
Lack of weatherstripping between door leaves.



Door to Mechanical Room rusted.



Stained ceiling above serving line.



Damaged ceiling tile.



Non-water-resistant tile in shower.

the 1980 addition, there is no weatherstripping between the doors, and the bottom of the doors is rusted.

The doors in the Gazebo are metal-clad wood French Doors. No locking hardware is provided on these doors, only a door position alarm. See also "Codes - Life Safety/Building Codes: Means of Egress".

Soffits and Fascias

Rating: 8

The only soffits are at the porch at the main entrance and the underside of the concrete sun shades. These soffits are painted and no significant problems were observed.

There are no fascias on the building.

INTERIORS

Ceilings

Rating: 4

Most of the building has a suspended acoustical ceiling system. Ceilings in mechanical spaces and other secondary rooms are painted concrete. The ceiling in the Gazebo is wood.

There are many places throughout the facility where the ceiling tiles have or are beginning to warp, as evidenced by corners raising up from the grid, or sag. The ceiling, including the suspension system, above the serving line in the Resident Dining Room and in the Smoking Lounges is badly stained. Tiles adjacent to a couple of supply air registers are dirty. Tiles and suspension systems in shower areas in the original portion of the building do not appear to be moisture-resistant type. There are water stains on only a few tiles. And tiles in several areas are scratched and otherwise slightly damaged. Tiles in several places have been cut or otherwise modified to accommodate new wiring etc.

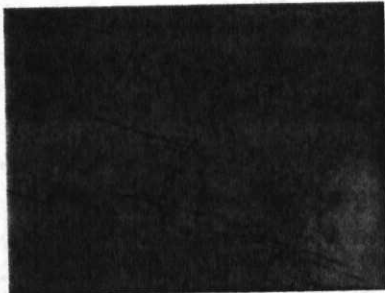
Painted ceilings are showing typical signs of normal wear and tear.

The ceiling in the Gazebo appears to be in satisfactory condition. See also "Codes: Life Safety/Building Codes - Construction Type".

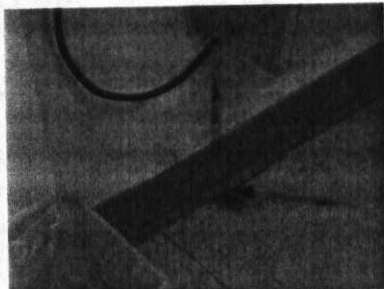
Flooring

Rating: 6

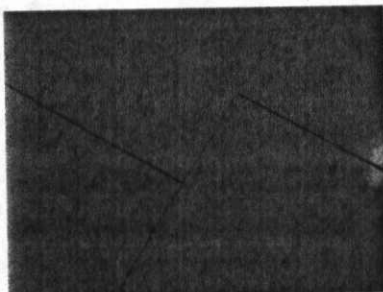
Floors in corridors, resident rooms in the original portion and the 1980 addition, dining rooms, activity rooms, smoking lounges, TV rooms, stairs etc. are vinyl composition tile. Several tile behind the serving line in the Resident Dining Room are cracked. In addition, several tile adjacent to the elevator in the 1980 addition are cracked. Floor tile in the



Cracked tile at serving line.



Water stain under electric water cooler.



Excessive joints in corridor.



Seam between corridor and resident room carpet.

Smoking Lounge in the 1980 addition are badly stained from cigarette smoke. Tiles in the Activity/Dining Room in the 1990 episode are slightly scuffed. In the Employee Dining Room in the original portion chairs have small rags attached to their feet apparently to prevent damage to the floor. A couple of tile towards the north end of the east wing, 1990 episode, are damaged, and there is a water stain on the floor beneath the electric water cooler at the east end of the corridor on the second floor of the original portion. The joints between floor tile in the corridor outside the Resident Dining Room are larger than normal. Some asbestos floor tile, which also have asbestos-containing mastic, still remain.

Resident rooms and first floor corridors in the 1990 addition, the first floor corridor in the 1980 episode, the Lobby, most offices, the Mail Room, the two small Chapels, the Multi-Purpose Room, the Lounge at the east end of the third floor in the original portion, the Library and Lounge on the second floor in the original portion, and the Gazebo all have carpet. Some areas have apparently been re-carpeted recently as they show no signs of wear and tear. The carpet in several offices is showing signs of aging including wear marks and seams becoming evident. There are stains on the carpet in a couple of the lounges, and the carpet in some resident rooms in the 1990 addition is slightly soiled. Seams between the resident room carpet and the corridor carpet in the 1990 episode are coming apart in a few places.

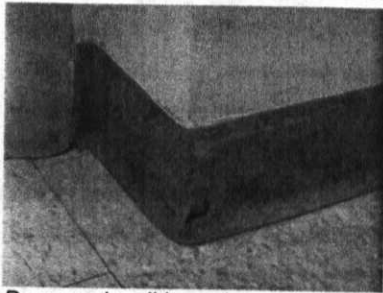
Floors in the resident laundry rooms, toilet rooms, employee locker rooms, Hydrotherapy Room, in the original portion, and in resident shower rooms and toilet rooms in the 1980 episode are ceramic tile. Other than soiled grout joints, no problems were observed.

Floors in resident toilet rooms and soiled linen rooms in the 1990 episode are vinyl sheet flooring. No problems were observed.

The floor in the Kitchen and Dishwashing area is quarry tile. Other than soiled grout joints, no problems were observed, although staff did report one hairline crack that could not be found at the time of the observation.

Where vinyl tile and carpet exists there is rubber wall base. The base is damaged in several places in the original portion of the building, and scuffed and scratched from carts, walkers etc. in other parts of the building.

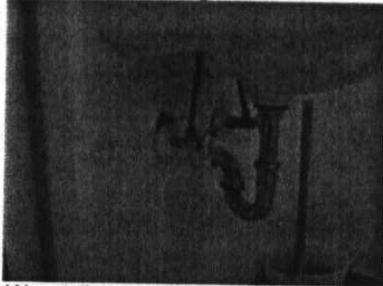
Painted concrete floors in mechanical rooms etc. are exhibiting typical signs of normal wear and tear.



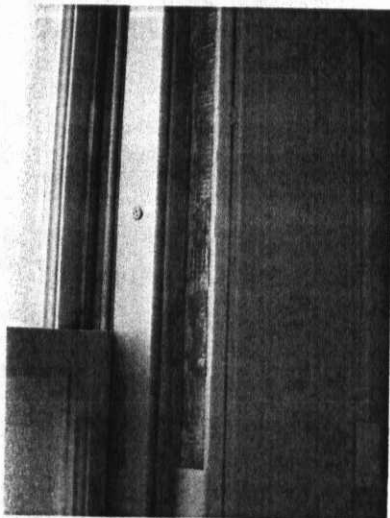
Damaged wall base in original portion of building.



Wall corner damage.



Water damage beneath lavatory.



Ceramic tile missing at window jamb.



Paint peeling from wall in Library.

Wall Finishes

Rating: 7

The majority of walls are painted, with concrete, concrete masonry, plaster or a gypsum board substrate. Some areas have vinyl wall coverings and/or borders. The walls in the Gazebo have stained wood paneling (see also "Codes: Life Safety/Building Codes - Construction Type"). Walls are cracked in several locations, there is slight damage at some corners where carts, wheelchairs or walkers have chipped the substrate, and the paint finish shows signs of normal wear and tear such as pin holes, chips and small areas where tape has peeled away the paint. A small area beneath a resident room lavatory has water damage. It appears that the damage was caused by a leak as the escutcheon for the hot water pipe does not cover the hole in the wall (hole made to repair the pipe). There is also water damage to the wall below an electric water cooler at the south end of the second floor in the original portion. In the resident room at the NE corner of the second floor of the original portion, and at the south side of the Library on the same floor, the paint is peeling off of the walls due to water infiltration. At the resident room the paint is peeling directly behind a downspout, behind which the mortar joints appear to be deteriorating due to water infiltration. Inside the Mail Room, the wall below the mail boxes appears to have been re-finished or repaired. Some areas have not been completely re-painted.

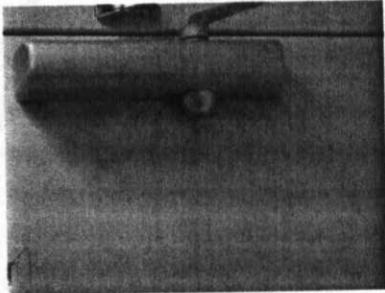
Walls in toilet rooms, showers and the Kitchen are ceramic tile. In the Men's Toilet Room on the north end of the second floor in the original portion, the tile has fallen off the window jamb.

Window sills in the original portion of the building are stone. A few have small cracks. Sills in the 1990 addition are plastic laminate. Gaps have formed between adjoining sections.

Interior Openings

Rating: 7

Doors to resident rooms and public spaces are wood doors with a clear finish in painted hollow metal frames. Doors to mechanical rooms, stairs, cross-corridor doors etc. are painted hollow metal in painted hollow metal frames. All doors and frames are showing signs of normal wear and tear including scratches, dents and other minor surface problems. The closer on the door to the stairway on the ground floor (lowest level) of the 1980 episode leaked hydraulic fluid staining the door. Some hardware in the original portion and the 1980 addition has been replaced during remodeling or as required, however there are still numerous closers that are not commercial grade. In addition, panic devices are old, standard tubular bar type



Closer leaked fluid staining door.

which give an "institutional" appearance. Some closers shut doors too hard and should be adjusted or replaced.

There is a customer service window at the reception desk in the Lobby that consists of a pane of glass with a transaction-slot and voice hole.

There is a Cookson manual rolling counter door at the dish return in the Resident Dining Room that is in satisfactory condition.

There is a wood folding door in the Multi-Purpose Room in the 1990 addition. There is minor damage to some of the wood panels.

The borrowed lites at the Waiting Area adjacent to the Activity Room have a single glass pane in wood frames. No problems were observed.

See also , "Codes - Life Safety/Building Codes - Means of Egress", "Codes - Life Safety/Building Codes: Area/Occupancy Separations" and "Codes - Handicapped Accessibility: Rooms/Spaces".

Stairs/Ramps

Rating: 8

There are four public stairways in the original portion of the building, one in the 1980 addition, and one in the 1990 episode. All have vinyl tile treads (vinyl asbestos tile in 1980 addition according to drawings) with vinyl risers and steel nosings. Handrails are painted steel, aluminum or stainless steel. The paint on handrails is deteriorating.

The stairway in the mechanical room on the ground floor of the original portion is a painted steel stair. The paint finish has deteriorated.

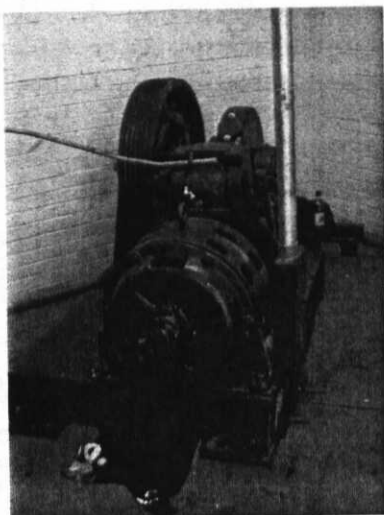
The stairway from the second floor of the 1980 addition to the roof also has vinyl asbestos tile and painted steel handrails. No problems were observed.

See also "Codes - Life Safety/Building Codes: Means of Egress" and "Codes - Handicapped Accessibility: Building Routes".

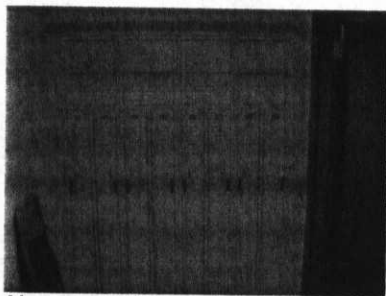
Elevators/Lifts

Rating: 4

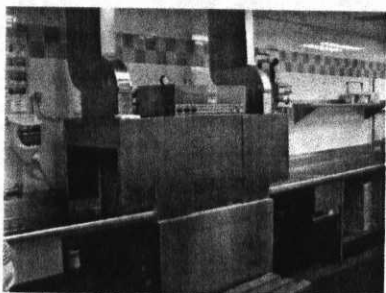
There are three elevators in the facility. The elevator in the original portion is an Otis, electric traction type, with a capacity of 4,000 pounds. It has vinyl composition tile flooring, baked enamel on steel wall panels, and a stainless steel handrail. The floor tile is scuffed. The elevator in the 1980 addition is also an electric traction type with a 4,000 pound capacity. It has carpeting, wood-grain plastic laminate wall



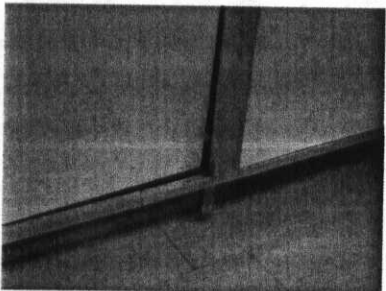
Electric motor for traction elevator.



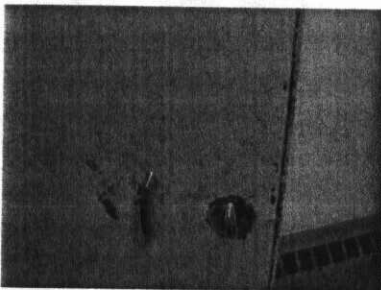
Narrow staff lockers.



Dishwashing machine.



Panel loose at serving line.



Deteriorating finish on toilet partition.



Deteriorating cabinets in original portion of building.

panels, and a stainless steel handrail. The finishes appeared to be in satisfactory condition. The elevator in the 1990 episode is a Dover hydraulic elevator with a 2,500 pound capacity. It has carpeting, wood-grain plastic laminate wall panels, and a stainless steel handrail. Controls and signals at all elevators appeared to be in satisfactory operating condition, although they are dated and showing signs of age.

Staff reported that the motors and generators for the electric traction elevators should be replaced as they are obsolete and repairs are problematic because replacement parts are difficult to find.

See also "Codes - Handicapped Accessibility: Building Routes".

Specialties

Rating: 7

The lockers in the staff locker rooms in the original portion of the building are very narrow making storage of winter coats difficult, and there is minor damage to the doors and painted finish.

Mailboxes in the original portion of the building are in satisfactory condition, however they no longer conform to USPS requirements.

Shelving in the libraries, TV rooms etc. is showing signs of aging.

There is an operable partition in the Multi-Purpose Room of the 1990 addition. No problems were observed.

Food Service / Laundry

Rating: 8

Staff reported that the dishwasher breaks down frequently. Other kitchen equipment was reported to be in satisfactory operating condition. One panel on the front of the serving counter in the Resident Dining Room has come loose.

No problems were reported with the laundry equipment.

Toilet & Bath Accessories

Rating: 5

Toilet partitions are steel with a baked enamel finish. Partitions are dented and the finish is deteriorating in many places.

See also "Codes - Handicapped Accessibility: Toilet Rooms".

Miscellaneous

Rating: 4

Most cabinets in the original portion of the building are showing signs of aging, although some have recently been re-finished. "Codes - Handicapped Accessibility: Rooms/Spaces".



Gate at main entrance.



Doors to Activity Room in 1990 episode. Note direction of swing and exit sign.



Exit from Gazebo. Note deck in background.



Gate obstructing means of egress at stairs adjacent to Activity Room.



Exit door blocked off. Note motorized wheelchairs adjacent to exit.

Furniture in lounges, TV rooms etc., especially the smoking rooms, is showing signs of aging. Upholstery is fading and/or stained, wood finishes are deteriorating, and there are scratches and dents.

CODES - LIFE SAFETY

The following analysis is based on the requirements for an existing Health Care and Residential Board and Care occupancies as stipulated in NFPA 101 Life Safety Code (LSC), 2003 edition. Applicable requirements of the International Building Code (IBC), 2003 edition, North Dakota State Building Code, and North Dakota Health Department requirements are noted where they would be necessary as part of any significant remodeling project.

Means of Egress

Rating: 4

The stair in the center of the original portion of the building cannot be used as a means of egress since it discharges into the Lobby which has a lesser fire-resistive construction rating than the stair, and the landings are not long enough. (It does not need to be a means of egress.) In addition, just outside the main entrance there is a gate at the top of the stairs that does not swing in the direction of egress travel.

The corridor on the ground floor between the original portion and the 1980 addition forms a dead-end traveling in both directions. The dead end is created by doors not swinging in the direction of egress travel. The corridor on the ground floor of the 1990 addition, adjacent to the elevator, forms a dead-end. These would be classified as dead-ends only under IBC provisions that would take effect if significant remodeling is undertaken in these areas.

One means of egress from the upper floor of the 1990 episode passes through the Activity Room. This is not permitted since the Activity Room is not constructed as a corridor and does not qualify as an intervening room.

The door at the north exit from the Gazebo swings in the wrong direction. And the south exit leads to a deck which wraps around the Gazebo to the south and west, directly adjacent to the building.

A gate at the first floor landing for the stairs on the east side of the Activity Room in the original portion of the building swings in the wrong direction and is equipped with non-compliant latching hardware. The gate should be removed.

Several stairway doors were taped off with "Do Not Enter" signs to prevent some residents from leaving the facility. These signs would confuse guests etc. It is recommended that another solution be found for this problem.

Motorized wheelchairs are parked at the north end of the ground floor corridor in the 1990 episode somewhat restricting access to the exit door.

Handrails at stairs in the original portion and the 1980 episode lack the required extensions at landings.

Smoke/Fire Detection & Alarm Systems Rating: 6

In the original portion of the building, there are no smoke detectors in the Activity Room, the toilet rooms, Lobby or offices. Staff reported that the fire alarm system was installed throughout the building in 1990 and updated in 2000. It is a Pyrotechnics brand, with a MXL Series Control panel, analog detection loops, discrete output circuits, and separate output circuits for chimes, horns and visual appliances. The wiring in the original portion and the 1980 addition was re-used when the system was upgraded. This wiring should be replaced. See also "Codes: Handicapped Accessibility - Signage/Signals".



Louver on corridor door.

Fire Suppression Rating: 5

The entire facility is equipped with an automatic fire sprinkler system which was updated in 2000, however there is some question as to the type(s) of sprinkler heads installed. The Health Dept. has cited the facility for failure to maintain and test sprinklers in accordance with its requirements.

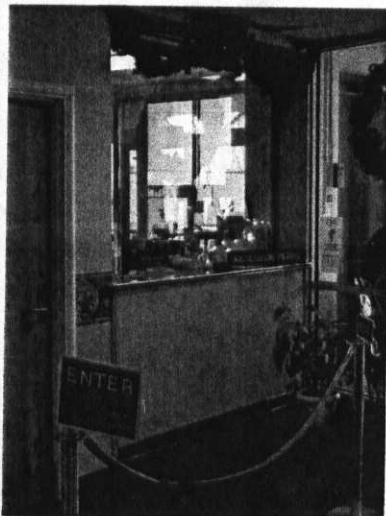
Area/Occupancy Separations Rating: 2

Many corridor doors and stairway doors in the original portion of the building have no fire rating label, no closer, no intumescent gasketing and no smoke seal. In addition some doors have no latch, and others have louvers.

The service window at the reception desk is not a protected opening. Windows on west side of the 1980 addition are not protected (wall is 3-hour rated).

The exhaust air shaft between resident storage units and the corridor walls in the original portion of the building is not a fire-rated enclosure, and there are no dampers at each floor level.

Cross-corridor doors on the ground floor between the 1980 and 1990 episodes have a non-compliant smoke seal, as does a door between the 1980 episode and the original portion on that floor.



No opening protection at reception desk.

There is no door between the corridor and the resident Dining Room, 1990 episode.

Doors to the Receiving Room in the 1990 episode have non-compliant smoke seals.

Storage areas below stairways do not have fire-resistive rated doors.

There is no smoke/fire damper in the exhaust duct from the hood behind the serving line in the Resident Dining Room. Staff also believes that there are un-sealed penetrations in the fire wall between the Kitchen and the Dining Room, and between the Activity Room (original portion) and adjacent rooms in the 1990 addition.

There are un-sealed floor penetrations in the stairways of the original portion of the facility. There are also items in the stairwells such as piping which are not allowed in the stairs.

Any modifications made to the Activity Room in the 1990 addition, or adjacent corridor, will require replacement of the borrowed lites adjacent to the door to the Activity Room since it is not a protected opening.

According to the latest Health Department survey, stairway enclosures and return air shafts in the original portion of the facility do not meet the required fire-resistive or smoke containment standards. These findings were corroborated by this investigation; see comments in this section.

Lighting Systems

Rating: 9

Exit lights appear to be located in accordance with Code requirements.

Emergency lighting is provided by fluorescent fixtures connected to the generator.

Safety Features

Rating: 7

Guardrails at stairs in the 1980 episode do not conform to current IBC height requirements.

Construction Type

Rating: 7

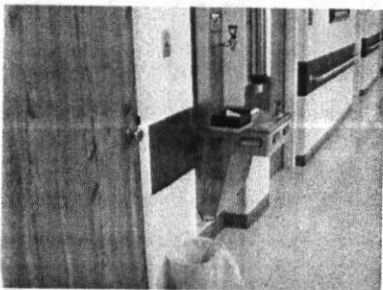
The wood paneling on the walls and ceilings in the Gazebo is permitted by Code in an existing facility, but would not be allowed in a new facility because it does not meet flame spread or smoke development limits.



Parking space striping fading.



Lack of handrail extensions at ramp.



Electric water cooler forms obstacle.



Wall-mounted fan forms obstacle.



Bric-a-brac shelf form obstacle.

CODES - HANDICAPPED ACCESS

Parking/Drop Off

Rating: 5

There is no compliant van-accessible parking space. In addition the location of the accessible parking spaces forces persons to cross the driveway to get to the building.

There is no passenger loading zone.

The access aisle adjacent to accessible parking spaces is not striped to discourage people from parking in it. In addition, the striping is beginning to fade.

Site Routes

Rating: 5

The upper run of the ramp adjacent to the main entrance exceeds the maximum allowable slope, and it exceeds the maximum allowable rise of 30 inches. In addition, the handrails do not extend as required at the bottom of the ramp runs.

There is no sign identifying the accessible entrance.

Entrances and Exits

Rating: 6

There are an insufficient number of accessible exits.

Building Routes

Rating: 4

Areas of refuge at stairs are not required because the building is fully sprinklered.

Maneuvering clearances are not provided at many doors.

Electric water coolers, wall-mounted oscillating fans and bric-a-brac shelves (1990) form obstacles to visually-impaired persons by protruding into the accessible route.

The reception counter at the Lobby is not accessible.

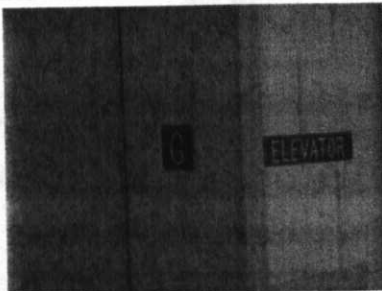
At the elevator in the 1980 addition, the floor designation is provided on only one side of the hoistway entrance, and it is a non-compliant sign (no Braille). In addition there are no tactile symbols or characters at the access to the emergency phone in the elevator in both the original portion and the 1980 episode.

Rooms/Spaces

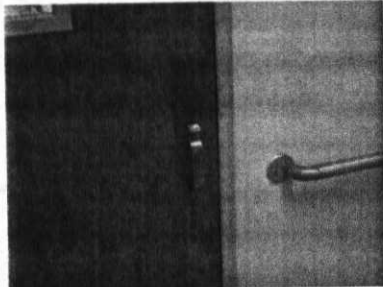
Rating: 3

Many doors still have knobs and a few, including doors at stairs in the original portion of the facility, have thumbpiece latchsets.

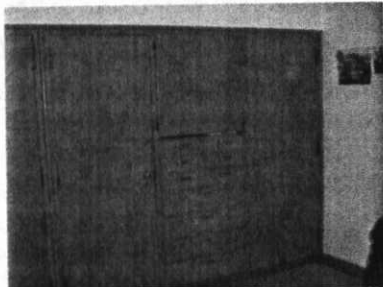
Storage facilities within resident rooms are not accessible. Clothes rods in the 1980 episode are 70 inches above the floor.



Non-compliant hoistway sign.



Thumbpiece latch on door.



Resident storage unit in original portion.



Toilet stall in original portion.



Non-compliant room and door sign.

Doors to resident storage units in the 1990 episode have recessed pulls.

Resident laundry equipment is not accessible (too high).

Toilet Rooms

Rating: 1

There are no fully wheelchair accessible public or multiple-user toilet rooms in the facility. Some toilet compartments at multiple-user toilet rooms comply only with the requirements for ambulatory toilet stalls. Lavatories in the original portion of the building have grab bars installed in front and along the sides, presumably to help people stand at the lavatory, but they restrict the reach to faucets somewhat. Shower spray units are and lavatory faucets are non-compliant.

Resident toilet rooms in the original portion of the building are totally inaccessible, as are the resident toilet rooms in the NE corner of the 1980 addition. Other resident toilet rooms in the 1980 episode do not provide the required clearance at the water closet and there is no grab bar behind the water closet. The resident toilet rooms in the 1990 addition appear to conform to ADA requirements.

Drainage and water supply piping at lavatories is not insulated and protected as required.



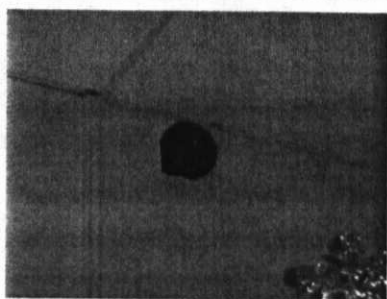
Resident toilet room in 1978 addition; note lack of rear grab bar.

Signage/ Signals

Rating: 3

In the original portion of the building and the 1980 addition, room signs are non-compliant. Directional signs throughout the facility are non-compliant.

There are no strobe-type fire alarm horns in many group spaces in the original portion of the building including toilet rooms, TV rooms, the libraries, the Museum, the Activity Room, and the smoking room. There are no strobe-type horns in the smoking room of the 1978 addition, or in the Physical Therapy Room in the 1990 episode.



Alarm bell in Activity Room in original portion.

CODES - HEALTH DEPT.

There is no accessible toilet or dressing room adjacent to the Hydrotherapy Room.

There are an insufficient number of water closets on the third floor of the original portion.

Some single rooms have a dimension of less than 10 feet.

MECHANICAL

Plumbing System (including gases and compressed gases)

Rating: 3

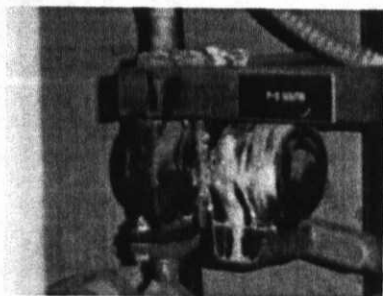
Except where it has been replaced, domestic water piping in the original portion of the facility is galvanized steel. Because of its age it is in poor condition and should be replaced. The remainder of the domestic water piping is copper and is in satisfactory condition.

There are very few piping isolation valves in the facility. When repairs need to be made to the domestic water piping, a good deal of the facility must go without water.

Recirculating pumps for the domestic hot water system were replaced in 1990, however one pump in the Laundry is in poor condition and should be replaced. And one pump in the ground floor mechanical room in the original portion of the facility has significant efflorescence from apparent water leaks.

Sanitary sewer piping in the original portion is cast iron and is in need of replacement. When waste piping from the Kitchen clogs, sewage backs up into the chiller mechanical room. A sewage ejector pump was installed in the basement of the original portion as part of the 1980 addition.

There is a Chemtron medical gas (oxygen) and vacuum system in the 1990 addition. The oxygen supply system has been deactivated because it required extensive maintenance and was expensive to operate. Portable oxygen generating equipment is used as required. The vacuum pumps and connections appear to be in satisfactory condition.

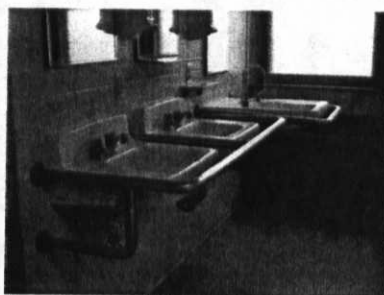


Efflorescence on pump.

Plumbing Fixtures

Rating: 4

Plumbing fixtures, faucets and trim in the original portion of the facility have exceeded their useful life and should be replaced. Those fixtures, as well as those in the 1980 addition do not conform to current, recommended water-usage limits. Fixtures in the 1990 episode are in satisfactory condition. See also "Codes - Handicapped Accessibility: Toilet Rooms".

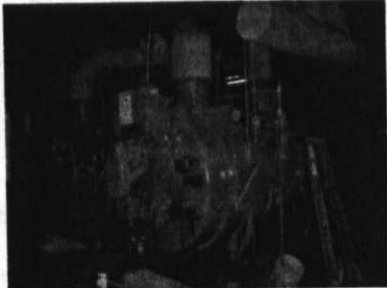


Lavatory in original portion of building. Note faucets.

Central Sources

Rating: 2

The campus has five (5) boilers, three in the Power House and two in the Laundry.

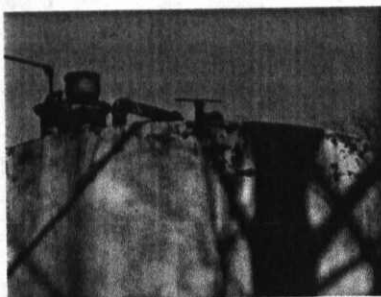


Boilers #1 and #2.

Two of the Power House boilers (#1 and #2) are 1956 Cleaver Brooks fuel oil boilers used for additional heating capacity during cold weather and as standby units, while the third (#3) is a CAM'S Industry electric boiler, installed in 1981. This boiler operates continually and is taken off-line only for maintenance and repair. The fuel oil boilers require a good deal of maintenance to remove by-products of combustion. In addition, while all three boilers appear to be in relatively good operating condition, the fuel oil boilers have exceeded their expected useful life-span, and the electric boiler is approaching its expected useful life-span.

One boiler (#4) in the Laundry is a 1980 Cleaver Brooks, fuel oil boiler, while the other (#5) is a CAM'S Industry electric boiler. Both were installed in the 1981 episode. The electric boiler operates continually and presently only serves the laundry equipment. The fuel oil boiler is used as a standby for the electric boiler. These boilers have also reached their expected useful life-span.

While these boilers are in fairly good condition for their age, and repairs to all the boilers can continue to be made to keep them operational, the repairs will become more difficult and more expensive as time goes by. Metal parts begin to exhibit fatigue due to frequent heating and cooling. This fatigue is evidenced by cracks. In addition, replacement parts will become more difficult to obtain.



Deteriorating finish on fuel storage tanks.

No. 2 fuel oil is stored in three above-ground, painted steel tanks adjacent to the old power house. One tank has copper tubing wound around it through which steam is piped to heat the fuel oil and prevent it from gelling. The piping is insulated and covered with black polyethylene. Because of the limited amount of fuel oil used annually (16,000 gallons on average), it would be cost efficient to use No. 1 fuel oil, or a winter blend, and remove the steam heating system. Also, the paint is deteriorating at the top of all three tanks. Spill protection is provided by an earthen dike.

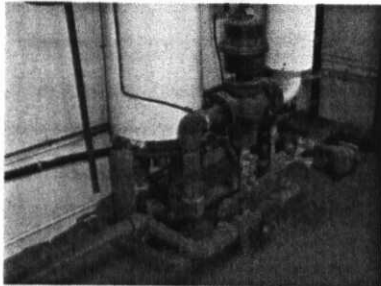


Trane chiller.

A water-cooled Trane Series R chiller was installed in the late 1990's. It is in satisfactory operating condition, and operates at approximately 70 percent of capacity at peak load.

There are two steam to hot water converters. One is used to provide hot water for the fan coil units in the original portion and the 1980 episode. The other is used to provide hot water/glycol mixture to the heating coils in the air handling

units. Heating efficiency is reduced slightly by converting steam to hot water. The unit that provides hot water to fan coil units etc. is located in the penthouse on the 1980 episode. The controls on this unit are in poor condition, the outside anticipator does not work for either the hot water pumps or the hot water reset schedule. The steam trap for the drip leg on the converter was blowing by steam. The converter controls should be upgraded to DDC and connected to the BMS.



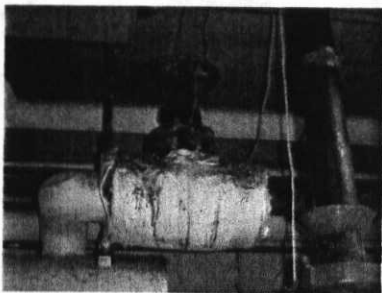
Water heater; note lack of insulation on piping.

Two Aerco water heaters produce hot water for the facility by converting steam. One is used for domestic hot water and the other is dedicated for the Laundry. They are 26 years old and in satisfactory condition and can be expected to last up to 35 years. If the steam pressure reducing station on the Laundry boiler were upgraded and connected to the two water heaters, the laundry boilers could then provide steam for all domestic hot water. This would allow the Power House boilers and steam distribution system to be taken off-line when heating is not required. This would reduce fuel costs, and heat loss in steam distribution lines and equipment rooms (heat gain in adjacent rooms), as well as boiler heat losses during the summer.

There are hot water unit heaters in several ancillary spaces. The units are thermostatically controlled. No problems were observed or reported.

Distribution System

Rating: 2

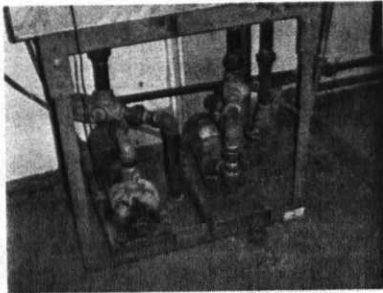


Deteriorating insulation on piping.

Steam distribution is provided by black iron piping. There is a 6 PSI steam header originating in the Power House that is used continually for the production of hot water, and in the winter months for heating the facility. Much of this piping is under-insulated or has no insulation resulting in significant heat losses and additional energy costs. There is an 8-inch steam line connecting the old power house to the campus distribution system that is approx. 180 feet long and operates at a nominal 6 PSI. This line is used to heat the old boiler room in the winter, and because of heat losses and other inefficiencies, it should be decommissioned, and a new fuel-oil furnace installed to heat the old boiler room.

There are very few isolation valves on the piping runs, making repairs difficult. In addition many of the valves are in poor condition due to their age. Steam valves are in need of new gaskets and seals.

There are two circulating pumps for the both the hot water and chilled water systems. The pumps are operated alternately, which has helped keep them in good operating condition.



Condensate pumps at boiler #4.

Because of the age of the piping, problems will most likely become more frequent and more difficult to repair (concealed within construction).

Condensate piping, except that to the 1980 addition, was installed in 1990. Condensate and steam piping from the Power House to the building is nearly 60 years old and should be replaced. Condensate pumps for boiler #4 are in poor condition.

Air Handlers

Ratings are provided for each air handler individually at the end of the comments.

AHU #1 serves the 1990 addition. It uses 100 percent outside air and works in parallel with exhaust fan #9. The AHU provides a constant volume of air at a constant discharge temperature. The unit has a heating coil which is fed with the hot water/glycol mixture. A chilled water coil was added to this unit. There is a 3-way valve which controls the discharge air temperature. The unit has no control valve. An inline booster pump was added. There are no known sequences of operation for this unit. In addition the filter access doors were propped open causing the unit to draw the majority of its air from inside the equipment room. The unit has direct digital controls (DDC) and is connected to the existing building monitoring system (BMS). Exhaust fan #9 runs continuously, resulting in a negative air pressure in the facility. Review of the existing system indicates that 100 percent exhaust and 100 percent make-up air are not required for the areas this unit serves. Exhaust fan #9 should be decommissioned and its ductwork removed. Return air ductwork should be installed, along with a mixing box to reduce the amount of outside air intake. In addition AHU #1 should be added to a time schedule on the BMS to reduce its operation from 168 hours/week to 80 hours/week. And the DDC controls for mixed air system and cooling coil should be updated. **Rating: 5**

AHU #2 provides make-up air to the Kitchen and Dining Room. It has a hot-water heating coil and a chilled water cooling coil. It has DDC controls and is connected to the existing building automation system (BAS). This unit operates 24/7. The associated range hood (Exhaust fan #15), Serving Line exhaust (EF #16), and Dishwash exhaust (EF #10) are manually turned on in the morning and turned off when staff leaves each day. However AHU #2 is not turned off because of freeze-up problems in the range hood exhaust automatic water wash-down and fire suppression system. By leaving AHU #2 running, this creates positive pressure in the room, pushing

warm air up through the exhaust fans keeping them warm enough to prevent freeze-up. A variable frequency drive should be installed on the range hood exhaust fan and to the serving line exhaust fan so the fan speeds could be reduced to 20 percent when the Kitchen is unoccupied or the range hood is not being used. Back-draft dampers should be installed on the dishwasher exhaust allowing the unit to be turned off during unoccupied times or when the dishwashing machine is not in use. A variable frequency drive should be installed on AHU #2 so that the unit could track the exhaust fans and adjust the CFM based on the amount of make-up air required. Finally, kitchen staff should be trained to turn off exhaust fans when they are not required. **Rating: 5**

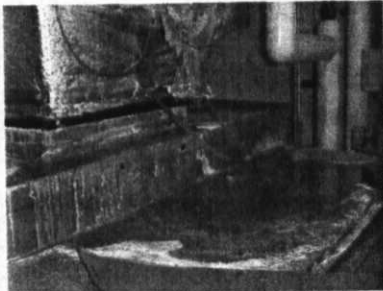
AHU #3 serves the Multi-Purpose Room, Chapel, Barber/Beauty Salon, general offices and two patient rooms on the first floor of the 1980 episode. It is a mixed air unit, providing a constant volume of air at a constant discharge temperature. There are heating and cooling coils (hot water/glycol and chiller sources respectively). There is a 3-way valve that controls the discharge. The unit has DDC controls and is connected to the BMS. This unit operates 24/7 even though most spaces are occupied from 7:00 AM to 7:00 PM daily. The two resident rooms should be disconnected from this unit and connected to AHU #7. AHU #3 should be on a time schedule to operate for 14 hours per day, 7 days a week.

Rating: 7

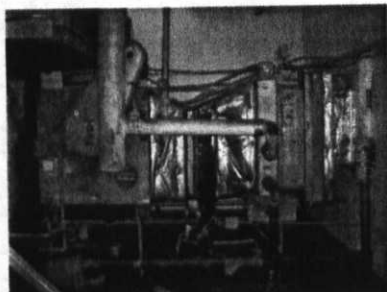
AHU #4 provides ventilation and air conditioning to the first floor of the 1990 episode, including the Activity/Dining Room and resident rooms. The unit utilizes some return air, however it supplies air at a uniform temperature (no individual thermostats) which results in uneven cooling in the summer.

Rating: 6.

AHU #5 provides make-up air to the north half of the original building. It has a hot water heating coil and a chilled water cooling coil, an automatic humidifier, and it utilizes 100 percent outside air. It provides make-up air to a combination of resident rooms, general occupancy areas and offices. It has DDC controls and is connected to the existing BMS. The unit operates 24/7. Exhaust fan #1 works in conjunction with this unit and provides exhaust for the same area. The fan runs 24/7 and is not connected to the BMS. The exhaust air is drawn through shafts behind the storage units in these rooms. See also "Codes - Life Safety/Building Codes: Area/Occupancy Separations". The entire air supply and exhaust system in this area of the facility should be replaced. **Rating: 2**



Water on AHU #6 from leaking humidifier.



AHU #7 in penthouse.

AHU #6 provides make-up air to the south half of the original building. It has a hot water heating coil and a chilled water cooling coil, an automatic humidifier, and it utilizes 100 percent outside air. It provides make-up air to a combination of resident rooms, general occupancy areas and offices. It has DDC controls and is connected to the existing BMS. The unit operates 24/7. Exhaust fan #2 works in conjunction with this unit and provides exhaust for the same area. The fan runs 24/7 and is not connected to the BMS. The humidifier leaks onto the AHU cover and the unit is noisy. The exhaust air is drawn through shafts behind the storage units in these rooms. See also "Codes - Life Safety/Building Codes: Area/Occupancy Separations". The entire air supply and exhaust system in this area of the facility should be replaced. **Rating: 2**

AHU #7 provides make-up air to a combination of resident rooms, general occupancy areas and offices on the ground floor. It has a steam heating coil with a face and bypass, and an independent DX cooling system. The unit uses 100 percent outside air, has no DDC controls and is not connected to the BMS. This unit is in very poor condition as a result of apparently having been fabricated from a jumble of components. The unit operates 24/7. There is an exhaust fan that works in conjunction with this unit. It runs 24/7 and is not connected to the BMS. The air conditioning unit has problems keeping up during cooling conditions. AHU #7 and the associated exhaust fan and cooling unit should be decommissioned. A plate and frame heat recovery unit with a steam coil should be installed to replace them. Zone control dampers should be installed on the ground floor to eliminate unnecessary make-up air ventilation. Variable frequency drives should be installed to reduce ventilation levels by shutting off the unit during unoccupied periods (ground floor), and reducing ventilation levels to minimum requirements in resident rooms during evening hours. The controls should be upgraded and the unit connected to the BMS, including a time schedule for control of the occupancy dampers and variable frequency drives. **Rating: 2**

AHU #8 serves the Activity Room in the original portion of the building. It is a mixed air, constant volume, single zone AHU. The unit has steam heat with DX cooling. The controls are in poor condition and the unit is not connected to the BMS. Because the room is used as a smoking room at all hours of the day, the unit runs continuously to ventilate the space. The unit generates more noise than should be expected, and staff indicated that the unit is in less than satisfactory operating condition. The controls should be upgraded and the unit should be connected to the BMS. **Rating: 5**

The Laundry has a stand-alone cooling unit that utilizes 100 percent return air. The unit has two DX cooling units rated at 5 ton each. It is controlled by a wall-mounted thermostat that only has a single setting (no set-back for unoccupied times). The thermostat should be removed and DDC controls installed. The unit should be connected to the BAS and a time schedule developed to disable the unit when the Laundry is unoccupied.

Rating: 7

There are two exhaust fans in the Boiler Room in the 1980 addition. Their function is to cool the room when the boilers are on-line. They are controlled by a wall thermostat. The fans run continuously when the boilers are operating, but they do not have make-up air dampers or make-up air fans that operate when the fans are running. This prevents the room from being cooled with 74-degree air, and it creates negative pressure in the building resulting in increased drafts through doors and windows. There is also a set of combustion air dampers that are controlled by a second thermostat. The thermostatic controls for the exhaust fans should be replaced. A new make-up air unit should be installed, and the existing boiler combustion air dampers should be repaired. **Rating: 5**

The facility has multiple building exhaust fans. All of these fans operate 24/7. Some of these fans could be shut off during unoccupied times. None of the fans are controlled or monitored by the BAS. All fans should be connected to the BAS for monitoring of proper operation and scheduling off during unoccupied periods. **Rating: 5**

The Paint Shop has an exhaust hood vented directly to the exterior. There is no sawdust collection or evacuation system in the Wood Shop. **Rating: 2**

Air Distribution and Returns

Rating: 3

The original portion of the facility has very little actual ductwork. Exhaust air is drawn in through spaces in storage cabinets and routed through shafts in the building construction. See also "Codes - Life Safety/Building Codes: Area/Occupancy Separations". There is no ventilation in the gang showers/toilets. Ventilation should be added to reduce potential moisture-related problems.

There is no ventilation in the lower level Mechanical Room, resulting in dangerously hot air temperatures caused by heat from the steam operated equipment, and under-insulated steam and condensate piping. Ventilation should be added to reduce the air temperature to safer levels for personnel.



Exhaust air is drawn through gap between upper and lower portions of storage unit.

Ductwork in the 1980 and 1990 additions is galvanized metal and is in satisfactory condition, although there is no return air ductwork only supply and exhaust. See also "Mechanical - Air Handlers".

Radiation/Convectors

Rating: 6

The original portion of the building has through-wall fan coil units to provide heating, cooling and ventilation. They have hot water coils for heating and chilled water coils for cooling. The units do not control the temperature well because the control valves operate poorly. In addition, occupants have a difficult time setting the controls to the desired temperature. In addition many of the control valves leak and repairs are difficult due to the design of the units.

The 1980 addition has cabinet unit heaters in corridors and the stairway, and finned-tube radiation in resident rooms and other rooms with individual room controls (thermostat). There is paint on the covers of the finned-tube radiation from when walls were re-painted.

The 1990 episode has cabinet unit heaters in resident rooms and other areas. No problems were observed or reported.

Temperature Control

Rating: 4

The facility has an older, text-based automatic temperature controls BAS system by Johnson Controls. As noted previously, not all mechanical equipment is connected to the BAS. This equipment should be connected to the BAS to improve energy efficiency. The system should be upgraded to a newer, graphical system to improve operator interface and to allow interface with newer operating software and communication systems.

Resident rooms in the 1980 episode, have wall thermostats to control the radiation units in these rooms. Cabinet unit heaters in corridors and common areas also have thermostats. The fan coil units in the resident rooms in the original portion and cabinet unit heaters in the resident rooms in the 1990 addition are operated by controls within the units, not thermostats. Thermostats are either Honeywell or Johnson Controls. No problems with the thermostats were reported or observed.

ELECTRICAL

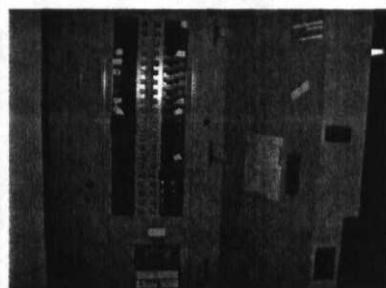
Main Service

Rating: 8

The building has two electrical services. One is located in the 1981 boiler room addition and is rated at 900 amps, 480-volt, 3-phase, 4 wire. This service is dedicated to boiler #5. The other service is in the 1990 episode. It is rated at 2,000 amps, 480-volt, 3-phase, 4 wire, and is a Siemens brand unit operating at 35% capacity. Both services are in satisfactory condition. Based on existing loads this service has spare capacity.



Switchboard and distribution panels.



Typical circuit breaker panel.

Distribution/Panelboards

Rating: 8

There are 480-volt distribution feeders from the main service to motor control centers, distribution panelboards, step-down transformers, lighting and power panels.

There is a 300 KVA step-down transformer and a 1,600 amp, 208/120 volt switchboard next to the 1990 main service. The switchboard serves all 120 and 208/240 volt loads. Some new panelboards were added in the original portion of the building in the 1980 episode, and some were replaced in the 1990 episode. In addition feeders for the original portion were replaced in the 1990 episode. The distribution system for the 1980 addition was connected to the new service in 1990.

Panelboards are either GE or Siemens brand.

Existing conduits have no space for additional feeders.

All equipment appeared to be in satisfactory condition.

Power Distribution System/Outlets

Rating: 5

All branch circuit wiring in the original portion of the facility was replaced during the 1990 episode. Wiring devices are the grounding type.

There are a minimal number of receptacles in the original portion, and parts of the 1980 addition.

In addition, existing conduits have no more space for additional wiring.

Illumination

Rating: 5

For the most part, light fixtures are fluorescent fixtures with T-12 lamps and magnetic ballasts. Many of the fixtures in the original portion of the building, and over-bed fixtures are surface-mounted. There is an on-going maintenance program to replace these fixtures with types that use high-efficiency T-8 lamps and have high-efficiency electronic ballasts.

In addition there are recessed and surface-mounted incandescent fixtures in some areas, heat lamps in the resident showers in the 1980 episode, and pole-mounted fixtures in the parking lots. These fixtures are exhibiting minor problems associated with normal wear and tear.

Communication/Data Systems

Rating: 5

Surface-mounted speakers in the original portion of the building are deteriorating.

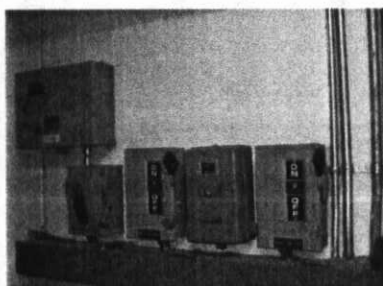
The telephone system is used as intra-building communication between offices etc. No problems were observed or reported.

No problems were reported with the computer network cabling.

Electric Heating

Rating: N/A

The only electric heating that was observed are recessed wall units in the resident toilet rooms in the 1990 episode. Staff indicated that these units have been disconnected.



Older disconnects at boiler #4.

Mechanical Equipment Connections

Rating: 7

Most motor controllers were replaced as part of the 1990 episode. Motor controllers are Siemens brand MCC (motor control center) type or stand-alone type. Disconnects for boiler #4 appear to be out-dated.

New labeling should be provided to identify the equipment served and the location of the feed point.

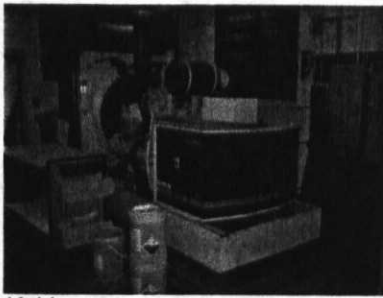
Other Systems (Security systems, etc.)

Rating: 4

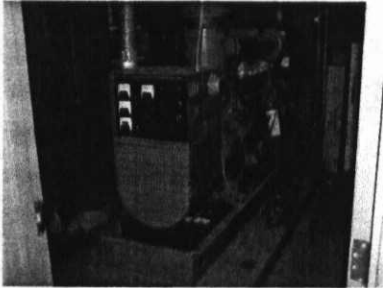
The 1990 episode has door alarms at most exit doors. Many of these doors were closed off with warning tape to prevent residents from activating the alarms. See also "Codes - Life Safety/Building Codes: Means of Egress".

The building has a fire alarm system, as well as smoke and fire detection equipment. See also "Codes - Life Safety/Building Codes: Smoke/Fire Detection & Alarm Systems" and "Codes - Handicapped Accessibility: Signage/Signals".

The nurse call system in the original portion of the building and the 1980 episode has Rauland pull stations. Pull stations and the control panel in the 1990 episode are by Dukane. Staff reported that the room numbering system needs to be revised to allow for quicker response. In addition, the system is not equipped with an "emergency" indicator capability. In multiple-user toilets in the original portion, only one toilet stall has a pull. Pulls in showers in the original portion are not within reach of the shower stall.



Kohler generator.



Onan generator.



Transfer switch at Onan generator.

Generators

Rating: 6

The generator is a Kohler, 250 KW, 480-volt, 3-phase generator in the ground floor mechanical room on the east side of the 1990 episode. It has one output circuit for 480-volt emergency equipment loads, and one output for 120/208-volt emergency equipment loads and operates at 30% capacity. It provides power for emergency lighting, resident room and kitchen fan coil units, sewage pumps, some food service equipment, air compressors, vacuum pumps, condensate pumps, generator support loads, temperature controls, fire alarm panels, elevators, some corridor convenience receptacles, medical gas monitoring, and convenience receptacles at nurses stations. There are two transfer switches, one for the 480-volt critical branch loads, and the other for 208/120-volt life safety and critical branch loads. There is no distinction between 208-120-volt life safety circuits and 208/120-volt critical branch circuits. Staff reported that the automatic transfer switch testing circuit has burned out, requiring the generator to be tested manually. There is a double-wall, underground fuel storage tank on the east side of the building.

There is an Onan, 155 KW standby rated generator in Power House. Fuel is stored in the main fuel oil storage tanks. It has three separate distribution circuits. One serves the Power House (except electric boiler) through a 400 amp automatic transfer switch. The other two are for backup of normal power in the original portion of the building. One of these circuits is 120/240 volt single phase, the other is 240/120 volt, 3-phase. Only the 3-phase circuit is in use. It requires a manual transfer switch operation in the main building. Staff reported that the transfer switch is obsolete and replacement parts are no longer available.

APPENDICES

ACCESSORY BUILDINGS

BOILER PLANT

Rating: 3



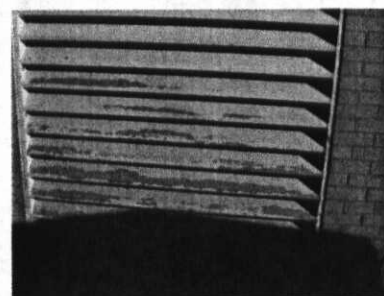
Angles used to secure tie rods through building.



Rusted steel window with broken glass.



Deterioration of expansion joint.



Deteriorating finish on louver.



Deteriorating finish and rusting door.

The boiler plant has brick veneer walls with concrete block back-up and a built-up bituminous roof. The concrete slab-on-grade floor is painted, as is the interior of the concrete block up to approximately 8 feet. The roof structure is steel joists with metal decking.

Staff had to install steel angles on the east and west sides of the building with steel tie rods through the building to keep the walls from bowing outwards.

The sealant at control joints is deteriorating, as is the painted finish on the louvers. The paint on the door on the south side has deteriorated, allowing the door to rust.

One window on the east side appears to have been replaced. There are many dead bugs between the panes of glass.

The building has two separate electrical services. One is rated at 2,300 amps, 480-volt, 3-phase and is dedicated to the 1500 boiler #3. The other service is rated at 400 amps, 240/120 volt, 3-phase, and it serves boilers 1, 2 and 4, the generator power plant and other building loads. Each service is not clearly labeled as service equipment, nor do they identify the location of the other service. The branch circuit panelboards are original to the building and should be replaced. In addition, the directories at each Panelboard are out-of-date and need updating. Wiring devices are the grounding type, but are in need of replacement. Wiring is original to the building and should be upgraded. Light fixtures are fluorescent with T-12 lamps and magnetic ballasts. The fixtures should be replaced. Motor controllers have exceeded their expected useful life and should be replaced.

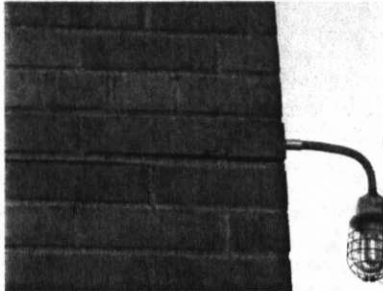
ORIGINAL BOILER PLANT

Rating: 2

The original boiler plant has brick veneer walls with load-bearing clay tile back-up, and a built-up bituminous roof. The roof structure is steel joists with a concrete deck.

The building has painted steel windows with non-insulating glass. The steel is rusting in most places as the finish is virtually gone, and the glass is cracked or broken in some places.

There are significant cracks in the brick veneer, and the north wall is severely bowed outwards. The mortar joints are also deteriorating.



Cracks in brick veneer and deteriorating mortar joints.



Deteriorating finish and wood.



Three-stall garage.



Metal storage building.

Both the weatherstripping and the finish on the overhead doors are deteriorating.

The wood entrance door is deteriorating due to paint failure and age of the door.

The building has an overhead electrical service drop to a 100 amp, 120/240 volt, 3-phase, 3 wire loadcenter. Branch circuits are minimal. Light fixtures are fluorescent with T-12 lamps and magnetic ballasts. The fixtures should be replaced. New labeling should be provided for motor controllers.

3-STALL GARAGE

Rating: 8

The 3-stall garage is a wood-framed structure SE of the main building. It has a concrete slab-on-grade, vinyl siding and asphalt shingles. It has gypsum board on the interior and is heated. No problems were reported.

METAL STORAGE BUILDING

Rating: 1

There is a pre-engineered metal storage building SE of the 3-stall garage. It has a concrete slab-on-grade floor and painted steel windows.

The metal panels are dented, torn and otherwise damaged, with numerous repair patches. The galvanized finish is deteriorating allowing the base metal to rust.

The sliding door on the west side was removed and replaced with a coiling garage door, an adjacent walk-door and painted plywood. The paint is deteriorating. The sliding door on the east side is difficult to operate.

MECHANICAL EQUIPMENT SCHEDULE

Boilers

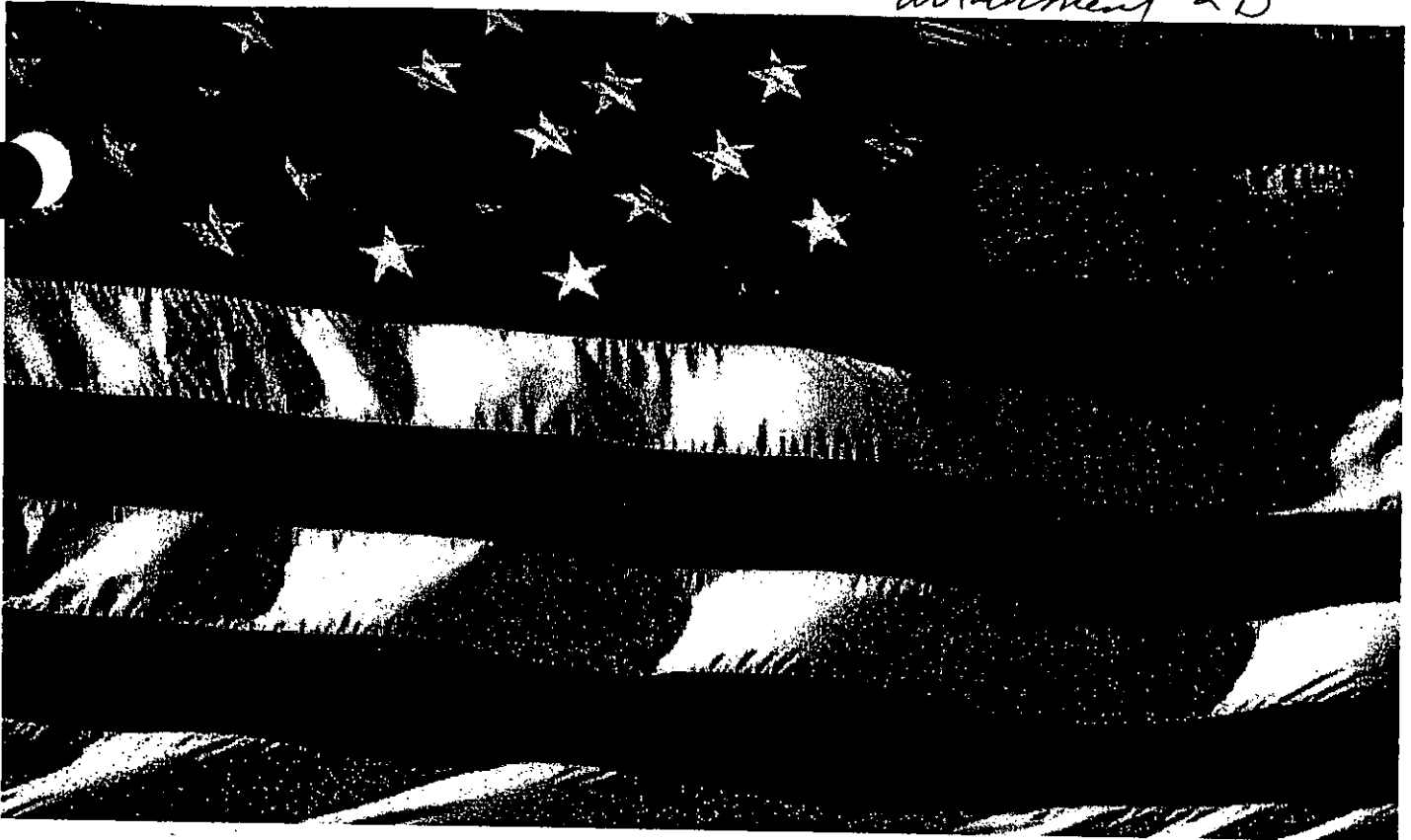
No.	Manufacturer	Model	Year	Fuel	Input	Output	Remarks
1	Cleaver Brooks	CB-135-150	1956	#2 fuel oil	4,455 MBTU	3,118 MBTU	Standby
2	Cleaver Brooks	CB-135-150	1956	#2 fuel oil	4,455 MBTU	3,118 MBTU	Standby
3	CAM"S Industry	24SC6	1981	electric	1,530 KW	5,220 MBTU	Primary
4	Cleaver Brooks	CB-100-70	1980	#2 fuel oil	2,929 MBTU	2,050 MBTU	Standby
5	CAM"S Industry	24SC3	1981	electric	600 KW	2,050 MBTU	Laundry

Air Handling Units

No.	CFM	Heating	Cooling	DDC	BMS	Remarks
1	1630	Hot water	Chilled water	Yes	Yes	Parallel with EF #9
2	9400	Hot water	Chilled water	Yes	Yes	Kitchen/Dining
3	2545	Hot water	Chilled water	Yes	Yes	N. end, 1980
4						
5	6310	Hot water	Chilled water	Yes	Yes	Parallel with EF #1
6	6310	Hot water	Chilled water	Yes	Yes	Parallel with EF #2
7	5065	Steam	DX	No	No	Parallel with EF
8		Steam	DX	No	No	Original Activity Rm.

Exhaust Fans

No.	Description	CFM	Current Hours of Operation per week	Proposed Hours of Operation per week
1	N. end, original	4420	168	See Report
2	S. end, original	4195	168	See Report
3	Hydrotherapy	680	168	168
4	1990 Nurse Sta.	75	168	168
5	1990 Toi. Rm.	223	168	168
6	1990 Toi. Rm.	205	168	168
7	Laundry	1300	168	60
8	1990 Act./Dining	1000	168	112
9	Ground Flr., 1990	1635	168	Remove; see report
10	Dish line	550	168	See Report
11	Ground Flr. Bath	125	168	168
12	Barber/Beauty	200	168	60
13	Toilet Rooms	125	168	168
14	Elec. Boiler exhaust	800	168	See Report
15	Range Hood exhaust	6000	168	See Report
16	Serving line exhaust	2500	168	See Report



SURVEY

**North Dakota State Fire
Marshal Safety Inspection
for
North Dakota
Veterans Home
Basic & Skilled Care Units
Sept. 12, 2006**



ND State Fire Marshal's Office
Fire Inspection Report

Veterans Home, Lisbon, ND
Inspection Date: September 12, 2006

Veterans Home

Fire Hazard 1: Electrical Service:

Electrical wiring must be in good condition with all covers in place on fixtures. The panel must be kept clear of combustibles for easy accessibility. The use of extension cords is to be kept to a minimum. Cords are not to be overloaded with heavy powered equipment or multiple appliances. Permanent wiring is required except for short-term temporary use. (sp3)

Location: Dining Room – Extension cord to plug strip

*** Fire Hazard 2: Hazardous Area Separation:**

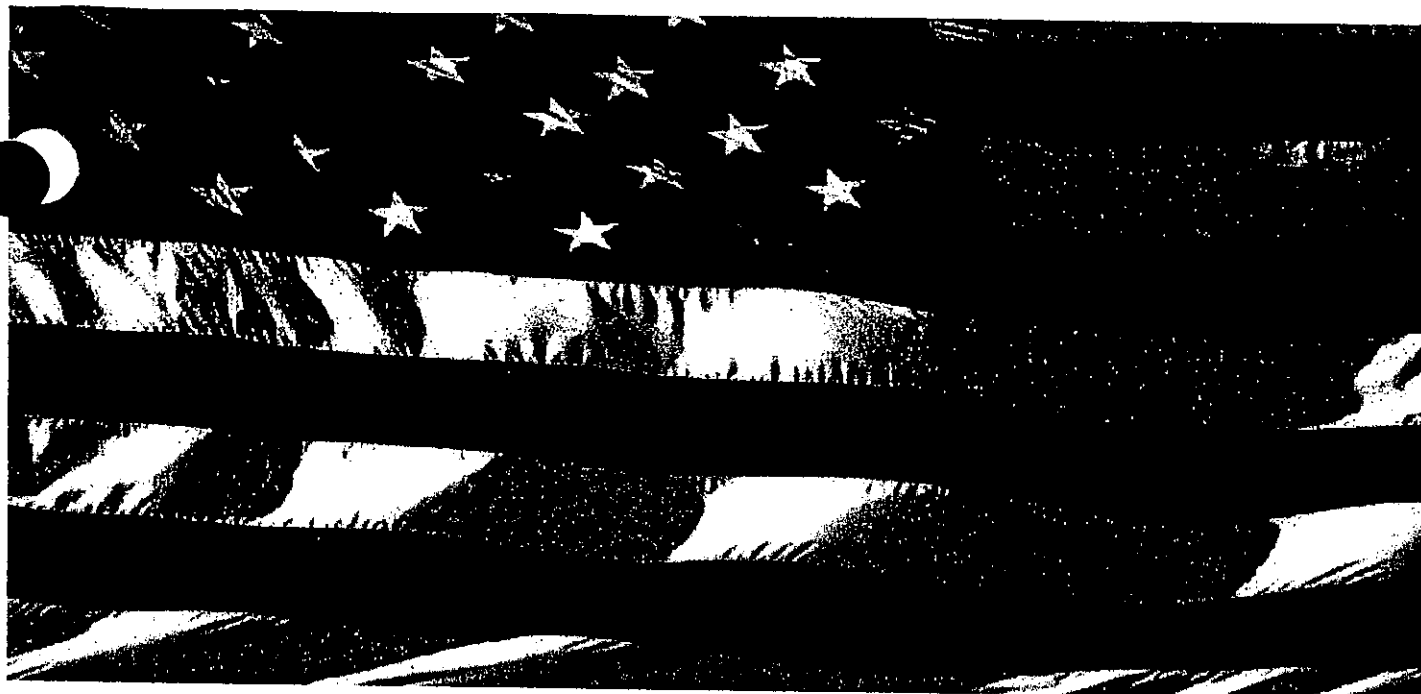
Rooms and spaces with large amounts of combustible storage, or heating equipment considered hazardous, must be separated from other portions of the building for the protection of the occupants. The following separation issues were identified during the inspection: (ha1)

Walls/Ceilings: Must be properly fire rated. (ha1c)

Location: Main Building – There is an unprotected air shaft thru the building - from basement to attic area. This should be protected and enclosed to prevent fire spread

Garage Workshop and Heating Plant – No deficiencies

Important: A response indicating the plan of correction for each of the listed fire hazards is required by October 12, 2006. The plan of correction needs to define when and how each hazard will be addressed with certification that each hazard will be addressed by the end of the budget year unless good cause can be demonstrated to the North Dakota Attorney General. Please address the plan of correction to State Fire Marshal's Office, PO Box 1054, Bismarck ND 58502-1054. Thank you for your efforts in promoting fire safety.



SURVEY

North Dakota

Dept. of Health

Life Safety Code

for

North Dakota Veterans Home

Basic Care Unit

November 22, 2006

(Surveyed every two years)

Dakota Department of Health

ELEMENT OF DEFICIENCIES PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 8044A	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED 11/22/2006
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NAME OF PROVIDER OR SUPPLIER NORTH DAKOTA VETERANS HOME	STREET ADDRESS, CITY, STATE, ZIP CODE 1400 ROSE ST S LISBON, ND 58054
--	---

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
K 000	INITIAL COMMENTS This survey used the 1988 Life Safety Code, Chapter 21-Residential Board and Care Occupancies (Large) for this basic care facility in compliance with the provisions of North Dakota Administrative Code 33-03-24.1-10. The facility is a three story building of Type II (111) construction with a full basement and is protected throughout with a NFPA 13 wet automatic sprinkler system. Based on resident evaluation, a Slow level of evacuation difficulty was determined. (E-Score is 3.45) Note: Heat detectors, which only initiate an alarm and have no extinguishing function, are redundant devices when used in conjunction with sprinklers. In areas protected by automatic sprinklers, heat detectors may be omitted. 7.7.1.3. It is recommended that the facility give consideration to replacing existing heat detectors with smoke detectors in most locations.	K 000	K 220 1.) This problem was identified for us by the fire marshal out of Fargo on September 12, 2006. We have contracted with an Architect and Engineering firm to do a condition assessment of the North Dakota Veterans Home. All information regarding the study will be forwarded to Office of Management and Budget. After recommendations are made the North Dakota Veterans Home will either remodel or build new to provide a safe and secure environment for the veterans. Please grant us a waiver while we study the building and plan a feasible direction. Fire evacuations have been modified to provide a safe and secure route of exit of the building. A condition assessment by an Architect and engineer firm is currently being completed.	
* K 220	VERTICAL OPENINGS Stairways, elevator shafts, and other vertical openings shall be enclosed with one hour fire resistance when connecting three stories or less and two hour fire resistance when connecting four or more stories. This state licensing rule is not met as evidenced by: Every floor that separates stories in a building must be constructed as a smoke barrier to provide a basic degree of compartmentation.	K 220	A remodeling or new building will be built to solve this issue. A new building project. Completion Date	1/21/2007

Division of Health Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

FORM

6699

GXD221

If continuation sheet

Dakota Department of Health

STATEMENT OF DEFICIENCIES PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 8044A	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED 11/22/2006
NAME OF PROVIDER OR SUPPLIER NORTH DAKOTA VETERANS HOME		STREET ADDRESS, CITY, STATE, ZIP CODE 1400 ROSE ST S LISBON, ND 58054	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
K 220	Continued From page 1 Openings through floors must be enclosed with fire barrier assemblies. Such assemblies must be continuous from floor to floor. Openings must be protected as appropriate for the fire resistance of the barrier. The facility failed to ensure all vertical openings are constructed to resist the passage of smoke and maintain the 1-hour fire rating of the building. Observation determined the three (3) sleeping room floors are all open to each other via the open space between the corridor wall and the resident room walls.	K 220		
56	AUTOMATIC SPRINKLERS Where an automatic sprinkler system is installed for total or partial coverage, the system shall be in accordance with Section 7-6 and 7-7. This state licensing rule is not met as evidenced by: 1. Testing frequencies for automatic sprinkler systems range from quarterly to annually. Inspection frequencies can be as often as weekly to as long as annually. The frequencies for testing, inspection and maintenance of automatic sprinkler systems are dictated by the requirements as outlined by Table 5-1 of NFPA 25 Standard for the Inspection, Testing and Maintenance of Water-based Fire Protection Systems. NFPA 25 requires the facility to complete, maintain and make available to the authority having jurisdiction copies of records which indicate the procedure performed, by whom, the results and the date. These records are to be retained for the life of the system. The	K 256	K256 1. The dry sprinkler system water flow alarm device will be tested quarterly with the wet system. Maintenance will add this test to their quarterly maintenance program. Completion date of	12/08/06

YHR PARTNERS
Architecture Planning

420 Main Avenue, Box 818 Moorhead, Minnesota 56560 Ph: 218-233-4422 Fx: 218-233-7988 www.yhr.com

February 13, 2007
 North Dakota Veterans Home
 Lisbon, ND

INTERIM LIFE SAFETY MEASURES – Revised

The following safety measures would provide an additional level of fire safety for the current building which has numerous life safety code deficiencies. These measures DO NOT bring the building into compliance with current life safety codes. They would provide fire system as allowed by the Fire Safety Evaluation System (FSES). These measures would provide an additional level of warning and safety in order to enhance safe egress from the building in case of an emergency. They would provide additional separation to the corridor for safe egress from the building. The smoke-fire dampers would separate the supply and return air from each floor.

The required 2 hour shafts would not be accomplished.

These measures would provide additional safe guards during planning, design and construction of a new facility for the North Dakota Veterans Home.

VENTILATION SYSTEM

Supply Air: Install Fire/smoke dampers at the AHU branch duct work on each floor to separate the supply air at each floor. Install fire smoke dampers at the two corridor supplies on first floor.

10 Fire Smoke dampers	\$20,000
General Construction:	5,000

Provide supply air to the group toilet rooms

6 small supply ducts:	\$2,000
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Exhaust Air: Install fire smoke dampers at the floor slab openings to the vertical shafts of the power ventilation system.

8 Fire Smoke Dampers:	\$18,000
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Close off grills at 1st, 2nd, 3rd floor Janitor's Closets and linen closets

General Construction	\$4,000
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FIRE ALARM SYSTEM UPGRADES

Install smoke detectors in all shafts in the existing basic care structure at each floor level and each resident room. Tie to AHU for automatic shut-down

	\$46,000
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Install additional smoke detectors in corridors Approx. every 30 feet

	\$12,000
--	----------

EGRESS PROTECTION

Replace Stairwell doors with rated, smoke sealed Doors

	\$8,000
--	---------

Replace Louvered Toilet room Doors

	\$4,200
--	---------

Seal penetration in Stairwells

	\$3,000
--	---------

Provide Smoke seals on all resident room doors

	\$5,000
--	---------

Provide automatic Closers at all corridor doors that do not have closers in the 1949 building. (Resident room doors already have closers)

	\$9,000
--	---------

VA Requested Safety Measures

Emergency Call back and shut for Elevator

	2,500
--	-------

Replace Cross Corridor Doors with Double Egress on 2nd /3rd Floor

	5,000
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Subtotal:	\$143,700
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Contingency:	5,000
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Engineering Design:	\$15,000
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Bidding, Misc. Costs	<u>2,000</u>
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	\$165,700
--	------------------

North Dakota Veterans Home
 Safety Measures for the Existing Building

Schedule for Implementation

Step:	Time Required
Authorization to Proceed	
Construction Documents	4 weeks
Code review/agency review/Advertising/Bid Period	3 weeks
Contracts	3 weeks
Construction	24 Weeks (6 months)
(Material ordering/shop drawings -actual construction 3 months)	
Final review - Punch list.	1 week

SUMMARY OF EXISTING MECHANICAL SYSTEM

Supply Air:

There are two Air Handling Units (AHU) located on the ground floor at the North and south ends. These units have ducts that rise vertically through a shaft in the corner of this room and the rooms above. At each floor there are ducts that branch off and run down the corridor and supply into the rooms on either side of the corridor with a grill located in the corridor wall. There are fire dampers at each floor with fusible links. The dampers are not tied into the fire alarm system. There are no supply grills into the corridor except on first floor, at the ends located in the entrance lobby.

Return Air (Exhaust):

The exhaust for the 1949 portion of the building is accomplished via power ventilators located on the roof. From these ventilators there are 5 vertical shafts that drop down into the building on each end in the janitor's closet. Two of these shafts on each end continue down to the ground floor and have grills from the linen closet and the janitor's closet on each floor. The other shafts terminate above the ceiling, one per floor with a fire damper. These dampers have a fusible link and are not tied into the fire alarm system. The exhaust or return air from each floor is drawn above the ceilings and through the louvers at the backs of the wardrobes to these vertical shafts at each floor. The east side crosses the corridor in 6 ducted (not verifiable but noted on original drawings) to the west side where the janitor closets are located.



**Lisbon Veterans Home
New Facility- One story 150 total Beds**

Lisbon, North Dakota

#0623-1

February 14, 2007

	Approx. SF	Cost/Sq. Ft.	Total
Basic Care 83 beds	55,000	\$130	\$7,150,000
Basement for storage and mech below Basic Care	10,000	\$50	\$500,000
Additional 29 Beds to total 150	17,000	\$130	\$2,210,000
Skilled Nursing 38 Beds	22,000	\$130	\$2,860,000
Building Services, Administration, Common Areas	27,000	\$130	\$3,510,000
Site Work: parking, landscaping, water retention, etc.	400,000	\$1.50	\$600,000
Demolition of Existing Building	1	\$250,000	\$250,000
Construction Subtotal	131,000		\$17,080,000
Contingency 5% of construction			\$683,200
Inflation -Construction start 2 years 5%			\$680,000
Construction Total			\$18,443,200
A/E Fees 8% of construction			\$1,475,456
Misc. expenses, bidding, soils boring, survey, etc.			\$100,000
Furnishings-Allowance			\$1,000,000
Mechanic-Wood Shop building			\$80,000

Project Budget

\$21,098,656

DEPARTMENT OF VETERANS AFFAIRS

State Home Construction Grant Program Fact Sheet

ISSUE: This fact sheet provides current information regarding the program.

* DISCUSSION: The U.S. Department of Veterans Affairs (VA) provides financial assistance to the States to construct or acquire nursing home, domiciliary and/or adult day health care facilities. VA may participate in up to 65 percent of the cost of construction or acquisition of State nursing homes or domiciliary or for renovations to existing State homes. A State home is owned and operated by the State. VA assures Congress that State homes provide quality care through inspections, audits, and reconciliation of records conducted by the State home program managers and the VA medical center of jurisdiction. Under a separate State Home Grant program, VA also provides per diem payments to States for the care of eligible veterans in State homes.

The program was authorized by Congress in 1964 and is authorized in Title 38 United States Code (USC) Section 8131-8137 and regulated in Title 38 Code of Federal Regulation (CFR) Part 59.

VA may participate in up to 65 percent of the cost of construction or acquisition of state nursing homes or domiciliaries or for renovations to existing state homes.

A state home is owned and operated by the state.

The ranking of all pending projects results in an annual fiscal year priority list. On 9/27/05, Secretary Nicholson approved the Priority List of Pending State Home Construction Grant Applications for FY 2006. The Priority List is used as the basis for awarding grants during that fiscal year. There are a total of 129 projects on the FY 2006 Priority List and are currently valued at \$656,111,000. The first 80 projects had certified 35 percent state matching funds and are ranked in priority group 1. The current value of the 80 priority group 1 projects is \$419,597,000. The remaining 49 projects will be considered for priority group 1 status once the state can provide certification of 35 percent state matching funds. According to Title 38 CFR 59.50, the final tiebreaker between ranked projects is the date the initial application is submitted.

Since 1999, VA has awarded over \$607 million in grants to the states for construction of or renovations to state veteran's homes. During the remainder of FY 06, VA will potentially award an additional \$105 million in state home construction grants. During this time, the number of VA grants represents more than \$1 billion dollars in new construction and improvements to existing state home facilities.

The FY 2005 operating budget was \$126,244,942. This amount includes the FY 2005 appropriation of \$104,341,696 and no-year carryover funds in the amount of \$21,923,246. The FY 2006 appropriations are yet to be determined. When and if funds are appropriated for this program, they are authorized until expended.

Annually, VA commits to as many projects as funds are authorized and available.

During FY 2005, 40 new initial applications were submitted to VA for consideration. The total value of the initial applications is \$103,203,713 and if determined to be feasible projects for VA participation, they were ranked on the FY 2006 Priority List. If these projects are awarded future grants, they would add 430 additional beds to the state home system. Annually, initial applications are received prior to the August 15th deadline.

Prepared by Geriatrics & Extended Care SHG (114)

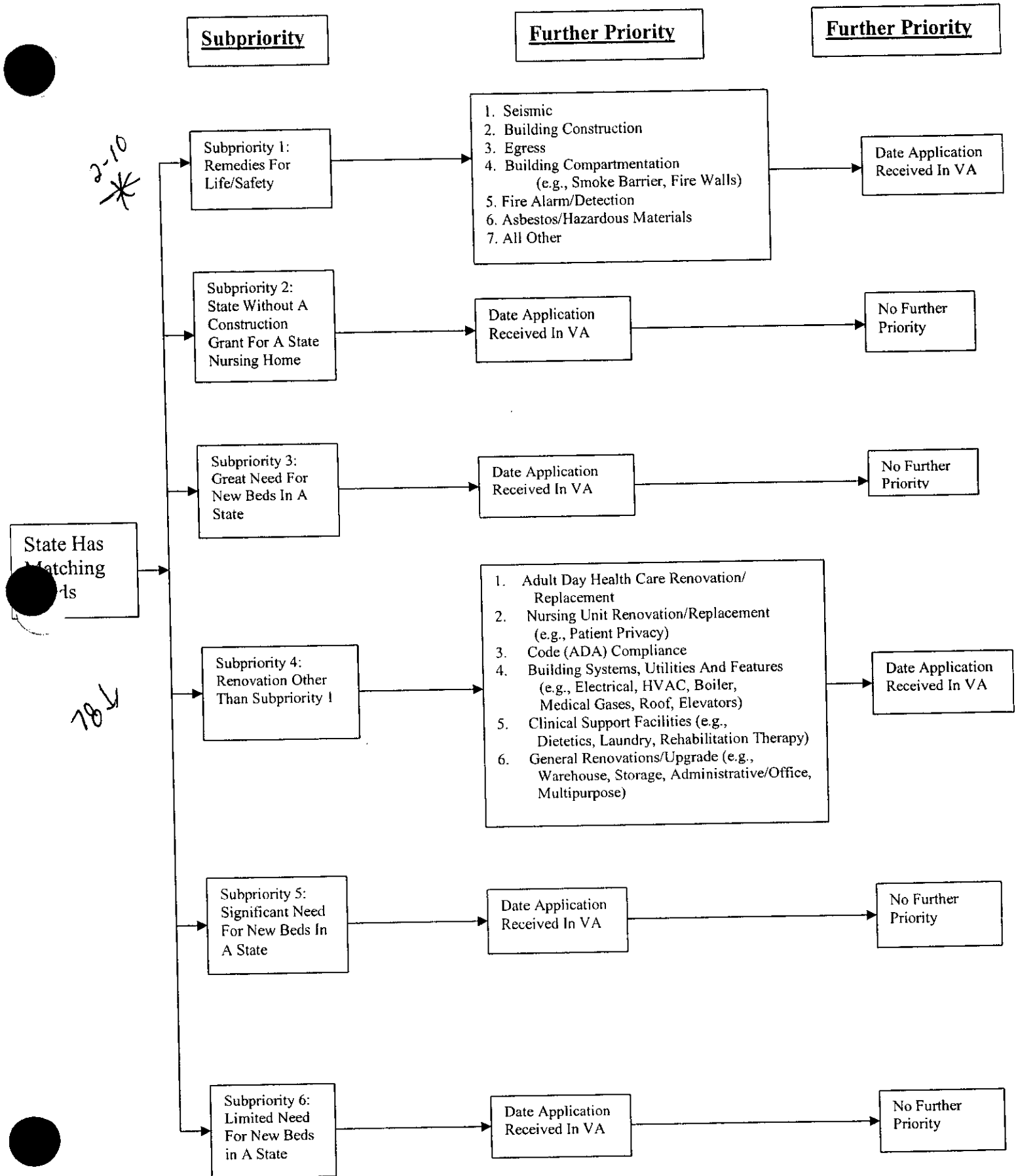
November 2005

(i) Priority group 1 – sub priority 1. An application for a project to remedy a condition or conditions at an existing facility that have been cited as threatening to the lives or safety of the residents in the facility by a VA Life Safety Engineer, a State or local government agency (including a Fire Marshal) or an accrediting institution (including the Joint Commission on Accreditation of Healthcare Organizations). This priority group does not include applications for the addition or replacement of building utility systems, such as heating and air-conditioning systems or building features, such as roof replacements. Projects in this sub priority will be further prioritized in the following order: seismic, building construction, egress, building compartmentalization (e.g., smoke barrier, fire walls), fire alarm/detection, asbestos/hazardous materials, and all other projects. Projects in this sub priority will be further prioritized based on the date the application for the project was received in VA (the earlier the application was received, the higher the priority given).

(ii) Priority group 1 – sub priority 2. An application from a State that has not previously applied for a grant under 38 U.S.C. 8131-8137 for construction or acquisition of a State nursing home. Projects in this sub priority will be further prioritized based on the date the application for the project was received in VA (the earlier the application was received, the higher the priority given).

(iii) Priority group 1 – sub priority 3. An application for construction or acquisition of a nursing home or domiciliary from a State that has a

Example – Prioritization for Priority Group 1



Johnson, Mark B.**From:** Salvas, Frank [Frank.Salvas@va.gov]**Sent:** Friday, August 04, 2006 9:49 AM

To: "SVH/AZ/Phoenix/Rafferty, Virginia"; SVH/AL/Alexander City/King, Jimmy; SVH/AL/Bay Minette/Grimes, David; SVH/AL/Huntsville/Culberson, Tony; SVH/Boise/Idaho/Roberts, James; SVH/CA/Barstow/Koff, Louis; SVH/CA/California/Johnson, Robert; SVH/CA/Yountville/McCormack, Marcella; SVH/Cameron/MO/Hunt, Bryan; SVH/CO/Homelake/Montague/Mindy; SVH/FL/PembrokePines/Simmons, K.J.; SVH/FL/Springfield/Warren/Wally; SVH/IA/Marshalltown/Steen, Daniel; SVH/ID/Pocatello/Schneider/Brent; SVH/IL/Manteno/Downs/Martin; SVH/KY/Frankfort/Seelbach, Louis; SVH/KY/Hanson/Hardwick-Hill, Lori; SVH/KY/Wilmore/Hill, Gilda; SVH/LA/Jackson/Jones, Paul; SVH/Lewiston/Idaho/Graebel, Clark; SVH/MA/Chelsea/Resca, Michael; SVH/MA/Holyoke/Morin, Paul; SVH/ME/Augusta/Paradis, Lynne; SVH/ME/South Paris/Young, Pat; SVH/MN/Luverne/Barrows, Pamela; SVH/MO/St. Louis/Endsley, Eric; SVH/MS/Jackson/Dickenson, Janet; SVH/MS/Kosciusko/Anderson, Sandras; SVH/Mt. Vernon/MO/Long, Don; SVH/MT/Columbia Falls/Balas, Ron; SVH/MT/Glendive/Williams, Kelly; Johnson, Mark B.; SVH/NE/Grand Island/Erickson, Ron; SVH/NE/Nebraska/Hodge, Duane; SVH/NM/Ft. Bayard/Pelton, Dale; SVH/NY/Jamaica/St. Albans/Goldson, Neville; SVH/NY/Oxford/Venugopulan, Sally; SVH/OH/Georgetown/Weigman, Stanley; SVH/OH/Sandusky/Boehle, Sarah; SVH/OK/Talihina/Griffith, Roy; SVH/Oklahoma/Sulphur/Walters, Mike; SVH/PA/Spring City/Kesselring, Rebecca; SVH/TX/Bonham/White/Ron; SVH/TX/EI Paso/Viray, Maria Elena; SVH/TX/Temple/Yarbrough, Robert; SVH/UT/SaltLakeCity/Betit, Rod; SVH/VT/Bennington/Rundell, Colleen; SVH/WI/UnionGrove/Stead/Steve

Subject: August 15th Reminder - Last Notice

Good Morning,

There are 6 working days until the August 15th deadline and I am working on development of the FY 2007 Priority List. Most of you are aware, on August 15, 2006, the year closes for projects to be further considered for that List. **Please make sure that you review your most recent certification to see if it has expired. An expired certification will not qualify for Priority Group 1 status on the FY 07 Priority List.**

If you have received a FY 2006 letter indicating that VA could not commit to your project due to fact that your project did not rank high enough, that letter requested that you provide an updated status of the project by April 15, 2006. Several states failed to timely provide the status of their projects. In those responses, the state should have provided that the project should be considered for the FY 2007 Priority List or that the project should be formally withdrawn.

If you received a FY 2006 letter indicating that your initial application was feasible for further VA consideration, no further response is necessary for placement on the FY 2007 Priority List.

* **However, if the State wants the project to be in Priority Group 1 on the FY 2007 Priority List, I will need by the August 15, 2006 deadline (1) a copy of the legislation authorizing the project (by specific legislation or by line item legislation within a larger bill) and (2) the certification of the 35% State Matching Funds (VA Form 10-0388-6) which must be signed by the State Budget Official.**

Unless these requirements are received in this office by the deadline, the project will not be in a position to receive a VA commitment letter in FY 2007. If you meet these requirements, the project will remain on subsequent Priority Lists until the project is eventually awarded a grant or it is withdrawn by the State.

Johnson, Mark B.

From: Salvas, Frank [Frank.Salvas@va.gov]
Sent: Thursday, February 15, 2007 11:09 AM
To: Johnson, Mark B.
Subject: FW: Lisbon Veterans Home

Mark,

You faxed me the 424 and asked if that was sufficient.

Below are the requirements for the initial application and here they are again.

The first thing that is needed is an initial application submitted by the State of North Dakota in accordance with 38 CFR Part 59. That includes:

- SF 424
- SF 424C
- SF 424D
- Scope and justification for the project
- Space program analysis
- Schematics

The forms can all be downloaded and saved from the Forms links. The other requirements can/will be submitted at a later date, before grant award.

It will need to evaluate the initial application to determine the feasibility of the project and make a determination of the priority group rank.

Thanks,

Frank

Frank K. Salvas, Sr.
Chief, State Veterans Home
Construction Grant Program (114)
Phone: (202) 273-8536
Fax: (202) 273-9131

Confidentiality Note: This e-mail is intended only for the person or entity to which it is addressed, and may contain information that is privileged, confidential, or otherwise protected from disclosure. Dissemination, distribution, or copying of this e-mail or the information herein by anyone other than the intended recipient is prohibited. If you have received this e-mail in error, please notify the sender by replying e-mail and destroy the original message and all copies.

From: Richard L. Meier [mailto:richard.meier@yhr.com]
Sent: Friday, January 26, 2007 2:14 PM
To: Salvas, Frank
Subject: RE: Lisbon Veterans Home

2/19/2007

Revenue Projections per biennium for 150 beds

Veterans Home Revenue for Current Building @ 150 beds

Skilled Per Diem	\$	1,771,294.00
Skilled Rents	\$	3,509,696.50
Basic Care Per Diem	\$	1,736,524.00
Basic Care Rents	\$	831,053.50

Total	\$	7,848,568.00
--------------	-----------	---------------------

Veterans Home Forecasted Revenue for New Building @ 150 beds

Skilled Per Diem	\$	1,771,294.00
Skilled Rents	\$	3,509,696.50
Basic Care Per Diem	\$	2,441,390.00
Basic Care Rents	\$	1,158,840.00

Total	\$	8,881,220.50
--------------	-----------	---------------------

Additional Revenue From New Building @ 150 beds	\$ 1,032,652.50
--	------------------------

Veterans Home Anticipated Additional Expenses for 29 beds

Primary care expenses	\$	21,600.00
Pharmaceutical expenses	\$	188,000.00
Other expenses, includes food, supplies, electricity, water, etc.	\$	250,000.00

Total	\$	459,600.00
--------------	-----------	-------------------

Net Increase in Revenue From Building @ 150 beds	\$ 573,052.50
---	----------------------

Veterans Home Revenue for Current Building @ 150 beds

Skilled Per Diem	\$	1,771,294.00
Skilled Rents	\$	3,509,696.50
Basic Care Per Diem	\$	1,736,524.00
Basic Care Rents	\$	831,053.50

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Basic Care Rents	\$	1,158,840.00

Total	\$	8,881,220.50
--------------	-----------	---------------------

Additional Revenue From New Building @ 150 beds	\$	1,032,652.50
--	-----------	---------------------

Veterans Home Forecasted Revenue for New Building @ 121 beds

If built at the 121 level the state of North Dakota will have to displace approximately 10 residents and take away 29 Basic Care Beds from the Veterans Home.

Skilled Per Diem	\$	1,771,294.00
Skilled Rents	\$	3,509,696.50
Basic Care Per Diem	\$	1,969,387.93
Basic Care Rents	\$	934,797.60

Total	\$	8,185,176.03
--------------	-----------	---------------------

Loss of Revenue if Build @ 121 beds	\$	(696,044.47)
--	-----------	---------------------

Potential Additional Savings from New Building

CBOC Clinic On Site	?	
Mileage	\$	50,000.00
Skilled Beds - 10	\$	265,866.00
Energy Savings	\$	200,000.00
Total	\$	515,866.00

Johnson, Mark B.

From: Lunneborg, Kristin M.
Sent: Friday, January 19, 2007 11:54 AM
To: Johnson, Mark B.
Subject: FW: FY07 Per Diem Rates

From: Garland, David A [mailto:David.Garland@va.gov]
Sent: Friday, January 19, 2007 10:52 AM
To: Lunneborg, Kristin M.
Subject: FY07 Per Diem Rates

Here you are.

From: Garland, David A
Sent: Friday, January 19, 2007 7:37 AM
To: Floyd, John M
Subject: FYI

Current (FY 07) per diem rates are \$67.71 for nursing home and hospital care and \$31.30 for domiciliary care. The adult day health care per diem rate is \$40.48.

David A Garland, MSA
Business Office Manager
Fargo VAMC
701-239-3717

North Dakota Veterans Home
Currently licensed for 150 beds
38 Skilled beds - 112 Basic care beds

Replacement
121 beds
\$18,523,504

35% State Match
General Funds
\$6,483,226

65% Federal Funds
State Home Construction Grant
\$12,040,278

Replacement
29 beds
\$2,575,152
Avg. payment \$455,000/biennium

Depreciation, Interest &
Amortization from 29 skilled beds

Projected increase in revenue
per biennium from 29 beds
\$573,053

Current revenue bond issue
will be paid off in the '07-'09 biennium
Avg. pmt \$249,190/biennium

SUPPORT THE ND VETERANS HOME

Position Paper of the North Dakota Veterans Home Governing Board, Feb 2007

The ND Veterans Home has a proud history as one of the state's oldest institutions.

- Built in 1891 with a land grant.
- Last major reconstruction in 1949 (58 years ago).
- Basic care was increased in 1980.
- Skilled care was added in 1991.
- Currently licensed for 112 basic & 38 skilled beds, however, many complex issues keep us from operating at capacity.

The ND Veterans Home is routinely inspected by local, state, and federal authorities. We have an obligation to respond to every finding. Very recently, **significant structural design problems** were identified.

- Safety, code, and compliance issues that were not the responsibility of any one specific group or agency have accumulated, and, when taken in their entirety, have become very significant and must be addressed now.
- **There is no concern over quality of care.**
- **In the short term: Immediate measures have been and are being taken to mitigate problems & minimize any and all risks.**
- **In the long term: the structural problems must be eliminated rather than minimized.**

An analysis of the cost effectiveness of repairing or replacing the current home shows that it would be **more cost effective to build a new Veterans Home.**

A comprehensive survey of future needs shows that ND will need a Veterans home at least the size of the current one for the foreseeable future, and it will need to be more capable due to the complicated injuries our veterans are coming home with. The total cost to repair or replace will be in the vicinity of \$20-\$25 million, and will be higher every year that goes by without taking action.

There is a great opportunity before us, as the federal government will currently match 65% of our costs and ND could receive the VA's highest priority for these funds. That would make the state's cost about \$6-\$8 million. Timing is critical. In even a couple of years, the situation could change and ND's priority at the federal funding level could fall sharply.

Many worthy programs compete for state money – this should be one of the highest. Veterans should neither be bashful about nor apologize for their requirements.

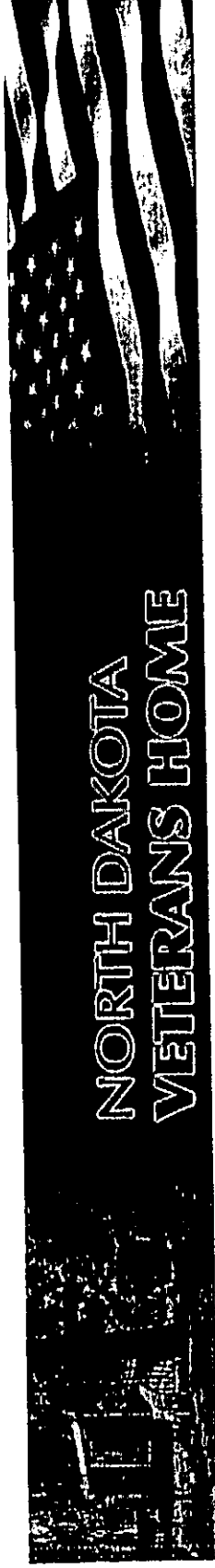
We need your help!

Whether we get funding to proceed through the legislature, private & public donations, or issue a bond or borrow money that the veterans themselves pay back -- some how, somehow, we need to do this, & we should do it now. In even a couple of years, there is no guarantee that we will have the opportunity that we have right now. If this project does not succeed, it will be a shame, but do not let it be our shame. Let's do what's necessary to make this happen!



History

- 2002 - Agencies saw problems
- 2003 - Legislature wanted changes
 - Board structure
 - Leadership
 - Strategic Plan
 - Mission
 - Vision
 - Capital Improvement Plan
 - Facility Assessment/Condition report



- Use of land for 7 ND institutions included in Federal Enabling Act which precedes the ND Constitution
- Location specified in State Constitution



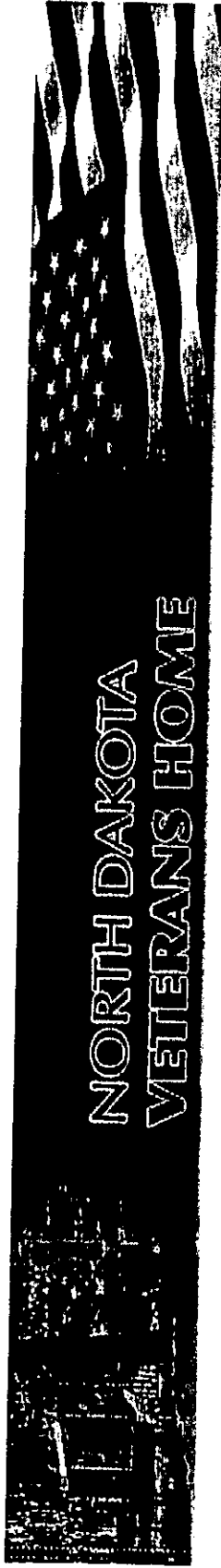
Major construction/renovation

- 1893
- 1949
- 1980 (Bond)
- 1991 (Bond)



Vision: Best State Veterans Home

- Current situation
 - Major problems, not cost effective to repair
- Replacement
 - Long term effort - \$21M
 - Federal grant available for up to 65%



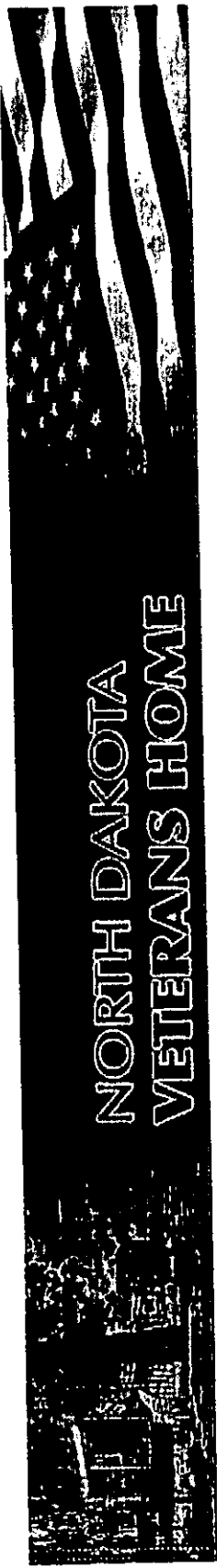
Demographics

- 60,000 veterans
- General Fund Appropriation to NDVH & Dept –
Approx \$4M
- Federal \$ to ND/Yr: Approx \$200M
- EIS: \$600M
- ROI: 300:1
- Annual expenditures per veteran: \$ 17



Trends

- Newly enrolled veterans since OIF
 - VISN 23: 13,000
 - North Dakota: 1,308
- 2017 – 2027
 - Nationwide: slightly lower
 - North Dakota: slightly higher



NORTH DAKOTA VETERANS HOME

Groundswell of Bi-Partisan Support

- Oct DC visit with Senate/VA staff
- 12 Jan: Briefing to ND House Appr
- 26 Jan: Gov Bd Conf Call with Senate/VA staff
- 13 Feb: Sen Conrad letter to Gov Hoeven
- 21 Feb: Briefing to ND Senate Appr
- 08 Mar: Chief of Staff testimony to ND Senate S/C
- 11 Mar: Fargo Forum Columnist
- 13 Mar: Gov press release/site visit
- 13 Mar: Sen Conrad press release
- 16 Mar: Sen Dorgan press release/site visit
- 16 Mar: Rep Pomeroy meeting/news article
- 18 Mar: Sen Conrad Op/Ed in Forum



Current Situation

- NDVH has 150 licensed beds in need of replacement
- State well positioned to obtain 121 replacements at very advantageous terms (35/65)
- Governing Board Position: 150 beds
- Justification is in the attached point paper
- Option:
 - ND fund additional \$2.6 Mil (Revenue Bond)
 - Reimbursable through DHS @ 68% federal match
 - State match = 32% = \$832,000 (\$29K/bed)



Other Issues

- Advocate for increase in CFR 38, Ch 59
- Lisbon CBOC
 - Collocation increases efficiency/MN success
 - Serves two needs
 - Minimizes the ordeal of travel to VAMC-Fargo
 - Reduce beds - - Reduce chances
- Increase Skilled Care to 50
 - Previously approved/not funded
 - Historical waiting list
 - Revenue

POINT PAPER ON NEW CONSTRUCTION ISSUES FOR THE NORTH DAKOTA VETERANS HOME

- North Dakota should replace all 150 beds in the Veterans Home, even if Federal matching funds are only available for 121.
 - The Federal government allows us to have as many beds as we want or need; however, until the Federal law is changed, they can only provide 65% matching funds for up to 121.
 - There is a very compelling case to get the 121 limit raised. Senator Conrad's staff is working on that issue. They are aware it is time-urgent for ND.
- We are currently licensed for 150 beds. If any of that amount were given up, they would be exceedingly difficult to ever get back.
- The fact that the home has not been filled to capacity is not due to lack of eligible veterans, it has been driven by other constraints and limitations based on modern standards and the limited size and flexibility of the existing facility.
 - A new facility, with room sizes and amenities that meet modern standards, will almost certainly fill to capacity. This in turn will generate increased revenue, which will reduce future requests to the state general fund for O & M \$, and help to amortize the cost.
 - A new facility could also increase the opportunity to obtain a VA Community Based Outreach Clinic (CBOC) in Lisbon, which would be a win-win for the VA and the State, and further reduce costs.
- Future bed needs are projected to go up, rather than down.
- Replacing all of the current capacity will not jeopardize the possibility of a second veteran's home at another location in ND in the future. If the numbers support it, a second location in North Dakota can be justified by driving time. The VA's criterion is 2 hours. That is how we got 5 new CBOCs justified for Williston, Dickinson, Jamestown, Grand Forks, and Bemidji.
- There is often tremendous economy of scale to be realized when adjusting an already large # slightly higher. An example in military procurement is buying 120 airplanes at \$5 million each. Total cost: \$600 million. As an Air Force negotiator, I asked for a price per plane if they bought 150 planes instead. The price per plane was then slightly over \$4 million each. Total cost: Just slightly over \$600 million.
 - The cost of changing from 121 beds to 150 is about \$2.2 million. These will be the cheapest 30 beds we could ever buy.
 - The first 121 beds @ \$18.9M=\$157,000/bed.
 - The next 29 beds @\$2.2M=\$75,000/bed.
 - Economy of scale also makes an institution cheaper to run if it is sized correctly. We as a board have an obligation to be good stewards of the taxpayers dollars, and to recommend a size that will run the most efficiently. The projected increased revenue from the additional 30 beds is too significant to overlook.
- Revenue for the home includes Federal per diem that is based on the number and type of beds. A reduction of 30 beds from our current 150 would equate to a 20% reduction in federal revenue forever.
- The heating efficiency alone of a new building could amortize the cost of the extra 30 beds in a few years.
- The local community has supported an institution of 150 beds for many years. A reduction in beds could have an unintended and adverse effect on the local economy.

**North Dakota
Long Term Care**
ASSOCIATION

Attachment #5

(701) 222.0660 • fax: (701) 223.0977
1900 North 11th Street, Bismarck, ND 58501
email: shelly@ndltca.org • web site: www.ndltca.org

Shelly E. Peterson, President

March 7, 2007

Mark Johnson, Administrator
North Dakota Veterans Home
1400 Rose St
Lisbon, ND 58054

Dear Mark,

The purpose of this letter is to share with you our position on the moratorium, bed expansion and re-distribution of beds in North Dakota. We are supportive of the moratorium for nursing facilities.

We further believe each facility has a right to maintain their licensed capacity. We have never advocated taking existing licensed beds away from any facility and believe this issue is best addressed by the local board. If a nursing facility is interested in expanding their licensed capacity we support this option only when they can purchase that extra capacity from existing providers willing to sell their license.

We have some areas of the state that may need additional nursing facility beds. Again, we oppose any exceptions to the moratorium and encourage their growth only through the purchase of existing beds already licensed in another location in North Dakota.

I understand your current capacity is 38 nursing facility beds and 112 basic care beds. We are supportive of you maintaining this current capacity and rebuilding or remodeling to best meet the needs of your residents and achieve compliance with life safety regulations.

Should you have any questions regarding this issue, please don't hesitate to call.

Sincerely,



Shelly Peterson
President

An Affiliate of American
Health Care Association

Proposed amendments for Engrossed Senate Bill No. 2418

Page 1, line 2, replace "revenue bonds" with "evidences of indebtedness"

Page 2, line 18, after the word "for" insert "project"

Page 2, line 20, after the word "facility" insert "declared to be in the public interest. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayments need not begin until July 1, 2009. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2009, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date"

Section 2 would then read:

Section 2. APPROPRIATION – VETERANS' HOME CONSTRUCTION PROJECT – ADDITIONAL BED CAPACITY – BOND ISSUANCE AUTHORIZATION. The industrial commission, acting as the North Dakota building authority, shall arrange through the issuance of evidences of indebtedness under chapter 54-17.2 for the biennium beginning July 1, 2007, and ending June 30, 2009, for project costs associated with expanding the veterans' home construction project from the 121-bed capacity facility, as provided for in section 1 of this Act to a 150-bed facility declared to be in the public interest. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayments need not begin until July 1, 2009. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2009, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date. The proceeds of the evidences of indebtedness and other available funds in the amount of \$2,575,152 are appropriated to the veterans' home for this project. Non-general fund sources must be used for the retirement of the evidences of indebtedness for the costs associated with this project.

Attachment #6

North Dakota Veterans Home
Domiciliary (Basic) Care
As of Friday March 16, 2007

Census: 85

Age Range: 45 thorough
98

Spouses: 4

War Time: WWII 14
Korean 14
Viet Nam 40

Peacetime: 15

Western part of State: 24

Eastern Part of State: 61

Admission Criteria

1. Bona fide residents of ND (established residency 30 days)
2. Entered the Armed Forces as a ND Resident
3. Served in a ND regiment (activated ND National Guard)
4. Spouse or surviving spouse of above veteran

All residents in the Basic Care unit must be able to tend to their personal needs. We assist with meals, laundry, transportation, and medications.

All residents need to be able to complete stairs due to the life safety code.

Westlaw.

*Other information
for the record*

ND CONST Art. 9, § 13

Page 1

NDCC Const. Art. 9, § 13

C

NORTH DAKOTA CENTURY CODE
CONSTITUTION OF NORTH DAKOTA
ARTICLE IX. TRUST LANDS.

Section 13 [Public institution lands].

The following public institutions are located as provided, each to have so much of the remaining grant of one hundred seventy thousand acres of land made by the United States for "other educational and charitable institutions" as is allotted by law:

1. A soldiers' home, when located, or such other charitable institution as the legislative assembly may determine, at the city of Lisbon in the county of Ransom, with a grant of forty thousand acres of land.
2. The school for the blind at the city of Grand Forks in the county of Grand Forks or at such other location as may be determined by the legislative assembly to be in the best interests of the students of such institution and the state of North Dakota.
3. A school of forestry, or such other institution as the legislative assembly may determine, at such place in one of the counties of McHenry, Ward, Bottineau, or Rolette, as the electors of said counties may determine by an election for that purpose, to be held as provided by the legislative assembly.
4. A school of science or such other educational or charitable institution as the legislative assembly may prescribe, at the city of Wahpeton in the county of Richland, with a grant of forty thousand acres.
5. A state college at the city of Minot in the county of Ward.
6. A state college at the city of Dickinson in the county of Stark.
7. A state hospital for the mentally ill at such place within this state as shall be selected by the legislative assembly.

No other institution of a character similar to any one of those located by article IX, section 12, or this section shall be established or maintained without an amendment of this constitution.

Source: Const. 1889, Art. XIX, § 216, as amended by art. amd. 12, approved Nov. 8, 1910 (S.L. 1907, p. 453; 1909, p. 339); art. amd. 17, approved Nov. 3, 1914 (S.L. 1911, p. 178; 1913, p. 120); art. amd. 21, approved Nov. 7, 1916 (S.L. 1913, ch. 96; 1915, ch. 84; 1917, p. 407); art. amd. 22, approved Nov. 7, 1916 (S.L. 1913, ch. 99; 1915, ch. 85; 1917, p. 408); art. amd. 63, approved June 24, 1952 (S.L.

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Senator Bob Stenehjem
District 30
7475 41st Street SE
Bismarck, ND 58504-3200
bstenehj@state.nd.us

NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Majority Leader

Testimony on SB 2418
House Human Services Committee
March 29, 2007

Madam Chairman and members of the Committee,

SB 2418 provides approximately \$9 million of state money to demolish and rebuild the Veterans' Home. The legislature is initiating the construction of this new home in response to an opportunity to receive federal grant money. We want to honor the brave men and women who have proudly served their country by providing a beautiful and caring place for them.

Section 1 sets the state's share at 35 percent, approximately \$6.4 million. The funds will be used to match \$12 million in federal funds.

Section 2 allows the 121-bed capacity to be increased to 150 beds. An additional \$2.6 million is appropriated to accommodate this anticipated growth.

This important bill continues the legacy of caring for veterans by providing a new facility for those who have special needs. These men and women gave their lives in service to their country, and in many cases, they have disabilities as a result of that service. I urge you to recommend SB 2418 for passage.

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 8044A	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 11/22/2006
NAME OF PROVIDER OR SUPPLIER NORTH DAKOTA VETERANS HOME			STREET ADDRESS, CITY, STATE, ZIP CODE 1400 ROSE ST S LISBON, ND 58054		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
K 000	INITIAL COMMENTS This survey used the 1988 Life Safety Code, Chapter 21-Residential Board and Care Occupancies (Large) for this basic care facility in compliance with the provisions of North Dakota Administrative Code 33-03-24.1-10. The facility is a three story building of Type II (111) construction with a full basement and is protected throughout with a NFPA 13 wet automatic sprinkler system. Based on resident evaluation, a Slow level of evacuation difficulty was determined. (E-Score is 3.45) Note: Heat detectors, which only initiate an alarm and have no extinguishing function, are redundant devices when used in conjunction with sprinklers. In areas protected by automatic sprinklers, heat detectors may be omitted. 7.7.1.3. It is recommended that the facility give consideration to replacing existing heat detectors with smoke detectors in most locations.	K 000	K 220 1.) Fire evacuations have been modified to provide a safe secure route of exit from the building. Repairs will be made to the building by upgrading the fire alarm system and smoke and fire damper system. New fire alarms will be placed in exhaust ducts and added to the hallways to increase the level of fire protection and security. New smoke and fire dampers will be installed to separate the floors of the building and provide a degree of compartmentalization from fire spread. New fire doors will be added to provide an egress passage way of less resistance. With the above improvements the 1948 basic care unit will pass the FSES Score and be in compliance.		
K 220	VERTICAL OPENINGS Stairways, elevator shafts, and other vertical openings shall be enclosed with one hour fire resistance when connecting three stories or less and two hour fire resistance when connecting four or more stories. This state licensing rule is not met as evidenced by: Every floor that separates stories in a building must be constructed as a smoke barrier to	K 220	A new building is being sought in the 2007 legislature for replacement of the veterans' home. Completion Date	6/01/2007	

Division of Health Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

TITLE

(X6) DATE

GXD221

If continuation sheet 1 of 3

North Dakota Department of Health

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 8044A	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 11/22/2006
NAME OF PROVIDER OR SUPPLIER NORTH DAKOTA VETERANS HOME			STREET ADDRESS, CITY, STATE, ZIP CODE 1400 ROSE ST S LISBON, ND 58054		
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K 220	Continued From page 1 provide a basic degree of compartmentation. Openings through floors must be enclosed with fire barrier assemblies. Such assemblies must be continuous from floor to floor. Openings must be protected as appropriate for the fire resistance of the barrier. The facility failed to ensure all vertical openings are constructed to resist the passage of smoke and maintain the 1-hour fire-rating of the building. Observation determined the three (3) sleeping room floors are all open to each other via the open space between the corridor wall and the resident room walls.	K 220			
K 256	AUTOMATIC SPRINKLERS Where an automatic sprinkler system is installed for total or partial coverage, the system shall be in accordance with Section 7-6 and 7-7. This state licensing rule is not met as evidenced by: 1. Testing frequencies for automatic sprinkler systems range from quarterly to annually. Inspection frequencies can be as often as weekly to as long as annually. The frequencies for testing, inspection and maintenance of automatic sprinkler systems are dictated by the requirements as outlined by Table 5-1 of NFPA 25 Standard for the Inspection, Testing and Maintenance of Water-based Fire Protection Systems. NFPA 25 requires the facility to complete, maintain and make available to the authority having jurisdiction copies of records which indicate the procedure performed, by	K 256	K256 1. The dry sprinkler system water flow alarm device will be tested quarterly with the wet system. Maintenance will add this test to their quarterly maintenance program. Completion date of	12/08/06	

North Dakota Department of Health

PRINTED: 03/12/2007
FORM APPROVED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 8044A	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 11/22/2006
NAME OF PROVIDER OR SUPPLIER NORTH DAKOTA VETERANS HOME			STREET ADDRESS, CITY, STATE, ZIP CODE 1400 ROSE ST S LISBON, ND 58054		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
K 256	Continued From page 2 whom, the results and the date. These records are to be retained for the life of the system. The automatic sprinkler system is required to have specified maintenance. The facility has not ensured the automatic sprinkler system is continuously maintained in a reliable operating condition and is inspected, tested and maintained at frequencies in compliance with the minimum requirements of NFPA 25. Observation and review of sprinkler records determined testing of the dry automatic sprinkler system water flow alarm devices is not completed quarterly. 2. Ordinary temperature rated sprinklers must be used throughout buildings. The facility has not provided automatic sprinkler protection for complete building coverage. Observation determined the green color coded sprinklers installed in various locations throughout the facility are of intermediate temperature rating and classification. The contents of these areas do not warrant treatment as ordinary or extra hazard occupancies. There is no evidence to indicate the maximum ceiling temperature will exceed 150 degrees Fahrenheit.	K 256	K256 2. The green color coded sprinkler heads will be exchanged for the proper temperature rated heads. The entire building has been inspected for this infraction. Nova, the fire protection contractor, has been contacted to correct this infraction. Completion date of	01/27/07	

Division of Health Facilities
STATE FORM

6509

GXD221

If continuation sheet 3 of 3

Bartz, Darleen R.

From: Bartz, Darleen R.
Sent: Thursday, March 29, 2007 11:42 AM
To: Albin, Kathy J.
Subject: FW: POC-Life Safety-Basic Care-11-22-06
Attachments: POC-Life Safety-Basic Care-2006-2.pdf

The plan has been determined to be acceptable. A letter will be sent to the facility accepting the plan.

Darleen Bartz, PhD

Chief, Health Resources Section
North Dakota Department of Health
600 East Boulevard Avenue
Bismarck, ND 58505-0200
Phone: 701-328 4837
Fax: 701-328-1890
Email: dbartz@nd.gov

From: Pritschet, Bruce R.
Sent: Wednesday, March 21, 2007 3:45 PM
To: Bartz, Darleen R.
Subject: FW: POC-Life Safety-Basic Care-11-22-06

As you can see Monte felt the PoC was acceptable. The attached pdf file is a scanned copy of the original so it could be used as a releasable copy for Janelle Cole.

Bruce Pritschet, Director

From: Engel, Monte D.
Sent: Tuesday, March 20, 2007 2:56 PM
To: Pritschet, Bruce R.
Subject: FW: POC-Life Safety-Basic Care-11-22-06

The attached PoC from ND Veterans Home appears acceptable.

Monte Engel

Manager
Building Standards/Life Safety Code
Division of Health Facilities
North Dakota Department of Health
600 E. Boulevard Avenue - Dept. 301
Bismarck, ND 58505-0200
phone: 701.328.2352
fax: 701.328.1890
email: mengel@nd.gov

From: Ourenhagen, Margie M.

03/29/2007

Sent: Tuesday, March 20, 2007 1:48 PM
To: Engel, Monte D.; Pritschet, Bruce R.
Cc: Johnson, Mark B.; Nelson, Bob F.
Subject: POC-Life Safety-Basic Care-11-22-06

Please see the attached POC for Life Safety-Basic Care Unit-11/22/06.

The signed original has been placed in the mail.

Respectfully,
Mark B. Johnson
Administrator
North Dakota Veterans Home
1400 Rose Street
PO Box 673
Lisbon, ND 58054-0673
Phone # (701) 683-6501
Fax # (701) 683-6550
E-mail: mjohn@nd.gov
Website: www.nd.gov/ndvh/

03/29/2007



NORTH DAKOTA
DEPARTMENT of HEALTH

HEALTH RESOURCES SECTION
600 East Boulevard Avenue, Dept. 301
Bismarck, ND 58505-0200
Fax: 701.328.1890
www.ndhealth.gov



IMPORTANT NOTICE - PLEASE READ CAREFULLY

FILE

March 29, 2007

License Number: 8044a

Mark Johnson, Administrator
North Dakota Veterans Home
1400 Rose St S
Po Box 673
Lisbon, ND 58054

On November 22, 2006 a Life Safety Code survey was conducted at your facility. You have alleged that the deficiencies cited on that survey would be corrected. We are accepting your plan of correction and presume that you will achieve substantial compliance for Life Safety Code requirements on June 1, 2007.

We will be conducting a revisit of your facility to verify that compliance has been achieved and maintained.

If you have any questions concerning the information contained in this letter, please notify Monte Engel at 701.328.2352.

Monte Engel, Manager
Division of Health Facilities

br

POINT PAPER ON NEW CONSTRUCTION ISSUES FOR THE NORTH DAKOTA VETERANS HOME

- North Dakota should replace all 150 beds in the Veterans Home, even if Federal matching funds are only available for 121.
- The Federal government allows us to have as many beds as we want or need; however, until the Federal law is changed, they can only provide 65% matching funds for up to 121.
- There is a very compelling case to get the 121 limit raised. Senator Conrad's staff is working on that issue. They are aware it is time-urgent for ND.
- We are currently licensed for 150 beds. If any of that amount were given up, they would be exceedingly difficult to ever get back.
- The fact that the home has not been filled to capacity is not due to lack of eligible veterans, it has been driven by other constraints and limitations based on modern standards and the limited size and flexibility of the existing facility.
 - A new facility, with room sizes and amenities that meet modern standards, will almost certainly fill to capacity. This in turn will generate increased revenue, which will reduce future requests to the state general fund for O & M \$, and help to amortize the cost.
 - A new facility could also increase the opportunity to obtain a VA Community Based Outreach Clinic (CBOC) in Lisbon, which would be a win-win for the VA and the State, and further reduce costs.
- Future bed needs are projected to go up, rather than down.
- Replacing all of the current capacity will not jeopardize the possibility of a second veteran's home at another location in ND in the future. If the numbers support it, a second location in North Dakota can be justified by driving time. The VA's criterion is 2 hours. That is how we got 5 new CBOCs justified for Williston, Dickinson, Jamestown, Grand Forks, and Bemidji.
- There is often tremendous economy of scale to be realized when adjusting an already large # slightly higher. An example in military procurement is buying 120 airplanes at \$5 million each. Total cost: \$600 million. As an Air Force negotiator, I asked for a price per plane if they bought 150 planes instead. The price per plane was then slightly over \$4 million each. Total cost: Just slightly over \$600 million.
 - The cost of changing from 121 beds to 150 is about \$2.6 million. These will be the cheapest 29 beds we could ever buy.
 - The first 121 beds @ \$18.5M=\$153,000/bed.
 - The next 29 beds @\$2.6M=\$89,600/bed.
 - Economy of scale also makes an institution cheaper to run if it is sized correctly. We as a board have an obligation to be good stewards of the taxpayers dollars, and to recommend a size that will run the most efficiently. The projected increased revenue from the additional 29 beds is too significant to overlook.
- Revenue for the home includes Federal per diem that is based on the number and type of beds. A reduction of 29 beds from our current 150 would equate to a 20% reduction in federal revenue forever.
- The heating efficiency alone of a new building could amortize the cost of the extra 29 beds in a few years.
- The local community has supported an institution of 150 beds for many years. A reduction in beds could have an unintended and adverse effect on the local economy.

North Dakota Veterans Home

	Basic Care/Skilled		
New Facility - 121 beds	Federal	State	Total
Cost	\$ 12,040,278	\$ 6,483,226	\$ 18,523,504
	65.00%	35.00%	

	Skilled
New Facility - 29 beds	Revenue Bonds
Cost	\$ 2,575,152
Funding Term	20 yrs
Depreciation life	20 yrs overall (bldg/equip)

Reimbursement through daily rates includes:

Depreciation
Interest

Example of funding

Anticipated costs
Depreciation per year \$ 128,758

Interest Expense - Yr 1

		Principal	Interest
Bonds	\$ 2,600,000		
Rate	5.50%		
Term	20		
Annual Debt Service	\$ 214,800	\$ 73,638	\$ 141,162
	B		

Expense that will be in the rates:

- Depreciation	\$ 128,758
- Interest	\$ 141,162
Total	\$ 269,920

Debt Service Required \$ 214,800 B

Excess reimbursement \$ 55,120 A

A - The excess is the result of depreciation being in excess of the principal payment in year 1. Normally, this would be escrowed in a funded depreciation account for use in years when the depreciation is less than principal.

B - Debt service was calculated using the monthly amortization with set payments. Bonds can be structured in a variety of ways.