

FISCAL NOTE

Return in triplicate)

Bill/Resolution No.: HB 1274 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-93

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative: We are unsure of the meaning of "Profit Motivated." However, assuming an average facility cost of \$316,000 and an average 70 percent debt to original asset value we project a biennial payment of \$18,960. Potential payout depending on the definition of "Profit Motivated" could be \$1.9 million on 99 group homes, plus about 16 day service facilities. There is currently one private, for-profit Minnesota based corporation serving D.D. clients in North Dakota operating 10 group homes. (See attached)

2. State fiscal effect in dollar amounts:

<u>1991-93</u>		<u>1993-95</u>		<u>1995-97</u>	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>
<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>

Revenues:

Expenditures: Unknown Unknown

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1991-93 biennium: _____
- b. For the 1993-95 biennium: Unknown
- c. For the 1995-97 biennium: Unknown

4. County and City fiscal effect in dollar amounts:

<u>1991-93</u>		<u>1993-95</u>		<u>1995-97</u>	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed *Mike Schwindt*

Typed Name Mike Schwindt

Department Human Services

Phone Number 224-2330

Date Prepared: January 18, 1993

HB1274
ORIGINAL ASSET COST

EXAMPLE

Assets as of December 31, 1991

Land Imp.	\$41,000
Buildings	221,000
Equipment	30,000
Vehicle	24,000

Total	\$316,000
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YEAR ENDING DECEMBER 31	ORIGINAL ASSET COST	OUTSTANDING DEBT	PERCENT DEBT TO ASSET	RETURN ON INVESTMENT	BIENNIUM TOTALS	FEDERAL % 69.19%	STATE % 30.81%
1993	316,000	225,000	71%	9,480			
1994	316,000	213,000	67%	9,480	18,960	13,118	5,842
1995	316,000	199,000	63%	9,480			
1996	316,000	184,000	58%	12,640	22,120		
1997	316,000	168,000	53%	12,640			
1998	316,000	149,000	47%	12,640	25,280		
1999	316,000	130,000	41%	12,640			
2000	316,000	108,000	34%	15,800	28,440		
2001	316,000	84,000	27%	15,800			
2002	316,000	58,000	18%	18,960	34,760		
2003	316,000	30,000	9%	18,960			
2004	316,000	5,000	2%	18,960	37,920		
2005	316,000	2,000	1%	18,960			
2006	316,000	1,000	0%	18,960	37,920		
2007	316,000		0%	18,960			
2008	316,000		0%	18,960	37,920		
2009	316,000			18,960			
2010	316,000			18,960	37,920		

NOTES

- Biennial weighted FFP equals 69.19%
- The Original Asset Cost is held constant as there is no way to predict acquisitions and disposals.
- The outstanding debt excludes an allocated amount for land.
- Outstanding debt was calculated based on information reported to the Department by REM in their DD cost report for the year ending December 31, 1991. All interest rates and mortgage payments are assumed to stay constant.

SUMMARY

1993/95 BIENNIUM TOTAL IMPACT

FEDERAL	\$13,118
STATE	5,842

TOTAL	\$18,960
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