

# FISCAL NOTE

Requested by Legislative Council  
12/26/2000

Bill/Resolution No.: SB 2097

Amendment to:

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

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues					
Expenditures					
Appropriations					

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would eliminate the statutory requirement for a financial audit in each year of the biennium for the Developmental Center in Grafton and the Veteran's Home at Lisbon which are considered state owned nursing facilities. Current NDCC requires a biennial audit of all state agencies rather than an annual audit. Eliminating the annual audit requirement for state owned nursing facilities would have no fiscal impact as the time saved by the State Auditor's Office in conducting annual audits at these facilities as their time will be redirected to other audits. **Potential fiscal impact exists should this bill fail to pass since current federal regulations state that the federal funding of the facility's daily rate can be reduced to 80% of the established rate should the audits not be completed on a timely basis.** This potential impact could result in a total reduction of \$377,248 of federal funds for a biennium if both of the nursing facilities failed to include an annual audit report with their annual cost report which are necessary in establishing the facility rate. This reduction of federal revenue would then need to be replaced with general funds.

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

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

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

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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**Agency:** Department of Human Services  
**Date** 01/02/2001  
**Prepared:**