

**Testimony in support of Long-Term Care Facility Infrastructure
Loan Fund**

Senate Human Services Committee

March 19, 2025

HB 1619

Chairman Lee and members of the Senate Human Services committee, thank you for taking the time to listen to my testimony in support of House Bill 1619

My name is Trevor Tompkins and I'm administrator of the Lutheran Sunset Home, an eighty-seven bed skilled nursing facility with an attached twenty-six bed assisted living complex located in Grafton, North Dakota. Our facility began operation in 1962 and has been serving the needs of the elderly in our community for over sixty years.

This facility was started by local churches as a 42-bed nursing home and has grown and evolved throughout the years to what it is today. While the building has been maintained well over the years, the multiple expansions have resulted in an inefficient building design. This means increased steps for staff, small and often shared bathrooms, and little personal space for residents. Much of the facility infrastructure is original to the building which means that we are one collapsed pipe away from \$100,000 plumbing bills.

When our facility began considering the future of our physical plant, the feasibility studies have shown that renovation would likely be just as costly as a replacement building and would likely result in a similarly unsatisfying building design due to our land locked status. Our census remains strong, averaging 93% over the past three years and a recent Demand Analysis projects that there is need in our community for housing for the elderly with skilled nursing, assisted living, and independent senior housing.

We have purchased land for a replacement building and I am currently in the process of loan application with the USDA Rural Development. Our architects project building costs in North Dakota for our project to come in at \$625 per square foot, which exceeds projected building costs in some states by over \$150 to \$200 per square foot. If those construction numbers hold true, then our financial projections put us upwards of \$20 million short of where we would need to be to service the debt with only a USDA loan. Because the current RS Means system caps our reimbursement for construction and renovation, we need to find another way to service the debt.

A low interest loan from the Bank of North Dakota would be a game changer for our facility and would help bridge the gap in funding so that I might come back to my community and finish the job. Many facilities in rural communities were built around the same time frame and many of my colleagues understand that if this problem is not impacting them now, then it will be in the near future. I know of long-term care facilities that are hoping to build in the soon but they feel like their project is dead in the water. I ask that the \$50 million be restored to \$100 million to accommodate the demand that is here now and will be coming. I also ask that you amend the 2% interest rate to 1% to be in line with the hospital loan program. Please support House Bill 1619 so that facilities like ours can build toward the future!