

## ANALYSIS OF THE CASH BALANCE OF THE DEVELOPMENTALLY DISABLED FACILITY LOAN FUND PROGRAM NO. 1 FOR THE 2001-03 BIENNIUM

Beginning balance - July 1, 2001		\$41,199
Add estimated revenues		
Loan repayments	\$874,423 <sup>1</sup>	
Investment income	<u>23,982</u>	
Total estimated expenditures		<u>\$898,405</u>
Total available		\$939,604
Less estimated expenditures		
Loans	\$0	
Department of Human Services (2001 HB 1012)	871,765	
Administrative service fees	<u>27,359</u>	
Total estimated expenditures		<u>\$899,124</u>
Estimated ending balance - June 30, 2003		<u><u>\$40,480</u></u>

<sup>1</sup> Collections by the Bank of North Dakota on outstanding loans are approximately \$36,400 per month.

<sup>2</sup> Section 9 of 2001 House Bill No. 1015 authorizes the Department of Human Services at the request of the director of the Office of Management and Budget to sell the remaining developmental disabilities loans in this fund to the Bank of North Dakota and to deposit the proceeds estimated at \$2 million in the general fund. If these loans are sold, there will no longer be a cash balance in this fund that will be available for appropriation to the Department of Human Services.

**NOTE:** The estimated June 30, 2003, balance made at the close of the 2001 Legislative Assembly was \$0. The increase of \$40,480 is due primarily to the June 30, 2001, balance being more than estimated as a result of the Department of Human Services 1999-2001 biennium expenditures being \$52,700 less than the \$1,192,700 appropriated.

### FUND HISTORY

The developmentally disabled facility loan fund program (loan No. 1) was established in 1981 by appropriating \$4 million from the lands and minerals trust fund to create the revolving fund to provide loans for intermediate care facilities for developmentally disabled persons and residential facilities for physically disabled persons.

As of January 31, 2002, outstanding loans of the developmentally disabled facility loan fund program No. 1 total \$2,412,967. Developmentally disabled facility loan fund program Nos. 2 and 3 are authorized by North Dakota Century Code (NDCC) Chapter 6-09.6 to borrow funds from the common schools trust fund to finance the programs. The outstanding loan balance on January 31, 2002, for program No. 2 is \$2,176,436 and for program No. 3 is \$2,696,067.

### SUMMARY OF DEVELOPMENTALLY DISABLED FACILITY LOAN FUND PROGRAM NOS. 1, 2, AND 3

The following provides information regarding the statutory provisions of the developmentally disabled facility loan fund programs.

The first developmentally disabled facility loan fund program (loan No. 1) was established in 1981 by appropriating \$4 million from the lands and minerals trust fund. According to NDCC Section 6-09.6-01, the purpose of the program is to create a revolving loan fund which provides loans for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. The Bank of North Dakota is responsible for maintaining the loan fund. All money transferred into the fund, interest earned upon money in the fund, and collections of interest and principal on loans made from the fund are appropriated for providing loans in accordance with the intent of the program.

The second developmentally disabled facility loan fund program (loan No. 2) was created in 1983 in accordance with NDCC Section 6-09.6-01.1. The law provides the authorization for the loan fund to borrow up to \$5 million from the common schools trust fund to fulfill its purpose which is to provide means for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. All payments of principal and interest received by the loan fund and any interest earned by the loan fund must be credited to the lands and minerals trust fund after service fees have been deducted by the Bank of North Dakota for administration of the fund. Money in the lands and minerals trust fund are appropriated to repay money borrowed by the loan fund from the common schools trust fund.

The third developmentally disabled facility loan fund program (loan No. 3) was established in 1985 by NDCC Section 6-09.6-01.2. The loan fund received authorization by law to borrow up to \$4,951,145 from the common schools trust fund. The purpose of the third loan fund remains consistent with the first two developmentally disabled facility loan funds, which is to provide means for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. All payments of principal and interest received by the loan fund and any interest earned by the loan fund less service fees deducted by the Bank of North Dakota for administration of the fund must be paid to the lands and minerals trust fund. Money in the lands and minerals trust fund are appropriated to repay money received by the loan fund from the common schools trust fund.