

2026 JOINT APPROPRIATIONS

SB 2403

2026 JOINT STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

SB 2403
1/21/2026

A BILL for an Act to amend and reenact section 6-09-47 of the North Dakota Century Code, relating to a medical facility emergency operating loan program under the medical facility infrastructure loan fund; to provide an appropriation; to provide a transfer; to provide an effective date; and to provide an expiration date.

2:42 p.m. Co-Chairman Bekkedahl opened the meeting.

Members present: Co-Chairman Bekkedahl, Senators: Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Erbele, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek, Co-Chairman Vigesaas, Representatives: Anderson, Berg, Bosch, Brandenburg, Fisher, Ista, Kempenich, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner, Warrey.

Discussion Topics:

- Medical Facility Infrastructure Loan
- Jacobson Memorial Hospital
- ND Hospital Association
- Longterm Care Patients
- Rural Health Transformation
- Roughrider Network
- Critical Access Hospital

2:42 p.m. Senator Schaible introduced the bill in favor and submitted testimony #45459.

3:00 p.m. Matt Hagard, Board Member, Jacobson Memorial Hospital Care Center, answered testified in favor and submitted testimony #45418, #45419 and #45420.

3:13 p.m. Kristin Heid, Senior Administrator, Jacobson Memorial Hospital Care Center, answered questions.

3:31 p.m. Representative Rohr testified in favor and submitted testimony #45464.

3:36 p.m. Co-Chairman Bekkedahl closed the meeting.

Krystal Eberle, Committee Clerk

Testimony of Matt Hager, Board Member Jacobson Memorial Hospital

Mr. Chairman, members, good afternoon, my name is Matt Hager and for the last 11 months I have had the great privilege to serve on the board of directors at Jacobson Memorial Hospital Care Center. Today I come to you on behalf of that board in support of Bill 25.1408.01000. More specifically, through this bill we seek the authorization for the Bank of North Dakota to provide a bridge loan of \$5 million to service debt while we rightsize hospital operations and continue essential critical access care to SW ND.

Jacobson includes the main hospital and clinic in Elgin with clinics in Richardton and Glen Ullin. The hospital is a 30 bed Critical Access Hospital providing care primarily to Grant, Morton, Sioux, Hettinger, and Adams counties. Jacobson sees over 240 long term care patients and conducts 5,000 clinic appointments annually. Our emergency room services support 800 visits annually and our ambulance services cover one of the largest areas in the state at over 900 square miles. Jacobson employs 130 community members or 5% of the grant county population.

In 2022 Jacobson began implementing multiple system conversions with the intent to modernized patient care, billing, and revenue cycle operations. The initial \$750,000 investment required to convert systems and the shortfall of qualified personnel within the business office to implement changes created significant, long-lasting impacts to operations. All this happened while Jacobson lost its CEO and CFO. To remedy the situation the hospital started outsourcing billing and revenue cycle operations to offsite contractors. From 2023-2024, multiple required updates to already new systems coupled with ineffective contractors and consultants started to prevent billing operations from turning appointments into revenue. A more recent independent financial assessment also determined the hospital was not fully taking advantage of certain revenue generating programs available such as the Federal 340B program. Topping it all off, insurance reimbursement rates began to fall while operational costs increased creating a perfect storm. Combined, these challenges have resulted in the hospital operating in the red with debt to vendors climbing.

So, why did it take so long to figure all this out? The answer is threefold; board education, accountability, and leveraging the right resources. Today's board understands what questions to ask, when to ask them, and when the answer doesn't sound right, they start digging deep. And even with this newfound understanding, more education is still necessary because hospitals are complex beasts and that is why you see board education listed today as a top priority in our brand-new strategic plan. Second, accountability, today's board is accountable for everything that does, and does not happen within the hospital, and in turn, holds hospital leadership accountable including our brand-new

Administrator. And finally, the board now understands all the resources available and is willing to leverage those resources to propel the hospital forward; from the ND Hospital Association to UND Center for Rural Health, to a plethora of for profit and nonprofit advisors skilled in rural hospital operations. This crisis has taught the board that we are not alone, and in fact over 700 rural hospitals across the nation are fighting similar challenges, hence the reason for this special session.

So, what have we done to fix the problem? First, the board removed the former Administrator and appointed Kirstin Heid to lead the hospital, bringing a new vision, strategy for change, and a wealth of knowledge and experience in rural hospital business office operations. Second, an independent financial assessment was conducted to both assess the issues impeding efficient revenue generation and recommended significant rightsizing measures. Kurt Waldbillig, the CEO of Sakakawea Medical Center and Darrold Bertsch a retired CEO and CFO led this effort and have been instrumental in recommending immediate fixes. To date, we have implemented almost all the recommendations these well-respected experts have provided. Some were simple procedural fixes such as that 340B program issue I mentioned earlier, which is now projected to earn the hospital \$1.2 million in revenue in 2026. Kurt and Darrold have also agreed to continue in a mentorship role to our board, and to our Administrator and CFO. Finally, as referred to earlier, the board implemented a new strategic plan which is aimed at rightsizing the hospital for future financial sustainability while maintaining the same capability the community has trusted for years. For the specifics of the rightsizing measures, I ask you to reference the point paper we have handed out, but to be clear, there are no mass layoffs included in this plan.

Jacobson has already implemented phase one of its rightsizing measures yielding \$847,000 in annual savings. With the bridge loan in place, Jacobson will reduce annual operating expenses from \$12.9 million to \$12.1 million by May of 2026. Following its second phase of rightsizing measures totaling \$511,000, the hospital is expected to reach a positive cashflow in December of 2026. Specifically, we are requesting a \$5 million loan over 11 years at 2 percent interest. We are not requesting a grant or gift. With these dollars all debt to vendors will be paid in full, the current line of credit will be paid off, and the hospital will maintain 30 days of cash on hand to execute the new strategic plan and ensure the future of critical access healthcare for our part of SW ND.

So have we done all that we can do? Well, we are still on a full-frontal attack for private and corporate donors, some of which have been successful; we have met with lending institutions and exhausted all possible means over the last 8 months which has

brought us to today. If we do not receive your approval today, we will not quit. We will continue to pursue every avenue while operating the hospital as efficiently as possible.

But in the end, in my humble opinion, what this situation really comes down to is **leadership**. From the top down. From our Presidents leadership in understanding that Rural hospitals are struggling and that Rural Health Transformation should be a priority. To your leadership here at the state level in ensuring those dollars are spent the right way. To our leadership at the rural hospital board level where we put the dollars to work for the wellbeing of our communities.

Today, we need your leadership to empower the leadership of one those small-town boards that many of you have sat on. If we can reduce this debt hanging over the hospital coupled with smart, tactical employment of possible Rural Health Transformation dollars coming our way we could completely turn the tide and take Jacobson from surviving to thriving. And maybe, just maybe, even leading the nation as an example of what this entire special session was supposed to be about.

With that, I would like to say thank you to our District 31 Representatives Karen Rohr, Dawson Holle and Senator Don Schaible. I imagine that there are few North Dakotans out there that wonder if their representatives in state government can actually have an impact on their facility or their little world. I don't have that problem; our team of legislators has shown us a herculean effort.

With that, I will stand for questions, and will mention that our new Administrator Kristin Heid, and board Member Dave Marion are here behind me in support of your questions.

Jacobson Memorial Hospital Care Center Bridge Loan Bill

JMHCC, established in 1977, a critical access hospital and clinics serving Grant, Morton, Sioux, Hettinger, and Adams. JMHCC requires a bridge loan of \$5 mil to right-size for future financial sustainability and to continue providing high quality healthcare to SW ND.

JMHCC Economic Impact:

- \$11.2 mil in Direct and Indirect economic impact to the community.
- Largest employer in Grant County (130)
 - 5% of the county population is employed by JMHCC
- (20) Non-JMHCC jobs and (6) other businesses rely on JMHCC for revenue.
- JMHCC employees are the “highest earning” community members equating to property tax revenue of \$200,000+ annually.
- (93) students in surrounding communities have a parent employed at JMHCC.
 - (27) enrolled in Elgin, equating to 10% of the District’s total budget.

Capabilities:

- (30) Bed hospital with clinics in Elgin, Richardton, Glen Ullin.
- (240) Longterm care patients, 5,000 clinic appoints, 800 ER visits annually.
- (2) Advanced Life Support Ambulances (170 annual runs over 900 sq mile coverage).

Contributing Factors to Fiscal Strain:

- Reimbursement rates not meeting operational costs.
- 2022-2024 ineffective rollout and cost (\$750K) of system conversions (EPIC) to modernize billing, patient care, and revenue cycle.
- CEO and CFO departed prior to system conversions being fully implemented.
- Business office personnel shortfalls forced the hire of contractors and consultants for revenue cycle operations which turned out to be ineffective.
- Lack of expertise and training to effectively generate revenue from federal programs such as the 340B program. (340B is now generating \$1 mil+ per year)

Changes Implemented:

- Nov 2025: New Administrator, Kristin Heid appointed to lead JMHCC.
- Nov 2025: Initiated Independent Financial Assessment and Advisement Team
 - Kurt Waldbillig (Sakakawea Medical Center, CEO)
 - Darrold Bertsch (Retired CEO/CFO)
- Dec 2025: New Strategic Plan focused on rightsizing for future financial sustainability while maintaining current capabilities.

- Jan 2026: Phase 1, \$847K in cost saving measures implemented, focused on administrative labor and contracts. Cut CEO position -\$167K, cut consultants - \$190K, -\$116K cut assistant DON, -\$367K revenue cycle restructure savings, limit outsourcing.)
- May-Dec 2026: Phase 2, additional \$511K in rightsizing measures. (Radiology Tech department restructure to permanent personnel, Provider shift adjustments)

Financials:

- JMHCC current operating payroll to payroll bridge loan needed by April 2026.
- Current operating expenses \$12.9 mil vs \$12.1 mil in revenue.
- Bridge Loan will enable rightsizing measures and get JMHCC to cashflow by Dec 2026 (projections: \$11.9 mil operating exp/\$12.1 mil revenue).
- Bridge Loan Request: \$5 mil over 11 years @ 2%
 - Pay off \$2.8mil to Vendors (@7-15%) and \$1.15 mil to First (@7%)=\$3.95 mil
 - Maintain 30 Days Cash on Hand (including 2 payrolls)= \$1.1mil
 - Annual Bridge Loan Payment \$522,000

State of the Hospital and 2026-2027 Strategic Plan



JMHCC BACKGROUND

- Established in 1977, serving Grant, Morton, Sioux, Hettinger, Adams
- (30) bed Critical Access Hospital and Clinics (Elgin, Richardton, Glen Ullin)
- 5,000 Clinic Appts, 240 long-term Patients, and 800 ER Visits Per Year
- 170 Annual Ambulance Runs Provide “Golden Hour” to 900 sq Miles SW ND
- (2) Advanced Life Support Ambulances Under Federally Funded via FCHIP
- Employs (130)
- Economic Impact to Community: \$11.2 mil Per Year
- (93) Students of JMHCC Employees Enrolled in Local Schools.

JMHCC OPERATIONS CHALLENGES 2022-2025

- Clinic Reimbursement Rates vs Operating Costs
- 2022: Financial System Conversions (Sanford/EPIC)
 - Financial Impact
 - Personnel Impact
- Outsourcing Billing and Revenue Cycle to Ineffective Contractors
- Climbing Maintenance, Materials, Services Costs
- 340B: Lack of Knowledge and Training
- Provider Cost: Board Prioritization of Continuity and Quality

FINANCIALS

- Operating Cost: \$12.9 mil per year
- FYTD Operating Margin: -15%
- Cash on Hand: 17 Days
- Debt to Vendors: \$2.8 mil
- Line of Credit: \$1.15 mil to First International Bank & Trust
- Focus Area:
 - Labor was 60% of Operational Cost in 2025
 - Consultants and Contracted Business Office Services was 20% of Labor Costs

KEY ACTIONS TAKEN

- 1) Nov 2025: Leadership Change
- 2) Nov 2025: Independent Financial Assessment (Kurt Waldbillig and Darrold Bertsch)
 - Immediate Implementation of Initial Cost Saving Recommendations
 - COO and CFO Mentorship
- 3) Dec 2025: New Strategic Plan
 - Right-Size to the Healthcare Fiscal Environment/Continue High Quality Care

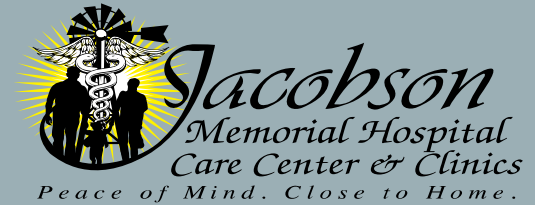
Mission

Provide the highest quality health care delivered by a dedicated and compassionate **Team** that treats the **Community** like family.

Vision

Create a financially sustainable rural critical access hospital that is trusted by its **Team** and **Community**.

Strategic Plan 2026-2027



Key Initiatives

Strategic Priorities

Lines of Effort

Our Team

Education and Training
Retention and Recruitment
Moral and Welfare

Patient Care

Enhanced Patient Experience
Health Services Expansion

Community Engagement

Community Trust
Marketing, Advertisement, Advocacy

Financial Sustainability

Operations Reform + Restructure
JMHCC Foundation Enhancements
Health Care Partnerships

Employee Engagement Program
Advanced HIPPA Training Program
Leadership and Team Building Seminar
Board Education Program

Provider Stability
Customer Service Enhancement Initiatives
Patient Observation and Eligibility Review
Rural Health Transformation Funding Execution
Ignite Patient Experience

Community Health Needs Assessment
Community Engagement Events
Website Revamp
State and Local Government Engagement

Billing and AR Revamp
Restructure and Responsible Spending
Grant and Charitable Giving Initiative
FCHIP Advocacy
CAH Individual Financial & Operational Assessment

NEXT 60 DAYS

- Initial Right-Sizing Cost Saving Measures
 - \$847,000 Annual Savings
- Business Office Restructure and Training
- Community Town Hall and Marketing Strategy
- Sanford Debt Forgiveness Plan
- New Leipzig Ambulance Debt Forgiveness (\$180K)
- Contracts and Services Review
- Maximize 340B Program- Macro Helix
- Grant and Donor Giving Initiative
- Health Needs Assessment/Ignite Patient Experience

Strategic Plan Implementation Timeline



RURAL HEALTH TRANSFORMATION PROGRAM AT JMHCC

- “Strengthen and Stabilize Rural Health Workforce”
 - Provider Continuity and Stability= Community Trust
 - Recruitment and Retention
 - Grow Your Own
- “Bring Quality Health Care Closer To Home”
 - Right Size Remodeling and Technology
 - Diversify Revenue Streams
- “Connect Tech, Data, and Providers for a Stronger ND”
 - Training, Technology, and Resources for Business Office

SUPPORT REQUEST

- Community Support is Priority #1
- Advocacy for Rural Health Transformation Funding for JMHCC
- Advocacy for FCHIP
- \$5 million Bridge Loan Request to Right-Size, Reduce Debt for Long Term Sustainability

BRIDGE LOAN REQUEST

Request: \$5mil Loan/11 years @ 2%

- \$2.8 mil to Vendors (@7-15%) + \$1.15mil to FIBT (@7%) = \$3.95mil

- Maintain 30 days Cash On Hand (including 2 payrolls) = \$1.1mil

- Annual Loan Payment \$552,000

CURRENT STATE

- Revenue Vs Operating Expenses
 - Revenue 4 Year Average \$12.1mil yr
 - Average Operating Expenses \$12.9mil yr

FUTURE STATE

- Right-Sizing Measures
 - Phase 1: Reduce Operating Costs \$12.9 mil to \$12.1mil by May 2026
 - \$847,000 in Administrative Labor, Providers, Contracts
 - Phase 2: Additional \$511,000 Reduction by December 2026
 - Restructure Radiology Tech Dept
- New Operating Margin
 - Dec 2026 \$12.1mil Revenue
 - Dec 2026 \$11.9 mil Operating Expenses

Members of the Joint Appropriations Committee

District 31 legislators are requesting your consideration in bill draft of SB 2403 of an Interim bridge loan for a hospital in our district. The Jacobson Memorial Hospital, in Elgin ND, has experienced a perfect storm of mismanagement from several different administrations, wrong timing of modernized patient care, billing practices and revenue cycle operations that have created a debt load that has made profitable operations unobtainable.

We totally understand that this special session intent was to work the Federal Rural Health Transformation Program, and this type of bill should be introduced in a regular session. Unfortunately, the financial situation that they find themselves in has made this special session most likely their only hope.

The questions that need to be answered is how they got into such Deir Straights so quickly and can their new business plan make the Jacobson Memorial Hospital a viable Health Care System now and well into the future. The answers to these questions will be discussed with further testimony from the Hospital Team.

When this financial issue became apparent, a team of experts was established to suggest the best solution possible. That included Board members from the hospital, COO Kristen Heid, Tim Blasl from the ND Hospital Association, Calvin Hullet from the Bank of ND, and two well respected Administrators, Kurt Waldbillig (Sakakawea Medical Center) and Darrold Bertsch (Retired CEO/CFO) of an Independent Financial Assessment and Advisement Team. This team, with countless meeting and financial reviews, did advise and implement a variety of changes and improvements to their business model. Most of the restructuring of the business model was done over the past few months with most of the suggested improvement already in place. These implemented improvements will restructure a business plan that will provide a profitable market plan but does not address the debt structure and unpaid expenses in the short term. With the outstanding debt load of unpaid bills and a 7% interest rate on the loans has made recovery unattainable. That is when they asked Rep. Dawson Holle, Rep Karen Rohr and me to see if there was some help that the state could provide. SB 2403 is an attempt at that help.

We believe that if the state could provide an interim bridge loan, that debt could be serviced, and a profitable business plan would be in place. It was suggested by the

Bank of ND to look at amending a current Medical Facility Infrastructure Loan Program rather than creating a new loan program. The bill draft before you does just that. Sub section 5 provides the details on how an application, a review process by the bank, and the details of the loan. This loan is up to \$5 million per nonprofit facility of a population of under 2500 people for 11-year period with only the interest being charged the first year. This bill includes a very short window for applications and the program ends June 30, 2027. We had discussion of should a program continue in the future, but we believe that if that would happen, it needs to be discussed and initiated in a regular session. Of course, we don't create legislation for one hospital or for 1 district so this bill does open it to any hospital in the state that is struggling with severe financial trouble. I did ask Legislative Council on the best place to get funding from and they suggested that with a large amount of turn back funds, that the general fund may be the best place. This bill does suggest \$10m that would be available on a first come first served approach with any unused money going back to the general fund. Any amount that would be used as a bridge loan, those payment amount would be returned to the Medical Facility Infrastructure Loan fund. The expiration date is needed to handle the loan requirements until completed and for audit clarification.

A couple of points that I would like to stress is the if our District would lose this Hospital and Clinics, that the immediate and long-term negative effects to Elgin and surrounding community would be devastating. The effect on school funding, nursing homes, local tax base, and the viability of an Advance Care Ambulance Service could be in jeopardy. If the hospital would close, it very likely that not only the Grant County Ambulance Service would not survive which would most likely make the surrounding ambulance services also in jeopardy providing very limited ambulance service between Mandan and Mott.

The Emergency Response Service Committee is tasked with finding ways for the state to incentivize volunteerism for EMS. I have spent a fair amount of time with ambulances and fire departments in my district to see what would provide incentives for people to volunteer for these services. I can honestly say that in this area, it is vital to have Jacobson Memorial Hospital open. In my opinion, if Elgin Hospital were to close it may cost lives. I wish that I did not have to introduce this bill, but this bill may be Jacobson Memorial Hospital last hope, and I hope you can support it. I would be happy to walk through any of the enclosed information and

there many of the planning team behind that would provide more information if need. With that, I will stand for any questions.

Senator Don Schaible District 31

Good Afternoon Chairman, Vice Chair and Committee Members.

For the record, my name is Representative Karen Rohr and I represent District 31. District 31 includes part of Morton County, all of Grant County, all of Sioux County and part of Hettinger County.

I am here in support of SB 2403 relating to a medical facility emergency operating loan program under the medical facility infrastructure loan fund.

I rise today in strong support of this bill appropriating one-time funding for a medical facility operating loan to the Jacobson Memorial Hospital Care Center and Clinic (JMHCC) , a critical access hospital located in Elgin, North Dakota.

I approach this issue not only as a legislator, responsible for stewardship of public resources, but also as a frontline healthcare provider who understands what access to care truly means for rural patients and families.

As a board-certified NP who has practiced in rural healthcare I understand the daily realities faced by patients, providers, critical access hospitals and rural clinics. I have worked as NP at rural clinics located in New Salem, Center, Hebron, Steele and Richardton.

Critical access hospitals are not optional infrastructure in rural North Dakota — they are essential. In communities like Elgin and surrounding communities, the local hospital is often the only source of emergency care, inpatient stabilization, primary care services, and skilled nursing support within many miles. When minutes matter, there is no substitute for a nearby facility staffed by professionals who know their community.

The COO of JMHCC informed me that closure of this facility would have devastating consequences for residents of Elgin, Glen Ullin, Richardton, New Leipzig, Carson, Mott, Flasher and surrounding frontier communities.

As a nurse practitioner, I have seen firsthand the consequences when rural healthcare services are weakened or lost. Delayed care leads to poorer outcomes, higher costs, and unnecessary suffering. Patients with chronic disease go unmanaged. Emergencies become life-threatening due to transport times. Families are forced to travel hours for routine care, which disproportionately impacts elderly residents, farmers, and working families.

2026 JOINT STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

SB 2403
1/21/2026

A BILL for an Act to amend and reenact section 6-09-47 of the North Dakota Century Code, relating to a medical facility emergency operating loan program under the medical facility infrastructure loan fund; to provide an appropriation; to provide a transfer; to provide an effective date; and to provide an expiration date.

8:40 p.m. Co-Chairman Bekkedahl opened the meeting.

Members present: Co-Chairman Bekkedahl, Senators: Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Erbele, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek, Co-Chairman Vigesaas, Representatives: Anderson, Berg, Bosch, Brandenburg, Fisher, Ista, Kempenich, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner, Warrey.

Discussion Topics:

- Jacobson Memorial Hospital
- Longterm Care Patients
- Rural Health Transformation
- Roughrider Network
- Critical Access Hospital

8:40 p.m. Representative Bosch moved to amend and reduce the appropriation from \$10 million to \$5 million in Section 2.

8:40 p.m. Representative Monson seconded the motion.

8:41 p.m. Roll Call Vote

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Randy Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	AB
Senator Robert Erbele	Y
Senator Jeff Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul Thomas	Y
Senator Terry Wanzek	Y

8:41 p.m. Motion passed 14-1-1.

8:41 p.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Zachary Ista	Y
Representative Keith Kempenich	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	AB
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric Murphy	Y
Representative Mike Nathe	Y
Representative Jon Nelson	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Greg Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	Y

8:41 p.m. Motion passed 22-0-1.

8:42 p.m. Representative Bosch moved Do Pass as Amended.

8:42 p.m. Representative Murphy seconded the motion.

8:44 p.m. Roll Call Vote

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Randy Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	AB
Senator Robert Erbele	Y
Senator Jeff Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul Thomas	Y

Senator Terry Wanzek	Y
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8:44 p.m. Motion passed 15-0-1.

8:44 p.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Zachary Ista	Y
Representative Keith Kempenich	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	AB
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric Murphy	Y
Representative Mike Nathe	Y
Representative Jon Nelson	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Greg Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	Y

8:44 p.m. Motion passed 22-0-1.

8:45 p.m. Senator Schaible and Representative Mitskog will carry the bill.

8:47 p.m. Co-Chairman Bekkedahl adjourned the meeting.

Krystal Eberle, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2403

Introduced by

Senator Schaible

Representatives Holle, Rohr

CO
1/21/2026
1 of 3

1 A BILL for an Act to amend and reenact section 6-09-47 of the North Dakota Century Code,
2 relating to a medical facility emergency operating loan program under the medical facility
3 infrastructure loan fund; to provide an appropriation; to provide a transfer; to provide an
4 effective date; and to provide an expiration date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 6-09-47 of the North Dakota Century Code is amended
7 and reenacted as follows:

8 **6-09-47. Medical facility infrastructure loan fund - Medical facility infrastructure loan**
9 **program - Medical facility emergency operating loan program - Continuing appropriation**
10 **- Audit and costs of administration.**

- 11 1. The Bank of North Dakota shall administer a medical facility infrastructure loan
12 program to provide loans to medical facilities to conduct construction that improves the
13 health care infrastructure in the state or improves access to existing nonprofit health
14 care providers in the state. The construction project may include land purchases and
15 may include purchase, lease, erection, or improvement of any structure or facility to
16 the extent the governing board of the health care facility has the authority to authorize
17 such activity.
- 18 2. In order to be eligible under ~~this~~ the medical facility infrastructure loan program, the
19 applicant must be the governing board of the health care facility which shall submit an
20 application to the Bank. The application must:

- 1 a. Detail the proposed construction project, which must be a project of at least one
- 2 million dollars and which is expected to be utilized for at least thirty years;
- 3 b. Demonstrate the need and long-term viability of the construction project; and
- 4 c. Include financial information as the Bank may determine appropriate to determine
- 5 eligibility, such as whether there are alternative financing methods.
- 6 3. A medical facility infrastructure loan provided under this section:
- 7 a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the
- 8 actual cost of the project;
- 9 b. Must have an interest rate equal to two percent; and
- 10 c. Must provide a repayment schedule of no longer than twenty-five years.
- 11 4. A recipient of a medical facility infrastructure loan under this section shall complete the
- 12 financed construction project within twenty-four months of approval of the loan. Failure
- 13 to comply with this subsection may result in forfeiture of the entire loan received under
- 14 this section.
- 15 5. The Bank shall administer a medical facility emergency operating loan program to
- 16 provide emergency operating loans to local nonprofit hospitals located in cities with a
- 17 population of fewer than two thousand five hundred according to the most recent
- 18 decennial census.
- 19 a. To be eligible for an emergency operating loan under this subsection, the
- 20 governing board of a health care facility shall:
- 21 (1) Submit an application to the Bank by March 31, 2026;
- 22 (2) Provide financial information as requested by the Bank to determine
- 23 eligibility, including information on alternative financing and other funding
- 24 sources; and
- 25 (3) Provide an updated operating plan and cash flow projections indicating the
- 26 feasibility of future operations after restructuring and sufficient financial
- 27 resources to address any operating deficit and to repay the loan.
- 28 b. A medical facility emergency operating loan under this subsection:
- 29 (1) May not exceed five million dollars per qualified applicant;
- 30 (2) Must have an annual interest rate that does not exceed two percent; and

1 (3) Must have a maximum term that does not exceed eleven years, unless a
2 shorter term is required based on an analysis by the Bank, with the first year
3 of the loan eligible for interest-only payments.

4 6. The medical facility infrastructure loan fund is a special fund in the state treasury. This
5 fund is a revolving fund. All moneys transferred into the ~~medical facility infrastructure~~
6 fund, interest on moneys in the fund, and collections of principal and interest on loans
7 from the fund are appropriated to the Bank on a continuing basis for the purpose of
8 providing loans under this section.

9 ~~6-7. Funds in the medical facility infrastructure~~ Moneys in the fund may be used for loans as
10 provided under this section and to pay the costs of administration of the fund.
11 Annually, the Bank may deduct a service fee for administering the ~~medical facility~~
12 ~~infrastructure fund maintained under this section.~~

13 ~~7-8. The medical facility infrastructure~~ fund must be audited in accordance with section
14 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on
15 behalf of the fund must be paid from the fund.

16 ~~8-9. The Bank shall deposit loan repayment funds~~ repayments in the ~~medical facility~~
17 ~~infrastructure~~ fund.

18 **SECTION 2. APPROPRIATION - TRANSFER - GENERAL FUND TO MEDICAL FACILITY**
19 **INFRASTRUCTURE LOAN FUND - MEDICAL FACILITY OPERATING LOAN - ONE-TIME**
20 **FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury,
21 not otherwise appropriated, the sum of ~~\$10,000,000~~ \$5,000,000, which the office of
22 management and budget shall transfer to the medical facility infrastructure loan fund for a
23 medical facility operating loan program, during the period beginning with the effective date of
24 this Act and ending June 30, 2027. The appropriation under this section is considered a
25 one-time funding item.

26 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
27 the secretary of state.

28 **SECTION 4. EXPIRATION DATE.** Section 1 of this Act is effective through June 30, 2037,
29 and after that date is ineffective.

**REPORT OF STANDING COMMITTEE
SB 2403**

Joint Appropriations Committee (Sen. Bekkedahl, Co-Chairman) recommends **AMENDMENTS** ([25.1408.01001](#)) and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2403 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

**REPORT OF STANDING COMMITTEE
SB 2403**

Joint Appropriations Committee (Rep. Vigesaa, Co-Chairman) recommends **AMENDMENTS** ([25.1408.01001](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2403 was placed on the Sixth order on the calendar.