

October 2002

COMPARISON OF ESTIMATED AND ACTUAL FTE POSITIONS, EXPENDITURES, REVENUES, AND POPULATIONS AT CHARITABLE AND PENAL INSTITUTIONS FOR THE PERIOD JULY 1, 2001, THROUGH JUNE 30, 2002

This memorandum provides information on estimated and actual full-time equivalent (FTE) positions, expenditures, revenues, and populations at the state's charitable and penal institutions for the period July 1, 2001, through June 30, 2002. Charitable and penal institutions included in this memorandum are:

- School for the Deaf.
- North Dakota Vision Services - School for the Blind.
- Department of Corrections and Rehabilitation - Youth Correctional Center.
- Department of Corrections and Rehabilitation - Prisons Division, which includes the State Penitentiary, Missouri River Correctional Center, and James River Correctional Center.
- Veterans Home.
- State Hospital.
- State Developmental Center.

The significant variances for each institution are explained below.

SCHOOL FOR THE DEAF

Expenditures

The School for the Deaf reported total expenditures of \$2,689,785, \$217,090, or 7.5 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$94,021, or 4.1 percent, less than anticipated due to savings from vacant positions and staff turnover.
- Major improvements - Expenditures for major improvements were \$0, or \$16,466, less than anticipated due to timing of the payment for a door security system and delay in road repair work until the spring of 2003.
- Equipment - Expenditures for equipment purchases were \$19,658, or 51.5 percent, less than anticipated due to the delay of purchase of auditory trainers and a lawn/garden tractor until the second year of the 2001-03 biennium.

Revenues

The School for the Deaf reported total income of \$505,299, \$82,238, or 14 percent, less than estimated. Actual income was less than estimated due in part to:

- Tuition - Tuition collections were \$30,040, or 45 percent, less than estimated, due to the family of one of the two anticipated out-of-state

students becoming North Dakota residents, thus not subject to tuition fees.

- Land Department transfers - Land Department revenues were \$35,264, or 15.2 percent, less than estimated, due to a reduction in investment earnings and less than anticipated transfers from the Land Department to maintain principal balances.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

Expenditures

North Dakota Vision Services - School for the Blind reported total expenditures of \$1,502,257, \$198,531, or 11.7 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries were \$108,928, or 8.2 percent, less than anticipated due to a vacant vision outreach specialist position, which will not be filled because of anticipated future reductions in Land Department revenues, and savings from two FTE teaching positions, which were hired at lower than budgeted salaries.
- Data processing - Expenditures for data processing were \$6,088, or 26.2 percent, less than anticipated primarily due to a decrease in monthly Information Technology Department charges.
- Supplies - Expenditures for supplies were \$26,321, or 50 percent, less than anticipated primarily due to timing of educational supplies purchases.
- Utilities - Expenditures for utilities were \$10,993, or 18.7 percent, less than anticipated due to the mild weather.

Revenues

North Dakota Vision Services - School for the Blind reported total income of \$372,310, \$58,284, or 18.6 percent, more than estimated. The increase in revenues is primarily attributable to interest income collections being \$48,842, or 50.3 percent, more than anticipated due to the timing of payments from the Land Department. Due to the phaseout of federal funding, the Department of Human Services will assume the equipment loan program in October 2002. The school had received approximately \$54,000 per biennium in pass-through funds from the Department of Human Services for this program.

**DEPARTMENT OF CORRECTIONS
AND REHABILITATION -
YOUTH CORRECTIONAL CENTER
Expenditures**

The Youth Correctional Center reported total expenditures of \$5,312,817, \$98,118, or 1.8 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Major improvements - Expenditures for major improvements were \$65,211, or 19.8 percent, less than estimated due to contractors starting extraordinary repair projects (door replacement and heating plant improvements) later than anticipated.
- Data processing - Data processing expenses were \$18,492, or 76.3 percent, less than estimated due to the e-rate discount offsetting T-1 and device charges from the Information Technology Department.
- Utilities - Utilities were \$11,520, or 6.4 percent, less than anticipated due to the mild weather.

Revenues

The Youth Correctional Center reported total income of \$1,121,100, \$16,859, or 1.5 percent, less than estimated. Revenues from the Bureau of Indian Affairs for tribally placed students and from the Bureau of Prisons for federally placed students were \$13,127, or 3.7 percent, less than anticipated primarily due to using a preliminary daily per diem estimate from the rate study to prepare the budget, which was approximately \$20 more than the actual rate (\$140.00 versus \$120.60).

**DEPARTMENT OF CORRECTIONS AND
REHABILITATION - PRISONS DIVISION
Expenditures**

The Prisons Division reported total expenditures of \$23,435,503, \$661,608, or 2.7 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Utilities - Expenditures for utilities were \$120,350, or 13.3 percent, less than estimated due to the mild weather.
- Doctor and hospital services - Expenditures for doctor and hospital services were \$218,838, or 16.4 percent, less than estimated due to delays in the Department of Human Services' processing of Medicaid management information system claims for inmate institutional medical fees (hospital and clinic services) and a change in the billing method for psychiatric services provided at the James River Correctional Center from a flat monthly fee to actual hours worked.
- Medical/dental/optical supplies - Expenditures for medical, dental, and optical supplies were \$252,500, or 35.1 percent, more than estimated due primarily to increases in medication costs for chronically ill inmates. Treatment for hepatitis C for one inmate costs approximately \$30,000

per year. Any savings from other areas will be used to offset the shortage in this line item.

- Equipment - Expenditures for equipment purchases were \$54,425, or 41.7 percent, less than anticipated due to timing of purchases. Savings will be applied to the August 2002, 1 percent budget allotment.
- Repairs - Expenditures for repairs were \$42,972, or 20.5 percent, less than anticipated due to the timing of repair projects.

Revenues

The Prisons Division reported actual income of \$672,437, \$38,033, or 5.4 percent, less than estimated. The reduction in revenues is primarily due to the timing of requesting federal reimbursements and a vacancy associated with a federally funded FTE position.

Population

The average monthly inmate population at the institutions included in the Prisons Division was 1,165, 13 inmates, or 1.1 percent, fewer than estimated. The actual inmate population for the period was less than anticipated; however, the June 2002 population was 1,192, only four less than estimated for the month.

FTE Positions

The average monthly filled FTE positions at the institutions included in the Prisons Division were 344.5, 30.5 fewer than authorized and 2.5 fewer than estimated. The department is authorized a total of 375 FTE positions; however, 28 FTE positions, relating to the seriously mentally ill unit, are authorized only for the last nine months of the biennium. One additional FTE position (increasing the total authorized FTE positions to 376) was transferred to the Prisons Division from Roughrider Industries for a human relations counselor position funded from an Edward Byrnes grant. The Prisons Division, however, was unable to fill the position during the six-month period ended June 30, 2002.

**VETERANS HOME
Expenditures**

The Veterans Home reported total expenditures of \$4,561,379, \$119,776, or 2.6 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$117,501, or 3.5 percent, less than estimated due to less than anticipated expenditures for temporary and overtime wages and employee turnover savings.
- Equipment - Equipment expenditures were \$14,821, or 33.4 percent, less than estimated primarily due to the required availability of special funds and the timing of purchases.
- Travel - Expenditures for travel were \$12,360, or 29.2 percent, more than estimated primarily due to travel related to the performance audit and interim legislative meetings and additional

Administrative Committee on Veterans Affairs meetings.

- Major improvements - Expenditures for major improvements were \$27,507, or 35.7 percent, less than estimated primarily due to the timing of projects and additional research required for the purchase of a whirlpool tub for the skilled care unit.

Revenues

The Veterans Home reported total income of \$2,898,563, \$151,405, or 5 percent, less than estimated. Actual income was less than estimated due in part to the case mix of the patients--federal funds and resident collections were less than estimated and Medicaid collections were more than estimated. Federal funds, which are budgeted evenly throughout the biennium, are expected to increase during the second year of the biennium as a result of increases in the Veterans Administration per diem.

STATE HOSPITAL

Expenditures

The State Hospital reported total expenditures of \$24,823,225, \$723,116, or 2.8 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$870,475, or 4.1 percent, less than estimated due to savings from vacant positions. The Compensation Committee reviews all vacant positions at the State Hospital.
- Professional services - Expenditures for professional services were \$75,128, or 15.8 percent, less than estimated due to not needing contract physician services for the period. In addition, consultants for pharmacy, laboratory, and x-ray services were less than anticipated.
- Building, grounds, vehicle maintenance supplies - Expenditures for building supplies were \$72,294, or 21.1 percent, more than estimated due to costs associated with converting a ward in the GM Building to a secure unit.
- Medical, dental, and optical - Expenditures for medical, dental, and optical were \$56,383, or 7.3 percent, more than estimated due to increases in costs for psychotropic medications.

Revenues

The State Hospital reported total income of \$8,293,119, \$687,453, or 7.7 percent, less than estimated. The revenue shortfall is primarily due to \$1.1 million of underfunding associated with vacant positions. The 2001-03 biennium appropriation reduced general fund support and increased other funds relating to anticipated vacant FTE positions. In addition, there were fewer patients with insurance coverage.

Population

The average monthly patient population at the institution was 171, six patients, or 3.6 percent, more than estimated. The chemical dependency and admissions units were operating at or over capacity during the period.

DEVELOPMENTAL CENTER

Expenditures

The Developmental Center reported total expenditures of \$19,488,527, \$1,069,981, or 5.2 percent, less than estimated. Expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$861,505, or 5.2 percent, less than estimated due to savings from vacant positions. The Compensation Committee reviews all vacant positions at the Developmental Center.
- Major improvements - Expenditures for major improvements were \$89,766, or 18.9 percent, less than estimated due to timing of roofing projects, which will be completed in the second year of the biennium.
- Utilities - Expenditures for utilities were \$53,010, or 7.3 percent, less than estimated due to mild weather.
- Operating fees and services - Operating fees and services were \$68,439, or 35.9 percent, less than estimated due to timing of payments for contracted guardian services and employee licenses.

Revenues

The Developmental Center reported total income of \$12,270,147, \$2,863,502, or 18.9 percent, less than estimated. Actual income was less than estimated due in part to:

- Other funds - Other funds revenue was \$131,295, or 11.5 percent, more than estimated due primarily to additional private pay income received for care and treatment services.
- Federal funds - Federal fund receipts were \$2,994,797, or 21.4 percent, less than estimated primarily due to June Medicaid collections of \$1,000,000 not being received until July. The Developmental Center also budgeted for additional collections from the traumatic brain-injured unit, which was closed in January 2002.

SUMMARY

Total expenditures at the charitable and penal institutions for the period July 1, 2001, through December 31, 2001, were \$81,813,493, \$3,088,220, or 3.6 percent, less than estimated. Total revenues for the same period were \$26,132,975, \$3,781,206, or 12.6 percent, less than estimated.

At the state's charitable and penal institutions for the first year of the 2001-03 biennium, the total average monthly population, including students, residents, and inmates, was 1,734, 31 individuals, or 1.8 percent, fewer than estimated. The total average monthly filled FTE

positions for these institutions were 1,517.58, 95.6 FTE positions, or 5.9 percent, fewer than estimated.

The attached appendix presents comparisons of estimated and actual FTE positions, expenditures,

revenues, and populations for the period July 1, 2001, through June 30, 2002.

ATTACH:1