

COMPARISON OF ESTIMATED AND ACTUAL FTE POSITIONS, EXPENDITURES, REVENUES, AND POPULATIONS AT CHARITABLE AND PENAL INSTITUTIONS FOR THE PERIOD JULY 1, 2003, THROUGH JUNE 30, 2004

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, 2003, through June 30, 2004. 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 \$2,751,271, \$150,180, or 5.2 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$76,112, or 3.2 percent, less than anticipated due to savings from vacant positions and staff turnover.
- Professional services - Expenditures for professional services were \$24,590, or 52.2 percent, less than anticipated due to less than estimated use of contracted audiology time.
- Other expenditures - Other expenditures were \$23,909, or 16.6 percent, less than anticipated due to the delay of purchase of auditory trainers and computers until the second year of the 2003-05 biennium.

Revenues

The School for the Deaf reported total income of \$406,760, \$51,095, or 11.2 percent, less than estimated. The decrease in revenues is primarily

attributable to federal funds collections being \$41,932, or 23.3 percent, less than estimated, due to a reduction of funding for deaf-blind services projects.

NORTH DAKOTA VISION SERVICES -

SCHOOL FOR THE BLIND

Expenditures

North Dakota Vision Services - School for the Blind reported total expenditures of \$1,458,302, \$148,196, or 9.2 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- State employee travel - Expenditures for state employee travel were \$25,051, or 32.7 percent, less than anticipated due to enhancement and development of the outreach program, which allows teachers located in each of the outreach offices (Bismarck, Minot, Fargo, and two in Jamestown) to serve the area population.
- Supplies - Expenditures for supplies were \$17,304, or 32.3 percent, less than anticipated primarily due to timing of educational and library supplies purchases.
- Salaries and wages - Expenditures for salaries and wages were \$53,183, or 4.2 percent, less than anticipated due to the retirement of an employee who was replaced with a lower-paid employee and savings from a vacant .5 FTE position.
- Utilities - Expenditures for utilities were \$27,884, or 44.1 percent, less than anticipated due to a malfunction of the utility meter. The Developmental Center's primary source for electricity, heat, and garbage is from the University of North Dakota. The university repaired the meter in July 2004 but has not indicated if a retroactive adjustment will be made.

Revenues

North Dakota Vision Services - School for the Blind reported total income of \$345,486, \$23,775, or 7.4 percent, more than estimated. The increase in revenues is primarily attributable to receipts from two estates totaling approximately \$20,000, which was not anticipated in the budget.

DEPARTMENT OF CORRECTIONS AND REHABILITATION - YOUTH CORRECTIONAL CENTER Expenditures

The Youth Correctional Center reported total expenditures of \$5,489,647, \$15,250, or .3 percent, more than estimated. Actual expenditures were more than estimated due in part to:

- Other expenditures - Other expenses were \$31,407, or 16.3 percent, more than estimated due to increases in prescription medication prices and in the number of juveniles receiving multiple medications.
- Utilities - Utilities were \$15,408, or 6.9 percent, more than anticipated due to an increase in utility rates.
- Professional services - Expenditures for professional services were \$33,644, or 14.1 percent, less than estimated due to restricting dental procedures for juveniles to only emergency cases, the psychiatric nurse (contracted with Medcenter One) being on maternity leave, the onsite medical physician (contracted with Medcenter One) providing less than the maximum hours of services per the contract due to other obligations, and the need for onsite licensed nurse practitioner services (contracted with Medcenter One) being less than anticipated.

Revenues

The Youth Correctional Center reported total income of \$1,428,630, \$14,333, or 1 percent, more than estimated primarily due to the Title IV-E (foster care) reimbursement rate increasing from 20 to 50 percent. The Title IV-E reimbursements will end during the second year of the 2003-05 biennium. Revenues from the Bureau of Indian Affairs for tribally placed students and from the Bureau of Prisons for federally placed students increased due to a higher than anticipated number of referrals and an increase in the per diem rate from \$120.60 per day to \$146.64 per day.

DEPARTMENT OF CORRECTIONS AND REHABILITATION - PRISONS DIVISION Expenditures

The Prisons Division reported total expenditures of \$27,592,298, \$1,501,769, or 5.2 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Other operating expenses - Other operating expenses were \$1,900,060, or 22.6 percent,

less than estimated primarily due to the delay in sending women to the Dakota Women's Correctional Rehabilitation Center. The women were housed at the James River Correctional Center at a smaller cost per day. Also, because of budget concerns, the department has closely monitored spending. Costs are expected to increase significantly in the second year of the biennium due to additional costs related to housing male inmates at private and county prisons for the full year and all of the women inmates being transferred to the Dakota Women's Correctional Rehabilitation Center as of August 30, 2004.

- Salaries and wages - Expenditures for salaries and wages were \$241,069, or 1.5 percent, less than estimated due to several positions remaining vacant because of a lack of qualified applicants.
- Professional services - Expenditures for professional services were \$569,586, or 41.9 percent, more than estimated due to increased costs for physician services and institutional medical fees (hospital and clinical fees). The department received only two bids from vendors to provide physician services, and the rates were higher than anticipated. Actual institutional medical fees were \$1,122,070, or approximately \$440,000 more than budgeted for the year.

Revenues

The Prisons Division reported actual income of \$809,356, \$78,227, or 8.8 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 1,252, 109 inmates, or 9.5 percent, more than estimated.

FTE Positions

The average monthly filled FTE positions at the institutions included in the Prisons Division were 392.3, 8.7 fewer than estimated primarily due to the department being unable to fill several addiction counselor and social worker positions.

VETERANS HOME Expenditures

The Veterans Home reported total expenditures of \$4,700,065, \$500,430, or 9.6 percent, less than estimated. Actual expenditures were less than estimated due in part to:

- Data processing - Data processing expenditures were \$31,049, or 55 percent, less than estimated primarily due to the costs for the new web site and technology upgrades being less than anticipated.
- Supplies - Expenditures for supplies were \$45,053, or 7.5 percent, less than estimated primarily due to increased emphasis to control costs and timing of purchases.
- Major improvements - Expenditures for major improvements were \$116,574, or 81.1 percent, less than estimated primarily due to the timing of bond payments. The Veterans Home did not receive a scheduled billing during the first year of the biennium.
- Salaries and wages - Expenditures for salaries and wages were \$216,535, or 5.8 percent, less than estimated primarily due to savings from vacant positions, turnover, and from realigning positions within the pay plan.

Revenues

The Veterans Home reported total income of \$3,484,983, \$83,411, or 2.3 percent, less than estimated. Actual income was less than estimated primarily due to timing of Veterans Administration billings and policies for collecting past-due accounts. During the 2003-05 biennium, the administration of the Veterans Home implemented and began enforcing policies for collections of past-due accounts, which previously did not exist or were not enforced.

STATE HOSPITAL Expenditures

The State Hospital reported total expenditures of \$21,062,995, \$4,621 less than estimated. Actual expenditures were less than estimated due in part to:

- Utilities - Expenditures for utilities were \$247,916, or 41.7 percent, less than estimated due to funds received from the Department of Corrections and Rehabilitation for repayment of loans related to the energy improvement program, which began in July 2004, being recorded as credits to utilities expense.
- Major improvements - Expenditures for major improvements were 280,543, or 80.4 percent, less than estimated due to the budget including \$400,000 of funds (for the entire biennium) to remodel the LaHaug Building for a women's prison. Since the LaHaug Building will not be used for a women's prison, the \$400,000 will not be used.
- Salaries and wages - Expenditures for salaries and wages were \$229,043, or 1.3 percent, more than estimated due to early retirements granted to reduce positions to meet budget obligations,

therefore, payout of annual and sick leave. During the second year of the biennium, additional staff will be hired for the sexual offenders program.

- Supplies - Expenditures for supplies were \$350,339, or 21.8 percent, more than estimated due to pharmacy drug costs increasing by 17 percent and higher than anticipated meal costs. Some State Hospital patients require special diets and hospital regulations are more stringent than for prisons.

Revenues

The State Hospital reported total income of \$7,256,137, \$996,543, or 12.1 percent, less than estimated. The revenue shortfall is primarily due to income from Medicare and insurance collections being \$895,314, or 24.3 percent, less than the budgeted amount. The 2003-05 State Hospital budget approved by the Legislative Assembly includes other income of \$680,800 relating to the sale of the LaHaug Building to the Department of Corrections and Rehabilitation. Plans to use the building for a women's prison were not approved; however, the other income authority remains in the State Hospital's budget even though no payment will be received.

Population

The average monthly patient population at the institution was 197, 28 patients, or 12.4 percent, less than estimated due to fewer than anticipated admissions, especially in the first quarter of the biennium. Recent census figures have been increasing steadily. The total patient census as of September 7, 2004, was 225.

DEVELOPMENTAL CENTER Expenditures

The Developmental Center reported total expenditures of \$20,135,091, \$123,165, or .6 percent, more than estimated. Expenditures were more than estimated due in part to:

- Salaries and wages - Expenditures for salaries and wages were \$501,299, or 3.1 percent, less than estimated due to savings from vacant positions. Positions were not filled due to budget constraints.
- Utilities - Expenditures for utilities were \$71,147, or 10.3 percent, more than estimated due to high gas and fuel costs and a breakdown in the coal boiler forcing the Developmental Center to utilize fuel and gas over coal.
- Supplies - Operating fees and services were \$141,995, or 9.8 percent, more than estimated due to increased costs for pharmaceutical, food, and clothing.

- Other expenses - Other expenses were \$312,226, or 30.1 percent, more than estimated primarily due to the increase in the per licensed bed provider tax for intermediate care facilities for the mentally retarded, which is paid to the Tax Commissioner's office, being more than originally estimated.

Revenues

The Developmental Center reported total income of \$14,060,223, \$1,864,691, or 11.7 percent, less than estimated. The revenue shortfall was primarily due to federal funds being \$1,742,387, or 11.9 percent, less than estimated due to declining population; however, a Medicaid rate adjustment will be received in the second year of the biennium.

SUMMARY

Total expenditures at the charitable and penal institutions for the period July 1, 2003, through June 30, 2004, were \$83,189,669, \$2,166,781, or 2.5 percent, less than estimated. Total revenues for the same period were \$27,791,575, \$3,035,859, or 9.8 percent, less than estimated.

At the state's charitable and penal institutions for the first year of the 2003-05 biennium, the total average monthly population, including students, residents, and inmates, was 1,838.76, 49.76 individuals, or 2.8 percent, more than estimated. The total average monthly filled FTE positions for these institutions were 1,463.24, 69.89 FTE positions, or 4.6 percent, fewer than estimated.

The attached schedule presents comparisons of estimated and actual FTE positions, expenditures, revenues, and populations for the period July 1, 2003, through June 30, 2004.

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