

Date January 28, 1985

VISITORS' REGISTER

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

BILL NO. _____

DATE January 28, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Scott Sim	Helena		
Gerald Underwood	5124 FC Aurora Lake		
DEAN HOOVER	Institutions		
W. J. Tension	Mt. Vets Hm.		
GAIL BRIESE	D of I		
Jim Hanken	"		
GEORGE HARRIS	OBPP		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
January 28, 1985

Tape 19, Side B

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Vice Chairman Esther Bengtson on January 28, 1985, at 8:10 a.m. in Room 129 of the Capitol.

ROLL CALL: Chairman Waldron was late. All other members were present. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Office of Budget and Program Planning (OBPP), Carroll South, Director of the Department of Institutions, Mel Mohler, Superintendent for Swan River Forest Camp, Gerald Underwood, Business Manager for Swan River, Pat Estensen, Superintendent of the Montana Veterans' Home, and Paul Vendetti, Business Manager for the Vets' Home.

SWAN RIVER FOREST CAMP

Mr. South gave an overview of this institution. There is a capacity of 50 inmates but there have been as many as 54 inmates at one time. The institution serves minimum security prisoners between the ages of 18 and 25 years old. The courts do not directly place inmates in Swan River but they do, at times, suggest Swan River for an inmate. The decision to place a prisoner at Swan River is up to the Department of Institutions. Dan Russell, Administrator for the Corrections Division, has discretion as to who is placed in Swan River and who is not.

Rep. Menahan asked why inmates have to stay in the Prison for a while before they can be sent to Swan River. Mr. Russell responded that the Department likes to see what kind of behavior an inmate has because of the lax security at Swan River. He said they want to be sure an inmate can be trusted in this kind of a program.

(057) Mr. Wolcott outlined the LFA's current level budget for this institution (Exhibit 1). He noted that the LFA should cut \$4,000 from the utility portion of the budget due to a one-time expenditure which the LFA inadvertently left in the current level base. The facility is budgeted for 49 ADP. There are some federal funds for the vocational education equipment. Overall, there are no major differences in this budget between the OBPP and the LFA.

(130) Mr. Harris outlined the OBPP budget request for this agency (Exhibit 2). He explained that the \$4,000

one-time expenditure was for electrical transformer hookups for the trailer court. Rep. Menahan noted that there was \$9,721 of inmate allowance and gate pay that was not spent. He asked if the Department can use half of this money to increase inmate allowance by \$.25 per day. Mr. South responded that this money was not used this time but he hesitated to use this money in case it was needed for something further down the line. He reiterated what he has said in the past that his policy is not to spend money until the end of the first year of the biennium unless it is necessary. The reason being that, if there should be an emergency which would cost a lot of money, the agency would have the money to deal with the problem. If the agency spent their money at the beginning of the biennium and an emergency should arise, they would be hard pressed to come up with the money. Also, Mr. South said he did not want to raise the allowance unless it was appropriated because, if next session was fiscally tighter, he would hate to have to take away the increase in allowances.

Sen. Bengtson asked if this budget included money for paint. Mr. South responded that, if there was money in FY 84 for paint (which there was not), there would be money in this biennium. While touring this institution, the committee noted that it was in need of painting and general maintenance money.

There was some discussion regarding the EMIT system (urine analysis equipment). The pre-release centers and Swan River are the only institutions which have EMIT systems. The Prison uses the EMIT system at the Butte pre-release center.

(360) Sen. Bengtson asked what kind of in-service training was offered to the counselors. She, and other members of the committee, noted there were some complaints about the counselors' lack of enthusiasm about their jobs. The Corrections Division has a staff trainer and Mr. Russell said Swan River's staff has access to this trainer. Sen. Bengtson felt the staff needed to get a boost in moral and motivation in order to adequately counsel the inmates.

Rep. Menahan heard comments during the tour that Montana's institutions are far better than other states'. Mr. South said, from what he has read about other states, it seems to him that Montana's corrections is far superior. Mr. Mohler said he recently read an article regarding recidivism in Texas and found it to be between 40-60%.

Montana's recidivism rate stands around 23% but Mr. South cautioned that each state calculates recidivism differently so this comparison may not be quite accurate. He noted that the national corrections system is attempting to standardize these kinds of statistics so an accurate comparison can be made.

There was some discussion regarding the educational training. Sen. Bengtson heard complaints that the education program was lacking. She noticed that the encyclopedias were from 1972. Mr. Mohler responded that they average 40 GEDs per year and he felt their education program was very good.

(600) There was some discussion regarding the Special Revenue Fund. This institution has an alcohol counselor who is paid from ADAD funding. They have two AA groups and two meetings per month, one of which is open to the public. Mr. Mohler said people come from as far away as Columbia Falls and Seeley Lake to attend these meetings. He noted that the residents are really pleased with these open meetings.

There was some discussion regarding volunteers to assist at the different institutions. Mr. South said that, legally, state agencies could not really use volunteer labor. He said they were working on language which would make it okay to volunteer as long as a person was working under an umbrella organization.

MONTANA VETERANS' HOME

Tape 20, Side A

(057) Mr. South gave an overview of this institution. It was established in 1896 which is obvious by the age of some of the remaining buildings. He noted that the department would like to demolish some of the buildings but they have not yet received the funding to do so.

The 1981 Legislature provided for a 50 bed addition which brings the number of beds to 66 nursing home beds and 85 domiciliary beds. This facility is licensed as a nursing home so the agency can increase the number of nursing beds if it should deem it necessary.

There are three sources of funding for this agency: VA reimbursement, private reimbursement, and general fund. Unlike other institutions which receive reimbursement, this agency is budgeted for what it is estimated to receive through reimbursement.

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(091) Mr. Wolcott gave an overview of the LFA's current level budget for this institution (Exhibit 3). The Vets' Home is budgeted for an average daily population of 126. He went over the adjustments outlined on page 614 of Exhibit 1.

In the area of Operating Expenses, there is a \$37,000 to \$38,000 difference which is medication and drug supplies. In the past, Fort Harrison supplied medications but they don't anymore. The VA said this should come out of the per diem. The VA won't pay for outpatient care because they feel this also should come out of per diem.

(235) There was a lot of discussion regarding this problem (page 615 of Exhibit 3). The committee discussed the different options and which impact each option would have. Sen. Himsel said he felt the pharmacist position is important because an in-house pharmacist could find generic equivalents to some of the more expensive drugs. If this service is contracted, there was doubt that this would happen. Mr. Estensen said the pharmacist would do other duties besides filling prescriptions. He would be an active part of the treatment team at the Vets' Home.

(530) There was some question that the federal funding may not come in at the anticipated rate due to federal budget cuts. Mr. Wolcott explained that the reason it looks like we have an increase in federal funds, like Title I funds, is because, in the past, we were not sure we could get this money and it was treated as a budget amendment.

(579) There is a difference of \$12,793 in the utilities budget that the LFA is under the OBPP. The old boiler at one time was used to heat all of the old buildings. Now it is only used to heat the chapel and the superintendent's house. Chairman Waldron suggested the committee give the institution money for two small boilers for each of the buildings and shut down the big boiler for good.

(608) Mr. Harris outlined the OBPP's budget request (Exhibit 4). The OBPP budgeted for 126 ADP, not 137 as stated in Exhibit 4. The increases were mostly due to the new wing.

(640) Mr. South noted that the LFA deleted the utilities for all of the old buildings but the chapel and the superintendent's house are still used. This issue will have to be resolved during Executive Session on this agency.

Mr. South also said he felt the 126 ADP rate was short by 10 ADP. The net result would not impact general fund at all but, if the agency is not given the authority to spend the money reimbursed by the VA and private, it could not spend that money.

Side B

There was some discussion regarding the use of the chapel. Mr. Estenson said it is primarily used for religious services, funerals, and AA meetings. Chairman Waldron suggested using one of the many TV rooms for these gatherings. Mr. Estenson said those rooms would be okay for AA meetings and possibly religious services but they would not be big enough for the funerals of which they have about two per month. He also noted that people from town do attend the funeral services.

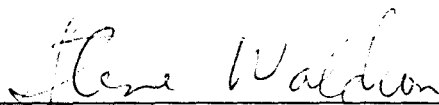
The maintenance person is presently renting the superintendent's house. He pays \$200 per month. Mr. South said it only costs the Department \$240 per month to maintain that house and the maintenance person is given a discount because he has to be on call 24 hours per day.

There was more discussion regarding the boiler. Mr. South said he wants the Architecture and Engineering Division of the Department of Administration to evaluate the problem and offer recommendations. The present system of steam tunnels is very expensive.

(070) The committee discussed how a person comes to live at the Vets' Home. It was noted that Merchant Marines cannot live here. A person has to be honorably discharged from the Armed Forces or the spouse of a veteran. Some residents are referred by the VA hospitals and some by various veterans' organizations.

Being no further business to come before this committee, the hearing was adjourned at 10:10 a.m.

Respectfully Submitted:


Steve Waldron, Chairman

SW/lt

SWAN RIVER YOUTH FOREST CAMP

-----1987 Biennium-----

	<u>FTE</u> <u>FY '87</u>	<u>General Fund</u>	<u>Total Funds</u>
Executive Budget	26.83	\$1,636,209	\$1,818,126
LFA Current Level	<u>26.83</u>	<u>1,664,409</u>	<u>1,844,852</u>
Executive Over (Under) LFA	<u><u>0.00</u></u>	<u><u>\$ (28,200)</u></u>	<u><u>\$ (26,726)</u></u>

The executive budget is \$26,726 under the LFA current level. The difference in total funding is due primarily to a lower inflation factor used by the executive and the executive budget includes more for equipment.

Issue 1: Equipment

The executive includes \$10,200 more for equipment than that included in the LFA current level analysis.

Issue 2: Inflation

The executive budget inflation factors are under the LFA, accounting for approximately \$35,000 difference between the executive budget and the LFA current level.

SWAN RIVER YOUTH FOREST CAMP

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	26.33	26.33	26.83	26.83	1.8
Personal Service	\$608,660	\$616,631	\$643,069	\$644,167	5.1
Operating Expense	239,667	281,670	248,522	242,967	(5.7)
Equipment	11,339	2,815	11,194	3,650	4.9
Inflation	-0-	-0-	19,718	30,972	--
Total Expenditures	<u>\$859,666</u>	<u>\$901,116</u>	<u>\$922,503</u>	<u>\$921,756</u>	<u>4.7</u>
<u>Fund Sources</u>					
General Fund	\$787,552	\$821,875	\$833,502	\$830,344	3.4
State Special	39,673	50,475	52,227	52,738	16.4
Federal Revenue	<u>32,441</u>	<u>28,766</u>	<u>36,774</u>	<u>38,674</u>	<u>23.3</u>
Total Funds	<u>\$859,666</u>	<u>\$901,116</u>	<u>\$922,503</u>	<u>\$921,756</u>	<u>4.7</u>

The Swan River Youth Forest Camp is a minimum security work camp for inmates transferred from the state prison who are between the ages of 18 and 26. The inmates work with the Forestry Division of the Department of State Lands and are involved in several forestry programs such as thinning, seeding and planting trees, and campground and recreational area maintenance.

The facility has an overall capacity of 54 inmates. In fiscal 1984, the camp experienced an average daily population of 49 with a 5.3 month average length of stay. The camp expects to remain at current level through the 1987 biennium.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

The camp had personal services savings from the turnover of six positions during fiscal 1984. Operating savings of \$42,105 occurred in contracted services, supplies, utilities, and other expenses. The camp did not have their biennial audit in fiscal 1984, therefore the \$6,900 will be spent in fiscal 1985. Food costs and janitorial supplies were a total of \$14,527 less than anticipated and utilities were \$10,981 less than budgeted. Inmate allowance and gate pay was \$9,721 less than budgeted and the camp purchased \$2,056 less merchandise for the canteen than anticipated.

SWAN RIVER YOUTH FOREST CAMP

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<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	26.33	26.33	0.00
Personal Services	\$617,234	\$608,660	\$ 8,574
Operating Expenses	273,638	231,533	42,105
Equipment	<u>14,814</u>	<u>11,339</u>	<u>3,475</u>
Total Expenditures	<u>\$905,686</u>	<u>\$851,532</u>	<u>\$54,154</u>
<u>Funding</u>			
General Fund	\$826,700	\$787,552	\$39,148
State Special	50,475	39,673	10,802
Federal Revenue	<u>28,511</u>	<u>24,307</u>	<u>4,204</u>
Total Funds	<u>\$905,686</u>	<u>\$851,532</u>	<u>\$54,154</u>
<u>Additions</u>			
Budget Amendments	-0-	\$ 8,134	\$(8,134)

Swan River Youth Forest Camp submitted budget amendments totaling \$11,732 for ECIA Chapter I funding of educational programs and an Office of Public Instruction vocational education grant. The camp spent \$8,134 of the ECIA funds in fiscal 1984.

Current Level Adjustments

Personal services are increased for the addition of a .5 FTE teacher aide position funded by ECIA Chapter 1. In addition, the substance abuse counselor was vacant five and one-half months during fiscal 1984 and has been included at full cost for the 1987 biennium.

Operating expenses were increased \$16,989 in fiscal 1986 and \$11,434 in fiscal 1987. Contracted services were increased \$8,000 for audit fees and \$1,035 for insurance, but reduced \$1,413 for one-time expenditures associated with the ECIA education program.

Supplies and materials were increased \$3,564 for the purchase of EMIT system supplies (a system to check for substance abuse through urine analysis). These funds were spent in the Corrections Division budget during fiscal 1984. The Corrections Division budget has been decreased \$3,564. Shop supplies have been increased \$2,580 for the vocational education program funded by the OPI grant.

Rent for the facility's copy machine was increased \$705 to annualize the seven month cost in fiscal 1984. The lease purchase contract on this machine expires in December 1986, therefore the annual cost was reduced \$1,005 to reflect

five months of expense in fiscal 1987.

Utilities were reduced \$1,420 as a result of canceling the garbage removal contract and savings in electricity from installing a gas range, oven, and braising pan.

Communications, repairs, and other expenses were reduced a combined total of \$866 for ECIA grant expenses.

Goods purchased for resale were increased \$2,523 to allow sufficient authority within the proprietary fund to purchase goods sold to the inmates. The Canteen Program is a self-supporting activity.

Equipment in the current level budget includes major maintenance and upgrading of a radio base station, a 50 pound capacity washer to replace a machine requiring \$1,200 in repairs during fiscal 1984, office furniture, and a commercial grade coffee machine to replace several small household type coffee pots. The total current level cost is \$6,474 in fiscal 1986. Equipment included in the OPI vocational education grant totals \$4,720 in fiscal 1986 and \$3,650 in fiscal 1987.

Funding

Reimbursement for federal inmate room and board is estimated at \$16,300 in fiscal 1986 and \$16,455 in fiscal 1987 for one inmate during the 1987 biennium. Vacancies within the federal system have reduced the number of federal boarders sent to Montana. In addition, rising populations of the state's own inmates leaves little room for federal boarders.

School lunch funds are declining as a result of fewer school age inmates. Those inmates 21 and older, or that have a GED or diploma, are not eligible for the program. The number of school age inmates in fiscal 1983 was 13, and 9 in fiscal 1984. The agency anticipates school lunch funds of \$5,222 in each year of the biennium for an average of nine school age inmates.

ECIA and OPI funds total \$15,254 in fiscal 1986 and \$17,004 in fiscal 1987.

A substance abuse counselor is funded by the earmarked alcohol funds. The amount included is \$26,227 in fiscal 1986 and \$26,238 in fiscal 1987.

Funding for the Canteen Program is \$26,000 in fiscal 1986 and \$26,500 in fiscal 1987.

SWAN RIVER YOUTH FOREST CAMP

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	26.33	26.33	26.83	26.83
Personal Services	608,659.97	616,631	643,831	644,897
Operating Expenses	239,669.72	281,670	254,403	249,951
Equipment	11,338.70	2,815	21,394	3,650
Total Agency Costs	\$859,668.39	\$901,116	\$919,628	\$898,498
General Fund	787,553.53	821,875	829,998 831,522	806,271.50 808,455
State Special Revenue Fund	39,673.55	50,475	52,238.65/	52,738.65/
Federal & Other Spec Rev Fund	32,441.31	28,766	37,452	39,489
Total Funding Costs	\$859,668.39	\$901,116	\$919,628	\$898,498
Current Level Services	851,534.08	901,116	903,696	880,679
Modified Level Services	8,134.31	0	15,932	17,819
Total Service Costs	\$859,668.39	\$901,116	\$919,628	\$898,498

Agency Description

The Swan River Youth Forest Camp is responsible for developing and maintaining a rehabilitation-oriented program for the youthful offenders (ages 16 through 26) committed to its care and custody. The staff works cooperatively with the Division of Forestry, Department of State Lands. The program for these offenders includes fair and humane treatment in a minimally restrictive setting. The staff provides educational opportunities, psychological services, work programs, training in living skills, and realistic planning for each youth's return to the community. This facility is provided for in section 53-30-202, MCA.

Budget Issues

Modification Requests

Expanded Services

Title I Education Grant. A .50 FTE is recommended to fund a Teacher Aide position. These are federal funds granted to provide educational instruction to the inmates.

Cost: FY 1986 - \$ 8,529 FY 1987 - \$ 8,532

FTE: FY 1986 - .50 FY 1987 - \$.50

Vocational Education Grant. This federally funded grant is recommended for approval. These funds are to be used in providing supplies and equipment for the vocational education program at the Swan River Youth Forest Camp.

Cost: FY 1986 - \$ 7,403 FY 1987 - \$ 9,237

MONTANA VETERANS' HOME

	FTE FY '87	General Fund	Total Funds
Executive Budget	74.50	\$1,091,932	\$3,709,094
LFA Current Level	74.00	879,374	3,580,052
Executive Over (Under) LFA	==.50	\$ 212,558	\$ 129,042

The executive budget is \$129,042 above the LFA current level. The differences in total funding are due primarily to the addition of a .5 pharmacist, pharmacy and medical supplies previously provided by the Veteran's Administration, and basing operating costs on an average daily population (ADP) of 137 in contrast to base of 126 ADP in current level. The following issues reflect the major differences between the executive budget and current level.

Issue 1: Pharmacist

The executive budget adds a .5 pharmacist at a cost of \$25,955 to dispense drugs as a result of the Veterans' Administration discontinuation of this function. The current level analysis presents this as an issue.

Issue 2: Drugs and Medical Supplies

The executive budget includes \$75,362 of drug and medical supply costs as a result of the discontinuation of the service by the Veterans' Administration. The current level analysis present this as an issue.

Issue 3: Average Daily Population

The executive has budgeted for an average daily population of 137 residents while the current level budget is based on 126 ADP. The difference is approximately \$23,000 over the biennium.

Issue 4: Funding

The Veterans' Administration per diem reimbursement included in the executive budget is \$72,986 less than current level while third party reimbursement is \$10,530 less. The executive budget used the agency requested third party reimbursement at 44 percent of total costs. Historically, third party reimbursement collected has been 46 percent of total costs. In the executive budget the Veterans Administration reimbursement was included at the

agency request which was based on actual fiscal 1984 fourth quarter collections, annualized and projected forward to fiscal 1986 and 1987. The LFA analysis based Veterans' Administration reimbursement on projected occupancies of the nursing home and domiciliary at the Veterans' Administration rates.

MONTANA VETERANS' HOME

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	65.68	74.00	74.00	74.00	5.9
Personal Service	\$1,160,605	\$1,355,429	\$1,334,417	\$1,338,600	6.2
Operating Expense	348,588	444,816	401,350	393,528	0.2
Equipment	22,099	1,431	-0-	12,000	(49.0)
Inflation	-0-	-0-	38,520	61,637	--
Total Expenditures	<u>\$1,531,292</u>	<u>\$1,801,676</u>	<u>\$1,774,287</u>	<u>\$1,805,765</u>	<u>7.4</u>
<u>Fund Sources</u>					
General Fund	\$ 556,413	\$ 535,560	\$ 431,188	\$ 448,186	(19.4)
Federal Revenue	<u>974,879</u>	<u>1,266,116</u>	<u>1,343,099</u>	<u>1,357,579</u>	<u>20.5</u>
Total Funds	<u>\$1,531,292</u>	<u>\$1,801,676</u>	<u>\$1,774,287</u>	<u>\$1,805,765</u>	<u>7.4</u>
-----Fiscal 1986-----					
-----Fiscal 1987-----					
<u>ISSUE: Cost (Savings)</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>	
1. Drug and Medical Supplies					
Option a:	\$46,964	\$8,200	\$48,654	\$8,610	
Option b:	\$33,794	\$8,200	\$35,484	\$8,610	

The Montana Veterans' Home provides domiciliary and nursing care to honorably discharged veterans and if space is available to veterans' spouses. An addition to the home was completed in fiscal 1984 increasing the bed capacity to 151, a net increase of 36. Sixty-one of the 151 beds are domiciliary while 90 are nursing care beds. Currently the home is averaging 122 members in residence with 63 in domiciliary and 59 in nursing care.

The home is projecting an average daily population of 126 for the 1987 biennium which is an occupancy rate of 83 percent.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature. The personal services savings was generated as a result of opening the new addition March 20th rather than the anticipated date of February 1, 1984. Language in HB 447 provided for a reversion of \$847.52 per day for the number of days between February 1 and the date opened. The amount of the reversion at \$847.52 per day is \$40,681.

Savings in the operating expenses are a result of the later than anticipated

MONTANA VETERANS' HOME

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opening and a lower than anticipated average daily population. The average daily population for fiscal 1982 and fiscal 1983 up to the opening of the addition was 108. The addition was occupied three months in fiscal 1984 which increased the average daily population to 115.

Equipment expenditures were \$10,000 for a personal computer and \$12,099 was for a new phone system.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	65.68	65.68	0.00
Personal Services	\$1,216,046	\$1,160,605	\$55,441
Operating Expenses	378,576	348,588	29,988
Equipment	30,232	22,099	8,133
Total Expenditures	<u>\$1,624,854</u>	<u>\$1,531,292</u>	<u>\$93,562</u>
<u>Funding</u>			
General Fund	\$ 610,326	\$ 556,413	\$53,913
Federal & Private Revenue	1,014,528	974,879	39,649
Total Funds	<u>\$1,624,854</u>	<u>\$1,531,292</u>	<u>\$93,562</u>

The Montana Veterans' Home has increased direct care staff 1 FTE and decreased support staff 1 FTE. Licensed practical nurses were increased .3 to 6 FTE and nurses aides were increased .7 to 21.23 FTE. Table 1 shows the staff changes.

Table 1
Veterans' Home Staff Changes in Fiscal 1984

<u>Direct Care Staff</u>	<u>Authorized</u>	<u>Actual</u>	<u>Change</u>
Registered Nurses	4.92	4.92	0.00
Licensed Practical Nurses	5.70	6.00	+.30
Nurses Aides	20.53	21.23	+.70
Total Direct Care Staff	<u>31.15</u>	<u>32.15</u>	<u>+1.00</u>
<u>Support Staff</u>			
Food Service Worker	12.30	11.80	-.50
Custodial Worker	7.60	7.10	-.50
Groundskeeper	0.00	.50	+.50
Rehabilitation Aide	0.50	0.00	-.50
Total Support Staff	<u>20.40</u>	<u>19.40</u>	<u>-1.00</u>

Current Level Adjustments

Operating expenses increased \$52,762. The operating adjustments are broken into two types--adjustments for the increased average daily population of 126 and adjustments for changes in services or rates paid for services.

Population Adjustments

The home is projecting an increase of 16 residents for the 1987 biennium as a result of the expansion completed in fiscal 1984. Contracted services have been increased for laundry, medical services, and dental services. The laundry will cost \$3,456 for 16 additional residents. It will require an additional two hours per week for a physician to provide the necessary medical services. A dentist will spend an additional one-half hour per week providing dental coverage. The physician will cost an additional \$4,963 while the dentist will cost \$1,028 more.

The food budget has been increased \$29,093 over fiscal 1984 for an average cost per meal of 75 cents before inflation. The food increase is due to serving 19,753 additional resident and staff meals in fiscal 1986 than fiscal 1984 and accounting for costs incurred but not shown in SBAS due to food inventory changes.

Electricity usage has increased with the new addition. The usage is expected to reach 900,000 kilowatt hours compared with 759,640 in fiscal 1984. The increase in usage will cost \$6,415.

Additional linens and bedding were included at \$542.

Service or Rate Adjustments

Professional contracts were decreased \$3,426 to \$1,848. This will provide dietitian coverage eight hours per month. Insurance fees charged by the Department of Administration increased \$2,083 to \$4,915 in fiscal 1986 and will cost \$5,093 in fiscal 1987. Fees charged by the legislative auditor for the biennial audit are \$8,000. The home did not have an audit in fiscal 1984.

Water and sewer rates for the home were increased from \$678.30 per month to \$812.25 per month. The total increase is \$1,608 per year. Fiscal 1984 relocation costs of \$1,000 were removed from the base.

Funding

The Montana Veterans' Home has four sources of funding: general fund, Veterans' Administration per diem reimbursement, private third party reimbursement and land grant funds. The Veterans' Administration per diem rate

has increased from \$12.10 per day for nursing home care and \$6.35 for domiciliary care to \$17.05 and \$7.30, respectively. The private reimbursement pays approximately 46 percent of the expenditures.

Issue 1: Assumption of Drug and Medical Supply Costs

In prior years, the federal veterans' hospital has filled prescriptions and provided medical supplies for the members of the Montana Veterans' Home. The federal Veterans' Administration determined that the cost of these items should be part of the per diem reimbursement and as of July 1, 1984 will no longer supply these items. Officials at the federal Veterans' Administration hospital estimated the fiscal 1984 drugs and supplies provided to the veterans' home at \$38,640.

The veterans' home has requested to increase the supply budget to cover the additional cost with third party reimbursement picking up \$8,200 and general fund the balance. In addition, the home has requested a half-time pharmacist to dispense the drugs at a general fund cost of \$13,170.

Option a: Fund the additional drugs and medical supplies and the half-time pharmacist as requested. This option would cost \$55,164 in fiscal 1986 and \$57,264 in fiscal 1987 with inflation. The general fund cost is \$46,964 in fiscal 1986 and \$48,654 in fiscal 1987.

Option b: Fund the cost of the drugs and supplies, but have a local pharmacist prepare the prescriptions. This option could cost \$41,994 in fiscal 1984 and \$44,094 in fiscal 1987. The general fund costs would be \$33,794 and \$35,484 in each fiscal year respectively.

Option c: Do not fund the additional drugs and supplies. This option would require members to acquire and pay for drugs and medical supplies from local pharmacies.

VETERANS HOME

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	65.68	74.00	74.50	74.50
Personal Services	1,160,602.21	1,355,429	1,360,111	1,364,645
Operating Expenses	348,583.35	444,816	491,601	484,217
Equipment	22,099.00	1,431	0	8,520
Total Agency Costs	\$1,531,284.56	\$1,801,676	\$1,851,712	\$1,857,382
General Fund	556,408.77	535,560	543,761	548,171
Federal & Other Spec Rev Fund	974,875.79	1,266,116	1,307,951	1,309,211
Total Funding Costs	\$1,531,284.56	\$1,801,676	\$1,851,712	\$1,857,382
Current Level Services	1,531,284.56	1,801,676	1,838,737	1,844,402
Modified Level Services	0.00	0	12,975	12,980
Total Service Costs	\$1,531,284.56	\$1,801,676	\$1,851,712	\$1,857,382

Agency Description

The Veterans' Home provides a home for qualified veterans, and in some instances, for spouses of eligible veterans. In addition to the domiciliary, there is extended care available for those requiring nursing care. This facility is provided for in 10-2-401 through 10-2-404, MCA.

Budget Issues

This budget recommendation reflects staffing and operational costs for the new wing at the Montana Veterans' Home. The new wing became operational in the last 3 months of FY84 and is budgeted for the entire year during FY86 and FY87. The new wing facilitates 50 new beds. There were 14 beds in the old domiciliary unit which was closed down when the new wing was completed in FY84. Thus, there is a net increase of 36 beds for additional residents.

The Veterans' Home is budgeted for an average daily population (ADP) of 137 members in FY86 and FY87. This reflects 74 members in domiciliary and 63 members in nursing.

The full time employees (FTE) increased from 65.68 in FY84 to 74.00 in FY86 and FY87 in the current level budget. This is an increase of 8.32 FTE which are necessary to staff the new wing.

Modification Request

New Service

Pharmacist position. The funding for an additional .50 FTE Pharmacist is recommended for this Institution. This would bring the facility's total FTE to 74.50. Historically, the Veterans' Administration has provided free prescriptions to eligible veterans at the home. The administrator of the Veterans' Home was notified by the Veterans' Administration at Fort Harrison in June 1984 that this

VETERANS HOME

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	65.68	74.00	74.50	74.50

practice would be discontinued. In order to continue the pharmaceutical services provided to the members, a half-time pharmacist is recommended.

The option to this request is to have members purchase their prescriptions locally for the full retail cost and reduce their board bills. This would result in a decrease in third party reimbursement of revenue to the State. The loss of such revenues would result in increased general fund support or discontinued services. However, standards require that pharmaceuticals be properly dispensed by a pharmacist.

Costs: FY86 - \$ 12,975 FY87 - \$ 12,980