

MINUTES

THE DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES BOARD OF TRUSTEES MEETING

JANUARY 30, 1990

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mr. Dan Dominey, Vice Chairman
Mrs. Gaffney Phillips, Secretary
Mr. Ward R. Burke
Nancy Speck, Ph.D.
Rev. Robert Carter

BOARD MEMBERS ABSENT:

Charles English, Treasurer
Mrs. Bobbie Morgan
Mrs. Nancy Fuller

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. Tim Richerson	MHMR
Mr. Gorge Patterson	MHMR
Mr. Joe McCulley	MHMR
Mrs. Sandy Vann	MHMR
Mr. Jimmy Griffith	Everett Griffith, Jr. & Associates
Mr. Steve Bartlett	East Texas Engineering

The 209th meeting of the Board of Trustees was held in the Ward R. Burke Community Room of the Central Administration Facility, 4101 South Medford Drive, Lufkin, on Tuesday, January 30, 1990 at 4:00 P.M.

INVOCATION: Reverend Robert Carter gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 4:00 P.M. He welcomed Steve Bartlett of East Texas Engineering who was in attendance to answer questions from the Board regarding the Alpha House asbestos problem.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the December Board Meeting, on a motion by Rev. Carter, seconded by Mr. Dominey, the Board unanimously approved the Minutes of the December 21st Board Meeting.

SPECIAL REPORT

Mr. Burke gave a report on the activities of the Texas Council over the past year as reported by Spencer McClure (see attached). He stated that highlights of the Council's past year included the bond program, the risk management fund, a retirement program for community center employees, a \$10 million pay increase for community centers, increased rates for ICF facilities, and improved relations with state agencies such as DHHS, Health Department, and TDMHMR.

Judge Sturrock reminded Board members that the Texas Council Board Training Conference is being held in South Padre Island June 27-30, and strongly recommended that members make every effort to attend.

CHIEF EXECUTIVE OFFICER'S REPORT:

1. Mr. Burke, Susan Rushing, and I attended the Angelina County Commissioners Court meeting in January to present them with their plaque of appreciation, and we will attend the Tyler County Commissioners Court meeting on February 12th.
2. Groveton Pallet Company, our Affirmative Business, is doing well and we are evaluating the feasibility of building traffic cones and looking into other possible affirmative business ventures. Samples of fishing baits that clients are now packaging were available for Board members to see.
3. Dr. McDermott introduced Jimmy Griffith of the engineering firm Everett Griffith, Jr. and Associates. Jimmy has been working on the sewer system problems at Peavy Switch and had earlier provided several options for the Board to consider. One of those options had been to hook into the City of Hudson's sewage system. Jimmy has talked with City officials who have agreed to accept our waste and treat it; however, MHMR will be responsible for operation and maintenance of the system. The City of Hudson will allow City employees to do some maintenance work for us and will charge us for the exact costs they incur on that maintenance. Installation of the line will cost us \$93,000, and in addition we will pay the City a monthly fee of \$350 for the sewage rate, electrical costs, and operation and maintenance. Last month Board members approved having Jimmy Griffith work with the City of Hudson on this issue, and although the costs are higher than we had anticipated, Board members want him to proceed with the City. He was asked to prepare an agreement between the City of Hudson and the Center, and that agreement must be reviewed by Wayne Haglund.

4. Call on Directors for reports:

Chief Financial Officer

- a. Local Match Report: Hardin, San Augustine, Houston, Jasper, San Jacinto, Polk, Newton, Trinity, and Tyler Counties have paid their pledges in full, and Sabine County has paid half of their pledge. A request for payment has been mailed to Shelby County. We expect to hear from Nacogdoches County soon now that they have had their roll-back election.

Chief Operating Officer

- a. Report on Joint Conference Committee: Pineywoods Hospital and Peavy Switch Recovery Center are in the black. Peavy Switch has 25 clients at the facility now, and construction of the Ropes course is complete.
- b. Update on Physicians: Dr. Bolsh probably won't be coming to work for us, and Dr. Sarkari has written that he just cannot accept the compensation package we can offer. We're talking with Dr. Pack in Nacogdoches, and Dr. Speck offered to meet with him to further discuss this issue.

Director, Quality Assurance and Staff Development

- a. The TDMHMR Management Audit team will be here to audit our Center on February 12th. They expect the audit to take two weeks.

Director, Human Resources and Business Planning

- a. We will see an 83% increase in Workers Compensation Premiums this year due to the high rate of claims. Although our Center had very few claims, other centers experienced a high rate of claims this past year.
- b. For the first four months of this fiscal year, we are running slightly ahead of costs on our health insurance. However, we expect a couple of large claims next month, but will keep the Board informed.
- c. EEOC has found us "not guilty" in the Robert McGinnies discrimination charge; Betty Griffin has filed a federal suit against us for discrimination charges, and we have received a lawsuit from Mary Chandler of San Augustine County who claims that the 1988 accident involving a Center vehicle and her vehicle has not been resolved to her satisfaction.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

In order that Steve Bartlett could make his presentation and leave, item IV-B-2 was discussed at this time.

Consideration of Asbestos Abatement Project: On a motion by Mr. Burke, seconded by Mr. Dominey, the Board unanimously approved the following revised resolution:

RESOLVED, by the Board of Trustees, THAT the Board hereby authorize the Chief Executive Officer to proceed with the project to abate the presence of asbestos in the Alpha House Residential Care Unit at a cost not to exceed \$25,020 for a full abatement; THAT such abatement project be completed and documented by an asbestos professional prior to any renovation work being done at the site; and THAT Steven R. Bartlett, P.E. with the firm of East Texas Engineering and Survey, Incorporated, be retained to provide overall supervision of the abatement project, and subject to approval by attorney Wayne Haglund.

Mr. Bartlett reported that he has performed an inspection of the facility and removed samples of several types of materials to have inspected for asbestos. What they found is that the vinyl asbestos floor tile is clear of asbestos, but the glue underneath the tile has asbestos at a low level. He explained that because of the proposed renovations that would disturb the tile, we must remove the asbestos material. If renovations could be made that would not disturb the asbestos material, the abatement project would not be necessary. Board members recommended that we do the complete abatement project at this time and have the facility completely free of asbestos materials. Mr. Bartlett will put together the bid process and let us review the documents. Joe McCulley is to see that Wayne Haglund also reviews all documents of this project.

Budget and Finance Committee - Judge Charles English, Chairman

Consideration of Treasurer's Report: On a motion by Mr. Dominey, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Balance Sheet, Operating Statement, Statement of Changes in Fund Balance and Reserve, Internal Advances - Accounts Receivable, Internal Advances - Accounts Payable, and Budget Summaries of Receipts and Expenditures for the month of December, 1989, be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of

this Board Meeting.

Consideration of FY 1990 Contract for Services Attachment IV: On a motion by Mrs. Phillips, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the FY 1990 Contract for Services, Attachment IV, be approved as submitted; THAT the Board Chairman be authorized to sign the Attachment; and THAT a copy of the document be maintained on file in the office of Business Services.

Consideration of Bids for Renovation of Kirbyville Group Home: On a motion by Mr. Dominey, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from Napoleon Davis for renovation of the Kirbyville Group Home be accepted, and THAT copies of the bids be maintained on file in the office of Business Services.

Consideration of Purchase of Telephone System for Family Support Services: On a motion by Mrs. Phillips, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from Horton Telephone Sales & Service in the amount of \$3,465.00 for a telephone system for Family Support Services be approved, and THAT copies of the bids be maintained in the office of Business Services.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Nominees to Professional Staff Organization: On a motion by Mr. Burke, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the applications for appointment/reappointment to the Professional Staff Organization (PSO) by the individuals on the attached list be approved, and THAT the list be a part of the permanent Minutes of this meeting.

Consideration of Aftercare Services Proposal: On a motion by Mr. Burke, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Aftercare Services Proposal to TDMHMR be approved as submitted, and THAT a copy of the proposal be maintained on file in the office of Business Services.

Consideration of Revised Board Policy: On a motion by Mr. Burke, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Board Policy D-9 entitled, "Reimbursement for Travel, Lodging, Meals, and Other Related Expenses", be revised as submitted; THAT Board Policy D-12 entitled, "Executive Staff Benefit Program", be deleted; THAT each Board member receive a copy of the revised Policy; and THAT a copy of the revised Board Policy Manual be kept on file in the office of the Chief Executive Officer.

Dr. McDermott reported that when he wrote this document, he was asking for a monthly car allowance instead of the use of a Center vehicle. He explained that he has changed his mind about receiving a car allowance and would prefer once again to have a company car. The vehicle currently assigned to him has just been sold. The car is two years old and has over 65,000 miles on it. Bids were requested, with a minimum bid requirement of \$8,000, and the car sold for \$10,057.00. The loan payoff is \$6,666.60, which means that the Center made \$3,390.40. Next month, the Board will be asked to approve the purchase of a Buick LeSabre for Dr. McDermott's use. We are selecting this automobile due to the past positive experience of the car, as well as its resale value and the need for a large vehicle. The Business Office will solicit bids from Buick dealers in the region.

Dr. McDermott reported that although the Board has approved his use of the car for personal travel, he would like to begin paying the Center a monthly fee for that use, which includes periodic use by his wife. Board members stated that the use of a Center vehicle is a fringe benefit they provide to him and is so stated in his contract, and they do not want him paying the Center for any personal use of the automobile.

Consideration of Participation in the Texas Mental Health Managed Care Group: On a motion by Mr. Burke, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Chief Executive Officer be authorized to sign a Letter of Agreement with six other mental health care providers to participate in an initial study regarding the formation of a

Texas mental health managed care group, and
THAT a copy of the Agreement be kept in the
office of the Chief Executive Officer.

Consideration of Membership in the Affirmative Business Alliance of
North America: On a motion by Mr. Burke, seconded by Mrs. Phillips,
the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the
Center become a charter member in the Affirmative
Business Alliance of North America (ABANA); THAT
Jim McDermott, Chief Executive Officer, be
authorized to be a founding Board member for
ABANA; THAT the Chief Executive Officer be
authorized to pay a \$2,500 membership fee for
1990; and THAT copies of membership, credentials,
and correspondence regarding ABANA be kept in the
office of the Chief Executive Officer.

Personnel and Public Education Committee - Reverend Robert
Carter, Chairman

There were no personnel matters for Board consideration.

INVITE COMMENTS FROM VISITORS: There were no comments from visitors
at this time.

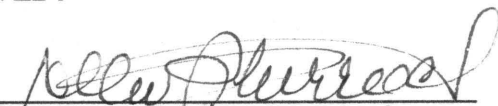
DESIGNATION OF DATE, TIME, AND LOCATION OF NEXT BOARD MEETINGS:

The schedule for the Board meetings for February and March was set
as follows:

Tuesday, February 27, 1990
Tuesday, March 27, 1990

Committee meetings will begin at 3:30 P.M., and the Board Meeting
will begin at 4:00 P.M. on February 27th.

APPROVED:


Judge Allen Sturrock, Chairman


Gaffney Phillips, Secretary

January 1990
Volume 14 Number 1

The Curriculor

A publication of the Texas Council of Community MHMR Centers, Inc.
7700 Chevy Chase, Suite 310, Austin, Texas 78752, Phone 512/458-4159
Martha Tevis, Ph.D., Editor

EXECUTIVE DIRECTOR'S END OF YEAR REFLECTION

Calendar year 1989 has just ended. The eighties are over - the nineties begin. The eighties were good to the Texas Council of Community MHMR Centers. It came into its own maturity during this decade. Those trustees who created the Texas Council some thirteen years ago and guided it through some of its more stormy passages should feel a great sense of accomplishment. They have also served as the mentors to a "new breed" of trustees now appearing on the scene. The strength of the local board system is the strength of the Texas Council; and the primary role of the Texas Council is to be an arm of the local boards - to work on their behalf. Grass roots citizen input via volunteer community MHMR center board members will continue to be the paramount value of this organization in the coming decade.

The year 1989 saw the expansion of the Texas Council initiatives into the arena of health insurance and a pension fund. The earlier development of the Texas Council Risk Management Fund into workers compensation, liability and property insurance coverages saved the centers over \$700,000 a year in insurances. Last year also witnessed all member centers of the Texas Council participating in the insurance risk management fund. The creation of a pooled health insurance initiative and the development of another board for the administration of pension funds invested on behalf of the centers will equally save centers' funds and provide an improved quality of service.

Also, the second capital financing pool was closed in October and brought the total amount of bonds issued to member centers of the Texas Council to over \$53 million. In

End of Year Reflections (cont'd)

the main, these funds were for new construction of facilities needed by centers, ranging from housing to outpatient clinics. Also, some centers used the lower interest rates achieved through this AAA rated bond program to refinance other loans. Such refinancing has saved the centers substantial funds otherwise used for higher interest payments. These "saved" funds - over \$1 million - will be reallocated to client services by the local centers.

I continue to be impressed with the fact that the Texas system of community MHMR centers is very sound in its structure and governance. Otherwise, we couldn't have been as successful in issuing bonds on behalf of these centers. This is the only bond issue of its kind in the country where the centers, not the state, are uniquely held responsible for paying the bond trustee on their own behalf. This arrangement was only agreed to by "Wall Street" after extensive analysis of the Texas Community Center system and the fiscal and management practices of each center which applied for funds. After examining the interdependence between the state MHMR system and the local community MHMR center, Wall Street professionals concluded that Texas Centers were a reliable investment. They were particularly impressed by center accountability and the fact that centers are fiscally sound and well managed.

A less visible "product" rendered to the local boards (than insurance and bonds) by the Texas Council - but as important - is our lobbying effort with our Legislature and State agencies. A major byproduct of this effort has been increased funding for centers. The last Legislature substantially increased appropriations to the centers. When both years of the biennium are considered, over \$70 million of increased funds over fiscal year 1989 will be noted in the TDMHMR budget. (Most of the increases will be in FY 1991.) This also reflected a \$10 million pay increase for the centers which the Texas Council pushed through at the last minute of the regular session. Increases in the budgets of the Texas Commission on Alcohol and Drug Abuse and agencies of the criminal justice system were also in part the result of our lobbying.

The Texas Council also prepared a legal brief on the low ICF-MR rates for the six-bed programs, which eventually saw results last year after many meetings with DHS and TDMHMR board members. Two rate increases finally got the ICF-MR rates where they are now considered reasonable. Other Medicaid developments were in part played out during the session. We "sponsored" riders in the Appropriations Bill requiring DHS to have amendments to the Medicaid State Plan made by December 15, 1989, which would include case

End of Year Reflections (cont'd)

management, screening and diagnostic services, and rehabilitation services. Funds should begin to be available for these services this year.

Relations with the state agencies continue to improve. Friction that was noted between some centers and TCADA in the 70th Legislative Session has dissipated completely under the leadership of Bob Dickson. The new Commissioner at DH, Ron Lindsey, is the first from that agency to understand the governance and financing of community MHMR centers and the importance of increased Medicaid funding for these centers. Max Arrell, a longstanding friend of community MHMR centers, continues with his support as Commissioner of the Texas Rehabilitation Commission. And Denny Jones, who is into his second year as Commissioner of TDMHMR, has exhibited genuine understanding and support of the centers. Two of these agency heads have been executive directors of community MHMR centers - all four are supporters. These four agencies represent almost all of the state funds and federal block grant funds into the centers' budgets.

Securing funds for centers continues to be an important part of what we and the state agencies do on behalf of clients. Yet vision as to what the system of services should be is equally as vital. In January of last year the Council adopted "Vision 2000" which was developed by trustees, directors, state agency and legislative staff, and represents a shared vision which has been endorsed at the local board level. Other documents developed and adopted by the Texas Council and distributed to local boards are: "Board Member Selection Criteria" and "Ethics and Business Practices for Board Members." These documents were precursors to legislation such as S.B. 1426 which required local sponsoring agencies to develop criteria for selection of board members and also anticipated the ethics in government movement as advanced by Common Cause.

During the coming year many of the initiatives which are currently under study will unfold: a state wide technical assistance program, a pooled design and operation of center computer systems, a uniform fiscal/program definition and a uniform cost accounting system for centers, an improved contracting process, and improved standards of care. On balance, 1989 was a very fruitful year. We all look forward to the coming years with anticipation that the Texas Council's effectiveness as an organization will continue.

401(a) - ERISA

401(R) - for Prop

402(b) - not Prop

(45) - Down

FINAL
1/30/90

IV. CHIEF EXECUTIVE OFFICER'S REPORT:

1. Discussion of Peavy Switch Sewage (call on Jimmy Griffith)
2. Theft at CA/Special commendation to people at Chevron
3. Visited Angelina County Commissioners Court in January, and will attend Tyler County Commissioners Court on February 12th
4. Discussion of Management Workshop/Adolescent Grant
5. Call on Directors for Reports

Chief Financial Officer

- a. Local Match Report: Hardin, San Augustine, Houston, Jasper, San Jacinto, Polk, Newton, Trinity, and Tyler Counties have paid their pledges in full, and Sabine County has paid half of their pledge. A request for payment has been mailed to Shelby County. We expect to hear from Nacogdoches County now that their roll-back election has passed.

Chief Operating Officer

- a. Report on Joint Conference Committee
- b. Update on Physicians

Director, Quality Assurance and Staff Development

- a. TDMHMR Management Audit scheduled for February 12-23rd

Director, Human Resources and Business Planning

- a. Increase in Workers Compensation Premium
- b. Update on health insurance program

DEEP EAST TEXAS REGIONAL MARR SERVICES

REVENUE BY FUND

9/1/89 - 12/31/89

SOURCE	ANNUAL BUDGET	Y-T-D REVENUE	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	DECEMBER REV RCPTS*	DECEMBER REV RCV'BLE	DECEMBER REVENUE	DECEMBER OVER(UNDER)
LOCAL:									
ANGELINA COUNTY	29,286	9,762	19,524	0	2,441	0	2,441	2,441	0
HARDIN COUNTY	14,532	4,844	9,688	0	1,211	1,211	0	1,211	0
HOUSTON COUNTY	6,584	2,195	4,389	0	549	549	0	549	0
JASPER COUNTY	11,595	0	11,595	(3,865)	966	0	0	0	(966)
NACOGDOCHES COUNTY	12,000	0	12,000	(4,000)	1,000	0	0	0	(1,000)
NEWTON COUNTY	3,000	0	3,000	(1,000)	250	0	0	0	(250)
POLK COUNTY	9,846	0	9,846	(3,282)	821	0	0	0	(821)
SABINE COUNTY	2,838	946	1,892	0	237	946	0	946	709
SAN AUGUSTINE COUNTY	2,802	934	1,868	0	234	934	0	934	700
SAN JACINTO COUNTY	4,107	0	4,107	(1,369)	342	0	0	0	(342)
SHELBY COUNTY	6,400	2,133	4,267	0	533	0	533	533	0
TRINITY COUNTY	5,127	1,709	3,418	0	427	0	427	427	0
TYLER COUNTY	7,609	2,536	5,073	0	634	0	634	634	0
CLIENT GOVERNMENTAL BENEFITS	119,628	39,849	79,779	(27)	9,969	9,737	0	9,737	(232)
CLIENT WORKSHOP FEES	0	9,563	(9,563)	9,563	0	1,301	0	1,301	1,301
COURT COMMITMENT INCOME	20,000	5,555	14,445	(1,112)	1,667	720	800	1,520	(147)
DEBT PROCEEDS	0	124,401	(124,401)	124,401	0	7,468	0	7,468	7,468
DHS PROTECTIVE SERVICES	5,700	42	5,658	(1,858)	475	(3)	0	(3)	(478)
DHS PROTECTIVE SVCS-IN HOME	148,091	44,154	103,937	(5,210)	12,341	0	12,998	12,998	657
DONATIONS	952	0	952	(317)	79	0	0	0	(79)
FARM INCOME	0	351	(351)	351	0	1	0	1	1
FOUNDATION GRANT	735,200	80,796	654,404	(164,271)	61,267	29,723	0	29,723	(31,544)
ICF-MR	883,842	320,768	563,074	26,154	73,654	(12,191)	84,641	72,450	(1,204)
INTEREST INCOME	90,908	57,604	33,304	27,301	7,576	17,220	0	17,220	9,644
KITCHEN REVENUE	7,000	1,665	5,335	(668)	583	350	0	350	(233)
MANAGEMENT FEES	2,000	400	1,600	(267)	167	200	0	200	33
MISCELLANEOUS	3,800	6,043	(2,243)	4,776	317	611	0	611	294
NACOGDOCHES ISD	6,740	2,750	3,990	503	562	0	687	687	125
PATIENT FEES	916,622	283,791	632,831	(21,750)	76,385	63,904	0	63,904	(12,481)
PINEYWOODS ANNEX	42,772	0	42,772	(14,257)	3,564	0	0	0	(3,564)
SALES REVENUE	53,460	2,196	51,264	(15,624)	4,455	2,196	0	2,196	(2,259)
SEMINAR FEES	5,000	408	4,592	(1,259)	417	0	0	0	(417)
STATE DEPT OF HIGHWAYS	555,644	170,287	385,357	(14,928)	46,304	4,011	29,072	33,083	(13,221)
SURPLUS REVENUE	20,000	5,337	14,663	(1,330)	1,667	137	0	137	(1,530)
VOCATIONAL SERVICES	3,000	3,222	(222)	2,222	250	333	722	1,055	805
WORKSHOP PRODUCTION	246,040	94,216	151,824	12,203	20,503	14,925	4,566	19,491	(1,012)
STATE:									
DHS ADULT DAY CARE	37,000	15,016	21,984	2,683	3,083	0	3,104	3,104	21
DHS CHILD DAY CARE	216,885	69,547	147,338	(2,748)	18,074	193	17,010	17,203	(871)
EARLY CHILDHOOD INTERVENTION	516,654	141,968	374,686	(30,250)	43,055	0	39,774	39,774	(3,281)
GENERAL REVENUE	3,720,913	1,240,304	2,480,609	0	310,076	310,076	0	310,076	0
JTPA	500	271	229	104	42	111	0	111	69
LELSZ	891,332	248,419	642,913	(48,692)	74,278	67,540	0	67,540	(6,738)
PROBATION DEPT.	190,000	71,050	108,950	11,050	15,000	0	14,400	14,400	(600)
RAJ	984,224	332,238	651,986	4,163	82,019	895	82,019	82,914	895
RIDER 3B (LIAISON)	80,000	55,962	24,038	29,295	6,667	(2,871)	14,988	12,097	5,430
SYETP	28,000	4,950	23,050	(4,383)	2,333	0	0	0	(2,333)
TX REHABILITATION COMM.	36,055	30,990	5,065	18,972	3,005	(50)	3,350	3,300	295
FEDERAL:									
CHAPTER I	32,875	9,506	16,414	5,503	2,740	4,032	0	4,032	1,292
CHAPTER I CARRYOVER	28,838	16,461	(152,526)	171,751	2,403	(1,302)	6,301	4,999	2,596
HCS	509,668	181,364	328,304	11,475	42,472	(101)	43,287	43,186	714
HUD GRANT	157,419	0	157,419	(52,473)	13,118	0	0	0	(13,118)
MHBB	216,639	72,366	144,273	153	18,053	18,206	0	18,206	153
TCADA	358,424	148,033	210,391	28,558	29,869	0	33,990	33,990	4,121
USDA	31,680	10,054	21,626	(506)	2,640	0	2,056	2,056	(584)
TOTAL	12,009,231	3,926,956	7,910,417	95,735	1,000,774	540,992	397,800	938,792	(61,982)

*NEGATIVE AMOUNTS REPRESENT PRIOR MONTHS' CORRECTIONS FLOWING THROUGH THE CURRENT MONTH.

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/89 - 12/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	DECEMBER EXP & ENC	DECEMBER OVER(UNDER)
SALARIES	6,261,449	1,897,653	4,373,796	(199,497)	521,787	472,676	(49,111)
MERIT INCREASE	28,030	9,040	18,990	(303)	2,336	0	(2,336)
PHYSICIANS ON CALL	60,000	20,000	40,000	0	5,000	5,000	0
FRINGE BENEFITS:							
MEDICARE PAYROLL TAX	8,084	17,137	(9,053)	14,442	674	3,941	3,267
INSURANCE	472,617	148,581	324,036	(8,958)	39,385	33,380	(6,005)
RETIREMENT	477,617	135,093	342,524	(24,113)	39,801	33,668	(6,133)
WORKMAN'S COMPENSATION	83,514	16,774	66,740	(11,064)	6,960	3,699	(3,261)
UNEMPLOYMENT	5,907	3,229	2,678	1,260	492	686	194
TSA	3,750	3,750	0	2,500	313	0	(313)
TRAVEL	237,547	72,639	164,908	(6,543)	19,796	19,761	(35)
CONSULTANTS & PROFESSIONALS	194,307	48,994	145,313	(15,775)	16,192	23,864	7,672
CONTRACTS	955,182	294,187	660,995	(24,207)	79,599	72,045	(7,554)
DRUGS	36,570	11,144	25,426	(1,046)	3,048	3,025	(23)
FOOD	203,128	60,334	142,794	(7,375)	16,927	18,176	1,249
SUPPLIES	374,121	119,925	254,196	(4,782)	31,177	38,433	7,256
CONSTRUCTION IN PROGRESS	224,300	38,161	186,139	(36,606)	18,692	12,904	(5,788)
BUILDING PURCHASE	0	2,730	(2,730)	2,730	0	0	0
BUILDING REMODELING	118,001	36,637	81,364	(2,697)	9,833	12,413	2,580
BUILDING REPAIR & MAINT	58,425	22,797	35,628	3,322	4,869	6,034	1,165
BUILDING RENT	243,613	80,218	163,395	(986)	20,301	20,166	(135)
VEHICLE PURCHASE	65,000	68,450	(3,450)	46,783	5,417	(15)	(5,432)
VEHICLE LEASE	410	821	(411)	684	34	0	(34)
VEHICLE REPAIR & MAINT	46,620	17,069	29,551	1,529	3,985	3,609	(276)
VEHICLE OPERATION	102,135	29,990	72,145	(4,055)	8,511	6,832	(1,679)
EQUIPMENT PURCHASE	192,451	43,452	148,999	(20,698)	16,038	8,303	(7,735)
EQUIPMENT RENTAL	57,113	20,789	36,324	1,751	4,759	4,129	(630)
EQUIPMENT REPAIR & MAINT	33,952	10,917	23,035	(400)	2,829	2,948	119
DEBT RETIREMENT	175,926	56,518	119,408	(2,124)	14,661	15,198	538
INTEREST EXPENSE	74,631	26,566	48,065	1,689	6,219	6,910	691
POSTAGE	26,555	8,356	18,199	(496)	2,213	2,774	561
TELEPHONE	151,161	44,191	106,970	(6,196)	12,597	10,546	(2,051)
UTILITIES	199,592	56,948	142,644	(9,583)	16,633	12,486	(4,147)
INSURANCE	86,088	24,339	61,749	(4,357)	7,174	3,989	(3,185)
TX INDUSTRY FOR BLIND	31,138	9,229	21,909	(1,150)	2,595	1,682	(913)
CLINT TRAINING WAGE	328,578	96,918	231,660	(12,608)	27,382	15,873	(11,509)
CLIENT FRINGE	45,325	17,740	27,785	2,565	3,794	2,595	(1,199)
CLIENT ACTIVITY EXPENSE	7,940	2,532	5,408	(115)	662	89	(573)
COURT COMMITMENT EXPENSE	20,000	5,650	14,350	(1,017)	1,667	1,460	(207)
FOSTER CARE RESPITE	16,200	4,125	12,075	(1,275)	1,350	875	(475)
CONTINGENCY EXPENSE	0	8,279	(8,279)	8,279	0	2,182	2,182
LABORATORY FEES	3,425	724	2,701	(418)	285	0	(285)
H.B. 1154 EXPENSE	117,198	20,470	96,728	(18,596)	9,767	16,768	7,202
RECRUITMENT EXPENSE	35,000	3,488	31,512	(8,179)	2,917	511	(2,406)
PUBLIC RELATIONS/RETENTION	3,000	647	2,353	(353)	250	304	54
MISCELLANEOUS EXPENSES	143,431	29,670	113,761	(18,140)	11,953	9,424	(2,529)
CASH SHORT & OVER	0	0	0	0	0	4	4
TOTAL	12,009,231	3,636,901	8,372,330	(366,178)	1,000,769	909,547	(91,222)

DEEP EAST TEXAS REGIONAL MHMR SERVICES
REVENUES AND EXPENDITURES BY PROGRAM
9/1/89 - 12/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	DECEMBER REVENUE	Y-T-D REVENUE	DECEMBER EXP & ENC	Y-T-D EXP & ENC	PROFIT (LOSS)

MENTAL HEALTH:						
RESIDENTIAL	3,160,261	203,861	341,819	205,467	784,763	57,056
CLIENT & FAMILY SUPPORT	1,909,579	160,783	660,881	133,578	551,643	109,238
CASE MANAGEMENT	282,444	23,550	94,168	20,853	93,125	1,043

MH SUBTOTAL	5,352,284	388,194	1,596,868	359,898	1,429,531	167,337
MENTAL RETARDATION:						
RESIDENTIAL	1,670,047	138,096	595,014	133,491	526,115	68,899
CLIENT & FAMILY SUPPORT	3,501,828	267,457	1,117,241	276,515	1,096,803	20,438
CASE MANAGEMENT	119,767	9,977	40,670	9,638	39,300	1,370

MR SUBTOTAL	5,291,642	415,530	1,752,925	419,644	1,662,218	90,707
MANAGEMENT & SUPPORT	1,291,962	120,055	546,440	114,992	514,429	32,011
OTHER SERVICES	83,343	15,013	30,723	15,013	30,723	0

TOTALS	12,009,231	938,792	3,926,956	909,547	3,636,901	290,055
=====						

DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
9/1/89 - 12/31/89

	DECEMBER	Y-T-D
	-----	-----
REVENUE	938,792	3,926,956
EXPENDITURES & ENCUMBRANCES	(909,547)	(3,636,901)
DIFFERENCE	29,245	290,055
	=====	=====

ANALYSIS OF DEFERRED REVENUE:

BOND ISSUE	168,980
RAJ	10,518
MEDICARE PART A OVERPAYMENTS	46,503
ICF-MR OVERPAYMENTS	3,171
TEMPLE FOUNDATION GRANT	681,822
GENERAL REVENUE	855,257
PINEYWOODS ANNEX	128,008
COUNTY REVENUE	16,418
LELSZ	585,806
RETIREMENT FUNDS	4,800
CHAPTER I	1,294
CHAPTER I CARRYOVER	0
DONATIONS	10,058
SSI PAYMENTS	6,062
MISCELLANEOUS	3,200
TOTAL DEFERRED REVENUE	2,521,897
	=====

ANALYSIS OF RESTRICTED INTEREST INCOME:

RESERVE OPERATING FUND	3,960
BUILDING FUND	16
CONTINGENCY CD'S	8,279
TOTAL RESTRICTED INTEREST INCOME	12,255
	=====

DEEP EAST TEXAS REGIONAL MMR SERVICES

BALANCE SHEET

DECEMBER 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
<hr/>			
ASSETS:			
Unrestricted Cash-General	1,874,929		
Restricted Cash:			
Cash from Bond Issue	94,353		
Int & Sinking Cash - Bonds	65,500		
Trust Funds - Clients	3,054		
Pension Funds	133,792		
Hardin Building Fund	9,138		
Foundation Grant	426,396		
Reserve Operating Funds	579,156		
Pineywoods Annex	128,924	1,440,313	
	<hr/>		
Total Cash in Bank	3,315,242		3,315,242
			0
Cash in Units	1,525		1,525
Accts Receivable-Client Fees	579,703		
Less: Allowance for			
Uncollectible Accounts	(178,501)	401,202	401,202
	<hr/>		
Accounts Receivable - Other	811,096		811,096
Accts Rec/Internal Advances	0		0
Prepaid Expenses	41,492		41,492
Supply Inventory	104,359		104,359
Amount to be Provided under:			
Long Term Agreements	958,321		958,321
Accrued Vacation	203,605		203,605
General Fixed Assets (at Cost):			
Equipment & Furniture		743,612	743,612
Vehicles		787,974	787,974
Building		2,634,854	2,634,854
Leasehold Improvements		12,849	12,849
Land		82,315	82,315
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	5,836,842	4,261,604	10,098,446
	<hr/>	<hr/>	<hr/>
LIABILITIES & FUND EQUITY			
Liabilities:			
Accounts Payable/Internal Advance	0		0
Accounts Payable	232,882		232,882
Employee Insurance Payable	0		0
Retirement Payable	132,579		132,579
Salaries/Travel Payable	14,415		14,415
Miscellaneous Payroll Deductions	(631)		(631)
Unemployment Tax Payable	2,435		2,435
Sales Tax Payable	1,042		1,042
Cafeteria Plan Payable	(11)		(11)
Deferred Revenue	2,521,897		2,521,897
Obligation under:			
Long-Term Agreements	958,321		958,321
Accrued Vacation	203,605		203,605
Trust Fund Payable	3,054		3,054
Contingency Fund	360,985		360,985
	<hr/>	<hr/>	<hr/>
Total Liabilities	4,430,573	0	4,430,573
	<hr/>	<hr/>	<hr/>
Fund Equity:			
Investment in Fixed Assets		4,261,604	4,261,604
Fund Balances:			
Reserved for Hardin Building	8,493		8,493
Reserved for Encumbrances	49,558		49,558
Unreserved	1,348,218		1,348,218
	<hr/>	<hr/>	<hr/>
Total Fund Equity	1,406,269	4,261,604	5,667,873
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES & FUND EQUITY	5,836,842	4,261,604	10,098,446
	<hr/>	<hr/>	<hr/>

DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN UNRESTRICTED FUND BALANCE AND FIXED ASSETS
DECEMBER 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
BALANCE @ 11/30/89	1,334,981	4,216,805	5,551,786
REVENUE	938,792	0	938,792
EXPENDITURES	(909,547)	0	(909,547)
ADDITIONS TO FIXED ASSETS	0	45,014	45,014
DELETIONS OF FIXED ASSETS	0	(215)	(215)
CONVERSION OF CLIENT FEES FROM CASH BASIS TO ACCRUAL:			
CURRENT MONTH'S CASH RECEIPTS	(63,904)	0	(63,904)
CURRENT MONTH'S NET CHARGES	49,258	0	49,258
ADJUSTMENTS*	(1,362)	0	(1,362)
BALANCE @ 12/31/89			
BALANCE @ 11/30/89	1,348,218	4,261,604	5,609,822
=====			
* ECI REVENUE ADJUSTMENT AUDITORS REFUSED TO MAKE			1,223
BUSINESS PLAN EXPENSES			139

			1,362
			=====

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

BALANCE @ 12/31/89	0
	=====

JEEP EAST TEXAS REGIONAL MHR SERVICES
FINANCIAL DEPOSITORIES
DECEMBER 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
NCNB Texas Nat'l. Lufkin:	General Funds	MM Checking	(82,227)		
	Payroll	MM Checking	100		
	Employee Medical Plan	MM Checking	2,897		
	Foundation	MM Checking	2,454		
	Pineywoods Annex	MM Checking	1,539		
	Clients' Trust Fund	MM Checking	3,054		
	Reserve Operating	3 CD's	70,611	100,000	1,295,000
Total for NCNB Texas Nat'l, Lufkin			(1,572)	100,000	1,295,000
NCNB Texas Nat'l. Austin:	Bond Issue	Inv by Tx Council	94,353		94,353
	Bond Issue	Int & Sinking	65,500	0	65,500
Total for NCNB Texas Nat'l, Austin			159,853	0	159,853
Loveland State Bank:	Chapter I	Checking	1,294		
	Pension	MM Checking	133,792	100,000	100,000
Total for Loveland State Bank			135,086	100,000	100,000
First Bank & Trust, Diboll	Lelsz	MM Checking	53,537	53,537	300,000
First Nat'l Bank, San Augustine	Reserve Operating	1 CD	10,004	10,004	0
Commrc Nat'l Bank, Nacogdoches	Reserve Operating	1 CD	20,741	20,741	0
First Nat'l Bank, Livingston	Reserve Operating	1 CD	26,105	26,105	0
First Nat'l Bank, Newton	Reserve Funds - PRTC	1 CD	5,167	5,167	0
First Nat'l Bank, Silsbee	Hardin Building Fund	1 CD	9,138	9,138	0
First Nat'l Bank, Woodville	Reserve Operating	1 CD	6,831	6,831	0
Crockett State Bank	Reserve Operating	1 CD	13,800	13,800	0
Citizens State Bank, Center	Reserve Funds - PRTC	1 CD	15,239	15,239	0
First State Bank, Hemphill	Reserve Funds - PRTC	1 CD	9,210	9,210	0
First Nat'l Bank, Jasper	Reserve Funds - PRTC	1 CD	9,553	9,553	0
Sub-total			472,692	379,325	1,854,853

DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
DECEMBER 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEGGED
Sub-total from page 1			472,692	379,325	1,954,853
Bank of San Jacinto, Coldspring	Foundation	1 CD	7,000	7,000	0
Lufkin Reg. Federal Credit Union	Reserve Operating	Savings	25	25	0
United States Government:	Lelsz	Treasury Funds	534,349		534,349
	Reserve Funds - PRTC	Treasury Funds	311,593		311,593
	Foundation	Treasury Funds	416,942		416,942
	Pineywoods Annex	Treasury Funds	127,385		127,385
	General Operating	Treasury Funds	1,364,978		1,364,978
	Reserve Operating	Treasury Funds	80,278	0	80,278
Total for United States Government Securities			2,835,525	0	2,835,525
Total of All Cash in Bank			3,315,242	386,350	4,690,378

NOMINEES TO PROFESSIONAL STAFF ORGANIZATION

January 30, 1990

Board Meeting

<u>Name/Discipline(s)</u>	<u>Unit(s)</u>
Zerlena Dillard, R.N., Nursing	Pineywoods Hospital
Lois Gonzalez, Ph.D., Nursing	Pineywoods Hospital
Linda Marie Hanson, BSW, Social Work	Family Support Services
Mildred Miles, R.N., Nursing	Pineywoods Hospital
Kinh Van Nguyen, M.D., Medical	Outpatient Clinics
Vasanth C. Orocofsky, M.D., Medical	Outpatient Clinics

NOMINEES FOR REAPPOINTMENT
TO PROFESSIONAL STAFF ORGANIZATION

<u>Name/Discipline(s)</u>	<u>Unit(s)</u>
V. E. Brooks, M.D., Medical (consultant)	Pineywoods Hospital
Edward L. Domingue, M.D., P.A., Medical (consultant)	Pineywoods Hospital
Robert I. Garrett, M.D., Medical (consultant)	Pineywoods Hospital
Murray D. Hooks, M.D., Medical (consultant)	Pineywoods Hospital
Linda Mask, R.N., Nursing	Pineywoods Hospital
Gary M. Randall, D.O., Medical (consultant)	Pineywoods Hospital
Michael J. Sabo, M.D., Medical (consultant)	Pineywoods Hospital
William B. Shelton, Jr., M.D., Medical (consultant)	Pineywoods Hospital
Mannoor J. Thomas, M.D., Medical (consultant)	Pineywoods Hospital
Thomas Willis, M.D., Medical (consultant)	Pineywoods Hospital
Melvin Tipps, Parent Advisor	Cornerstone-North