



California Department of State Hospitals
 2017-18 Budget Act
 Highlights

The Department of State Hospital's (DSH) budget for Fiscal Year (FY) 2017-18 totals \$1.432 billion, a decrease of \$181 million (-11.2%) over the FY 2016-17 Budget Act. The position authority totals 10,850 positions, a decrease of -1,909.7 positions (-17.6%) from the FY 2016-17 Budget Act.

DSH was established in July 2012 and manages the nation's largest inpatient forensic mental health hospital system, along with the Forensic Conditional Release Program and the Sex Offender Commitment Program. Statewide, DSH operates five state hospitals and estimates the patient population to reach a total of 6,418 in FY 2017-18. The enacted budget includes the transfer of three psychiatric programs to the California Department of Corrections and Rehabilitation (CDCR) effective July 1, 2017.

Comparison of DSH Budget for FY 2016-17 and FY 2017-18 Budget Act (Dollars in Thousands)

General Fund	\$1,613,469	\$1,432,467	(\$181,002)	-11.2%
Headquarters	\$97,577	\$97,429	(\$148)	-0.2%
Program Administration	\$34,821	\$35,032	\$211	0.6%
Evaluation & Forensic Services	\$22,264	\$22,237	(\$27)	-0.1%
CONREP	\$34,025	\$33,432	(\$593)	-1.7%
Legal Services	\$6,467	\$6,728	\$261	4.0%
State Hospitals				
In-Patient Services	\$1,515,892	\$1,335,038	(\$180,854)	-11.9%
Lottery In-Patient Services	\$24	\$21	(\$3)	-12.5%
Reimbursements	\$140,284	\$147,144	\$6,860	4.9%
Headquarters	\$1,154	\$1,154	\$0	0.0%
Program Administration	\$973	\$973	\$0	0.0%
Legal Services	\$181	\$181	\$0	0.0%
State Hospitals				
In-Patient Services	\$139,130	\$145,990	\$6,860	4.9%
TOTALS	\$1,753,777	\$1,579,632	(\$174,145)	-9.9%
Capital Outlay	\$51,669	\$26,323	-\$25,346	-49.1%



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Support Budget

The FY 2017-18 Budget reflects a net decrease of \$181 million in General Fund (GF) and an increase of \$6.86 million in reimbursements over the FY 2016-17 Budget Act consisting of the following adjustments:

State Hospital Population Estimate (\$27.67 million GF; 65.3 positions)

DSH continues to seek solutions to address the significant growth in its patient population. As of June 12, 2017, DSH has a total of 822 patients awaiting admission, of which 493 are Incompetent to Stand Trial (IST) and 136 are Coleman patients. As the state hospitals have maximized the use of current available beds, DSH continues to explore alternatives to address the waitlist. Significant adjustments include:

○ **Admission, Evaluation, and Stabilization (AES) Center (\$7.15 million GF)**

To increase capacity for the assessment and treatment of ISTs, DSH requested \$10.8 million in General Fund authority and 1.0 position to establish an Admission, Evaluation, and Stabilization (AES) center in the Kern County jail under contract with Kern County, California. IST patients admitted to the AES center would receive a full evaluation upon admission to determine the degree of competency restoration required before transfer to a state hospital. Patients having drug-induced psychosis, presenting lower psychiatric acuity, malingering, or no longer meeting the requirement for incompetent to stand trial after the initial admission assessment will be considered short-term patients to be treated and discharged back to the referring county directly from the Center.

In the May Revision, DSH proposed to reduce the FY 2017-18 budget for Kern AES by a one-time adjustment of -\$3.59 million and increase the FY 2018-19 and ongoing budget by \$14,000. The \$3.59 million reflects a postponed activation date from July 2017 to January 2018 to finalize the contract and for Kern County to subcontract for clinical services. The additional \$14,000 supports the cost of contracting with an onsite administrative law judge at approximately \$1,150 per case and expected annual caseload of one hearing per month. Additionally, Trailer Bill Language was adopted to give DSH authority to directly admit patients to jail-based treatment centers.

○ **Enhanced Treatment Program (ETP) Staffing (\$7.99 million GF, 43.1 positions)**

DSH requested staffing and resources to begin implementation of the ETP, which will provide treatment for patients who are at the highest risk of violence and cannot be safely treated in a standard treatment environment. DSH plans to establish three 13-bed ETP units at DSH-Atascadero and one 10-bed ETP unit at DSH-Patton. DSH requested \$2.3 million in one-time funding and \$5.6 million ongoing to support the activation of the first two ETP units at DSH-Atascadero, as well as 44.7 positions in FY 2017-18 and 115.1 positions in FY 2018-19.

In addition to activation resources, Assembly Bill 1340 requires that a full-time, independent Patient's Rights Advocate position be assigned to each Enhanced Treatment Unit. To meet this requirement, DSH requested one-time funding of \$52,000 for DSH-Atascadero's activation in FY 2017-18 and \$206,000 in FY 2018-19 and ongoing for the additional two units at DSH-Atascadero. For DSH-Patton, \$69,000 was requested in FY 2018-19 in preparation for activation in December 2018. The Governor's Budget request also included protective services staffing but did not request funding for the recruitment and retention stipends, totaling \$800/month that Police Officers, Sergeants, and Lieutenants normally receive. As such, DSH requested \$70,080 for the partial year activation equivalent in FY 2017-18, and \$248,640 for the full year equivalent in FY 2018-19 and ongoing.



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Resources for DSH-Atascadero's third unit and DSH-Patton's unit will be requested in the FY 2018-19 Governor's Budget Estimate.

- DSH-Metropolitan 100s Activation and Patient Movement (\$7.83 million GF, 22.2 positions)
The FY 2017-18 May Revision requested \$7.83 million and 22.2 positions in the budget year, and \$12.37 million and 38.5 positions in FY 2018-19 to support unit activations and patient movements for an overall increase in population served at DSH-Metropolitan. This funding and position authority will allow for the 100s Building to be prepared for LPS patient transfer from the Continuing Treatment West (CTW), renovate the CTW with patient and staff safety equipment and minor repairs, and for a temporary expansion of the DSH Hospital Police Officer Academy. The additional infrastructure for the Hospital Police Officer Academy includes contracting with Camp San Luis Obispo to accommodate this temporary increase in cadets, as well as an increase in the existing contract for law enforcement backgrounds.
- Jail-Based Competency Treatment (JBCT) Program Update to Existing Programs (\$1.65 million GF)
DSH will receive a total increase in state GF of \$1.65 million in FY 2017-18 and \$2.51 in FY 2018-19 and ongoing to support existing DSH Jail Based Competency Treatment (JBCT) programs. Due to daily bed rate changes since initial contract negotiation and implementation, additional funding is required to for the 20-bed San Bernardino and Riverside Restoration of Competency programs, the 76-bed San Bernardino JBCT program, and the 32-bed Sacramento Male JBCT program.
- Jail-Based Competency Treatment (JBCT) Program Expansion to Establish New Programs (\$3.05 million GF)
DSH will also receive an additional \$3.05 million in FY 2017-18 to expand the JBCT program. Of this, \$1.7 million was requested to establish a 9-12 bed program for female IST patients in a northern California county. Further, DSH requested \$1.38 million for a new central California program, which would add 6-12 additional treatment beds for both male and female IST patients. Additionally, the Mendocino JBCT program structure and costs have been finalized, resulting in an annual cost of \$450,000 and is anticipated to treat up to 25 IST patients annually. This results in a savings of \$50,000 from the cost initially identified in the Governor's Budget.

Conditional Release Program (CONREP) Estimate (\$926,000 GF)

- CONREP Transitional Housing Cost Increase (\$976,000 GF)
For the continuation of the Statewide Transitional Residential Program (STRP) for CONREP patients, DSH will receive \$976,000 in General Fund authority. STRP beds provide temporary housing to CONREP patients unable to live in the community without direct supervision. DSH activated 16 beds in FY 2016-17 and this request provides the ongoing funding for the continued operation of these beds.
- CONREP Sexually Violent Predator (SVP) Program Cost Increase (\$2.4 million GF)
During the Governor's Budget, and based on court-ordered release dates, DSH initially anticipated the cost of releasing two additional SVP patients (with housing available) and two additional transient SVP patients in FY 2017-18 to reach \$2.4 million. This funding was required for the increase of conditionally released SVPs from 19 in FY 2016-17 to 23 in FY 2017-18.



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- CONREP SVP Caseload Adjustment (-\$2.45 million GF)
DSH initially assumed a current year caseload of 19 sexually violent predators (SVP) conditionally released to the community with an additional four SVPs to be released during the budget year for an expected caseload of 23. As of the May Revision, DSH adjusted the current year and budget year assumptions based on the latest court information available and current status of housing searches. This update results in a savings of \$2.45 million in the budget year.

Budget Change Proposals (-\$254.89 GF and -1,980.1 positions)

- Transfer of Psychiatric Programs to the California Department of Corrections and Rehabilitation (-\$250.4 million GF, -1,977.6 positions)
The California Department of Corrections and Rehabilitation (CDCR), California Correctional Health Care Services (CCHCS) and the California Department of State Hospitals (DSH) will transfer \$250.4 million General Fund and 1,977.6 positions from DSH to CDCR and CCHCS effective July 1, 2017 and ongoing. This transfer represents the mutual agreement of the agencies to transfer responsibility for psychiatric inpatient care of CDCR inmates from DSH to CDCR and CCHCS at three CDCR institutions, along with the associated resources. With this transfer, efficiencies in the patient-referral process will be realized, thereby ensuring quicker access to inpatient care and improving and enhancing the continuity of care to CDCR inmates.
- Transfer of Sexually Violent Predator Clinical Screening Functions to CDCR (-\$483,000 GF, -2.5 Positions)
DSH will transfer \$483,000 and 2.5 positions to CDCR's Board of Parole Hearings effective July 1, 2017 to return the responsibility granted to DSH via a memorandum of understanding for screening sexually violent predator inmates. This change will align the SVP screening process in accordance with WIC section 6601(b).
- Psychiatric Program Transfer Technical Adjustment (-\$4.0 million GF)
DSH will transfer \$4.0 million GF to CDCR and CCHCS beginning in FY 2017-18 for additional employee compensation resources related to various memoranda of understanding bargaining agreements resulting from the transfer of in-patient psychiatric programs located on the grounds of CDCR facilities. Additionally, Budget Bill Language is established to transfer expenditure authority, via the State Controller's Office, from DSH to CDCR for prior year appropriations associated with the transfer of inpatient psychiatric programs.
- DSH-Metropolitan Central Utility Plant Operations
DSH requested that provisional Budget Bill Language be established to provide General Fund flexibility and up to \$1.5 million for the ongoing operation of DSH-Metropolitan's Central Utility Plant (CUP). The CUP is vital as it supplies hot water, chilled water and air to 32 patient and administrative buildings. Because the current contract expires in February 2018, this language allows flexibility and time for DSH to negotiate and determine a cost to lease the equipment on a temporary basis from the current third-party owner/operator until a permanent solution can be explored.



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Other Baseline Adjustments

- Napa State Hospital Earthquake Repair Funding (\$2.1 million GF; \$6.9 million Reimbursement Authority)

The Governor’s Budget included \$8.3 million in General Fund and \$6.3 million in reimbursement authority for receipt of up to 75% of the repair costs from the Federal Emergency Management Agency (FEMA). As of the May Revision, an additional \$654,000 in reimbursement authority was requested for FY 2017-18 and FY 2018-19 and a one-time appropriation of \$2.34 million was requested for FY 2018-19 with the addition of updated provisional budget language to reflect this increase. Overall, these changes increase total budget authority in FY 2017-18 to \$8.9 million for construction costs for all three projects of the repairs associated with the 2014 South Napa Earthquake.

Capital Outlay

The FY 2017-18 Budget includes continued funding for projects authorized in prior years totaling \$26.3 million GF to address facility infrastructure needs.

State Hospital	Project Description	Project Phase	Amount
Continued Authorized Projects (GF)			
DSH-Coalinga	New Activity Courtyard	Construction	\$5,738,000
DSH-Napa	Courtyard Gates and Security Fencing	Working Drawings and Construction	\$3,875,000
DSH-Statewide	Enhanced Treatment Units	Construction	\$11,467,000
Newly Proposed (GF)			
DSH-Metropolitan	Consolidated Police Operations	Preliminary Plans	\$1,327,000
DSH-Metropolitan	CTE Fire Alarm System Upgrade	Preliminary Plans, Working Drawings and Construction	\$3,916,000



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State Hospital Population

DSH is responsible for the daily care and treatment to nearly 7,000 patients with an estimated caseload totaling 6,418 across the state hospitals and contracted programs. Over the last decade, the population demographic has shifted from primarily civil court commitments to a forensic population committed through the criminal court system. Approximately 91% of the patient population is forensic, including *Coleman* patients from CDCR. The remaining 9% are patients admitted in accordance with the Lanterman-Petris-Short (LPS) Act. DSH is primarily funded through the State General Fund and reimbursements collected from counties for the care of LPS patients. The table and chart below depicts patient caseload by commitment type and contract location.

2017-18 Fiscal Year Estimated Caseload	
Location	Estimated Census on June 30, 2018
<i>Population by Commitment Type – Hospitals</i>	
IST--PC 1370	1,530
NGI--PC 1026	1,404
MDO	1,325
SVP	920
LPS/PC 2974	628
PC 2684 (<i>Coleman</i>)	306
WIC 1756 (DJJ)	8
Subtotal	6,121
<i>Contracted Programs:</i>	
San Bernardino ROC/JBCT	116
Sacramento JBCT	32
San Diego JBCT	30
Sonoma JBCT	10
Kern AES Center	60
Mendocino JBCT*	25
Northern CA County, Female	12
Central CA County	12
Subtotal	297
GRAND TOTAL	6,418

*The Mendocino JBCT 25 census assumes the number of patients estimated to be served annually, rather than beds activated.