



The Department of State Hospital's (DSH) proposed budget for fiscal year (FY) 2022-23 totals \$3.2 billion – an increase of \$600 million (or 24 percent) from the 2022-23 Governor's Budget – with 142.2 proposed positions in the budget year (BY). Of these increased resources, over \$489 million (or 19 percent) is funding previously approved for the implementation of the Incompetent to Stand Trial (IST) Solutions proposal, which has been added to the DSH budget as of the 2022-23 May Revision. This proposed budget includes significant investments in expanding community programming via Community Based Restoration and Diversion to continue DSH's efforts towards meeting the increased demand for services for individuals determined to be IST, improving the departments operations and delivery of services, and state hospital facility repairs and improvements.

TOTAL State Hospitals Comparison
2022-23 Governor's Budget v. 2022-23 May Revision

(Dollars in Thousands)

Funding Source	2022-23 Governor's Budget	2022-23 May Revision	Difference	% Change
State Operations	\$2,568,039	\$3,136,470	\$568,431	22%
Capital Outlay	\$17,786	\$57,647	\$39,861	224%
TOTALS	\$2,585,825	\$3,194,117	\$608,292	24%

¹Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)



SUPPORT COMPARISON
2022-23 Governor's Budget vs. 2022-23 May Revision
(Dollars in Thousands)

Funding Source	2022-23 Governor's Budget¹	2022-23 May Revision	Difference	% Change
General Fund (0001)	\$2,384,336	\$2,860,483	\$476,147	20%
Lease Revenue Bond (Ref 003)	\$39,260	\$39,260	\$0	0%
State Hospitals	\$39,260	\$39,260	\$0	0%
Support Funds (Ref 011)	\$2,342,542	\$2,818,689	\$476,147	20%
Administration	\$213,403	\$230,903	\$17,500	8%
State Hospitals ²	\$1,737,652	\$1,684,643	(\$53,009)	-3%
CONREP	\$78,966	\$87,971	\$9,005	11%
Contracted Patient Services	\$279,890	\$772,416	\$492,526	176%
Evaluation & Forensic Services	\$32,631	\$42,756	\$10,125	31%
Support HIPAA (Ref 017)	\$1,434	\$1,434	\$0	0%
Administration	\$1,434	\$1,434	\$0	0%
Non- Budget Act (Ref 502)	\$1,100	\$1,100	\$0	0%
Medicare- State Hospital	\$1,100	\$1,100	\$0	0%
Lottery Fund (0814)	\$19	\$19	\$0	0%
State Hospitals	\$19	\$19	\$0	0%
Reimbursements (Ref 511)	\$183,684	\$192,844	\$9,160	5%
Administration	\$176	\$176	\$0	0%
State Hospitals	\$183,508	\$192,668	\$9,160	5%
CA Emergency Relief Fund (3398)	\$0	\$83,124	\$83,124	0%
State Hospitals	\$0	\$83,124	\$83,124	0%
TOTALS	\$2,568,039	\$3,136,470	\$568,431	22%

¹Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)

²Please note the decrease is attributed to the shift of \$64.4 million in COVID-19 related funding to be appropriated from fund 3398 as of the 2022-23 May Revision.

SUPPORT BUDGET

The 2022-23 May Revision reflects a net increase of \$568.4 million in General Fund in FY 2022-23. The following provides specific detail of proposed budget adjustments.



SPRING FINANCE LETTERS

- *Pharmacy Modernization – Phase 3*

DSH proposes a reappropriation of \$2.7 million from FY 2021-22 to FY 2022-23 to continue the implementation phase of the Pharmacy Modernization project. In addition DSH requests \$3.2 million in FY 2023-24, \$3 million in FY 2024-25, \$2.9 million in FY 2025-26 and \$1.2 million in FY 2026-27 to complete the implementation phase at all hospitals and to cover initial maintenance and operations costs.

ENROLLMENT, CASELOAD AND POPULATION

DSH continues to seek solutions to address the significant demand for treatment. As of the end of April 2022, DSH has a total of 2,333 patients pending placement, of which 1,915 are individuals determined to be IST. The enrollment, caseload and population estimates propose expanded investments in both community-based and jail-based competency restoration treatment for ISTs, along with other adjustments related to serving patients in both the state hospitals and the Conditional Release Program (CONREP).

State Hospitals

- *County Bed Billing Reimbursement Authority (\$9.2 million in reimbursement authority for FY 2022-23)*

DSH requests an increase to DSH's reimbursement authority of \$9.2 million to reflect updated daily bed rates based on actual costs of treatment effective July 1, 2022.

- *DSH-Metropolitan Increase Secured Bed Capacity (ISBC) (No position authority or dollar change)*

The DSH-Metropolitan ISBC provides additional capacity to address the ongoing system-wide IST waitlist. COVID-19 triggered a delay in the activation of the remaining three units of a five-unit secured bed capacity expansion to provide additional bed capacity to treat IST patients committed to DSH. During this time, DSH-Metropolitan prioritized using the three inactive units for its COVID-19 response. One unit was utilized for isolation of patients testing positive for COVID-19 while the other two units were used as Admission Observation Units (AOUs). The AOUs have been moved to the Norwalk Alternate Care Site (ACS) and those two units were then used for the swing space needed for the remaining units affected by



the Continuing Treatment East (CTE) Fire Alarm Project. DSH continues to anticipate a project completion date of July 2022.

- *Enhanced Treatment Program (ETP) (\$388,000 in FY 2021-22 and \$253,000 in FY 2022-23)*

The ETP was developed to treat patients who are at the highest risk of violence and cannot be safely treated in a standard treatment environment. DSH continues to recommend postponing construction of units 33 and 34 at DSH-Atascadero given the ongoing bed capacity pressures. Due to unforeseen construction delays, Unit U-06 at DSH-Patton reports a 5-month delay, with project completion now projected for March 2023. DSH proposes to redirect current year savings reported at the Governor's Budget to complete renovations at DSH-Patton for courtyard improvements, security fence upgrade and conversion of space for staff offices and treatment space. DSH also proposes to redirect budget year savings reported at the Governor's Budget to be used to purchase equipment and supplies needed for the ETP units.

- *Vocational Services and Patient Minimum Wage Caseload (-\$203,000 in FY 2021-22)*

DSH offers its patients access to the Vocational Rehabilitation Program, which serves as a therapeutic program to provide a range of vocational skills and therapeutic interventions for patients. COVID-19 restrictions on patient work due to infection control measures have impacted vocational referrals as job sites and activities limit the amount of patient workers who can safely participate at a time. DSH reflects an additional one-time savings of \$203,000 in FY 2021-22 due to the decrease in patient workers.

- *Mission Based Review – Court Evaluations and Reports (\$2.3 million in FY 2021-22)*

This staffing standard established population-driven methods for calculating staffing needs for the following forensic functions: Evaluations, Court Reports and Testimony, Forensic Case Management and Data Tracking and Neuropsychological Services (Neuropsychological Assessments and Cognitive Remediation Pilot Program). As of February 28, 2022, 41.0 positions to support Forensic Evaluations, Court Reports and Testimony have been filled resulting in an additional one-time savings of \$1,355,000 in FY 2021-22. All 16.3 positions to support Forensic Case Management and Data Tracking have been established and 10.1 have been filled. All 25.2 positions to support neuropsychological services have



been established and 21.5 positions have been filled resulting in an additional one-time savings of \$38,000 in FY 2021-22. DSH has also proposed to redirect \$3.5 million in CY savings across all Mission-Based Review proposals to fund the renovation of the General Services building at DSH-Patton to allow for additional staff space for new positions being phased in.

- *Mission Based Review – Direct Care Nursing (-\$4.6 million in FY 2021-22)*

This staffing standard established population-driven methods for calculating staffing needs to support the workload of providing 24-hour care nursing services within DSH. As of February 28, 2022, a total of 145.0 positions to support the Medication Pass rooms have been filled resulting in an additional one-time savings of approximately \$4.5 million in FY 2021-22. Also as of February 28, 2022, 34.3 afterhours Nursing Supervision positions have been filled resulting in an additional one-time savings of \$110,000 in FY 2021-22. DSH is actively recruiting to fill these positions.

- *Mission Based Review – Workforce Development (\$60,000 in FY 2021-22; \$179,000 in FY 2022-23)*

In prior budget acts, DSH received funding for the development and implementation of a Psychiatric Residency Program and expanding resources for Nursing Recruitment to meet the mission of providing mental health services to patients and reduce vacancy rates for mental health providers. DSH requests to redirect savings reported in the Governor's Budget of \$60,000 in FY 2021-22 and \$179,000 in FY 2022-23 to fund 1.0 Staff Services Manager II (Managerial) to be hired on a limited term basis using existing position authority to lead research efforts to build future partnerships to expand DSH's clinical and nursing training and didactic programs across the DSH system.

- *Mission Based Review – Protective Services (-\$4.8 million in FY 2021-22)*

This staffing standard identifies protective service posts and establishes workload-driven staffing methodologies to allocate adequate resources for essential police functions and reduce overtime usage. As of February 28, 2022, 6.0 positions to support the Support and Operations Division have been filled resulting in an additional one-time savings of \$3.5 million in FY 2021-22. To fill the remaining positions, DSH has converted the exams to online, Hospital Police Officer exams offered monthly, and the Sergeant and Lieutenant exams offered every six months. DSH has also contracted with a firm to market the vacancies and conduct broader outreach efforts, which have yielded additional individuals signed up to take exams and



Evaluation and Forensic Services

- Sex Offender Commitment Program (SOCP) and Offender with a Mental Health Disorder (OMD) Pre-Commitment Program Caseload Update (No position authority or dollar change)

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- Re-Evaluation Services for Felony ISTs (No position authority or dollar change)

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CAPITAL OUTLAY COMPARISON
2022-23 Governor's Budget v. 2022-23 May Revision
(Dollars in Thousands)

FUNDING SOURCE	2022-23 Governor's Budget	2022-23 May Revision	Difference	% Change
General Fund (0001)	\$17,786	\$30,117	\$12,331	69%
Capital Outlay	\$17,786	\$30,117	\$12,331	69%
Public Bldg Construction (0660)	\$0	\$27,530	\$27,530	0%
Capital Outlay	\$0	\$27,530	\$27,530	0%
TOTALS	\$17,786	\$57,647	\$39,861	224%

¹Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)

CAPITAL OUTLAY SPRING FINANCE LETTERS

The 2022-23 Governor's Budget reflects a net increase of \$40 million in General Fund and Public Building Construction Fund in FY 2022-23. The following provides specific detail of proposed budget adjustments.

- *DSH-Metropolitan Consolidation of Police Operations Supplemental Appropriation (\$5.5 million in FY 2022-23) and Re-Appropriation*

DSH proposes \$5.5 million in FY 2022-23 for the construction phase funding of the Metropolitan: Consolidation of Police Operations project. This request is based on updated cost estimates from the Department of General Services reflecting increases for labor and materials. Additionally, DSH proposes a reappropriation of \$22 million from FY 2021-22 to FY 2022-23 for the for the construction phase funding of the Metropolitan: Consolidation of Police Operations project. The new building will allow for the consolidation of hospital police services into a single location and include the demolition of seismically deficient buildings.

- *DSH-Patton: Fire Alarm System Upgrade Supplemental Appropriation (\$12.2 million in FY 2022-23)*

DSH proposes \$12.2 million in FY 2022-23 for the construction phase funding of the Patton: Fire Alarm System Upgrade project. This project removes and replaces fire alarm systems in four secured patient housing buildings and treatment areas (30, 70, U, and the EB buildings). A supplemental appropriation is needed due to impacts related to COVID-19, increased



material costs, and limited swing space, only allowing installation of the fire alarm system in one-half unit at a time.

- *DSH-Atascadero: Potable Water Booster Pump System Supplemental Appropriation (\$140,000 in FY 2022-23)*

DSH proposes \$140,000 in FY 2022-23 for the construction phase funding of the DSH-Atascadero: Potable Water Booster Pump System project. This supplemental request is based on updated estimates from the Department of General Services reflecting increases for labor and materials. The new system will serve as the main water line allowing for an increase in water pressure for the primary fire sprinkler system eliminating the risk to the hospital's staff and patients in the event of a fire.



STATE HOSPITAL POPULATION

DSH is responsible for the daily care and treatment of over 7,000 patients. This estimated caseload is projected to exceed 8,000 by the end of FY 2022-23 with a total of 5,740 across the state hospitals, 1,504 in contracted programs and 1,045 in CONREP 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. The table below displays patient caseload by commitment type and contract location.

2022-23 May Revision Estimates Caseload	
Location	Estimated Census on June 30, 2023
<i>Population by Commitment Type – Hospitals</i>	
IST—PC 1370	1,341
NGI—PC 1026	1,343
OMD	1,155
SVP	931
LPS/PC 2974	801
PC 2684 (Coleman)	169
WIC 1756 (DJJ)	0
Subtotal	5,740
<i>Contracted Programs</i>	
Kern AES Center	90
Regional JBCT	286
Single County JBCT	234
Community Based Restoration (CBR)	737
Northern CA Acute Facility	117
Central Valley MHRC	40
Subtotal	1,504
<i>CONREP Programs</i>	
CONREP SVP	27
CONREP Providers	653
CONREP FACT Regional Program	180
Northern CA IMD	20
Northern CA ARF	30
STRP	35
Southern CA IMD (76-bed)	76
Southern CA IMD (24-bed)	24
Subtotal	1,045
GRAND TOTAL	8,289