



California Department of State Hospitals
 FY 2017-18 May Revision Highlights
 May 10, 2017

The Department of State Hospital's (DSH) proposed budget for Fiscal Year (FY) 2017-18 totals \$1.62 billion, an increase of \$31.1 million (2%) from the FY 2017-18 Governor's Budget, with 19.7 proposed new positions.

Established in July 2012, DSH 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 located in Atascadero, Coalinga, Norwalk, Napa, and Patton and three inpatient psychiatric programs located in Salinas Valley, Stockton and Vacaville. DSH estimates the patient population will reach a total of 6,418 in FY 2017-18.

COMPARISON
FY 2017-18 Governor's Budget vs. FY 2017-18 May Revision
(Dollars In Thousands)

FUNDING SOURCE	FY 2017-18 GOVERNOR'S BUDGET	FY 2017-18 MAY REVISION	DIFFERENCE	% Change
General Fund	\$1,443,093	\$1,473,574	\$30,481	2%
Headquarters	\$100,841	\$98,608	-\$2,233	-2%
Program Administration	\$35,521	\$35,832	\$311	1%
Evaluation & Forensic Services	\$22,386	\$22,237	-\$149	-1%
CONREP	\$35,839	\$33,432	-\$2,407	-7%
Legal Services	\$7,095	\$7,107	\$12	0%
State Hospitals				
In-Patient Services	\$1,342,252	\$1,374,966	\$32,714	3%
Lottery In-Patient Services	\$21	\$21	\$0	0%
Reimbursements	\$146,490	\$147,144	\$654	1%
Headquarters	\$1,154	\$1,154	\$0	0%
Program Administration	\$973	\$973	\$0	0%
Legal Services	\$181	\$181	\$0	0%
State Hospitals				
In-Patient Services	\$145,336	\$145,990	\$654	1%
TOTALS	\$1,589,604	\$1,620,739	\$31,135	2%

Capital Outlay	\$32,463	\$32,463	\$0	0%
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Support Budget

The May Revision budget reflects a net increase of \$30.5 million in General Fund (GF) over Governor's Budget consisting of the following adjustments:

State Hospital Population Estimate

DSH continues to seek solutions to address the significant growth in its patient population. As of May 8, 2017, DSH has a total of 814 patients awaiting admission, of which 539 are Incompetent to Stand Trial (IST) and 96 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*
(-\$3.59 million GF)

DSH proposes to reduce the proposed 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 -\$3.6 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.

- *DSH-Metropolitan 100s Activation and Patient Movement*
(\$7.827 million GF, 22.2 positions)

The FY 2017-18 May Revision requests \$7.827 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 Chronic Treatment West (CTW), the CTW to be renovated 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*
(\$1.647 million GF)

DSH requests a total increase in state GF of \$1.647 million in FY 2017-18 and \$2.510 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*
(\$3.054 million GF)



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May 10, 2017

DSH requests an additional \$3.054 million in FY 2017-18 to expand the JBCT program. Of this, \$1,724,000 is requested to establish a 9-12 bed program for female IST patients in a northern California county. Further, DSH is requesting \$1.380 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.

- ***Enhanced Treatment Program (ETP) Staffing***
(\$122,000 GF)

As required by Assembly Bill 1340, a full-time, independent Patient's Rights Advocate position must be assigned to each Enhanced Treatment Unit. To meet this requirement, DSH requests 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 is requested in FY 2018-19 in preparation for activation in December 2018.

In addition to Patients' Rights Advocates, the Governor's Budget request 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 requests \$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.

Conditional Release Program (CONREP)

- ***CONREP SVP Caseload Adjustment***
(-\$2.452 million GF)

In the FY 2017-18 Governor's Budget, DSH assumed a current year caseload of 19 sexually violent predators (SVP) conditionally released to the community. In the budget year, an additional four SVPs were assumed to be released, with two anticipated to be released as transient, for a total caseload of 23. As of the May Revision, DSH has adjusted its current year and budget year caseload assumptions based on the latest court information available and current status of housing searches. This update results in a savings of \$2.452 million in the budget year.

Budget Change Proposals

- ***Transfer of Sexually Violent Predator Clinical Screening Functions to CDCR***
(-\$483,000 GF, -2.5 Positions)



California Department of State Hospitals

FY 2017-18 May Revision Highlights

May 10, 2017

DSH proposes to transfer \$483,000 and 2.5 position to the California Department of Corrections and Rehabilitation's (CDCR) Board of Parole Hearings effective July 1, 2017 to return the responsibility of 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 million GF*)

DSH is requesting to transfer \$4 million dollars to CDCR/CCHCS beginning in FY 2017-18 for additional employee compensation resources related to the proposed transfer, effective July 1, 2017, of psychiatric inpatient treatment programs at three CDCR prisons: Salinas Valley, Stockton, and Vacaville. This proposal includes Budget Bill Language to allow the State Controller's Office to transfer appropriation balances for FY 2015-16 and FY 2016-17 from DSH to CDCR.

- DSH-Metropolitan Central Utility Plant Operations

DSH is requesting provisional Budget Bill Language to provide General Fund flexibility 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 will allow 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.

Other Baseline Adjustments

- Napa State Hospital Earthquake Repair Funding
(*\$654,000 GF in 2017-18, \$2.989 million GF in 2018-19*)

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 \$2.335 million was requested for FY 2018-19. Additionally, provisional budget language was updated 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 South Napa Earthquake.

State Hospital Population



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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, psychiatric programs, and contracted programs by end of FY 2017-18. 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 the 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 May Revision 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.