



California Department of State Hospitals
 2017-18 Governor's Budget Highlights
 January 10, 2017

The Department of State Hospital's (DSH) proposed budget for Fiscal Year (FY) 2017-18 totals \$1.59 billion, a decrease of \$278.2 million (-17%) from the FY 2016-17 Budget Act, with 9,748.6 proposed 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 and three psychiatric programs located on the grounds of the California Department of Corrections and Rehabilitation (CDCR). The 2017-18 Proposed Governor's Budget includes the transfer of responsibility for the three psychiatric programs to CDCR beginning in FY 2017-18. DSH estimates the patient population will reach a total of 6,369 in FY 2017-18.

COMPARISON
FY 2016-17 Budget Act vs. FY 2017-18 Governor's Budget
(Dollars In Thousands)

FUNDING SOURCE	FY 2016-17 BUDGET ACT	FY 2017-18 GOVERNOR'S BUDGET	DIFFERENCE	% Change
General Fund	\$1,727,468	\$1,443,093	-\$284,375	-20%
Headquarters	\$98,432	\$100,841	\$2,409	2%
Program Administration	\$35,922	\$35,521	-\$401	-1%
Evaluation & Forensic Services	\$22,387	\$22,386	-\$1	0%
CONREP	\$33,075	\$35,839	\$2,764	8%
Legal Services	\$7,048	\$7,095	\$47	1%
State Hospitals				
In-Patient Services	\$1,629,036	\$1,342,252	-\$286,784	-21%
Lottery In-Patient Services	\$21	\$21	\$0	0%
Reimbursements	\$140,284	\$146,490	\$6,206	4%
Headquarters	\$1,154	\$1,154	\$0	0%
Program Administration	\$973	\$973	\$0	0%
Legal Services	\$181	\$181	\$0	0%
State Hospitals				
In-Patient Services	\$139,630	\$145,836	\$6,206	4%
TOTALS	\$1,867,752	\$1,589,583	-\$278,169	-17%

Capital Outlay	\$40,193	\$32,463	-\$7,730	-24%
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Support Budget

The Governor's Budget reflects a net decrease of \$278.2 million in General Fund (GF) and an increase of \$6.2 million in reimbursements from the FY 2016-17 Budget Act 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 January 2, 2016, DSH has a total of 871 patients awaiting admission, of which 601 are Incompetent to Stand Trial (IST) and 122 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 (\$10.8 million GF)*

To increase capacity for the assessment and treatment of ISTs, DSH is requesting \$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.

- *Enhanced Treatment Program (ETP) Staffing (\$7.9 million GF)*

Consistent with Assembly Bill (AB) 1340, DSH is requesting staff and resources to begin implementation of the ETP. The ETP will provide treatment for patients who are at the highest risk of violence and who 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 is requesting \$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. Resources for DSH-Atascadero's third unit and DSH-Patton's unit will be requested in the FY 2018-19 Governor's Budget Estimate.

Conditional Release Program (CONREP) Estimate (\$3.4 million GF)

- *CONREP Transitional Housing Cost Increase (\$976,000 GF)*

For the continuation of the Statewide Transitional Residential Program (STRP) for CONREP patients, DSH is requesting \$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)*



Based on anticipated court-ordered release dates, DSH estimates the cost of releasing two additional SVP patients (with housing available) and two additional transient SVP patients in FY 2017-18 to be \$2.4 million. This funding will increase the current caseload for conditionally released SVPs from 19 in FY 2016-17 to 23 in FY 2017-18. Given the security requirements for this population, DSH is unable to absorb the cost increase with existing resources.

Budget Change Proposals

- Transfer of Psychiatric Programs to the California Department of Corrections and Rehabilitation (-\$250.4 million GF)

The California Department of Corrections and Rehabilitation (CDCR), California Correctional Health Care Services (CCHCS) and the California Department of State Hospitals (DSH) request the transfer of \$250,407,000 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.

Other Baseline Adjustments

- Napa State Hospital Earthquake Repair Funding (\$8.3 million GF)

Due to delays in Federal Emergency Management Agency (FEMA) expenditure reimbursements, DSH expects to utilize \$2.1 million in General Fund and \$6.2 million in General Fund reimbursements, in conjunction with a \$6.2-million-dollar state general fund loan to complete repairs to DSH-Napa resulting from the 2014 South Napa Earthquake. The projects are prioritized into three segments, separated by buildings that are historically significant, then repairs located outside of the Secured Treatment Area (STA) and finally those that are located within the STA.

Capital Outlay

The 2017-18 Governors' Budget includes continued funding for projects authorized in prior years. In total, the DSH's budget reflects \$32.5 million General Fund (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-Patton	Fire Alarm System Upgrade	Construction	\$6,140,000
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

*Reversion of original working drawings and construction funds. Seeking new appropriation.

**Re-appropriation of construction funds.



State Hospital Population

DSH is responsible for the daily care and treatment to nearly 7,000 patients with an estimated caseload totaling 6,369 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. Please note that the census displayed includes the proposed transfer of 1,107 *Coleman* patients to CDCR, leaving 306 *Coleman* beds at DSH-Atascadero and DSH-Coalinga.

2017-18 Governor's Budget 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
Subtotal	248
GRAND TOTAL	6,369



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