



The Department of State Hospital's (DSH) proposed budget for Fiscal Year (FY) 2019-20 totals \$2.0 billion, an increase of \$59 million (+3 percent) from the 2018 Budget Act, with 605.4 proposed positions.

**2018 Budget Act vs. FY 2019-20 Governor's Budget**

*(Dollars in Thousands)*

FY 18-19 Funding Source	2018 Budget Act	FY 19-20 Funding Source	FY 2019-20 Governor's Budget	Difference	% Change
<b>General Fund (0001)</b>	<b>\$1,766,643</b>	<b>General Fund (0001)</b>	<b>\$1,825,789</b>	<b>\$59,146</b>	<b>3%</b>
<b>Lease Revenue Bond (Ref 003)</b>	<b>\$40,221</b>	<b>Lease Revenue Bond (Ref 003)</b>	<b>\$40,475</b>	<b>\$254</b>	<b>1%</b>
State Hospitals	\$40,221	State Hospitals	\$40,475	\$254	1%
<b>Support Funds (Ref 011)</b>	<b>\$1,724,057</b>	<b>Support Funds (Ref 011)</b>	<b>\$1,782,949</b>	<b>\$58,892</b>	<b>3%</b>
Administration	\$143,160	Administration	\$155,369	\$12,209	9%
State Hospitals	\$1,360,466	State Hospitals	\$1,482,663	\$122,197	9%
CONREP	\$35,372	CONREP	\$38,326	\$2,954	8%
Contracted Patient Services	\$161,823	Contracted Patient Services	\$83,353	<b>(\$78,470)</b>	<b>-48%</b>
Evaluation & Forensic Services	\$23,236	Evaluation & Forensic Services	\$23,238	\$2	0%
<b>Support HIPAA (Ref 017)</b>	<b>\$1,265</b>	<b>Support HIPAA (Ref 017)</b>	<b>\$1,265</b>	<b>\$0</b>	<b>0%</b>
Administration	\$1,265	Administration	\$1,265	\$0	0%
<b>Non- Budget Act (Ref 502)</b>	<b>\$1,100</b>	<b>Non- Budget Act (Ref 502)</b>	<b>\$1,100</b>	<b>\$0</b>	<b>0%</b>
Medicare- State Hospital	\$1,100	Medicare- State Hospital	\$1,100	\$0	0%
<b>Lottery Fund (0814)</b>	<b>\$23</b>	<b>Lottery Fund (0814)</b>	<b>\$23</b>	<b>\$0</b>	<b>0%</b>
State Hospitals	\$23	State Hospitals	\$23	\$0	0%
<b>Reimbursements (Ref 511)</b>	<b>\$167,476</b>	<b>Reimbursements (Ref 511)</b>	<b>\$167,323</b>	<b>(\$153)</b>	<b>0%</b>
Administration	\$216	Administration	\$672	<b>\$456</b>	<b>211%</b>
State Hospitals	\$167,260	State Hospitals	\$166,651	<b>(\$609)</b>	<b>0%</b>
<b>TOTALS</b>	<b>\$1,934,142</b>	<b>TOTALS</b>	<b>\$1,993,135</b>	<b>\$58,993</b>	<b>3%</b>

FY 18-19 Funding Source	2018 Budget Act	FY 19-20 Funding Source	FY 2019-20 Governor's Budget	Difference	% Change
<b>General Fund (0001)</b>	<b>\$27,730</b>	<b>General Fund</b>	<b>\$113</b>	<b>(\$27,617)</b>	<b>-100%</b>
Capital Outlay	\$27,730	Capital Outlay	\$113	<b>(\$27,617)</b>	<b>-100%</b>
<b>Public Bldgs Construction (0660)</b>	<b>\$33,086</b>	<b>Public Bldgs Construction (0660)</b>	<b>\$0</b>	<b>(\$33,086)</b>	<b>-100%</b>
Capital Outlay	\$33,086	Capital Outlay	\$0	<b>(\$33,086)</b>	<b>-100%</b>
<b>TOTALS</b>	<b>\$60,816</b>	<b>TOTALS</b>	<b>\$113</b>	<b>(\$60,703)</b>	<b>-100%</b>



## **Support Budget**

The Governor's Budget reflects a net increase of \$59 million in General Funds (GF). Included in the GF increase, DSH will receive \$55.7 million of employee compensation and retirement adjustments. The following provides specific detail of budget adjustments from the 2018 Budget Act.

### ***State Hospital Estimate (\$84.2 million GF)***

DSH continues to seek solutions to address the significant growth in its patient population. As of December 31, 2018, DSH has a total of 1,101 patients pending placement, of which 815 are Incompetent to Stand Trial (IST). DSH continues to explore alternatives both in the state hospitals and through contracted facilities to address the waitlist. Additionally, DSH continues to evaluate the services it provides to its patients, its staffing resources, and its infrastructure. Significant adjustments for state hospitals include:

- *Patient Driven Operating Expenses and Equipment (-\$2.2 million in FY 18-19 and \$10.5 million GF in FY 19-20 and ongoing)*

DSH requests \$10.5 million in FY 2019-20 and ongoing to support the operating cost per patient. This request is to fund the 547 state hospital beds activated since FY 2012-13, as well as the beds activated in FY 2018-19 that included a request for staffing in the 2018 Budget Act. This proposal also includes a current year savings of \$2.2 million for the 140 DSH-Metropolitan beds that have been delayed and are now scheduled to activate in FY 2019-20.

- *Office of Protective Services – Hospital Police Officer Academy (\$5.8 million and 3.0 positions GF in FY 19-20 and ongoing)*

DSH requests to convert 3.0 limited-term positions to permanent full-time positions, and \$5.8 million ongoing to continue the specialized expanded Hospital Police Officer (HPO) Academy. Securing ongoing, dedicated personnel will provide consistent and standardized training in law enforcement specific to the HPO classification, ensuring the HPO Academy and ongoing annual curriculum is updated and meeting or exceeding legislative mandates. DSH requests to continue with three academies per year for the next three years to meet the ongoing needs of the state hospitals as well as for the new enhanced treatment program units and expanding secured bed capacity at DSH-Metropolitan.

- *Enhanced Treatment Program Staffing (-\$1.8 million and -12.7 positions in FY 19-20 one-time GF)*

The Enhanced Treatment Program (ETP) is a new enhanced level of care designed to treat patients who are at the highest risk of violence and who cannot be safely treated in a standard treatment environment. These units will provide improved treatment with a heightened secure setting to patients with a demonstrated and sustained risk of aggressive, violent behavior toward other patients and staff. Construction and activation of the ETP units was delayed due to the emergency fire situation and a contractor reviewing and revising plans in response to regulatory comments. Due to unavoidable delays, DSH anticipates a savings of \$1.8 million in FY 2019-20 for resources for the fourth ETP unit.



- *DSH-Metropolitan Increased Secured Bed Capacity (\$18.6 million and 119.3 positions in FY 19-20 and \$20.1 million and 130.0 positions in FY 20-21 and ongoing GF)*

To provide additional capacity to address the ongoing system-wide forensic waitlist with a particular focus on the continuing IST waitlist, this expansion at DSH-Metropolitan is the final phase of the project. DSH has received approval via past Budget Acts for positions and funding for Units 404, 406, and 408, which are scheduled to activate in Spring 2019, after construction completion. Consistent with the previous units, DSH is requesting 130.0 positions and \$20.1 million ongoing for Units 412 and 414 (119.3 partial year positions and \$18.6 million in 2019-20). The net impact of the Continuing Treatment West (CTW) Building and 100s Building renovations will be the activation of 236 additional beds at DSH-Metropolitan.

- *Lanterman-Petris-Short Population Services Adjustment (\$606,000 in FY 19-20 and ongoing)*

DSH admits Lanterman-Petris-Short (LPS) patients through civil commitment processes. LPS beds are funded through reimbursements from counties that use the DSH system. Due to the increasing LPS population, DSH's reimbursement authority is not sufficient for the services provided to counties. Based on LPS bed usage, DSH projects it will collect approximately \$606,000 more in FY 2019-20 than its current reimbursement authority. DSH requests an additional \$606,000 reimbursement authority for LPS patients in FY 2019-20.

- *Deferred Maintenance (\$35 million in FY 19-20 one-time GF)*

DSH requests \$35 million to address deferred maintenance projects that represent critical infrastructure deficiencies. State Hospital facilities require routine maintenance and repair to keep them in acceptable condition and to preserve and extend their useful lives. This funding was determined by criticality of project by hospital and will be made available for encumbrance or expenditure until June 30, 2022.

***Conditional Release Program (CONREP) Estimate (\$3.1 million in FY 19-20 and ongoing GF)***

- *CONREP General/Non-Sexually Violent Predator (SVP) Program - Housing Cost Increase (\$1.0 million GF)*

DSH requests \$1.0 million in FY 2019-20 and ongoing to support its contracted caseload of 666 CONREP clients. Without an augmentation of the current CONREP budget, DSH will not be able to maintain its current census and over time, will continue to reduce admissions and capacity to accommodate increasing housing costs for clients currently in the program.

- *CONREP SVP Program Update (\$2.1 million GF)*

DSH requests \$2.1 million in FY 2019-20 and ongoing to support an additional two SVPs assumed to be released, for a total CONREP-SVP caseload of 23 by June 30, 2020.



***Contracted Patient Services Estimate (\$12.3 million in FY 19-20 and \$13.4 million ongoing GF)***

- *Jail-Based Competency Treatment (JBCT) Existing Program Cost Increase (\$1.1 million in FY 19-20 and \$1.7 million on-going GF)*

Several existing JBCT programs have identified increased costs in providing restoration of competency services for DSH. To continue operating these programs, DSH proposes to support the counties' request for increased funding for JBCT programs in Sacramento, San Diego, and Sonoma counties. DSH requests \$1.1 million in FY 2019-20 and \$1.7 million on-going to support these JBCT program costs.

- *JBCT New Programs (\$11 million in FY 19-20 and \$11.4 million ongoing GF)*

DSH continues to build out its continuum of care to support IST patients by working with a number of counties to develop new JBCT programs in their local jails and secure contracts to activate these programs in the budget year. Negotiations and contract development are at various stages. DSH requests funding for contracting with five counties serving up to 74 JBCT beds that DSH is requesting \$11 million in FY 2019-20 for and \$11.4 million ongoing.

- *Patients' Rights Advocate (\$259,000 in FY 19-20 and ongoing GF)*

To comply with statute and regulations governing JBCT and the Admission, Evaluation, and Stabilization Center, DSH is requesting \$259,000 in the budget year and ongoing to fund 6.5 contracted Patients' Rights Advocates to support the JBCT programs.

***Budget Change Proposals (\$31.3 million GF)***

- *Increase of Court Hearings and Public Records Act (\$767,000 and 5.5 positions GF in FY 19-20 and FY 20-21)*

DSH requests 5.5 two-year limited term positions and \$767,000 to address the 153 percent increase in court hearings at which DSH attorneys are required to appear throughout the State and the 220 percent increase in Public Records Act requests to which DSH must respond.

- *Privacy Protection Program (\$1.3 million and 9.0 positions GF in FY19-20 and ongoing)*

DSH requests 9.0 permanent full-time positions and \$1.3 million to establish a system-wide Privacy Protection Program and provide oversight over system-wide and hospital-specific privacy compliance.

- *Vocational Services and Patient Minimum Wage (\$3.3 million and 1.0 position GF in FY 19-20 and ongoing)*

DSH requests 1.0 permanent full-time position and \$3.34 million in FY 2019-20 and ongoing to implement a new and uniform wage structure for DSH's Vocational Rehabilitation Program. The request will help DSH standardize the patient wage structure across patient-worker commitment types and across hospitals to continue patient vocational treatment programs.



- *Contract Services and Patient Management Support (\$1.1 million and 8.0 positions GF in FY 19-20 and ongoing)*

DSH requests 8.0 permanent full-time positions and \$1.1 million in FY 2019-20 and ongoing to effectively manage the developing and ongoing support of the expansion of competency restoration programs, an increasing IST caseload, and to provide essential data and analysis for effective and efficient management of DSH patient management programs.

- *Court Evaluations and Reports (\$8.1 million and 43.0 positions GF in FY 19-20)*

DSH requests 43.0 permanent full-time positions and \$8.1 million in FY 2019-20, an additional 34.5 permanent full-time positions and \$5.9 million in FY 2020-21, an additional 17.1 permanent full-time positions and \$4.2 million in FY 2021-22 and an ongoing augmentation of \$18.1 million in FY 2022-23 to implement a staffing standard to support the forensic services workload associated with court directed patient treatment. The staffing standard was developed through research conducted within DSH's Staffing Study and in collaboration with the Department of Finance Research and Analysis Unit through a Mission-Based Review. The proposed standard establishes population driven methods for calculating staffing needs in the following forensic functions: Evaluations, Court Reports and Testimony, Forensic Case Management and Data Tracking, and Neuropsychological Assessments and Treatment. DSH is continuing to enhance data collection efforts and will provide annual updates on data findings impacting the presented standards within the annual DSH Caseload Estimate.

- *Direct Care Nursing (\$15 million and 421.3 positions GF in FY 19-20)*

DSH requests 379.5 positions and \$45 million, phased in across a three-year period, to support the workload of providing 24-hour care nursing services. DSH also requests position authority only for 254.0 temporary help positions and 50.0 administrative positions to implement a staffing standard consistent with the findings of the Clinical Staffing Study of 24-hour care nursing services. The staffing standard was developed through research conducted within DSH's Clinical Staffing Study and in collaboration with the Department of Finance Research and Analysis Unit. This proposal examined nurse-to-patient ratios for providing nursing care and the components available to achieve these ratios including internal registries, overtime, and position movements among facilities. The proposal additionally presents staffing methodologies for the administration of medication and the afterhours nursing supervisory structure. All methodologies can be re-assessed annually with updates provided within the annual DSH Caseload Estimate.

- *Workforce Development (\$1.8 million and 8.0 positions GF in FY 19-20)*

DSH requests 8.0 permanent full-time positions and \$1.8 in FY 2019-20, \$2.2 in FY 2020-21, \$2.4 million in FY 2021-22 and 2022-23 and \$2.6 million in FY 2023-24 and ongoing to support the development and implementation of a Psychiatric Residency Program and expand resources for Nursing Recruitment to meet the mission of providing mental health services to patients and reduce vacancy rates for mental health providers.



**Capital Outlay**

The 2019-20 Governors' Budget includes a new appropriation for one project.

State Hospital	Project Description	Project Phase	Amount
DSH-Atascadero	Atascadero Booster Pump	Preliminary Plans	\$113,000

**State Hospital Population**

DSH is responsible for the daily care and treatment to over 7,000 patients with an estimated caseload, by the end of FY 2019-20, totaling 6,327 across the state hospitals, 433 in contracted programs, and 713 in its CONREP non-SVP and CONREP SVP programs in the community. 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 percent of the patient population is forensic. 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 below displays patient caseload by commitment type and contract location.

<b>2019-20 Governor's Budget</b>	
<b>Estimated Caseload</b>	
<b>Location</b>	<b>Estimated Census on June 30, 2020</b>
<b><i>Population by Commitment Type – Hospitals</i></b>	
IST—PC 1370	1,613
NGI—PC 1026	1,399
MDO	1,427
SVP	953
LPS/PC 2974	703
PC 2684 ( <i>Coleman</i> )	230
WIC 1756 (DJJ)	2
<b>Subtotal</b>	<b>6,327</b>
<b><i>Contracted Programs</i></b>	
Kern AES Center	60
Riverside JBCT	22
Sacramento JBCT	31
Sacramento JBCT - Female	11
San Bernardino JBCT	143
San Diego JBCT	28
Sonoma JBCT	11
Stanislaus JBCT	11
Monterey JBCT	15
San Joaquin JBCT	10
Solano JBCT	12
Mendocino Small County Model JBCT <sup>1</sup>	TBD
Mariposa Small County Model JBCT <sup>1</sup>	TBD
Butte JBCT	5
Southern CA County A JBCT	5



Central CA County B JBCT	5
Northern CA County C JBCT	6
Northern CA County D JBCT	48
Southern CA County E JBCT	10
<b>Subtotal</b>	<b>433</b>
<b>CONREP Programs</b>	
CONREP Non-SVP <sup>2</sup>	692
CONREP SVP	21
<b>Subtotal</b>	<b>713</b>
<b>GRAND TOTAL</b>	<b>7,473</b>

<sup>1</sup>Please note that Mendocino and Mariposa JBCT do not have a set number of beds and instead focus on the number of patients served. As such, the annual population change total does not include these additional beds.

<sup>2</sup>The CONREP Non-SVP caseload number includes STRP beds.