



The Department of State Hospitals (DSH) budget for Fiscal Year (FY) 2019-20 totals \$1.98 billion, an increase of \$46.76 million from the FY 2018-19 Budget Act, with an increase of 606.6 positions.

FY 2018-19 Budget Act vs. FY 2019-20 Budget Act				
<i>(Dollars in Thousands)</i>				
FUNDING SOURCE	FY 2018-19 BUDGET ACT	FY 2019-20 BUDGET ACT	DIFFERENCE	% Change
General Fund (0001)	\$1,766,643	\$1,810,439	\$43,796	2%
Lease Revenue Bond (Ref 003)	\$40,221	\$40,475	\$254	1%
State Hospitals	\$40,221	\$40,475	\$254	1%
Support Funds (Ref 011)	\$1,724,057	\$1,767,599	\$43,542	3%
Administration	\$143,160	\$151,764	\$8,604	6%
State Hospitals	\$1,360,466	\$1,472,923	\$112,457	8%
CONREP	\$35,372	\$42,955	\$7,583	21%
Contracted Patient Services	\$161,823	\$77,089	(\$84,734)	-52%
Evaluation & Forensic Services	\$23,236	\$22,868	(\$368)	-2%
Support HIPAA (Ref 017)	\$1,265	\$1,265	\$0	0%
Administration	\$1,265	\$1,265	\$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)	\$23	\$29	\$6	26%
State Hospitals	\$23	\$29	\$6	26%
Reimbursements (Ref 511)	\$167,476	\$170,433	\$2,957	2%
Administration	\$216	\$66	(\$150)	-69%
State Hospitals	\$167,260	\$170,367	\$3,107	2%
<b>TOTALS</b>	<b>\$1,934,142</b>	<b>\$1,980,901</b>	<b>\$46,759</b>	<b>2.42%</b>
FUNDING SOURCE	FY 2018-19 BUDGET ACT	FY 2019-20 BUDGET ACT	DIFFERENCE	% Change
General Fund (0001)	\$27,730	\$41,167	\$13,437	48%
Capital Outlay	\$27,730	\$41,167	\$13,437	48%
Public Bldgs Construction (0660)	\$33,086	\$0	(\$33,086)	-100%
Capital Outlay	\$33,086	\$0	(\$33,086)	-100%
<b>TOTALS</b>	<b>\$60,816</b>	<b>\$41,167</b>	<b>(\$19,649)</b>	<b>-32%</b>



## **Support Budget**

The 2019-20 Budget Act reflects a net increase of \$46.76 million from the General Fund (GF) and 606.6 positions. In addition, DSH will reflect an increase in Reimbursement Authority to \$2.96 million. The following provides specific detail of budget adjustments from the FY 2018-19 Budget Act:

### ***State Hospital Estimate (\$60.8 million GF, 99.8 positions and \$3.35 million reimbursement authority)***

DSH continues to seek solutions to address the significant growth in its patient population. As of June 3, 2019, DSH has a total of 1,131 patients pending placement, of which 852 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 (\$11 million GF and ongoing)*

DSH will receive \$11 million in FY 2019-20 and ongoing to support the operating cost per patient. Operating cost per patient adjustments are based on updated projected census figures. This adjustment will fund the 547 state hospital beds activated since FY 2012-13, as well as the beds activated in FY 2018-19. DSH will include patient driven operating expenses and equipment costs based on expenditures and patient census annually in the Governor's Budget and May Revision Estimates.

- *Lanterman-Petris-Short Population Services Adjustment (\$3.35 million reimbursement authority 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 updated collection figures, DSH's reimbursement authority will increase \$3.35 million.

- *2014 South Napa Earthquake Repairs (-\$608,000 one-time GF)*

Funding via prior Budget Acts have been approved for the repairs associated with the damage at DSH-Napa resulting from the South Napa earthquake in August 2014. DSH prioritized the repairs to DSH-Napa's buildings into three projects. While funding for Projects 1 and 2 remain status-quo, DSH will have a one-time savings of \$608,479. As a result, DSH will not be proceeding with completion of the remaining Project 3 repairs, which are comprised of minor cosmetic repairs, including plaster repairs and painting. Due to ongoing challenges and delays in the availability and hiring of casual labor, DSH has not been able to make significant efforts towards completing Project 3 repairs. Further complicating the issue, these repairs are within patient occupied areas and would require swing space to complete the project that DSH-Napa does not currently have available. Additionally, recent storms have caused roof leaks that have damaged the cosmetic repairs already made. As such, the Department is cancelling remaining Project 3 deliverables.

- *Enhanced Treatment Program Staffing (-\$2.34 million one-time GF and -10.4 positions)*

The Enhanced Treatment Program (ETP) is a new enhanced level of care designed to treat patients who are at the highest risk of dangerous behavior 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 various reasons such as existing site conditions, code issues, and resulting changes required by the State Fire Marshal. Further delays are



due to unforeseen conditions such as unknown regular and low voltage electrical conduits and materials damages and unexpected ductwork. As a result of these delays, DSH will incur a savings of \$2.34 million. Additionally, DSH will redirect \$139,000 of the savings reported in FY 2019-20 to critical needs identified for DSH-Patton's ETP unit.

- *DSH-Metropolitan Increased Secured Bed Capacity (\$15.53 million one-time GF and 99.2 positions)*

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. Consistent with the previous units, DSH will receive \$15.53 million and 99.2 positions in FY 2019-20 for the activations of the last two remaining IST units, 412 and 414. 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.

- *Deferred Maintenance (\$15 million one-time GF)*

DSH will receive \$15 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.

- *Telepsychiatry Resources (\$2.2 million GF ongoing and 11.0 positions)*

To expand the use of telepsychiatry and ensure appropriate delivery of care, DSH will expand its current program to add clinical oversight and supervision, telepsychiatry coordinators, as well as sufficient information technology equipment and resources. To accommodate this expansion, DSH is authorized 11.0 positions and \$2,205,315 in FY 2019-20 and 21.0 positions and \$3,698,049 in FY 2020-21. The ongoing augmentation starting in 2021-22 will be 21.0 positions and \$3.5 million.

**Conditional Release Program (CONREP) Estimate (\$7.8 million GF)**

- *CONREP General/Non-Sexually Violent Predator (SVP) Program (\$1 million GF and ongoing)*

DSH will receive \$1 million in FY 2019-20 and ongoing to support its contracted caseload of 666 CONREP clients. This augmentation is to support increasing housing costs for CONREP clients and will allow DSH to maintain its current census, admissions and capacity.

- *CONREP SVP Program Update (\$1 million GF and ongoing)*

DSH will receive an increase of \$1 million in FY 2019-20 and ongoing to support a total CONREP-SVP caseload of 21 by June 30, 2020. The estimated caseload and budget are in accordance with the actual and updated schedule for release of SVP clients to CONREP.



- *CONREP – Expand Continuum of Care: Step-Down Transition Program (\$5.7 million GF and ongoing)*

DSH will expand its continuum of care for state hospital/CONREP patients via establishing a step-down program. DSH will receive \$5.7 million in FY 2019-20 (\$11.5 million ongoing) to contract for a 78-bed vendor-operated community step-down program to serve Mentally Disordered Offenders and Not Guilty by Reason of Insanity commitments who are preparing for conditional release from state hospitals within 18 to 24 months. This funding also includes expanding DSH's existing contract with Sylmar Health and Rehabilitation Center by four (4) beds for a total of 24 beds.

**Contracted Patient Services Estimate (\$6.4 million GF)**

- *Jail-Based Competency Treatment (JBCT) Existing Programs (\$925,000 GF and ongoing)*

Several existing JBCT programs have identified increased and decreased costs in providing restoration of competency services for DSH. To continue operating these programs, DSH will receive \$925,000 to support the counties' request for increased funding for JBCT programs.

- *Jail-Based Competency Treatment (JBCT) New Programs (\$5.26 million GF and ongoing)*

DSH will receive a total increase of \$5.26 million to expand the JBCT program with new programs in new locations. This funding will provide DSH the ability to provide restoration of competency services to a wider geographic range of patients.

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

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

- *IST Diversion (Supplemental Report to the Legislature)*

Trial courts shall work with the Judicial Council to provide data pursuant to the mental health diversion program set forth in Penal Code section 1001.36 including the number of petitions that were granted. When possible, the courts shall also report the number of petitions that were denied; denied because the defendant did not meet the statutory requirements for eligibility; the number of individuals who successfully completed the diversion program; and, the number of individuals that were terminated from the program. The Judicial Council will make this data available to the Legislature and the Department of State Hospitals on an annual basis commencing July 1, 2020, and the Department of State Hospitals shall include this data report in the data elements it receives from counties that have contracted with the department for mental health diversion programs funded pursuant to Chapter 6.5 (commencing with Section 4361) of the Welfare and Institutions Code.

**Headquarters and Hospital Administration (\$11.7 million GF and 11.0 positions {9.0 permanent, 2 temporary help})**

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



DSH will convert 3.0 limited-term positions to permanent full-time positions, and \$5.8 million 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 will continue with three academies 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. Provisional Language was added for this proposal that states, *“The State Department of State Hospitals shall provide a status update on the recruitment and retention of hospital police officers, to be included in the department’s 2020–21 Governor’s Budget estimate and subsequent May Revision estimate. The update shall include the number of authorized and vacant positions for each hospital, the actual attrition rate for the 2019–20 fiscal year, the projected attrition rate for the 2020–21 fiscal year, and the rate of success pertaining to the number of hospital police officer cadet graduates of the OPS Police Academy.”*

- *Disaster Preparedness, Response and Recovery (\$996,000 GF and 6.0 positions)*

DSH will receive \$996,000 and 6.0 positions (1.0 Statewide Senior Emergency Coordinator and 5.0 Emergency Services Coordinators) in FY 2019-20 and \$826,000 in FY 2020-21 and ongoing. This proposal includes funding for a new Statewide Business Continuity Plan, satellite phone hardware, as well as emergency equipment and communications systems. This proposal is part of the Administration’s larger Disaster Preparedness, Response and Recovery package. Based on lessons learned and due to the increased magnitude, frequency and complexity of recent disasters and those likely to come, includes resources for various departments to enhance the State’s disaster response preparedness and support the continuity of state government during disasters.

- *Relocation to Clifford L. Allenby Building (\$4.9 million and 2.0 temporary help positions GF)*

The California Health and Human Services Agency (CHHS), Department of Developmental Services (DDS) and DSH will receive \$23.9 million in General Fund authority. Of that, DSH will receive \$4.89 million in fiscal year (FY) 2019-20, \$1.76 million in FY 2020-21, \$2.76 million in 2021-22 and 2022-23, and an ongoing amount of \$2.76 million. In addition, DSH will receive 2.0 2-year limited term temporary help positions in FY 2019-20. This request addresses the services and equipment necessary for occupancy of the new building that are not funded through the capital outlay process. This augmentation is required for Phase 1 which includes initial funding for purchases and their corresponding ongoing costs to relocate staff and operations to the new Department of General Services (DGS) Clifford L. Allenby Building to be located at 1215 O Street in Sacramento in January of 2021. Funding needed for costs to be incurred in other phases will be requested in a subsequent proposal. Provisional language was added for this proposal that states, *“Notwithstanding any other law, contracts to procure document imaging or archival services related to relocation of the department’s headquarters shall be exempt from the requirements of Section 19130 of the Government Code, and from Department of General Services and Department of Technology review and delegation limits.”*

**Budget Change Proposals and Spring Finance Letters (\$33.3 million and 495.8 positions GF)**

- *Increase of Court Hearings and Public Records Act (\$767,000 GF and ongoing and 5.5 positions)*

DSH will receive 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 (\$1.26 million GF and ongoing and 9.0 positions)*



DSH will receive 9.0 permanent full-time positions and \$1.26 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 (\$3.19 million GF and ongoing and 1.0 position GF)*

DSH will receive 1.0 permanent full-time position and \$3.19 million in FY 2019-20 and ongoing to implement a new and uniform wage structure for DSH's Vocational Rehabilitation Program. This augmentation will help DSH standardize the patient wage structure across patient-worker commitment types and across hospitals to continue patient vocational treatment programs. Trailer Bill Language was included as part of this proposal to amend and/or add language to the following statutes and regulations: *Sec. 3208.3(k), Labor Code (amended), Sec. 3551(h), Labor Code (amended), Secs. 3370.1 & 3371.1, Labor Code (added), Sec. 4316, Welfare and Institutions Code (amended), Sec. 4317, Welfare and Institutions Code (added), Sec. 7281.1, Welfare and Institutions Code (added).*

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

DSH is authorized 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 million GF and ongoing and 43.0 positions)*

DSH is authorized 43.0 permanent full-time positions and \$8 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 GF and ongoing and 117.3 positions)*

DSH will receive 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 will also receive 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 GF and ongoing and 8.0 positions)*



DSH will receive 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. In addition, DSH identified an opportunity to leverage an existing agreement with Cuesta College to receive reimbursement for the Nurse Instructors received for placement at DSH-Atascadero. DSH will offset \$370,000 from the GF augmentation and increase \$370,000 in reimbursement authority.

- *Pharmacy Modernization (\$2.2 million one-time)*

DSH will receive \$2.2 million in FY 2019-20 to plan the implementation of Pharmacy Modernization. This will fund staffing and other resources required to support the completion of activities required by the State’s Project Approval Lifecycle (PAL) Stage Gates. Continuing support for DSH’s Pharmacy Modernization plan will allow DSH to continue developing a modern solution, which will prepare DSH for an Electronic Health Records system. Pharmacy Modernization will consist of planning activities that will include inventory control, unit dose repackaging, automated dispensing, standardized patient-specific medication data improvements, and pharmacy data integration. In addition, the project will reengineer the existing pharmacy application environment to accommodate the new pharmacy system.

***Other Baseline Adjustments***

- *Technical Adjustments – Various Increase (net-zero funding adjustment)*

DSH will realign resources in FY 2019-20 and ongoing to properly align budget and position authority with existing resources. This proposal did not adjust DSH’s funding levels and results in a net-zero outcome.

**Capital Outlay**

The FY 2019-20 Budget Act includes continued re-appropriations and funding for continued authorized projects totaling \$13.4 million GF to address facility infrastructure needs.

<b>State Hospital</b>	<b>Project Description</b>	<b>Amount</b>
<b><i>New Project</i></b>		
DSH-Atascadero	Atascadero Booster Pump	\$113,000
<b><i>Reappropriation</i></b>		
DSH-Patton	Fire Alarm System Upgrade- Reappropriation	\$9,428,000
DSH-Metropolitan	Consolidation of Police Operations- Reappropriation	\$1,509,000
DSH-Atascadero and DSH-Patton	Enhanced Treatment Program Reappropriation	\$2,387,000
<b><i>Extension of Liquidation Period</i></b>		
DSH-Napa	Construct New Main Kitchen	\$0
DSH-Metropolitan	Construct New Main Kitchen and Remodel Satellite Serving Kitchens	\$0

**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 6,317 across the state hospitals, 444 in contracted programs, and 795 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 percent 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 Budget Act</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	1,617
NGI—PC 1026	1,396
MDO	1,416
SVP	953
LPS/PC 2974	703
PC 2684 (Coleman)	230
WIC 1756 (DJJ)	2
<b>Subtotal</b>	<b>6,317</b>
<b><i>Contracted Programs</i></b>	
Kern AES Center	60
Riverside JBCT	25
Sacramento JBCT	32
Sacramento JBCT - Female	12
San Bernardino JBCT	146
San Diego JBCT	30
Sonoma JBCT	10
Stanislaus JBCT	18
Monterey JBCT	10
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>444</b>
<b><i>CONREP Programs</i></b>	
CONREP Non-SVP <sup>2</sup>	692
CONREP SVP	21





Expand Continuum of Care	82
<b>Subtotal</b>	<b>795</b>
<b>GRAND TOTAL</b>	<b>7,556</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.