

The Department of State Hospital's (DSH) proposed budget for fiscal year (FY) 2021-22 totals \$2.5 billion – a decrease of \$41 million (a decrease of two percent) from the 2021-22 Governor's Budget - with 165.2 proposed positions in the budget year (BY). The proposed budget includes investments in community and jail-based programs to continue DSH's efforts towards meeting the increased demand for services for individuals deemed Incompetent to Stand Trial (IST), improving the departments operations and delivery of services, and state hospital facility repairs and improvements.

SUPPORT COMPARISON

FY 2021-22 Governor's Budget vs. FY 2021-22 May Revision

(Dollars in Thousands)

| FUNDING SOURCE | FY 2021-22 Governor's Budget | FY 2021-22 May Revision | Difference | % Change |
|-------------------------------------|---|--|-------------------|---------------------|
| General Fund (0001) | \$2,301,880 | \$2,308,891 | \$7,011 | 0% |
| Lease Revenue Bond (Ref 003) | \$40,631 | \$40,631 | \$0 | 0% |
| State Hospitals | \$40,631 | \$40,631 | \$0 | 0% |
| Support Funds (Ref 011) | \$2,206,790 | \$2,196,095 | (\$10,695) | 0% |
| Administration | \$176,134 | \$206,087 | \$29,953 | 17% |
| State Hospitals | \$1,557,868 | \$1,685,840 | \$127,972 | 8% |
| CONREP | \$65,693 | \$69,457 | \$3,764 | 6% |
| Contracted Patient Services | \$384,068 | \$198,871 | (\$185,197) | -48% |
| Evaluation & Forensic Services | \$23,027 | \$35,840 | \$12,813 | 56% |
| Support HIPAA (Ref 017) | \$1,377 | \$1,857 | \$480 | 35% |
| Administration | \$1,377 | \$1,857 | \$480 | 35% |
| Support COVID-19 (Ref 021) | \$51,982 | \$69,208 | \$17,226 | 33% |
| Administration | \$4,148 | \$475 | (\$3,673) | -89% |
| State Hospitals | \$47,634 | \$68,731 | \$21,097 | 44% |
| Contracted Patient Services | \$200 | \$0 | (\$200) | -100% |
| Evaluation & Forensic Services | \$0 | \$2 | \$2 | 100% |
| Non- Budget Act (Ref 502) | \$1,100 | \$1,100 | \$0 | 0% |
| Medicare- State Hospital | \$1,100 | \$1,100 | \$0 | 0% |
| Lottery Fund (0814) | \$27 | \$27 | \$0 | 0% |
| State Hospitals | \$27 | \$27 | \$0 | 0% |
| Reimbursements (Ref 511) | \$183,684 | \$158,980 | (\$24,704) | -13% |
| Administration | \$252 | \$176 | (\$76) | -30% |
| State Hospitals | \$183,432 | \$158,804 | (\$24,628) | -13% |
| TOTALS | \$2,485,591 | \$2,467,898 | (\$17,693) | -1% |

CAPITAL OUTLAY COMPARISON

FY 2021-22 Governor's Budget vs. FY 2021-22 May Revision

(Dollars in Thousands)

| FUNDING SOURCE | FY 2021-22 Governor's Budget | FY 2021-22 May Revision | Difference | % Change |
|---------------------------------|------------------------------|-------------------------|-------------------|-------------|
| General Fund (0001) | \$54,320 | \$31,480 | (\$22,840) | -42% |
| Capital Outlay | \$54,320 | \$31,480 | (\$22,840) | -42% |
| Public Bldg Construction (0660) | \$22,024 | \$22,024 | \$0 | 0% |
| Capital Outlay | \$22,024 | \$22,024 | \$0 | 0% |
| TOTALS | \$76,344 | \$53,504 | (\$22,840) | -30% |

TOTAL State Hospitals

FY 2021-22 Governor's Budget vs. FY 2021-22 May Revision

(Dollars in Thousands)

| FUNDING SOURCE | FY 2021-22 Governor's Budget | FY 2021-22 May Revision | Difference | % Change |
|------------------|------------------------------|-------------------------|-------------------|------------|
| State Operations | \$2,485,591 | \$2,467,898 | (\$17,693) | -1% |
| Capital Outlay | \$76,344 | \$53,504 | (\$22,840) | 0% |
| TOTALS | \$2,561,935 | \$2,521,402 | (\$40,533) | -2% |

SUPPORT BUDGET

The FY 2021-22 May Revision reflects a net decrease of \$24.7 million in General Fund in FY 2020-21 and a net increase of \$7 million in General Fund in FY 2021-22. Also reflected is a net decrease of \$24.7 million in Reimbursement Authority in FY 2021-22. The following provides specific detail of proposed budget adjustments.

SPRING FINANCE LETTERS AND BUDGET CHANGE PROPOSALS

Spring Finance Letters (\$3.6 million and 2.0 positions in FY 2021-22)

- *Relocation to the Clifford L. Allenby Building – Phase 3 (\$3.3 million and 2.0 positions in FY 2021-22)*

DSH proposes 2.0 positions (authority only) and \$3.3 million in FY 2021-22 and ongoing to support increased rent cost associated with the relocation of DSH-Sacramento to the Clifford L. Allenby Building. The \$3.3 million supports DSH's portion of the increased rent cost. Building occupancy is expected to begin in June 2021. The requested staffing will be providing technology support to California Health and Human Services (CHHSA).



- *Increased Investigation Workload (\$337,000 in FY 2021-22)*

DSH proposes \$337,000 in FY 2021-22 and \$266,000 ongoing to support the reclassification of 20.0 Hospital Police Officer positions to the Investigator classification. This reclassification would support the need for investigative staff at all five of DSH's hospitals given the increase in the patient population, demographics, and increase of DSH employees over the years that has increased the investigative workload.

- *Statewide Ligature Risk Special Repair Funding (No position authority or dollar change)*

DSH proposes budget bill language to extend the encumbrance and expenditure authority for ligature risk special repair funding authorized in the 2020 Budget Act until June 30, 2024. An extended timeline for expenditure of the authorized funding is required due to challenges in completing the purchase or fabrication of ligature retrofit materials and labor (i.e. low stock of the needed items or custom orders required).

Budget Change Proposals (-\$108.1 million and 7.0 positions in 2021-22)

- *Statewide Integrated Health Care Provider Network (HCPN) (\$6.3 million in FY 2021-22 and 6.0 3-year limited-term positions)*

DSH proposes 6.0 three-year limited-term positions to develop and implement a contract for a Statewide Integrated Health Care Provider Network. This includes prior authorization and third-party administration services to support continuity of care and to provide stable and timely access to specialty, quality medical services for patients at an affordable cost.

- *COVID-19 Workers' Compensation (SB 1159) (\$16.5 million in FY 2021-22 and 7.0 3-year limited-term positions)*

DSH proposes 7.0 limited-term positions and \$16.5 million in FY 2021-22, \$14.4 million in FY 2022-23, \$14.7 million in FY 2023-24, and \$16.0 million in FY 2024-25 to address the increased volume of claims related to COVID-19. This will enable DSH to meet tighter time constraints required by Chapter 85, Statutes of 2020 (Senate Bill 1159) in processing and evaluating workers' compensation claims and return-to-work activities.

- *COVID-19 Direct Response Expenditures (\$17.3 million in FY 2021-22)*

As reflected in the 2021-22 Governor's Budget, DSH requested \$52 million to respond to the COVID-19 pandemic through a statewide BCP for COVID-19 response. As of the 2021-22 May Revision, DSH proposes an additional allocation of \$17.3 million in FY 2021-22. COVID-19 has been a rapidly evolving event and DSH has been and continues to actively plan and prepare for COVID-19 across the DSH system, following guidance from the California Department of Public Health (CDPH), the Centers for Disease Control and Prevention (CDC), and other state and local partners. On an ongoing basis, changes are made to the DSH system to be responsive to COVID-19 and overcome challenges that this pandemic presents. Funding provided will be used for personnel expenses, personal protective equipment (PPE), outside medical hospitalizations and testing for patients and staff.



- *Deferred Maintenance Allocation (\$85 million in FY 2021-22)*

As reflected in the 2021-22 Governor's Budget, DSH requested \$15 million one-time funding to address critical deferred maintenance, special repairs/replacement and regulatory compliance projects at DSH's five hospitals. As of the 2021-22 May Revision, DSH requests an additional \$85 million one-time funding for additional deferred maintenance.

Withdrawn Proposals

- *Community Care Demonstration Project for Felony IST (-\$233.2 million and -4.0 positions in 2021-22)*

This proposal initially proposed in Governor's Budget has been withdrawn and alternate investments to address the number of ISTs pending placement to a state hospital have been introduced (see the Enrollment, Caseload and Population section for more information on these proposals).

ENROLLMENT, CASELOAD AND POPULATION

DSH continues to seek solutions to address the significant demand for treatment. As of May 3, 2021, DSH has a total of 1,913 patients pending placement, of which 1,561 are deemed IST. The enrollment, caseload and population estimates propose new 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 Hospital Estimate (-\$16.6 million and -95.0 positions in FY 2020-21; \$47.4 million, 73.7 positions and -\$24.7 million Reimbursement Authority in FY 2021-22)

- *Lanterman-Petris-Short (LPS) Population Services Adjustment (\$17.1 million GF and 3.0 position authority in FY 2021-22, Reimbursement Authority decrease of \$24.7 million in FY 2021-22)*

DSH proposes to discontinue contracting with counties for the treatment of Lanterman-Petris-Short patients to provide additional state hospital capacity to treat ISTs. DSH also proposes trailer bill language to update the statutes governing LPS patients to remove DSH as a treatment placement option and maintain treatment for individuals civilly committed under the LPS Act at the county level. This action is necessary to enable DSH to dedicate its full bed capacity to forensic patients and reflect DSH's statutory and constitutional obligations for the treatment of forensic patients due to ongoing and increasing pressures and referrals for individuals found IST. DSH proposes to phase out LPS patients over the course of a three-year period, resulting in a 100 percent reduction of LPS patients by June 30, 2024. As the beds are vacated, DSH will transition the beds to serve IST patients. The decrease in the number of LPS patients served will result in a loss of reimbursement DSH receives from the counties. The loss in county reimbursement will require DSH to request General Fund in the reimbursement equivalency of \$16.6 million in FY 2021-22, \$88.1 million in FY 2022-23, and \$145.5 million in FY 2023-24 and 3.0 limited-term positions costing \$480,000 to close the funding gap needed to serve IST patients.

- *DSH-Metropolitan Increase Secured Bed Capacity (\$17,000 and -1.2 position authority in FY 2021-22)*

The 2020 Budget Act provided funding for DSH to activate the remaining three units of a five-unit secured bed capacity expansion to provide additional bed capacity to treat individuals committed to DSH as IST. Due to COVID-19, DSH is experiencing a two-month delay in the activation of the three remaining units for this purpose. The three remaining units are projected to be activated in September 2021. The Continuing Treatment East Fire Alarm Upgrade installation is projected to be completed in August or September 2021 pending no further delays. DSH-Metropolitan prioritized using the three inactive units for its COVID-19 response. One unit has been utilized for isolation of patients testing positive for COVID-19 and the other two units are being used as Admission Observation Units (AOUs). Additionally, as DSH is finalizing the position phase associated with the bed activations, a position authority and funding calculation error was observed. DSH has corrected the position authority and funding calculation error to reflect a permanent reduction of 1.2 position authority and \$17,000 in FY 2021-22 and ongoing.

- *Enhanced Treatment Program (ETP) (-\$3.7 million and -23.0 positions in FY 2020-21; \$329,000 and - 8.2 positions in FY 2021-22)*

ETP is an 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 in a heightened secure setting to patients with a demonstrated and sustained risk of aggressive, violent behavior toward other patients and staff. DSH anticipates additional activation delays in all four units. The continued delays are due to existing site conditions, code issues, unforeseen conditions such as unknown regular and low voltage electrical conduits, materials damage, unexpected ductwork, and the uncertainties related to COVID-19. As a result, DSH will yield an additional one-time savings of \$3.7 million and 23.0 positions in FY 2020-21, a one-time savings of \$686,000 and 8.2 positions in FY 2021-22, and an ongoing request of \$1.0 million in 2021-22, for a total May Revision request of \$329,000 in FY 2021-22 and \$1.0 million in FY 2022-23 ongoing.

- *Vocational Services and Patient Minimum Wage Caseload (-\$625,000 in FY 2020-21)*

Due to COVID-19, DSH patient vocational referrals continue to be low, mostly due to the fact many job sites cannot host patient workers at this time because of restrictions on patient movement around the hospital. DSH will yield a one-time savings of \$625,000 in FY 2020-21 as a result of lower participation in the vocational services program due to COVID-19. DSH is projecting the program to resume standard operations January 2022. An update will be provided in the FY 2022-23 Governor's Budget.

- *Mission Based Review - Court Evaluations and Reports (-\$2.7 million and -13.7 positions in FY 2020-21; \$222,000 and in FY 2021-22)*

This staffing standard establishes 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). The 2019 Budget Act included 94.6 permanent full-time positions and \$40.3 million, phased-in over a three-year period, to implement a staffing standard to support the forensic services workload associated with court-directed patient treatment. In response to the economic impact of the COVID-19 pandemic, the 2020 Budget Act revised the implementation of this staffing standard to phase-in across a four-year period. As of March 1, 2021, 59.8 positions have been established and 41.0 have been filled. 27.2 positions approved in the 2019 Budget Act are scheduled to be phased in in FY 2021-22. DSH also recognized an oversight in the position phase-in process; the positions phased-in during BY+2 and ongoing were underfunded. Due to ongoing delays in hiring, DSH is reporting a one-time savings of 13.7 positions and \$2.7 million in FY 2020-21, and requests \$222,000 in FY 2021-22 and ongoing to account for the underfunded phased-in positions.



- *Mission Based Review - Direct Care Nursing (-\$4.4 million and -39.1 positions in FY 2020-21; \$434,000 in FY 2021-22)*

This staffing standard examined nurse-to-patient ratios for providing nursing care and the components available to achieve these ratios. This analysis included internal registries, overtime, and position movements among facilities. It also included staffing methodologies for the administration of medication and the afterhours nursing supervisory structure. The 2019 Budget Act included a total of 379.5 positions and \$46 million, phased-in over a three-year period, to support the workload of providing 24-hour care nursing services at the hospitals. In response to the economic impacts of the COVID-19 pandemic, the 2020 Budget Act revised the implementation of this staffing standard to phase-in across a four-year period. As of March 1, 2021, 104.5 positions have been established and 72.3 have been filled. 135.5 positions approved in the 2019 Budget Act are scheduled to be phased in in FY 2021-22. Recruitment for the positions phased-in as of April 1, 2021 is in progress at the hospitals. Additionally, DSH recognized an oversight in the position phase-in process; the positions phased-in during BY+2 and ongoing were underfunded. Due to ongoing delays in hiring, DSH is reporting a one-time savings of 39.1 positions and \$4.4 million in FY 2020-21, and requests \$434,000 in FY 2021-22 and ongoing to account for the underfunded phased-in positions.

- *Mission Based Review - Workforce Development (-\$203,000 and -1.2 positions in FY 2020-21; -\$40,000 in FY 2021-22)*

The 2019 Budget Act included resources 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. As of the 2021-22 May Revision, the Psychiatric Residency Program is currently anticipating holding the first cohort in July 2021. For the Psychiatric Technician Program, DSH-Atascadero and DSH-Napa have expanded their cohorts. DSH-Coalinga is no longer moving forward with the West Hills College contract to expand the Psychiatric Technician Program. As a result, DSH will redirect the allocated Nurse Instructor to the DSH-Sacramento Recruitment Unit and reclass to an Associate Governmental Program Analyst (AGPA) to work as a Recruitment Outreach Specialist. Due to ongoing delays in hiring, DSH is reporting a one-time savings of 1.2 positions and \$203,000 in FY 2020-21 and an ongoing savings of \$40,000 in FY 2021-22.

- *Mission Based Review - Treatment Team and Primary Care (-\$4.4 million and -13.4 positions in FY 2020-21; \$22.8 million and 44.3 positions in FY 2021-22)*

This staffing standard uses data-informed methodologies for standardizing caseload for DSH's interdisciplinary treatment team and primary care, resulting in an increase in the number of treatment teams and primary care physicians in the state hospitals. This will improve patient outcomes, result in shorter lengths of stay, and reduce patient violence and staff injuries. In the 2020 Budget Act, due to COVID-19, the Legislature approved the methodologies contained in the BCP but were only able to provide funding and resources of \$5 million and 12.5 positions in FY 2020-21 and \$10 million and 30.0 positions in FY 2021-22 and ongoing for both the MBR-Treatment Team and Primary Care and MBR-Protective Services proposals. DSH prioritized the funding and resources be allocated to this proposal. As of the FY 2021-22 May Revision, DSH requests the funding and position authority for full implementation of the BCP to be phased in over five years in alignment with the methodology previously approved. DSH yields one-time savings in FY 2020-21 of \$4.4 million and 13.4 positions due to hiring delays. DSH requests \$12.2 million one-time funding, \$10.6 million and 44.3 positions in FY 2021-22, \$28 million and 113.0 positions in FY 2022-23, \$39.8 million and 161.7 positions in FY 2023-24, \$47.5 million and 191.7 positions in FY 2024-25 and \$54.1 million and 213.3 positions in FY 2025-26 and ongoing.



- *Mission Based Review - Protective Services (\$6.5 million and 35.8 positions 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. In the 2020 Budget Act, due to COVID-19, the Legislature approved the methodologies contained in the BCP but were only able to provide funding and resources of \$5 million and 12.5 positions in FY 2020-21 and \$10 million and 30.0 positions in FY 2021-22 and ongoing for both the MBR-Treatment Team and Primary Care and MBR-Protective Services. DSH prioritized the funding and resources to be allocated for the MBR-Treatment Team and Primary Care. Subsequently, the Department of Finance approved DSH to utilize the overtime budget for off-grounds custody, and DSH administratively established 12.0 Hospital Police Officer positions in FY 2020-21. As of the 2021-22 May Revision, DSH requests the funding and position authority for full implementation of the BCP to be phased in over two years in alignment with the methodology previously approved. DSH requests \$6.5 million and 35.8 positions in FY 2021-22 and \$11.3 million and 71.3 positions in FY 2022-23 and ongoing.

- *COVID-19 Informational Only (No position authority or dollar change)*

COVID-19 has been a rapidly evolving event and DSH has and continues to actively plan and prepare for COVID-19 across the DSH system, following guidance issued from the California Department of Public Health (CDPH), the Centers for Disease Control and Prevention (CDC), and other state and local partners. Changes are made to the DSH system on an ongoing basis in order to be responsive to COVID-19 and overcome challenges this pandemic presents. DSH has implemented its vaccine campaign, and vaccinations have been made available to all employees and patients at each state hospital. As of March 30, 2021, DSH performed 64,134 tests on a cumulative total of 7,203 patients across all five hospitals, with a total of 1,885 patients testing positive. DSH also performed 86,985 staff tests statewide and with a total of 1,988 testing positive. DSH has administered a total of 8,502 vaccinations to patients and 14,400 to employees as of March 30, 2021.

- *Telepsychiatry Resources (-\$635,000 and -4.7 positions in FY 2020-21)*

In the 2019 Budget Act, DSH added clinical oversight and supervision, telepsychiatry coordinators, and information technology (IT) equipment and resources to support the Telepsychiatry program. As of January 1, 2021, the 7.0 coordinator positions allocated to DSH-Atascadero were transferred to DSH-Coalinga, and recruitment has begun. Due to the delay in hiring, DSH will yield an additional one-time savings of \$635,000 and 4.7 positions in FY 2020-21.

Conditional Release Program (CONREP) Estimate (-\$2.7 million in FY 2020-21; \$3.2 million in FY 2021-22)

- *CONREP Non-Sexually Violent Predator (SVP): Caseload Update (No position authority or dollar change)*

As reflected in the 2021-22 Governor's Budget, DSH requested \$1.2 million total to address the increased salaries and operating costs for contracted CONREP providers. CONREP county providers are obligated to provide salary increases imposed by the respective union collective bargaining contracts. As of the 2021-22 May Revision, no further adjustments are needed.

- *CONREP SVP: Caseload Update (\$1.8 million in FY 2021-22)*

As of the 2021-22 May Revision, DSH requests \$1.8 million in FY 2021-22 and ongoing in operating expenditures to cover the anticipated costs for an average of 25 SVP clients in CONREP during FY 2021-22. Although, DSH projected a caseload of 28 in the 2021-22 Governor's Budget, DSH assumed a conservative caseload projection of 21 to account for the varying average length of stay per patient. Since the 2021-22 Governor's Budget, DSH experienced increased movement and now a total of 25 SVP placements are expected. As of the 2021-22 May Revision, DSH is tracking a total of 29 SVP clients. There are 18 clients currently admitted to CONREP and another 11 who have an approved court order for release to CONREP but are awaiting placement. In addition, DSH is tracking 14 more SVP clients who have petitioned the courts for release to CONREP and are awaiting approval.

- *CONREP Continuum of Care Expansion (-\$2.7 million in FY 2020-21 and -\$2.7 million in FY 2021-22)*

As of the 2021-22 May Revision, DSH will reflect a one-time savings of \$1.2 million and an additional ongoing savings of \$1.5 million in FY 2020-21 due to further delays in construction and contract negotiations. DSH will also reflect a savings of \$2.7 million in FY 2021-22 and ongoing due to a reduction in the number of beds previously assumed in the 2021-22 Governor's Budget. The delay of the regulatory approval of the Institute for Mental Disease (IMD) and the operational impacts of COVID-19 further delayed the retrofit's projected completion date and program activation is now expected to occur by July 2021. Additionally, DSH is experiencing contract negotiation delays for the 20-Bed Northern CA Mental Health Rehabilitation Center (MHRC) and program activation is now expected to occur in July 2021. Furthermore, the facility is no longer able to dedicate all 20 beds as previously assumed. As a result, the MHRC facility will be implementing the program as a 5-bed program at an ongoing cost of \$912,500, with the potential for future expansion.

- *CONREP Non-SVP: Mobile Forensic Assertive Community Treatment (FACT) Team (\$4.1 million in FY 2021-22)*

DSH requests \$4.1 million in FY 2021-22, \$6.3 million in FY 2022-23 and FY 2023-24, and \$6.5 million annually beginning in FY 2024-25 for the CONREP Mobile FACT Team Program. DSH proposes to contract with a provider to operate 60 beds in Northern California, 60 beds in the Bay Area, and 60 beds in Southern California. This reflects an increase of 80 beds over what was originally proposed in Governor's Budget for a total of 180 new beds. DSH continues to assume a cost of \$75,000 per bed annually to support the increase of the 10 additional beds in Southern California and Northern California. However, for the 60 new beds in the Bay Area, DSH assumes \$78,000 per bed annually to account for the higher cost of housing and personnel support. Additionally, DSH requests program start-up and implementation costs of \$1 million in FY 2021-22 and \$100,000 in FY 2022-23 and ongoing to support the additional housing sites. Currently, DSH projects to secure a service provider by early fall 2021 to facilitate program activations and patient placements by January 2022.

Contracted Patient Services Estimate (-\$4.9 million in FY 2020-21; \$41.6 million and 11.5 positions in FY 2021-22)

- *Jail-Based Competency Treatment (JBCT) Existing Program and Activation Updates (\$6.5 million and 7.0 positions in FY 2021-22)*

DSH continues to partner with various county sheriffs to provide jail-based competency restoration services for individuals deemed IST on felony charges. As of the 2021-22 May Revision, DSH requests 7.0 permanent positions and \$6.5 million in FY 2021-22. The \$6.5 million includes an ongoing request for \$8.7 million and a one-time savings of \$2.2 million, which will help offset the costs of existing program expansions and contract renewals. DSH continues the \$8.7 million request in FY 2022-23 and ongoing. As part of the 2021-22 Governor's Budget, DSH proposed a total bed capacity of 483 in FY 2021-22. As of the 2021-22 May Revision, DSH proposes a bed capacity of 484 in FY 2021-22 in its existing programs. Significant adjustments in this estimate include the delay in the activation of the Kern Admission, Evaluation and Stabilization (AES) Center's 30-bed expansion, resulting in the one-time CY savings of \$2.2 million. Other significant adjustments include the conversion of the Mendocino JBCT program from a small county model to a dedicated 6-bed program and funding to expand the Contra Costa JBCT 9-bed program to a 19-bed program. Additionally, in order to support the expansion, implementation, and management of both new and existing JBCT programs, DSH requests 7.0 permanent fulltime positions with the associated funding of \$1.4 million.

- *JBCT New Programs (\$6.8 million in FY 2021-22)*

DSH has updated its assumptions commensurate with the timing of contract execution and program activation for the new programs with dedicated beds identified in the 2021-22 Governor's Budget. As of part of the 2021-22 Governor's budget, DSH proposed an increase of 31 beds in FY 2021-22. As of the 2021-22 May Revision, DSH is proposing 123 new beds in FY 2021-22. This is an increase of 92 beds as a result of expanding to an additional 11 counties. As a result, DSH is increasing its funding request to reflect the phased-in plan of new program activations, and to include one additional new program activation in FY 2021-22. In total, DSH requests \$6.8 million in FY 2021-22 and \$13.8 million in FY 2022-23 and ongoing.

- *Felony Mental Health Diversion Program (Diversion) Reappropriation and Expansion (No position authority or dollar change)*

As reflected in the 2021-22 Governor's Budget, DSH continues to request \$47.6M in 2021-22 and \$1.2M ongoing through FY 2025-26. This includes one-time funding of \$29.0 million to expand the existing Diversion program to provide opportunities for new counties to participate, one-time funding of \$17.4 million to expand existing DSH-funded county diversion programs and reappropriation of the balance of unexpended funds originally allocated to the Diversion program in FY 2018-19 and an extension of 12 months for these funds to be fully expended. DSH will redirect \$6.6 million of the original funding appropriation to reengage counties to provide additional funding to extend their programs. As of April 2021, 20 counties have activated their felony Diversion programs and an additional four counties have fully executed contracts with DSH and plan activation dates for spring 2021. At May Revision, DSH proposes trailer bill to amend Welfare and Institutions Code section 4361 (WIC §4361) so counties with current programs are not required to provide any additional match funding if they expand their program after July 1, 2021. In addition, DSH will require any county expanding their program beyond the initial 30 percent population target to agree to focus diversion efforts on defendants who have been found by a court to be IST.



- *Community-Based Restoration (CBR) Program (-\$4.9 million in FY 2020-21; \$28.3 million and 4.5 positions in FY 2021-22)*

To support the development of a comprehensive continuum of care for felony ISTs, DSH reflects a savings of \$4.9 million FY 2020-21, requests \$28.3 million in FY 2021-22, \$54.9 million in FY 2022-23, \$51.3 million in FY 2023-24, \$49.8 million in FY 2024-25 and ongoing. DSH requests 4.5 permanent fulltime positions in FY 2021-22 and ongoing. This funding will cover the costs of expanding the Los Angeles (LA) community-based treatment program and to establish new programs in additional counties. DSH is requesting ongoing funding for the 200-bed expansion presented in the 2021-22 Governor's Budget. DSH is also requesting funding for an additional 100 LA County beds to be activated by September 2021. DSH is requesting an additional 202 new beds in 17 additional counties activated over a three-year period. This will total an additional 300 beds in LA County and 252 beds for additional counties.

- *Statewide Incompetent to Stand Trial Off-Ramp (SISTOR) Program (No position authority or dollar change)*

DSH anticipates a slight delay in selecting a provider in mid-spring 2021, resulting in a one-time FY 2020-21 savings of \$293,000. The implementation delay is due to unanticipated challenges in the contracting process which resulted in an unsuccessful first round of competitive bidding. DSH is utilizing this one-time CY savings to offset costs associated with the IST evaluation caseload until the SISTOR program is implemented. DSH is utilizing forensically trained DSH evaluators (Consulting Psychologists) who conduct Offender with Mental Health Disorder (OMD) forensic evaluations, to temporarily provide the SISTOR evaluations. With focused IST evaluation training, the OMD evaluators perform competency evaluations of ISTs and off-ramp defendants from the IST pending placement list who may have already regained competency. DSH estimates that the final annual cost of the SISTOR contract to be executed will be approximately \$1 million and therefore proposes to redirect the remaining \$1 million of SISTOR funding to support the Re-Evaluation Services for Felony IST proposal in BY and ongoing.

Evaluation and Forensic Services Estimate (-\$520,000 in FY 2020-21; \$12.7 million and 15.5 positions in FY 2021-22)

- *Sex Offender Commitment Program (SOCP) and Offender with a Mental Health Disorder (OMD) Pre-Commitment Program: Caseload Update (-\$520,000 in FY 2020-21)*

In response to the COVID-19 pandemic, the California Department of Corrections and Rehabilitation (CDCR) reduced its population in order to reduce the risk of transmission of COVID-19 within its facilities. As a result, CDCR has been pursuing a series of accelerated release efforts and DSH has seen an increase in rush referrals. However, overall referral totals have trended downward in recent months and OMD evaluators were able to perform tele-evaluations in lieu of traveling to perform evaluations in person. This created a one-time savings of \$520,000 in FY 2020-21. This downward trend has allowed for the temporary assignment of critical IST evaluation workload to OMD evaluators. Utilizing the SISTOR program's one-time CY savings, DSH will be utilizing 13.0 OMD evaluators to assist in performing IST evaluations for three months.

- *Re-Evaluation Services for Felony ISTs (\$12.7 million and 15.5 positions in FY 2021-22)*

DSH proposes to establish the Re-Evaluation Services for Felony IST program on a four-year limited-term basis beginning in FY 2021-22. This program will allow DSH to re-evaluate individuals deemed IST on a felony charge who have been waiting in jail for 60 days or more pending transfer to a DSH restoration of competency program. The workload and costs for this proposal fall into three main categories (1) DSH contracted forensic evaluators and associated travel support when necessary to provide in person services; (2) DSH clinical, administrative, and operational staff to support coordination of service delivery; and (3) Reimbursement of jail IT costs (including laptops and licenses) to facilitate the tele-evaluations and a flat reimbursement rate per each IST defendant evaluated available for payment to the Sheriff to cover the jail staff time to provide support and escort the patient for the evaluation. Including the redirection of \$1.0 million from the SISTOR program, DSH requests \$12.7 million in FY 2021-22, \$11.0 million in FY 2022-23, and \$10.2 million in FY 2023-24 and FY 2024-25 to implement the Re-Evaluation Services program. DSH also requests 15.5 positions beginning in FY 2021-22 to assist with clinical, operational, and administrative oversight. After the third year of program implementation, DSH will assess the need to extend all or a portion of the resources on an ongoing basis and, if necessary, submit a new budget request for the FY 2025-26 budget cycle.

DSH Technical Adjustment (No position authority or dollar change)

- DSH is proposing a net-zero technical adjustment to realign resources in FY 2021-22 and ongoing. This adjustment is needed to properly align budget and position authority within existing resources to where expenditure will occur. This request does not adjust DSH's funding levels.

CAPITAL OUTLAY BUDGET

The FY 2021-22 May Revision reflects a net decrease of \$229,000 in General Fund in FY 2020-21 and a net decrease of \$22.8 million in General Fund in FY 2021-22.

SPRING FINANCE LETTERS AND CAPITAL OUTLAY BUDGET CHANGE PROPOSALS

Spring Finance Letters (-\$229,000 in FY 2020-21; -\$22.8 million in FY 2021-22)

- *Coalinga: Hydronic Loop Replacement (-\$23.1 million in FY 2021-22)*

DSH requests a decrease of \$23.1 million for the DSH-Coalinga Hydronic Loop Replacement project based on the Department of General Services (DGS) updated cost estimate. The total request, for all phases, will be \$27,463,000 with \$539,000 for preliminary plans, \$744,000 for working drawings, and \$26,180,000 for construction. This project replaces the severely corroded and deteriorated hydronic loop piping system with a completely new hydronic loop piping system which will efficiently provide hot water and heating to the facilities including patient occupied buildings. DSH and DGS evaluated alternative system options for the project and selected a specialized hydronic loop plastic piping system which reduced the construction costs in both labor and material. This system will deliver the required protection from the corrosive soil thereby providing both longevity of the product and is a cost-effective solution. Provisional language is also requested regarding the availability of funds allowing for the completion of working drawings and construction.



- Atascadero: Potable Water Booster Pump System (-\$229,000 in FY 2020-21 and \$229,000 in FY 2021-22)

DSH requests a re-appropriation of \$229,000 for Working Drawings of the Atascadero: Potable Water Booster System. The re-appropriation is necessary to address project delays such as completing the real estate due diligence during the preliminary plans phase driven by the COVID-19 Pandemic. This re-appropriation will allow DSH to complete the working drawings phase of the project and proceed to construction in fiscal year 2022-23. The project includes installing a potable water booster pump system to serve DSH-Atascadero to address water line pressure issues that support the main fire sprinkler system and domestic water operations (i.e. patient showers, sinks, toilets).

STATE HOSPITAL POPULATION

DSH is responsible for the daily care and treatment of over 7,000 patients with an estimated caseload, by the end of FY 2021-22, totaling 5,913 across the state hospitals, 1,176 in contracted programs and 855 in CONREP Non-SVP and CONREP SVP 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. DSH is proposing to move 100 percent to forensic population by June 30, 2024. The table below displays patient caseload by commitment type and contract location.

| 2021-22 May Revision | |
|---|--|
| Estimated Caseload | |
| Location | Estimated Census on June 30, 2022 |
| <i>Population by Commitment Type – Hospitals</i> | |
| IST—PC 1370 | 1,433 |
| NGI—PC 1026 | 1,419 |
| OMD | 1,316 |
| SVP | 942 |
| LPS/PC 2974 | 523 |
| PC 2684 (<i>Coleman</i>) | 280 |
| WIC 1756 (DJJ) | 0 |
| Subtotal | 5,913 |
| <i>Contracted Programs</i> | |
| Kern AES Center | 90 |
| Regional JBCT | 257 |
| Single County JBCT | 260 |
| Community Based Restoration (CBR) | 569 |
| Subtotal | 1,176 |
| <i>CONREP Programs</i> | |
| CONREP Non-SVP ¹ | 830 |
| CONREP SVP | 25 |
| Subtotal | 855 |
| GRAND TOTAL | 7,944 |

¹The CONREP Non-SVP caseload number includes STRP beds.