

Department of Health Services
Arizona State Hospital

A.R.S. § 36-103

JLBC Analyst: Gina Guarascio

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
OPERATING BUDGET				
Full Time Equivalent Positions	858.2	910.2	910.2 ^{1/}	975.2 ^{1/}
Personal Services	20,846,000	22,834,600	23,538,800	26,543,000
Employee Related Expenditures	4,552,800	5,001,600	5,358,600	5,847,400
Professional and Outside Services	7,021,700	8,595,000	8,595,000	10,095,000
Travel - In State	36,900	37,400	37,400	37,400
Travel - Out of State	6,700	2,400	2,400	2,400
Other Operating Expenditures	3,247,600	1,905,700	1,905,700	1,905,700
Equipment	528,000	237,100	237,100	337,100
<i>Operating Subtotal</i>	36,239,700	38,613,800	39,675,000	44,768,000
Community Placement Treatment	6,705,400	7,848,000	7,848,000	7,848,000
Sexually Violent Persons	6,333,900	9,370,900	9,502,900	10,112,800
Information Technology	1,247,900	0	0	0
Less Governor's Line Item Veto	0	0	(12,493,900)	(12,493,900)
TOTAL APPROPRIATIONS	50,526,900	55,832,700	44,532,000 ^{2/}	50,234,900 ^{2/}
FUND SOURCES				
General Fund	39,453,500	43,438,800	44,132,000	49,834,900
Other Appropriated Funds				
Arizona State Hospital Fund	10,851,300	11,993,900	0 ^{3/}	0 ^{3/}
ASH Land Earnings Fund	222,100	400,000	400,000	400,000
<i>Subtotal - Other Appropriated Funds</i>	11,073,400	12,393,900	400,000	400,000
TOTAL APPROPRIATIONS	50,526,900	55,832,700	44,532,000	50,234,900

COST CENTER DESCRIPTION — Provides inpatient psychiatric hospitalization services for adolescent and adult seriously mentally ill residents. Over the 12-month period from June 2000 through May 2001, the Arizona State Hospital (ASH) has had an average daily census of 306 patients. This includes 146 civilly committed (non-forensic) patients, 146 patients committed through the criminal justice system (forensic), and 14 adolescent patients. In addition, the program provides secure inpatient treatment for Sexually Violent Persons (SVP), which has a census of 134, as of May 2001.

PERFORMANCE MEASURES	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• % of clients satisfied with treatment and clinical services	NA/80	NA/85	90	90
• % of adult clients successfully placed in community who return for another stay within 1 year of discharge	NA/10	NA/9.2	9.5	9.5
• Adult forensic patients year-end census	147/145	167/167	180	154/172
• Civil adult patients year-end census	153/153	133/133	120	169/149
• SVP program year-end census	120/90	180/122	240	237/253
• % of staff turnover during first 12 months of employment	30/25	15/20	15	15

^{1/} Includes 198 and 205 FTE Positions funded from Special Line Items in FY 2002 and FY 2003, respectively.

^{2/} General Appropriation Act funds are appropriated as a Modified Lump Sum for the Program.

^{3/} The General Appropriation Act, as originally passed, included \$12,493,900 in FY 2002 and FY 2003 for the Arizona State Hospital Fund. This amount was line item vetoed by the Governor, thus reducing the appropriation by a corresponding amount.

New Hospital Support — The approved amount includes a General Fund increase of \$3,811,800 and 58 FTE Positions in FY 2003 above FY 2001 for costs associated with opening the new Arizona State Hospital. Laws 2000, Chapter 1 appropriated \$80,000,000 over 4 fiscal years for the construction of a new civil hospital, a new adolescent facility, and several Sexually Violent Persons (SVP) dormitories, as well as renovation of existing facilities for the forensic population.

This master plan for the new Arizona State Hospital, approved by the Joint Committee on Capital Review at its April 2001 meeting, includes a civil facility for adults, as well as an adolescent facility in the northwest quadrant of the complex. The civil facility is separated from the SVP Program, including the least restrictive alternative program, which occupies the southwest quadrant. The northeast quadrant, which is currently occupied by both the forensic and civil populations, will be renovated for use by the forensic population after the new civil and adolescent facilities are complete. The Arizona Department of Administration (ADOA) and the Department of Health Services (DHS) expect work on the civil hospital to be completed by the end of 2002, with occupancy of the new hospital planned for January of 2003. Renovations of the forensic component will be complete by June of 2005.

DHS anticipates that the new civil hospital will have a licensed capacity of 378 when it is complete. The approved amount includes an increase of 28 FTE Positions for nursing to reflect that increase in licensed capacity. In addition, the approved amount includes another 30 FTE Positions, including security guards for a new hospital entrance, as well as psychiatrists, psychologists, and rehabilitation therapists. These positions are also necessary to maintain current staffing ratios in the new facility. This results in a total increase of 58 FTE Positions and \$2,211,800 in FY 2003.

The approved amount also includes an additional \$1,000,000 for contracted costs that are based on square footage measures, including cleaning, and facility maintenance that will increase as the facility grows. This increase is necessary because the new facility will increase the square footage of the new hospital by more than two-thirds. The approved amount also includes an additional \$500,000 for increases in utility costs for the new facility. Further, the approved amount includes an additional \$100,000 in one-time equipment costs associated with opening the new hospital. These primarily include costs for medical equipment.

Special Line Items

Community Placement Treatment — This line item provides funding for housing, transportation, clinical support and meaningful day activities for ASH patients treated in the community. The line item was established in FY 1996 by transferring monies from the ASH operating

budget to the Community Placement Treatment line item to reflect the decreasing census at ASH and the increased number of former long-term ASH patients receiving treatment in the community. This program is funded from the General Fund.

Sexually Violent Persons — An SVP is a person who has been convicted of or found guilty but insane of a sexually violent offense and who has a mental disorder that makes the person likely to engage in acts of sexual violence. If the individual is determined by the court or jury to be an SVP, the person is required by A.R.S. § 13-4606 to be committed to ASH or another licensed behavioral health inpatient facility until such time as he or she is determined to no longer be a threat to public safety. The approved amount includes a General Fund increase of \$437,200 and 7 FTE Positions in FY 2003 above FY 2001 for growth in the SVP program. The approved amount is based on a projected census of 186 by the end of the FY 2002, and 222 in FY 2003. This program is funded from the General Fund.

Information Technology — This line item, funded in FY 1999 and FY 2000, provided General Fund monies for the purchase of a new computer system at ASH. A total of \$2,096,500 was allocated for the project. Funding for this line item was eliminated in FY 2001.

Vetoed Appropriations: General Appropriation Act (Chapter 236) — The Governor line item vetoed \$12,493,900 from the Arizona State Hospital (ASH) Fund in FY 2002 and FY 2003. The ASH Fund defrays a portion of the cost of operating the state hospital. It is our understanding that the Governor intends that funds be transferred from the Arnold v. Sarn Special Line Item in the Behavioral Health budget to cover this deficit. Transfers from the Arnold v. Sarn line will require review by the Joint Legislative Budget Committee.

AHCCCS: Proposition 204 (Chapter 344) — The Governor line item vetoed \$11,993,900 from the General Fund in FY 2002 and FY 2003. The Governor also line item vetoed \$500,000 from the ASH Fund in FY 2002 and FY 2003. These appropriations were intended to replace the vetoed amount in the General Appropriation Act. (*See Proposition 204 in the AHCCCS section for more information.*)

Additional Legislation: State Hospital: Bed Capacity (Chapter 244) — Requires the Legislature to identify in the General Appropriation Act, or other legislation, the funded capacity of the Restoration to Competency Program, including the capacity for adult men and women, the funded capacity for juveniles, and the funded capacity of the Civil Commitment Treatment Program, including the capacity for adult men and women. Chapter 244 also stipulates that if ASH reaches its licensed capacity for either or both the adult male or adult female forensic programs, DHS may delay the admission of a person found

guilty except insane for up to 20 days. If DHS cannot admit a person after the 20-day waiting period, a hearing process is established. This is repealed effective July 1, 2002. Chapter 244 further stipulates that ASH is not required to provide restoration to competency treatment that exceeds the funded capacity and that when capacity is reached, the superintendent shall establish a waiting list. The General Appropriation Act was enacted prior to the passage of Chapter 244, and therefore, funded capacity was not included in the legislation. According to the Department of Health Services, the following are the funded capacity levels for each program:

<i>Restoration to Competency - Adult</i>	60
<i>Juvenile</i>	16
<i>Civil Commitment - Adult</i>	150

The male/female capacity information is currently unavailable from DHS.

Other Issues: Proposition 204 and the BSF Repayment

— Laws 2000, Chapter 1 appropriated \$80,000,000 over 4 years (\$20,000,000 in FY 2000, FY 2001, FY 2002, and FY 2003) from the Budget Stabilization Fund (BSF) for the demolition, renovation, and construction of the Arizona State Hospital. Chapter 1 also required that the BSF be repaid from the tobacco settlement monies received by the state, and specified that the repayment amount should be \$20,000,000 in FY 2000, FY 2001, FY 2002, and FY 2003. Payments from the tobacco settlement funds to the BSF were made in FY 2000 and FY 2001.

Proposition 204, approved by the voters in November of 2000, allocates funds from the tobacco settlement. The Attorney General has opined that the provisions of Proposition 204 must be provided for prior to the repayment of the BSF. JLBC Staff anticipates that sufficient funds will be available to repay the BSF in FY 2002. It is unknown, however, whether sufficient funds will be available to repay the BSF in FY 2003.

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