

**Department of Health Services**  
**Arizona State Hospital**

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DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	876.7	876.7	876.7
Personal Services	23,613,100	25,583,500	25,818,500
Employee Related Expenditures	7,177,500	8,247,000	8,336,700
Professional and Outside Services	8,465,200	8,549,500	8,549,500
Travel - In State	54,400	31,900	31,900
Travel - Out of State	7,800	2,400	2,400
Other Operating Expenditures	3,827,500	2,617,300	6,181,900
Equipment	335,100	130,000	130,000
<b>OPERATING SUBTOTAL</b>	<b>43,480,600</b>	<b>45,161,600</b>	<b>49,050,900</b>
<b>SPECIAL LINE ITEMS</b>			
Community Placement Treatment	6,704,800	6,704,800	6,704,800
Sexually Violent Persons	9,526,100	10,296,400	9,971,700
Corrective Action Plan	879,100	3,564,600	0
<b>PROGRAM TOTAL</b>	<b>60,590,600</b>	<b>65,727,400</b>	<b>65,727,400</b>
<b>FUND SOURCES</b>			
General Fund	51,274,200	54,212,800	55,812,800
<u>Other Appropriated Funds</u>			
Arizona State Hospital Fund	9,138,900	11,164,600	9,564,600
ASH Land Earnings Fund	177,500	350,000	350,000
SUBTOTAL - Other Appropriated Funds	9,316,400	11,514,600	9,914,600
<b>SUBTOTAL - Appropriated Funds</b>	<b>60,590,600</b>	<b>65,727,400</b>	<b>65,727,400</b>
Other Non-Appropriated Funds	973,700	831,300	831,300
<b>TOTAL - ALL SOURCES</b>	<b>61,564,300</b>	<b>66,558,700</b>	<b>66,558,700</b>

**CHANGE IN FUNDING SUMMARY**

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	1,600,000	3.0%
Other Appropriated Funds	(1,600,000)	(13.9%)
Total Appropriated Funds	0	0.0%
Non Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

**COST CENTER DESCRIPTION** — Provides inpatient psychiatric hospitalization services for adolescent and adult seriously mentally ill residents. Over the 12-month period from April 2004 through March 2005, the Arizona State Hospital (ASH) has had an average census of 279 patients.

PERFORMANCE MEASURES	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2007 JLBC
• % of adult clients successfully placed in community who return for another stay within 1 year of discharge	11.0	9.0	6.4	5.0

**RECOMMENDED CHANGES FROM FY 2006**

**Operating Budget**

The JLBC recommends \$49,050,900 for the operating budget in FY 2007. This amount consists of:

	<b>FY 2007</b>
General Fund	\$40,267,000
Arizona State Hospital Fund	8,433,900
ASH Land Earnings Fund	350,000

These amounts include the following adjustments:

**Shift Corrective Action Plan**

**Funding to Operating Budget OF 3,564,600**

The JLBC recommends an increase of \$3,564,600 from the ASH Fund in FY 2007 for the Corrective Action Plan shift to the Operating Budget.

Laws 2005, Chapter 5 provided \$1,281,400 from the ASH Fund in FY 2005 to help correct deficiencies identified by the federal government in an audit of the Hospital's operation. Funding was annualized in FY 2006 and continues into FY 2007. Funding is used to assist hiring and retaining nurses and other staff and to pay for increased drug costs. This is a technical shift to more accurately display the Hospital's actual operating costs.

**Shift Operating from ASH GF 1,600,000  
Fund to General Fund OF (1,600,000)**

The JLBC recommends an increase of \$1,600,000 from the General Fund and a corresponding decrease of \$(1,600,000) from the ASH Fund in FY 2007 for a fund shift to address decreasing revenues in the ASH Fund. The ASH Fund will not be able to support the amount that is appropriated from the fund due to an increase in the fund's appropriation in FY 2005 as well as decreasing revenues from the Restoration to Competency (RTC) program.

The RTC census began to drop near the end of FY 2004 when Maricopa County started its own RTC program, resulting in a lower RTC census and a decrease in revenues to the ASH Fund. The department forecasts that the ASH Fund will only bring in approximately \$9.6 million in FY 2007 while the total baseline amount expected to be appropriated is \$11.2 million.

**Shift Security Positions GF 324,700**

The JLBC recommends an increase of \$374,700 and 10 FTE Positions from the General Fund in FY 2007 for shifting security positions from the SVP program to the Arizona State Hospital. The positions will be used to provide 24-hour surveillance of both the civil and forensic campuses. The 10 positions are no longer needed for the SVP program because the SVP population has not grown as projected. A corresponding decrease occurs in the SVP Special Line Item (SLI) for no net change in funding to the agency.

**Special Line Items**

**Community Placement Treatment**

The JLBC recommends \$6,704,800 for Community Placement Treatment in FY 2007. This amount consists of:

General Fund	5,574,100
ASH Fund	1,130,700

These amounts are unchanged from FY 2006.

This line item provides funding for housing, transportation, clinical support and meaningful day activities for State Hospital patients treated in the community.

**Sexually Violent Persons**

The JLBC recommends \$9,971,700 and 176 FTE Positions from the General Fund for Sexually Violent Persons (SVP) in FY 2007. This amount would fund the following adjustments:

**Shift Security Positions GF (324,700)**

The JLBC recommends an decrease of \$(374,700) and (10) FTE Positions from the General Fund in FY 2007 for shifting security positions from the SVP program to the Arizona State Hospital (*see ASH Operating Budget for additional detail*).

A 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. There are currently 73 adjudicated individuals at ASH with SVP status that have completed their sentence with the Arizona Department of Corrections and are currently residing at ASH and 6 individuals living in the community but are still under ASH's jurisdiction and surveillance. An additional 14 individuals are awaiting determination.

The department reports that the overall census is declining, however, there is an increase in the residents that require intensive treatment, resulting in the average cost of care of residents increasing.

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 the State Hospital 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.

**Corrective Action Plan**

The JLBC recommends no funding for the Corrective Action Plan SLI in FY 2007. This change would fund the following adjustments:

**Arizona State Hospital Fund OF (3,564,600)**

The JLBC recommends a decrease of \$(3,564,600) from the ASH Fund in FY 2007 to shift funding for the

Corrective Action Plan to the Operating Budget. (*See ASH Operating Budget for additional information.*)

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**JLBC RECOMMENDED FORMAT** — Operating Lump Sum with Special Line Items by Program

**JLBC RECOMMENDED STATUTORY CHANGES**

The JLBC recommends the continuation of the session law requiring Maricopa and Pima County to pay 86% of RTC costs and all remaining counties to pay 50% of RTC costs.

The JLBC recommends the continuation of the session law permitting DHS to privatize the Hospital and requiring the agency to report to the Joint Legislative Budget Committee by July 1, 2007 on whether DHS intends to go forward with privatization efforts.

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**SUMMARY OF FUNDS - SEE AGENCY SUMMARY**

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