

JLBC Analyst: Jenna Goad

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	876.7	876.7	877.7 ^{1/}
Personal Services	24,369,200	31,520,000	32,547,000
Employee Related Expenditures	7,841,700	10,545,900	11,465,500
Professional and Outside Services	7,518,000	8,683,900	8,683,900
Travel - In State	59,400	31,900	31,900
Travel - Out of State	5,000	2,400	2,400
Other Operating Expenditures	4,237,400	4,074,300	4,134,200
Equipment	392,500	119,100	119,100
OPERATING SUBTOTAL	44,423,200	54,977,500	56,984,000
SPECIAL LINE ITEMS			
Community Placement Treatment	6,704,900	6,704,800	6,704,800
Corrective Action Plan	651,100	0	0
Electronic Medical Records	0	0	300,000
Sexually Violent Persons	9,919,200	11,269,100	11,628,100
PROGRAM TOTAL	61,698,400	72,951,400	75,616,900^{2/}
FUND SOURCES			
General Fund	53,771,000	64,636,800	69,234,300
<u>Other Appropriated Funds</u>			
Arizona State Hospital Fund	7,626,500	7,964,600	6,032,600
ASH Land Earnings Fund	300,900	350,000	350,000
SUBTOTAL - Other Appropriated Funds	7,927,400	8,314,600	6,382,600
SUBTOTAL - Appropriated Funds	61,698,400	72,951,400	75,616,900
Other Non-Appropriated Funds	1,036,700	819,100	819,100
TOTAL - ALL SOURCES	62,735,100	73,770,500	76,436,000

COST CENTER DESCRIPTION — Provides inpatient psychiatric hospitalization services for adolescent and adult seriously mentally ill residents. Over the 12-month period from May 2006 through April 2007, the Arizona State Hospital (ASH) has had an average census of 263 patients.

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 Approved
PERFORMANCE MEASURES				
• % of adult clients successfully placed in community who return for another stay within 1 year of discharge	9.0	6.4	4.3	4.0

Operating Budget

The budget provides \$56,984,000 and 700.7 FTE Positions for the operating budget in FY 2008. This amount consists of:

	FY 2008
General Fund	\$51,732,100
Arizona State Hospital Fund	4,901,900
ASH Land Earnings Fund	350,000

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$1,656,500 in FY 2008 for statewide adjustments. This amount consists of:

General Fund	1,588,500
Arizona State Hospital Fund	68,000

^{1/} Includes 177 GF FTE Positions funded from Special Line Items in FY 2008.

^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

(Please see the *Statewide Adjustments* section at the end of this *Appropriations Report* for details).

Arizona State Hospital Revenue

The budget provides an increase of \$2,000,000 from the General Fund and a decrease of \$(2,000,000) from the Arizona State Hospital Fund in FY 2008 to offset declining fund revenues and a loss of federal funding due to the lapse of the state's Institution for Mental Disease (IMD) waiver.

The majority of the ASH Fund revenue comes from contributions from Maricopa and Pima Counties for Restoration to Competency (RTC) costs. The number of patients sent to ASH for RTC treatment from Maricopa County has decreased significantly since FY 2004, as Maricopa County has started their own RTC program. As a result, the fund does not generate enough revenue to support the appropriation. In addition to reduced RTC revenue, the fund will also receive less federal Title XIX reimbursement due to the phase out of the state's Institutions for Mental Disease (IMD) waiver with the federal government. (Please see the *IMD line item in the Behavioral Health cost center for additional information on the loss of the IMD waiver.*)

Utilities Increase

The budget provides an increase of \$250,000 from the General Fund in FY 2008 for increased utility costs at the State Hospital.

Security Officer Salaries

The budget provides an increase of \$100,000 from the General Fund in FY 2008 to provide raises to security officers at the State Hospital. The appropriation will provide raises for the 101 security officers employed at the State Hospital.

Special Line Items

Community Placement Treatment

The budget provides \$6,704,800 for Community Placement Treatment in FY 2008. This amount consists of:

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

These amounts are unchanged from FY 2007.

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

Corrective Action Plan

The budget provides no funding for the Corrective Action Plan Special Line Item in FY 2008. Funding for this issue was transferred to the agency's operating budget in FY 2007.

Electronic Medical Records

The budget provides \$300,000 and 1 FTE Position from the General Fund in FY 2008 for a new Electronic Medical Records Special Line Item in FY 2008.

This line item provides funding for improvements to the information technology capabilities and the electronic medical records database at the State Hospital as well as for information technology staff support.

Sexually Violent Persons

The budget provides \$11,628,100 and 176 FTE Positions from the General Fund for Sexually Violent Persons (SVP) Special Line Item in FY 2008. This amount funds the following adjustment:

Statewide Adjustments

The budget provides an increase of \$359,000 from the General Fund in FY 2008 for statewide adjustment.

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. There are currently 70 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 1 individual living in the community but still under ASH's jurisdiction and surveillance. An additional 10 individuals are awaiting determination.

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.

Additional Legislation

County Restoration to Competency Contributions

The Health and Welfare Budget Reconciliation Bill (BRB) (Laws 2007, Chapter 263) continues the current policy stipulating that all counties with a population of 800,000 or more and all cities shall reimburse DHS for 86% of their RTC costs. Counties with populations of less than 800,000 are not required to reimburse DHS for their RTC costs.

Forensic Hospital Construction

The Capital Outlay BRB (Laws 2007, Chapter 263) stipulates that the Department of Administration may enter into a lease-purchase agreement for up to 15 years for a maximum of \$32,200,000 for construction of a new forensic wing and additional infrastructure improvements at the State Hospital, with the first debt service payment occurring in FY 2009.