Senate Budget and Fiscal Review—Mark Leno, Chair

SUBCOMMITTEE NO. 5 Agenda

Senator Loni Hancock, Chair
Senator Joel Anderson
Senator Jim Beall

Thursday, March 5, 2015
9:30 a.m. or Upon Adjournment of Session
State Capitol - Room 113

Consultant: Julie Salley-Gray

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ITEMS TO BE HEARD

5225 Department of Corrections and Rehabilitation

Effective July 1, 2005, the California Department of Corrections and Rehabilitation (CDCR) was created, pursuant to the Governor's Reorganization Plan No. 1 of 2005 and SB 737 (Romero), Chapter 10, Statutes of 2005. All departments that previously reported to the Youth and Adult Correctional Agency (YACA) were consolidated into CDCR and include the California Department of Corrections, Youth Authority (now the Division of Juvenile Justice), Board of Corrections (now the Board of State and Community Corrections (BSCC)), Board of Prison Terms, and the Commission on Correctional Peace Officers' Standards and Training (CPOST).

The mission of CDCR is to enhance public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into our communities.

The CDCR is organized into the following programs:

- Corrections and Rehabilitation Administration
- Juvenile: Operations and Offender Programs, Academic and Vocational Education, Health Care Services
- Adult Corrections and Rehabilitation Operations: Security, Inmate Support, Contracted Facilities, Institution Administration
- Parole Operations: Adult Supervision, Adult Community-Based Programs, Administration
- Board of Parole Hearings: Adult Hearings, Administration
- Adult: Education, Vocational, and Offender Programs, Education, Substance Abuse Programs, Inmate Activities, Administration
- Adult Health Care Services

The 2014 budget act projected an adult inmate average daily population of 136,530 in the current year. The current year adult inmate population is now projected to decrease by 633 inmates, a 0.5 percent decrease, for a total population of 135,897. The budget year adult inmate population is projected to be 137,002, a 0.8 percent increase of 1,105 inmates over the current year. The current projections also reflect an increase in the parolee population of 1,360 in the current year, compared to budget act projections, for

a total average daily population of 43,226. The parolee population is projected to be 40,467 in 2015-16, a decrease of 2,759 over the current year. These projections do not include the impact of the passage of Proposition 47, which reduced various felonies to misdemeanors.

As of February 18, 2015, the total in-custody adult population was 131,469. The institution population was 116,556, which constitutes 136.3 percent of prison capacity. The most overcrowded prison is the Central California Women's Facility in Chowchilla, which is currently at 167.3 percent of its capacity. For male inmates, Mule Creek State Prison is currently the most overcrowded at 165.9 percent of its capacity.

The Governor's budget proposes total funding of $10.2 billion ($9.9 billion General Fund and $300 million other funds) in 2015-16. This is an increase of approximately $1 billion ($833 million General Fund) over 2013-14 expenditures. The following table shows CDCR's total operational expenditures and positions for 2013-14 through 2015-16.

(dollars in thousands)

Funding	2013-14	2014-15	2015-16
General Fund	$9,156,505	$9,827,940	$9,989,790
General Fund, Prop 98	16,530	18,385	18,635
Other Funds	56,080	67,250	62,329
Reimbursements	167,644	185,074	185,064
Recidivism Reduction Fund	-103,199	25,968	28,227
SCC Performance Incentive Fund	-1,000	-1,000	-1,000
Total	$9,292,560	$10,123,617	$10,283,0451
Positions	52,260	60,812	61,579

Issue 1: Department Overview Presentation

Governor's Budget Proposals. The specific details of the Administration's proposals will be heard in future subcommittee hearings.

Proposition 47 – Provides data, as of December 10, 2014, showing that 132 of the eligible inmate population has been resentenced or released from prison pursuant to the passage of Proposition 47. The Administration estimates that the proposition will reduce the prison population by roughly 1,900 inmates.

Recidivism Reduction Fund – The Recidivism Reduction Fund, established by AB 105 (Steinberg and Huff), Chapter 310, Statutes of 2013, results from savings associated with an extension from the federal court allowing the state until February 2016 to reduce its prison population to 137.5 percent of capacity. The Governor's budget assumes that $16 million of the $42 million provided to CDCR in the Budget Act of 2014 will be unspent due to delayed implementation of various recidivism reduction efforts. In addition, it assumes an additional $12.2 million in revenue above the original projections. The budget reflects total revenue of $28.2 million (General Fund) in the Recidivism Reduction Fund. The budget proposes using the funds toward recidivism reduction efforts, as follows:

- $12.6 million for community reentry facilities.

- $15.6 million to expand substance use treatment at non-reentry hub institutions.

Coleman v. Brown – On April 10, 2014 and June 19, 2014, the federal court ordered CDCR to make various changes concerning their treatment of certain inmates who are mentally ill.

- Proposes $13 million (General Fund) in the current year, and $42 million (General Fund) annually beginning in 2015-16, for court-ordered changes to CDCR's use of force and segregated housing policies.

- The court ordered CDCR to develop a plan to improve the vacancy rate for psychologists, licensed clinical social workers, and psychiatrists. The budget does not include any additional funding or efforts to address this issue. However, it does note that CDCR and the Department of State Hospitals (DSH) are currently considering shifting responsibility for 1,086 inpatient mental health treatment beds from DSH to CDCR. The proposed budget includes $244 million (General Fund) for the three psychiatric programs for prisoners overseen by DSH.

Prison Infill Projects – Includes $35.6 million ($35.5 General Fund and $90,000 Inmate Welfare Fund) to activate three new infill facilities at existing prisons. These

activations will add 2,376 new beds to the state's prison capacity by February 2016 and 1,266 new educational and vocational training slots.

Prison Infrastructure – Proposes $20.4 million (General Fund) in 2015-16 to address critical infrastructure, fire and safety needs, including $18.1 million for the construction of a new boiler facility at San Quentin State Prison. In addition, the budget proposes providing $15 million to CDCR to address critical deferred maintenance infrastructure needs.

The Administration should be prepared to provide updates on the following topics during their overview:

1. An update on the total number of inmates in state institutions released to date due to the implementation of Proposition 47 and the number awaiting resentencing, if any.

2. The status of women's institutions and the plan to reduce overcrowding, including the impact of Proposition 47 on the female inmate population.

3. The current plan to establish a sensitive needs yard for female inmates.

4. Alternative Custody Program expansion and vacancies.

5. Expanded parole.

6. The expansion in last year's budget of the Correctional Officers Training Academy and the impact on correctional officer vacancy rates and overtime expenditures.

Issue 2: Population Reduction and the Impact of Recent Policy Changes

Background. Over the last several years, significant policy changes have affected people convicted of crimes and the number of individuals serving their sentences in the state's prison system. Among the most significant changes are the following:

Public Safety Realignment. In 2011, the Legislature approved a broad realignment of public safety, health, and human services programs from state to local responsibility. Included in this realignment were sentencing law changes requiring that certain lower-level felons be managed by counties in jails and under community supervision rather than sent to state prison. Generally, only felony offenders who have a current or prior offense for a violent, serious, or sex offense are sentenced to serve time in a state prison. Conversely, under realignment, lower-level felons convicted of non-violent, non-serious, and non-sex-related crimes (colloquially referred to as "non-non-nons") serve time in local jails. In addition, of those felons released from state prison, generally only those with a current violent or serious offense are supervised in the community by state parole agents, with other offenders supervised by county probation departments. Responsibility for housing state parole violators was also shifted from state prisons to county jails.

In adopting this realignment, the Legislature had multiple goals, including reducing the prison population to meet the federal court-ordered cap, reducing state correctional costs, and reserving state prison for the most violent and serious offenders. Another goal of realignment was to improve public safety outcomes by keeping lower-level offenders in local communities where treatment services exist and where local criminal justice agencies can coordinate efforts to ensure that offenders get the appropriate combination of incarceration, community supervision, and treatment. For many, realignment was based on the confidence that coordinated local efforts are better suited for assembling resources and implementing effective strategies for managing these offenders and reducing recidivism. This was rooted partly in California's successful realignment reform of its juvenile justice over the last 15 years and the success of SB 678 (Leno), Chapter 608, Statutes of 2009, which incentivized evidence-based practices for felony probationers through a formula that split state prison savings resulting from improved outcomes among this offender population.

Passage of Proposition 36. The passage of Proposition 36 in 2012, resulted in reduced prison sentences served under the Three Strikes law for certain third strikers whose current offenses were non-serious, non-violent felonies. The measure also allowed resentencing of certain third strikers who were serving life sentences for specified non-serious, non-violent felonies. The measure, however, provides for some exceptions to these shorter sentences. Specifically, the measure required that if the offender has committed certain new or prior offenses, including some drug-, sex-, and gun-related felonies, he or she would still be subject to a life sentence under the three strikes law.

According to the Governor's budget, it is estimated that approximately 2,800 inmates will be eligible for resentencing under Proposition 36. The most recent Three-Judge Panel status report on the reduction of the prison population shows that as of January 8, 2015, 1,975 of those eligible have been resentenced and released from prison.

Passage of Proposition 47. In November 2014, the voters approved Proposition 47, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. The most recent Three-Judge Panel status report on the reduction of the prison population shows that, as of January 14, 2015, 1,436 people had been resentenced and released from prison due to the changes brought by Proposition 47. The Governor's budget estimates that the 2015-16 average daily state prison population will be reduced by approximately 1,900 inmates as a result of resentencing and avoided new admissions.

Proposition 47 requires that state savings resulting from the proposition be transferred into a new fund, the Safe Neighborhoods and Schools Fund. The new fund will be used to reduce truancy and support drop-out prevention programs in K-12 schools (25 percent of fund revenue), increase funding for trauma recovery centers (10 percent of fund revenue), and support mental health and substance use disorder treatment services and diversion programs for people in the criminal justice system (65 percent of fund revenue). The Director of Finance is required, on or before July 31, 2016, and on or before July 31 of each fiscal year thereafter, to calculate the state savings for the previous fiscal year compared to 2013-14. Actual data or best estimates are to be used and the calculation is final and must be certified by the State Controller's Office no later than August 1 of each fiscal year. The first transfer of state savings to the Safe Neighborhoods and Schools Fund will occur in 2016-17, after the Department of Finance (DOF) calculates savings pursuant to the proposition. Consequently, the budget does not reflect estimated 2015-16 savings related to Proposition 47.

These three changes, along with increased investment in rehabilitation funding have allowed the state to meet its court-ordered population cap a year before the deadline.

Recidivism Reduction Fund – SB 105. In September 2013, the Legislature passed, and the Governor signed, SB 105 (Steinberg and Huff), Chapter 310, Statutes of 2013, to address the federal three-judge panel order requiring the state to reduce the prison population to no more than 137.5 percent of design capacity by December 31, 2013.

SB 105 appropriated $315 million General Fund for the CDCR to contract for additional capacity to meet the court-ordered prison population cap of 137.5 percent of design capacity. The legislation also specified that if the state received an extension to comply with the court's order, the first $75 million in savings, and 50 percent of any additional savings, was to be transferred to the Recidivism Reduction Fund. Based on spring expenditure projections, the 2014 budget act included $91 million Recidivism Reduction Fund for various departments to implement new programs and services aimed at

reducing recidivism rates for state and local offenders. Specifically, the Department received $42 million for various activities aimed at reducing recidivism for inmates and parolees. Due to delays in implementation, the Department currently projects Recidivism Reduction Fund savings of $16 million in 2014-15, of which $12.6 million is attributable to community reentry facilities. There is also additional savings of $12.2 million above the 2014 Budget Act estimates from the original SB 105 appropriation. Overall, the 2015-16 amount available for expenditure from the Recidivism Reduction Fund therefore is $28.2 million.

In addition to establishing the Recidivism Reduction Fund, SB 105 required the Administration to provide a report to the Legislature on April 1, 2014 and again on January 10, 2015, on the state of the prison system, including capacity needs, population, recidivism rates, and factors affecting crime levels, in an attempt to develop long-term solutions to continue to reduce the state's prison population.

Questions for the Administration. The Administration should be prepared to address the following questions:

1. Now that the population target has been reached:

    a. How does the Administration's long-term plan for staying at or below the cap without continuing to just increase bed capacity?

    b. What is the transition plan and timeline for returning control of prison healthcare to the state?

2. The LAO Proposition 47 report notes that the state could achieve greater savings by reducing the number of contract beds. Does the Administration have a plan for shifting the inmate population out of contract institutions and back into the existing state institutions?

3. Generally, the department releases a 5-year population projection twice a year. This year, you have not. Can you please let the committee know the status of those projections and explain how the Administration and the Legislature can do long-term, durable solution planning without those projections?

Issue 3: SB 105 – Recidivism Reduction Report

Background. In September 2013, the Legislature passed, and the Governor signed, SB 105 (Steinberg and Huff), Chapter 310, Statutes of 2013, to address the federal three-judge panel order requiring the state to reduce the prison population to no more than 137.5 percent of design capacity by December 31, 2013.

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4440 Department of State Hospitals

The Department of State Hospitals (DSH) is the lead agency overseeing and managing the state's system of mental hospitals. The DSH seeks to ensure the availability and accessibility of effective, efficient, and culturally-competent services. DSH activities and functions include advocacy, education, innovation, outreach, oversight, monitoring, quality improvement, and the provision of direct services.

The Governor's 2011 May Revision first proposed the elimination of the former Department of Mental Health (DMH), the creation of the new DSH, and the transfer of Medi-Cal mental health services and other community mental health programs to the Department of Health Care Services (DHCS). The 2011 budget act approved of just the transfer of Medi-Cal mental health programs from the DMH to the DHCS. In 2012, the Governor proposed, and the Legislature adopted, the full elimination of the DMH and the creation of the DSH. All of the community mental health programs remaining at the DMH were transferred to other state departments as part of the 2012 budget package. The budget package also created the new DSH which has the singular focus of providing improved oversight, safety, and accountability to the state's mental hospitals and psychiatric facilities.

California's State Hospital System

California has five state hospitals and three psychiatric programs located on the grounds of the prisons operated by the California Department of Corrections and Rehabilitation (CDCR). Approximately 92 percent of the state hospitals' population is considered "forensic," in that they have been committed to a hospital through the criminal justice system. The five state hospitals provide treatment to approximately 6,000 patients. The psychiatric facilities at state prisons currently treat approximately 1,000 inmates.

Atascadero State Hospital. This facility, located on the Central Coast, houses a largely forensic population, including a large number of incompetent to stand trial patients and mentally disordered offenders. As of December 2014, it housed more than 1,000 patients.

Coalinga State Hospital. This facility is located in the city of Coalinga and is California's newest state hospital. The hospital houses only forensic patients, most of whom are sexually violent predators. As of December 2014, it housed more than 1,100 patients.

Metropolitan State Hospital. Located in the city of Norwalk, this hospital's population is approximately 65 percent forensic. Metropolitan State Hospital does not accept individuals who have a history of escape from a detention center, a charge or conviction of a sex crime, or a conviction of murder. As of December 2014, it housed about 700 patients.

Napa State Hospital. This facility is located in the city of Napa and has a mix of civil and forensic commitments. Napa State Hospital limits the number of forensic patients to 80 percent of the patient population. As of December 2014, it housed nearly 1,200 patients.

Patton State Hospital. This facility is located in San Bernardino County and primarily treats forensic patients. As of December 2014, it housed 1,500 patients.

Salinas Valley Psychiatric Program. This program is located on the grounds of Salinas Valley State Prison in Soledad and provides treatment to state prison inmates. As of December 2014, it had a population of more than 200 patients.

Stockton Psychiatric Program. This program is located on the grounds of the California Health Care Facility in Stockton and is the state's newest psychiatric program. The program provides treatment to state prison inmates. As of December 2014, it had a population of about 400 patients.

Vacaville Psychiatric Program. This program is located on the grounds of the California Medical Facility in Vacaville and provides treatment to state prison inmates. As of December 2014, it had a population of about 350 patients.

The following are the primary Penal Code categories of patients who are either committed or referred to DSH for care and treatment:

Committed Directly From Superior Courts:

- *Not Guilty by Reason of Insanity* – Determination by court that the defendant committed a crime and was insane at the time the crime was committed.

- *Incompetent to Stand Trial (IST*) – Determination by court that the defendant cannot participate in trial because the defendant is not able to understand the nature of the criminal proceedings or assist counsel in the conduct of a defense. This includes individuals whose incompetence is due to a developmental disability.

Referred From The California Department of Corrections and Rehabilitation (CDCR):

- *Sexually Violent Predators (SVP)* – Hold established on inmate by court when it is believed probable cause exists that the inmate may be a SVP. Includes 45-day hold on inmates by the Board of Prison Terms.

- *Mentally Disordered Offenders (MDO)* – Certain CDCR inmates for required treatment as a condition of parole, and beyond parole under specified circumstances.

- *Prisoner Regular/Urgent Inmate-Patients (Coleman Referrals)* – Inmates who are found to be mentally ill while in prison, including some in need of urgent treatment.

State Hospitals & Psychiatric Programs
Caseload Projections

	2014-15	2015-16
Population by Hospital*		
Atascadero	N/A	N/A
Coalinga	N/A	N/A
Metropolitan	N/A	N/A
Napa	N/A	N/A
Patton	N/A	N/A
Subtotal	**5,817**	**6,137**
Population by Psych Program		
Vacaville	366	366
Salinas	244	244
Stockton	480	480
Subtotal	**1,086**	**1,086**
Population Total	**6,892**	**6,953**
Population by Commitment Type		
Incompetent to Stand Trial (IST)	1,485	1,430
Not Guilty By Reason of Insanity (NGI)	1,379	1,377
Mentally Disordered Offender (MDO)	1,210	1,220
Sexually Violent Predator (SVP)	967	953
Lanterman-Petris-Short Act – Civil Commitments	556	556
Coleman Referral – Hospitals	258	258
Coleman Referral – Psych Programs	1,090	1,090
Department of Juvenile Justice	8	8

***** DSH is no longer able to identify the number of budgeted beds at their hospitals.

State Hospitals Budget

The Governor's proposed budget includes $1.7 billion for DSH in 2015-16 ($1.6 billion General Fund). This represents a $15 million increase over 2014-15 funding. The proposed budget year position authority for DSH is 11,398 positions, an increase of 164 positions from the current year. The department's budget includes increased funding for several proposals; including plans to operate 105 more Incompetent to Stand Trial (IST) beds than were budgeted in 2014-15 and establishes an involuntary medication policy for patients who are Not Guilty by Reason of Insanity (NGI).

(dollars in thousands)

Funding	2013-14 Actual	2014-15 Projected	2015-16 Proposed
General Fund (GF)	$1,440,792	$1,538,796	$1,551,830
Reimbursements	126,384	127,560	129,764
CA Lottery Education Fund	153	25	25
Total	$1,567,329	$1,666,381	$1,681,619
Positions	10,360	11,234	11,398

Cost Over-Runs. Over the past several years, state hospital costs had been rising at an alarming rate, and substantial current year deficiencies had become the norm and even expected from year to year. For example, in the 2010-11 fiscal year, the deficiency rose from $50 million to $120 million and the then-DMH staff could not explain why. In general, the department lacked any clear understanding of what the major cost drivers were and how to curb or stabilize costs in the system. In 2011, DMH leadership facilitated and oversaw an in-depth exploration and analysis of state hospital costs, resulting in a lengthy report that is available on the department's website. The research team identified the following system-wide problems/cost drivers: increased patient aggression and violence; increased operational treatment models; and redundant staff work.

Based on the report described above, in 2012, the Administration proposed a comprehensive list of reforms, to reverse the rising cost trend, which addressed three stated goals: 1) improve mental health outcomes; 2) increase worker and patient safety; and, 3) increase fiscal transparency and accountability. Perhaps the most significant of these proposed reforms was the reduction of 600 positions throughout the state hospital system. Of these 600 positions, 230 were vacant. In addition to the reduction in positions, the 2012 budget package included key changes in the following areas:

1. Reduced layers of management and streamlined documentation.

2. Flexible staffing ratios, focusing on front-line staff, and redirecting staff to direct patient care.

3. New models for contracting, purchasing, and reducing operational expenses.

4. Elimination of adult education.

Issue 4: Overview of Programs and Budget

Governor's Budget Proposals. The specific details of the Administration's proposals will be heard in future subcommittee hearings.

Incompetent to Stand Trial (IST) Patients – Proposes an increase of $17.3 million (General Fund) to add an additional 105 beds to treat people who have been determined to be incompetent to stand trial. The Administration reports that the current IST waiting list is 400 people.

Involuntary Medications – Proposes $3.2 million (General Fund) to establish an involuntary medication process for individuals who have been deemed not guilty by reason of insanity.

State Hospital Infrastructure – Proposes $167.4 million for DSH for 11 projects at four state hospitals over the next five years. Includes $11.5 million in 2015-16 for Enhanced Treatment Units at Atascadero, Napa, Coalinga and Patton state hospitals.

The Administration should be prepared to provide updates on the following topics during their overview:

1. The level of violence in hospitals and steps DSH is taking to reduce that violence in order to ensure a safe environment for both patients and staff.

2. Improvements made as a result of the Coleman Special Master's findings on the inadequacy of care provided to inmate-patients in the correctional psychiatric programs and two state hospitals.

Questions for the Department. DSH should be prepared to address the following question:

1. As noted in the department overview above, you were unable to provide the Legislature with the number of budgeted beds for any of the five state hospitals, either for the current year budget or the budget year estimates. How does your department determine the appropriate funding and staffing levels for each of the five hospitals without estimating the caseload or funded beds by hospital?

Issue 5: LAO: Improved Budgeting for DSH

Executive Summary. The state provides about $1.6 billion in funding to the Department of State Hospitals (DSH) to provide inpatient treatment to mental health patients in the eight DSH facilities. This includes funding for both clinical and nonclinical staff, as well as non–staff costs (such as food and clothing). In determining how much funding to request for the upcoming fiscal year, DSH uses the amount of funding it received in the state budget for the current year as a base budget or starting point. The department then requests adjustments to the base budget to account for projected increases or decreases in the patient population during the budget year.

DSH's Budgeting Process Has Several Shortcomings. Based on the review, the LAO finds the current DSH budgeting process has several shortcomings. Specifically, the LAO found that (1) the department has a large amount of funded beds that are not used; (2) the level of staff needed to operate DSH facilities is unclear; (3) the budgeting methodology used by the department creates poor incentives for it to operate efficiently; and (4) other state departments have more transparent, updated, and efficient budgeting processes than DSH.

Redesigning DSH's Budgeting Process. In view of the above findings, the LAO makes several recommendations to improve the DSH budgeting process. First, the Legislature should require the department to establish or update several key components used to develop its budget to ensure that they are accurate and adequate. Second, the Legislature should direct DSH to use the updated information to develop its budget and staffing requests based on expected changes in the number and acuity (or level of care) of its patient population, as well as make adjustments to its budget if the actual population differs from its projections. Given the resources and time necessary to implement these recommendations, it is also recommend that the Legislature require DSH to provide additional justification for its budget requests during the development and implementation of the new budgeting process. The recommendations will (1) ensure that DSH receives the appropriate amount of funding to account for changes in its patient population and the services it provides, (2) improve incentives for the department to operate efficiently, and (3) allow the Legislature to provide increased oversight of DSH's budget and operations.

Questions for the LAO. The LAO should be prepared to present the findings from the report and address the following questions:

1. The department suggests that the vacancy estimates in the report are significantly overstated, in part because the report includes the correctional psychiatric programs in that vacancy rate. They further assert that the actual vacancies at the end of the fiscal year were much smaller than the 450 beds mentioned in the report. Will you please explain your methodology to the committee and the reason you used this particular method in your report?

2. Despite the differences in methodology for calculating vacancy rates, please be prepared to articulate for the committee the specific challenges presented due to the lack of transparency involved in the developing of the DSH budget (as an example, the inability to know how many budgeted beds are at each facility and the appropriate staffing level for those beds/patients).

3. Given that mental health acuity is very different from physical health acuity and that mental health acuity can change from day to day, or even moment by moment for people with mental illnesses, can you please provide some detail as to how an acuity staffing model would work for the state hospitals? In addition, please discuss the experiences of other states or systems that use a mental health staffing acuity model successfully?

Questions for the Department. DSH should be prepared to address the concerns raised by the LAO and provide information on how they are incorporating any of the LAO recommendations or why they do not feel the recommendations are appropriate. In addition, the department should be prepared to address the following questions:

1. How many vacant beds does DSH currently have throughout the state hospital system, where are they located, and what types of beds are they (IST, NGI, MDO, SVP, Coleman, etc.)?

2. One of the reasons provided, during last year's budget hearings, for the on-going bed vacancy rate, despite the existence of waiting lists for those beds, was that in some areas you have difficulty recruiting staff to fill positions. Can you please provide an update on your staff vacancy rate and how you have addressed the vacancy problems raised during last year's budget hearings?

3. How much funding did DSH revert to the General Fund at the end of 2013-14? Please provide specific detail on which areas of the budget were overfunded and which new programs had a delayed implementation that caused funding to go unspent.