



The Department of State Hospital's (DSH) proposed budget for fiscal year (FY) 2025-26 totals \$3.4 billion – an increase of \$3.4 million from the 2024 Budget Act – with 38.0 proposed new positions (authority only) in budget year (BY). The proposed budget will allow the department to maintain operations, delivery of services, and provide state hospital facility capital outlay project improvements.

TOTAL State Hospitals Comparison
2024 Budget Act v. 2025-26 Governor's Budget
(Dollars in Thousands)

FUNDING SOURCE	2024 Budget Act	2025-26 Governor's Budget	Difference	% Change
State Operations	\$3,304,109	\$3,358,009	\$53,900	2%
Capital Outlay	\$53,359	\$2,844	(\$50,515)	-95%
TOTALS	\$3,357,468	\$3,360,853	\$3,385	0%

*Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)



SUPPORT COMPARISON
2024 Budget Act v. 2025-26 Governor's Budget
(Dollars in Thousands)

FUNDING SOURCE	2024 Budget Act	2025-26 Governor's Budget	Difference	% Change
General Fund (0001)	\$3,138,663	\$3,192,563	\$53,900	2%
Lease Revenue Bond (Ref 003/093)	\$35,497	\$35,536	\$39	0%
State Hospitals	\$35,497	\$35,536	\$39	0%
Support Funds (Ref 011)	\$3,100,528	\$3,154,400	\$53,872	2%
Administration	\$290,257	\$276,352	(\$13,905)	-5%
State Hospitals	\$1,955,660	\$1,945,367	(\$10,293)	-1%
CONREP	\$93,311	\$91,987	(\$1,324)	-1%
Contracted Patient Services	\$726,017	\$811,706	\$85,689	12%
Evaluation & Forensic Services	\$35,283	\$28,988	(\$6,295)	-18%
Support HIPAA (Ref 017)	\$1,538	\$1,527	(\$11)	-1%
Administration	\$1,538	\$1,527	(\$11)	-1%
Non- Budget Act (Ref 502)	\$1,100	\$1,100	\$0	0%
Medicare- State Hospital	\$1,100	\$1,100	\$0	0%
Lottery Fund (0814)	\$21	\$21	\$0	0%
State Hospitals	\$21	\$21	\$0	0%
Federal Trust Fund (0890)	\$100	\$100	\$0	0%
State Hospitals	\$100	\$100	\$0	0%
Reimbursements (Ref 511)	\$165,325	\$165,325	\$0	0%
Administration	\$250	\$250	\$0	0%
State Hospitals	\$165,075	\$165,075	\$0	0%
TOTALS	\$3,304,109	\$3,358,009	\$53,900	2%

*Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)

SUPPORT BUDGET

The 2025-26 Governor's Budget reflects a net increase of \$53.9 million in General Fund in FY 2025-26 (to be adjusted as noted above). The following provides specific details of proposed budget adjustments.



BUDGET CHANGE PROPOSAL

- *Statewide Project Management (12.0 position authority in FY 2025-26 and ongoing)*

DSH proposes position authority for 12.0 positions in FY 2025-26 and ongoing to address the sustained increase in workload with the number of design and construction projects managed by Facility Planning, Construction & Management (FPCM) section. The proposed position increase is cost neutral, as the positions will replace contracted project managers and shift contract expenditures to personnel services. These positions will exercise project management and oversight for all DSH information technology (IT) Infrastructure (the IT project components that interact with DSH's physical plant), Capital Outlay (CO) and Deferred Maintenance/Special Repair projects (DM/SR).



ENROLLMENT, CASELOAD AND POPULATION

As of January 1, 2025, DSH has a total of 675 patients pending placement, of which 359 are deemed Incompetent to Stand Trial (IST). The enrollment, caseload, and population estimates propose funding and position authority only, to support increased workload related to referral intake for *Coleman* patients, making permanent the resources for IST Re-Evaluation, and increased funding to respond to the projected increase in census and rising costs of patient-driven operating expenses such as utilities, pharmaceuticals, foodstuffs and outside medical.

- *County Bed Billing Reimbursement Authority (No position authority or dollar change)*

The County Bed Billing Reimbursement Authority is comprised of the Lanterman-Petris-Short (LPS) population and IST Non-Restorable (NR) and IST Maximum Term (MT) defendants which pertain to county financial responsibility. DSH is currently in negotiations with counties regarding a proposed increase to the daily bed rate. The Department does not project an adjustment to its County Bed Billing Reimbursement Authority at this time.

- *DSH-Metropolitan Increase Secured Bed Capacity (ISBC) (-\$4.4 million in FY 2024-25)*

The DSH-Metropolitan ISBC project continues to experience delays in the activation of the remaining units for IST forensic patients. DSH anticipates the Skilled Nursing Facility (SNF) building restoration will be completed in early 2025. This three-month delay results in a one-time savings of \$4.4 million in FY 2024-25.

- *Enhanced Treatment Program (ETP) (-\$571,000 in FY 2024-25)*

The ETP was developed to treat patients who are at the highest risk of violence and cannot be safely treated in a standard treatment environment. DSH anticipates construction of the ETP unit at DSH-Patton (Unit 06) to be completed in April 2025. This nine-month adjustment in the timeline results in a one-time savings of \$571,000 in FY 2024-25.

- *Patient-Driven Operating Expenses and Equipment (OE&E) (\$21.7 million in FY 2024-25 and ongoing)*

The Budget Act of 2019 adopted a standardized methodology to provide funding for patient-related OE&E items based on updated census estimates for each fiscal year and an estimated per patient cost, derived from past



year actual expenditures. Due to continued rising costs, DSH requests \$21.7 million in FY 2024-25 and ongoing to support patient-related operating expenses, specifically in the areas of utilities, pharmaceuticals, foodstuffs, and outside medical.

- *Increased Coleman Referrals (3.0 position authority in FY 2025-26 and ongoing)*

DSH, in conjunction with the California Department of Corrections and Rehabilitation (CDCR), developed new methodologies to increase Coleman referrals from CDCR to DSH to increase DSH's Coleman census. DSH requests 3.0 positions (authority only) in FY 2025-26 and ongoing to address increased workload related to referral intake for Coleman patients.

- *Conditional Release Program (CONREP) Non-Sexually Violent Predators (SVP) (-\$3.6 million in FY 2024-25)*

DSH anticipates a total contracted caseload of 985 in FY 2024-25 and FY 2025-26. As a result of delays in hiring at the Northern CA Institute for Mental Disorder (IMD) Facility (Canyon Manor), difficulty with maintaining adequate clinical staffing levels at the Northern CA Statewide Transitional Residential Program (STRP) A&A facility, and the CONREP Forensic Assertive Community Treatment (FACT) Regional Program (CFRP)-Alameda program closure, DSH reports a one-time savings in FY 2024-25 of \$3.6 million.

- *CONREP SVP Caseload Update (No position authority or dollar change)*

DSH assumes a total caseload of 31 SVPs to be conditionally released into the community by June 30, 2026. There are currently 21 court-ordered clients participating in CONREP-SVP, 20 individuals with court-approved petitions awaiting placement into the community, and 13 individuals with filed petitions for conditional release who are proceeding through the court process.

- *Incompetent to Stand Trial (IST) (-\$237.5 million in FY 2024-25; -\$82.1 million in FY 2025-26; -\$78.9 million in FY 2026-27; 23.0 position authority in FY 2025-26 and ongoing)*

DSH continues its efforts to provide timely access to treatment for individuals found IST on a felony charge through the expansion of its continuum of care



and reports a waitlist of 359¹ IST individuals as of the 2025-26 Governor's Budget. This change represents a reduction of nearly 9.6% from the waitlist of 397² reported in the 2024-25 May Revision. Furthermore, of the 359 individuals on the waitlist pending admission to a treatment bed, 125 are receiving substantive treatment services through the Early Access and Stabilization Services (EASS) program or other treatment program. In December 2024, DSH submitted a report to the court on its progress through October 2024 in meeting court ordered timelines for DSH to provide IST individuals access to substantive treatment services (*Stiavetti v. Clendenin*). Effective November 1, 2024, the court ordered benchmark is to provide substantive services to IST individuals within 33 days. The next benchmark is to provide substantive services within 28 days by March 1, 2025. The report to the court reflected that in October 2024 DSH provided substantive treatment services to 99.4% of IST individuals within 45 days, 95.5% within 33 days and 94.1% within 28 days. DSH reports a one-time savings of \$237.5 million in FY 2024-25, \$82.1 million in FY 2025-26, and \$78.9 million in FY 2026-27, reflecting updated timelines for various IST program activations, primarily assumptions regarding the build out of new community-based treatment infrastructure and associated programming. DSH also requests position authority only for 23.0 positions to support the data collection and outcomes monitoring for the Felony Mental Health Diversion (Diversion) program and the Re-Evaluation Services for Felony IST Program on an ongoing basis.

¹Data as of January 1, 2025

²Data as of May 6, 2024



BUDGET LETTER ADJUSTMENTS

Pursuant to Control Section 4.12, which authorizes Department of Finance (DOF) to reduce departmental budgets by capturing savings from vacant positions, the above proposed budget will be reduced by 171.1 positions, resulting in savings of \$20.4 million, as outlined in Budget Letter 24-20. Additionally, pursuant to Control Section 4.05 and Budget Letter 24-24, which authorizes DOF to reduce departmental budgets by up to 7.95 percent to reflect savings associated with cost-reduction measures, DSH's State Operations Budget will be reduced by \$8.8 million. For additional detail, see the below breakdown:

- Budget Letter 24-20: Vacancy Savings and Position Elimination
 - DSH Headquarters: 21.0 Positions and \$2,653,000
 - DSH Hospitals: 150.1 Positions and \$17,747,000

- Budget Letter 24-24: Government Efficiencies Reductions
 - DSH Headquarters: \$8,805,000
 - DSH Hospitals: \$0



CAPITAL OUTLAY COMPARISON
2024 Budget Act v. 2025-26 Governor's Budget
(Dollars in Thousands)

FUNDING SOURCE	2024 Budget Act	2025-26 Governor's Budget	Difference	% Change
General Fund (0001)	\$1,051	\$2,844	\$1,793	171%
Capital Outlay	\$1,051	\$2,844	\$1,793	171%
Public Bldg Construction (0660)	\$52,308	\$0	(\$52,308)	-100%
Capital Outlay	\$52,308	\$0	(\$52,308)	-100%
TOTALS	\$53,359	\$2,844	(\$50,515)	-95%

*Total includes non-budget act items (Medicare, Lottery, Re-Appropriations)

The 2025-26 Governor's Budget reflects a net decrease of \$50.5 million in General Fund and Public Building Construction Fund in FY 2025-26. The following provides specific detail of proposed budget adjustments.

CAPITAL OUTLAY BUDGET CHANGE PROPOSALS

- *Napa Electrical Infrastructure Upgrades (\$2.8 million in FY 2025-26)*

DSH proposes \$2.8 million in General Fund for the preliminary plans phase of the DSH-Napa Electrical Infrastructure Upgrade project. This project will upgrade the electrical distribution infrastructure, which includes replacement of the existing Pacific Gas and Electric (PG&E) transformer, substation, utility feeder lines, facility transformers, switch gear, and installation of an additional generator. This project is necessary to meet the electrical demand of day-to-day operations, and to support future campus improvements.



STATE HOSPITAL POPULATION

DSH is responsible for the daily care and treatment of over 7,400 patients. This estimated caseload is projected to exceed 8,000 by the end of FY 2025-26, with a total of 5,762 across the state hospitals, 1,749 in contracted programs and 1,016 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. The table below displays patient caseload by commitment type and contract location.

2025-26 Governor's Budget Estimates Caseload	
Location	Estimated Census on June 30, 2026
Population by Commitment Type – Hospitals	
Incompetent to Stand Trial (IST) — PC 1370	1,741
Not Guilty by Reason of Insanity (NGI) — PC 1026	1,212
Offenders with Mental Disorders (OMD) — PC 2962/2972	1,033
Sexually Violent Predator (SVP) — WIC 6602/6604	950
Lanterman-Petris-Short (LPS) — PC 2974	556
Coleman — PC 2684	270
Subtotal	5,762
Contracted Programs	
Jail Based Competency Treatment Programs	488
Community Based Restoration	1,033
Community Inpatient Facilities	228
Subtotal	1,749
Conditional Release Programs (CONREP)	
CONREP Non-SVP	692
CONREP SVP	31
CONREP Forensic Assertive Community Treatment (FACT) Program	90
CONREP Step Down Facilities	203
Subtotal	1,016
GRAND TOTAL	8,527