STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-27	4440	Department of State Hospitals

Hyperion Budget Request Name	Relevant Program or Subprogram
4440-023-BCP-2026-GB	4420 – Conditional Release Program

Budget Request Title
Transitional Housing (SB 380)

Budget Request Summary
The Department of State Hospitals (DSH) requests $469,000 in 2026-27 to conduct an analysis on the feasibility of establishing transitional housing facilities for the Conditional Release Program (CONREP) for Sexually Violent Predators (SVP) and submit a report of results to the Legislature for Senate Bill (SB) 380 (Chapter 581, Statutes of 2025). DSH also requests two limited-term positions beginning July 1, 2026, and ending June 30, 2027, to support the needs of this analysis.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No	Department CIO	Date
	N/A	N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Approval Date:** N/A

Project Approval Document: N/A **Total Project Cost:** N/A

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Brandon Price	1/10/2026	Brent Houser	1/10/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Stephanie Clendenin	1/10/2026	Kim Johnson	1/10/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Joseph Donaldson	1/10/2026

A. Problem Statement

DSH manages the nation's largest inpatient forensic mental health hospital system. Its mission is to provide evaluation and treatment in a safe and responsible manner, by leading innovation and excellence in state hospital operations, across a continuum of care and settings. DSH is responsible for the daily care and provision of mental health treatment of over 7,400 patients. DSH oversees five state hospitals (Atascadero, Coalinga, Metropolitan, Napa, and Patton) and employs nearly 13,000 staff. In fiscal year (FY) 2023-24, DSH served over 14,000 patients, with 9,510 served across the state hospitals, 1,881 in JBCT, 506 in Community Inpatient Facilities (CIF), 859 in Community Based Restoration (CBR) contracted programs, and 897 in Conditional Release Programs (CONREP). 11,897 individuals were treated within a DSH inpatient program and 2,117 were served through DSH's outpatient programs. Through Early Access Stabilization Services (EASS) and Re-Evaluation services, during FY 2023-24, DSH initiated services for 2,797 patients in EASS, and off ramped 198 through DSH's Re-Evaluation program. In addition, 249 individuals were diverted from jail into county Diversion programs funded by DSH.

The Forensic Conditional Release Program (CONREP) is DSH's statewide system of community-based services for specified court-ordered forensic individuals. Statutes were later updated to authorize Sexually Violent Predator (SVP) patients to participate in CONREP (Welfare and Institutions Code (WIC) Section 6604, effective January 1, 1996). The CONREP-SVP program is an intensive community-based treatment and 24-hours per day supervision and monitoring program designed to safely reintegrate individuals, designated as an SVP, back into the community when ordered by a court to be conditionally released from the state hospital.

DSH contracts with a provider, Liberty Healthcare, to provide CONREP-SVP services including housing, treatment, and supervision. Existing law requires when an SVP patient is conditionally released into the community by court order that they be conditionally released to their county of domicile and sufficient funding be available to provide treatment and supervision services. The process for SVP conditional release is outlined in detail in WIC Sections 6607-6609 and summarized below.

To enter CONREP, an SVP patient must petition the court in the county which initially committed the individual to DSH for inpatient treatment. An SVP patient may make the petition with or without concurrence from the DSH Director. In the conditional release hearing, the court must determine whether the patient committed would be a danger to the health and safety of others, meaning that it is likely that they will engage in sexually violent criminal behavior due to their diagnosed mental disorder if under supervision and treatment in the community. If the court determines that the SVP patient would not be a danger to others due to their diagnosed mental disorder while under supervision and treatment in the community, the court shall order they be placed into CONREP-SVP and the terms and conditions for the patient's participation are set. Apart from the threshold court finding that the SVP patient will not pose a danger to others if treated in the community, CONREP-SVP involves an intensive regimen of treatment and supervision, including weekly individual contact, group and individual therapy, Global Position System (GPS) tracking, surveillance, unscheduled home visits, and regular drug screening. Based on an SVP patient's individual characteristics, the release conditions can also include polygraph examinations, and anti-androgen medical treatment.

Placement/Housing Search Process

Multiple steps are involved in the housing search process. The process starts while the patient is in the hospital and housing is searched, in accordance with the court's orders, in the

patient's county of domicile. DSH's contracted provider vets all prospective locations. Any location prohibited by law, i.e. within a quarter mile of public/private school including homeschools, is ruled out when the person being placed has had child victims. Upon locating potential areas that may be initially considered viable and where there are available homes to rent, additional factors are considered that may ultimately result in a potential home being determined to be inappropriate, such as properties located near parks/playgrounds. Proximity to victims and the patient's family; as well as proximity to services (i.e. medical and MH treatment providers) are also considered in determining the appropriateness of a home.

After narrowing the search to the few homes that may be potentially viable, property owners are contacted. If a landlord is willing to rent to an SVP patient, then an intensive site analysis process including an individualized forensic analysis is conducted specific to the placement location. Once the site analysis is completed and approved by the contracted vendor, it is submitted to DSH for a 3-level review process (Program, Legal, and Directors Office reviews). After DSH review and approval, the local housing committee is convened where designated county partners review and weigh in on the site analysis. The housing committee participants are comprised of counsel for the SVP patient, the local sheriff or chief of police, county counsel, and the district attorney for the county of domicile.

Assuming the prospective property passes all layers of review, the site analysis is submitted to the court for further consideration. Upon the court's order, DSH is required to issue a minimum 30-day notification of the potential placement address to the sheriff/local law enforcement and district attorney who will then often issue public notice to community members and collect additional feedback, which is then later reviewed and considered by DSH. After this 30-day period, the court will hold a hearing to consider all the public comments about the proposed property and decide whether to approve or deny the placement location.

Current Placement Types

There are currently two types of placements for SVP patients ordered to CONREP: either in a fixed residence or transient. While DSH and its contracted provider try to locate a fixed residence for every client ordered to be conditionally released, courts in some instances have decided to place some individuals in a transient placement when a fixed residence could not either be found or approved by the court. A transient placement typically includes the use of a recreational vehicle or a series of motels that require the individual to move between locations periodically while a fixed residence is typically a privately-owned single-family home leased to the SVP patient. After the court finds the individual is fit for conditional release, the court orders CONREP SVP to locate a residence for the patient in their county of domicile, which is legally determined by the court. The county of domicile is typically the same county that handles the patient's SVP commitment proceeding. Placements to other counties only occur in extraordinary circumstances and when court ordered. The court identifies the county or counties in which CONREP is ordered to search for placement and CONREP does not search in counties outside of the court's ordered locations. Pursuant to WIC 6608.5, "extraordinary circumstances" is defined as circumstances that inordinately hinder the department's ability to effect conditional release of a committed person in their county of domicile in accordance with WIC Section 6608, or any other provision of the article.

Placement Challenges

In recent years, DSH has experienced significant challenges that have prolonged the timeline for placement of an SVP patient in CONREP and increased operating costs. Once the court orders an SVP patient released from a state hospital into the community via CONREP, it currently takes an average of 24 months to secure court approved housing. The

most notable challenges contributing to lengthy placement timelines include locating appropriate housing and public resistance to the placement of SVP patients within their communities.

Another factor contributing to lengthy timelines is related to a Court of Appeals ruling in January 2023 which found that the definition of a "private school" is inclusive of homeschools, regardless of when the homeschool is established. WIC 6608.5 (f) requires that placement shall not occur "*within one-quarter mile of any public or private school providing instruction in kindergarten or any of grades 1 to 12" when an SVP has had child victims.* As a result of the Court of Appeals finding, every homeschool within the state creates a new area where an individual designated as an SVP cannot be housed. Furthermore, this finding applies to any homeschools identified following property vetting and submission to the court, potentially rendering the property as ineligible for community placement.

B. Justification

SB 380 requires DSH to conduct an analysis on the feasibility of establishing transitional housing facilities as an additional placement option for the CONREP-SVP program and submit a report of the results by January 1, 2027. Completing the mandated report will require, at a minimum, extensive research and analysis of current California law and transitional housing models and laws in other states, a comparison of potential program designs for California, estimated costs, and any statutory changes needed to establish this facility type.

SB 380 requires DSH to complete a study on the feasibility of transitional housing for SVPs ordered by a court into CONREP. DSH remains responsible for recommending housing placements for SVP patients within their county of domicile and supporting all existing program requirements. With the new requirements of SB 380, CONREP-SVP will experience an increased workload that cannot be absorbed within the current resources available.

To support this bill DSH requires new resources to meet the technical and analytical workload. DSH proposes that the following positions are established July 1, 2026, to allow for sufficient time to address the study requirements.

<u>CONREP-SVP 2.0 Limited Term Positions</u>

1.0 Consulting Psychologist – Clinical Review and Expertise

The key activities of this position include, but are not limited to:

- Provides clinical expertise and research review in relation to country-wide transitional housing models in relation to SVP clients and patients and associated statute
- Provides clinical expertise and research review in relation to transitional housing models currently used within California with other judicially involved forensic individuals and associated statute
- Assists with site visits to appropriate programs to research clinical aspects related to transitional housing and SVP statute
- Collaborates on report highlighting research garnered throughout the study
- Travels within the state and to other states with SVP programs to assist in garnering data for the study

1.0 Health Program Specialist II – Project Management and Analysis

The key activities of this position include, but are not limited to:

- Project management of the study and components related to research, tracking, and development
- Liaison to CONREP SVP CP counterpart and DSH administration with regular communication and collaboration regarding data, findings and status

- Gathers data and reviews and analyzes previous transitional housing attempts made within CA and the clinical deductions
- Travels within the state and to other states with SVP programs to assist in garnering data for the study
- Develop and author a final report on the study in collaboration with Consulting Psychologist

Travel Expenses

DSH requests an additional $10,000 in 2026-27 for each proposed position ($20,000 total) to support the high level of travel to program sites within California and out of state for research purposes and meeting with subject matter experts in the field of study during the length of the study. Beyond in-state travel to observe transitional housing models in place in California, SB 380 directly discusses the SVP programs in Washington, Minnesota, Kansas, and Texas; therefore, travel to these programs to assist in comprehensive research would be necessary.

C. Departmentwide and Statewide Considerations

SB 380 requires DSH to conduct a study and author a summary report regarding the feasibility of establishing transitional housing facilities in CONREP-SVP for the Legislature by January 1, 2027. DSH is legally obligated to meet the requirements of SB 380.

The California State Auditor (CSA), as directed by the Joint Legislative Audit Committee, conducted an audit of DSH to evaluate DSH's management of the CONREP-SVP program and its contract with service provider, Liberty Healthcare. In October 2024, after conclusion of the audit, CSA issued a report outlining five programmatic recommendations including one about exploring the feasibility of establishing state-owned transitional housing which has not been conducted. The other four recommendations have been completed and closed out by CSA.

Effective January 1, 2023, implementation of SB 1034 (Chapter 880, Statutes of 2022) required DSH to convene a committee of specified county representatives to obtain assistance and consultation regarding securing suitable housing for each client approved for conditional release. These new requirements resulted in the creation of county-specific Housing Committee Meetings (HCMs), which are open to the public pursuant to the Bagley-Keene Open Meeting Act. Each committee remains in effect from the date of the initial order approving placement into CONREP, to the date of actual transition from the state hospital to the community CONREP program. This change resulted in an increased number of court hearings, task and criteria tracking, reporting requirements, housing status reports to the court, and inter-agency coordination across multiple counties throughout the state.

D. Outcomes and Accountability

Approval of this proposal will provide DSH with the necessary resources to conduct a feasibility analysis of establishing traditional housing facilities for the CONREP-SVP and submit a report of the results to the Legislature by January 1, 2027.

E. Implementation Plan

DSH plans to begin recruitment immediately and work with experts knowledgeable about other SVP programs and the use of transitional facilities outside of California (nationally). Beginning this process and conducting detailed research analysis over the course of 6 months will allow DSH to ensure the report is complete and submitted to Legislature by the statutory deadline of January 1, 2027.

F. Supplemental Information (If Applicable)

Attachment A: BCP Fiscal Detail Sheet

Attachment B: Workload Analysis

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BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Transitional Housing (SB 380)

BR Name: 4440-005-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	2.0	0.0	0.0	0.0	0.0
Total Positions	**0.0**	**2.0**	**0.0**	**0.0**	**0.0**	**0.0**
Salaries and Wages Earnings - Permanent	0	255	0	0	0	0
Total Salaries and Wages	**$0**	**$255**	**$0**	**$0**	**$0**	**$0**
Total Staff Benefits	0	162	0	0	0	0
Total Personal Services	**$0**	**$417**	**$0**	**$0**	**$0**	**$0**

Operating Expenses and Equipment

Operating Expenses and Equipment	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
5301 – General Expense	0	16	0	0	0	0
5304 – Communications	0	2	0	0	0	0
5320 – Travel: In-State	0	22	0	0	0	0
5324 – Facilities Operation	0	10	0	0	0	0
5346 – Information Technology	0	2	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$52**	**$0**	**$0**	**$0**	**$0**
Total Budget Request	**$0**	**$469**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
0001 – General Fund	0	469	0	0	0	0
Total State Operations Expenditures	**$0**	**$469**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$469**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
4400010 – Headquarters Administration	0	22	0	0	0	0
4400020 – Hospital Administration	0	2	0	0	0	0
4420020 – Conditional Release Program – Sexually Violent Predators	0	445	0	0	0	0
Total All Programs	**$0**	**$469**	**$0**	**$0**	**$0**	**$0**

Personal Services Details

Positions	Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
7620 – Consulting Psychology				0.0	1.0	0.0	0.0	0.0	0.0
8336 – Hlth Program Spec II				0.0	1.0	0.0	0.0	0.0	0.0
Total Positions				**0.0**	**2.0**	**0.0**	**0.0**	**0.0**	**0.0**

Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4
7620 – Consulting Psychology	0	157	0	0	0	0
8336 – Hlth Program Spec II	0	98	0	0	0	0
Total Salaries and Wages	**$0**	**$255**	**$0**	**$0**	**$0**	**$0**

Staff Benefits	CY	BY	BY+1	BY+2	BY+3	BY+4
5150200 – Disability Leave - Industrial	0	3	0	0	0	0
5150210 – Disability Leave – Nonindustrial	0	1	0	0	0	0
5150350 – Health Insurance	0	12	0	0	0	0
5150450 – Medicare Taxation	0	4	0	0	0	0
5150500 – OASDI	0	16	0	0	0	0
5150600 – Retirement – General	0	80	0	0	0	0

5150800 – Workers' Compensation	0	12	0	0	0	0
5150900 – Staff Benefits – Other	0	34	0	0	0	0
Total Staff Benefits	**$0**	**$162**	**$0**	**$0**	**$0**	**$0**
Total Personal Services	**$0**	**$417**	**$0**	**$0**	**$0**	**$0**

Consulting Psychologist (7620) (1.0)				
	Hours Required To Accomplish	***Frequency of Task (Monthly)***	***Number of Tasks per Year***	***Total Hours Projected (Annually)***
Provide clinical expertise in reviewing and analyzing previous transitional housing attempts made within CA and the clinical deductions.	10	1	120	120
Provide education, history, and information to relevant internal and external stakeholders to obtain data related to transitional housing models within CA.	1	20	240	240
Provide education, history, and information to relevant internal and external stakeholders to obtain data related to transitional housing models with external stakeholders in other states with SVP laws.	1	20	240	240
Coordinate any clinical and site-specific materials with LHC related to the study.	1	15	180	180
Travel and perform on site shadowing of transitional housing models within CA from a clinical perspective.	40	0.5	20	240
Travel and perform on site shadowing of transitional housing models with travel to other states to obtain educational knowledge and clinical perspective.	40	0.5	6	240
Provide clinical review and analysis on out of state transitional housing models.	20	1	12	120
Attend recurring CONREP SVP meetings to provide status updates and findings.	1	8	48	48
Develop responses to internal DSH stakeholder questions and info requests related to transitional housing models and the study and report.	4	1	12	48
Review clinical research published on SVP commitments and housing models that relate to community outpatient treatment and housing.	10	2	24	240
Collaborate with DSH HPS2 on findings to develop a final report on the study.	20	1	6	120
Present findings quarterly during project to DSH executive leadership.	16	0.25	4	64
TOTAL HOURS PROJECTED ANNUALLY				**1,900**
TOTAL HOURS PROJECTED ANNUALLY: 1,776 (hours/1,776 = PYs)				
TOTAL POSITIONS NEEDED				**1.0**

Health Program Specialist II (8336) (1.0)				
	Hours Required To Accomplish	***Frequency of Task (Monthly)***	***Number of Tasks per Year***	***Total Hours Projected (Annually)***
Current analysis of SVP rules, regulations, statute and legislation.	1	16	192	192
Manage a tracking system to capture data related to the research conducted on the study.	1	4	48	48
Liaison to CONREP SVP CP counterpart and DSH administration with regular communication and collaboration regarding data, findings and report status.	1	20	240	240
Gather data and review and analyze previous transitional housing attempts made within CA.	20	1	240	240
Provide education, history, and information to relevant internal and external stakeholders to obtain data related to transitional housing models within CA.	1	20	240	240
Coordinate any administrative and site-specific materials with LHC related to the study.	1	5	60	60
Travel and perform on site shadowing transitional housing models within CA from an administrative perspective.	40	0.5	20	240
Travel and perform on site shadowing of transitional housing models with travel to other states to obtain educational knowledge and administrative perspective.	40	0.5	6	240
Gather data and review and analyze out of state transitional housing models.	20	1	12	120
Attend recurring CONREP SVP meetings to provide status updates and findings.	1	8	48	48
Develop responses to internal DSH stakeholder questions and info requests related to transitional housing models and the study and report.	4	1	12	48
Present findings quarterly during project to DSH executive leadership.	16	0.25	4	64
Develop and author a final report on the study.	80	0.2	12	192
TOTAL HOURS PROJECTED ANNUALLY				**1,972**
TOTAL HOURS PROJECTED ANNUALLY: 1,776 (hours/1,776 = PYs)				
TOTAL POSITIONS NEEDED				**1.0**