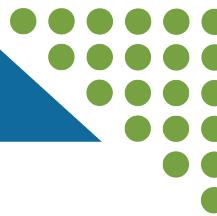


DBHDS Budget Proposal
HHR Subcommittee
Senate Finance and Appropriations Committee
January 29, 2026

Daryl Washington, Commissioner
Department of Behavioral Health
and Developmental Services



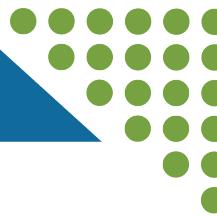


Agency	Governor's Budget*			
	FY2027 – GF	FY2027 - NGF	FY 2028 - GF	FY 2028 - NGF
720 – Central Office **	\$-1,000,000	\$0	\$-1,000,000	\$0
720 – Central Office	\$33,715,494	\$1,490,260	\$450,000	\$1,040,260
790 – Grants to Localities	-\$4,297,020	\$5,697,020	-\$4,297,020	\$5,697,020
792 – Mental Health Facilities	\$1,150,000	\$725,000	\$1,150,000	\$725,000
793 – Training Centers	\$0	\$25,000	\$0	\$25,000
794 – VCBR	\$0	\$1,350,000	\$0	\$1,350,000
Total	\$30,568,474	\$9,287,280	-\$2,697,020	\$8,837,280

*FY 2026 has a caboose amendment reducing **\$23 million** in General Fund carryforward for crisis not shown on the table above.

This action is not calculated in the introduced budget changes. This action removes **\$1,000,000 in General Funds for dementia services from the base to reflect the Governor's veto of Paragraph H of Item 296, Chapter 725, 2025 Acts of Assembly.





Description	Agency	FY 2026	FY 2027	FY 2028
Capture Excess One-Time Mandatory Crisis Carryforward Funds – Captures excess funds for crisis services appropriated in prior years and carried forward into 2026. This reduction right-sizes the appropriation to align with the actual costs of establishing crisis services that can be sustained with available ongoing funding and does not affect planned expenditures.	Central Office	-\$23,064,259 GF	\$0	\$0
Increase 988 Funds for Crisis Call Center Dispatch Staff – Provides non-general fund appropriation utilizing 988 funds for crisis call center dispatch staff, and offsets General Fund support	Grants to Localities	\$0	\$5,697,020 NGF -\$2,697,020 GF	\$5,697,020 NGF -\$2,697,020 GF
Marcus Alert Language – Supports statewide implantation of Marcus Alert by removing language that requires each program to receive \$600,000 and allowing funding to be distributed on a need basis.	Grants to Localities		Language Only	Language Only





988



Status
In December 2025, Virginia 988 had over 36,200 calls, 3,900 chats, 3,700 texts

Financing
Funds through 988 tax, utilizing unspent accumulated dollars. Will need additional dollars to handle volume and improve responsiveness to chat and text

Mobile Crisis



Increased from 36 teams to 110; 59,023 dispatches in FY 2025; 46-minute average response time (Nov 2025)

MCR funded through Medicaid and SGF. 110 publicly funded teams, processes improved to reduce overutilization

Crisis Centers

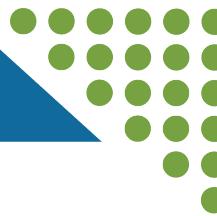


460 active crisis center beds (RCSU) and chairs (23-hour observation CRC); Over 300 more in development

Existing crisis funding for the crisis centers is shown in the chart below

Fiscal Year	Total Appropriation	Carryforward	Notes
FY 2024	\$58,000,000	\$48,381,100	Initial stand-up of statewide crisis system
FY 2025	\$64,845,204	\$84,633,328	Continued rapid expansion and capacity build
FY 2026	\$42,448,718	\$61,569,069	Projected carryforward, excluding \$23M one-time reclaim after system stabilization





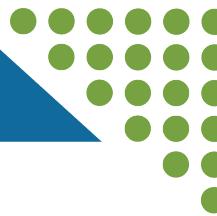
Community Budget Actions

Budget Action	FY 2027	FY 2028
Problem Gambling Services – Increases non-general fund appropriation for problem gambling programs to expand problem gambling treatment, recovery, and prevention services. These funds are from dedicated revenue sources that are deposited into the Problem Gambling Treatment and Support Fund.	\$1,040,260 NGF	\$1,040,260 NGF
Service Dogs of Virginia – Contracts with Service Dogs of Virginia to provide service dogs for individuals with disabilities.	\$250,000 GF	-

System Transfers

Zero-Sum Transfer	Agency	FY 2027	FY 2028
Data Exchange Support – Transfers funds for the CSB data exchange from Grants to Localities to Central Office to support data reporting and management requirements.	Central Office	\$1,600,000 GF	\$1,600,000 GF
	Grants to Localities	-\$1,600,000 GF	-\$1,600,000 GF
Discharge Transportation – Transfer state hospital discharge transportation funding appropriation to facilities.	Central Office	-\$1,150,000 GF	-\$1,150,000 GF
	State Hospitals	\$1,150,000 GF	\$1,150,000 GF
Total		\$0	\$0





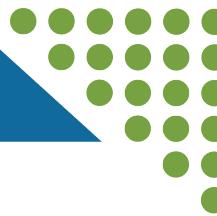
Operating Actions

Description	FY 2027	FY 2028
Special Hospitalizations – Provides non-general funds to support increased special hospitalization costs at state hospitals and the training center (\$750,000) and VCBR (\$1,350,000).	\$2,100,000 NGF	\$2,100,000 NGF

Capital Actions

Description	FY 2027	FY 2028
Renovations, Repairs, and Upgrades – Provides one-time funds to address life safety and security renovations, with a focus on Catawba Hospital.	\$33,015,494 GF	-
Fort Whitworth Transfer – Conveys 3 acres on the CSH campus associated with the historic Civil War site of Fort Whitworth to the Petersburg Battlefield Foundation. The language to authorize this conveyance is included in Part 3 of the introduced budget bill.	Language Only	Language Only





Name	Location	Total Beds	Current Census	Forensic %
Catawba Hospital	Catawba	110	99%	25%
Commonwealth Center for Children & Adolescents	Staunton	48	96%	4%
Central State Hospital - Civil	Petersburg	166	99%	95%
Eastern State Hospital	Williamsburg	302	100%	94%
Northern VA Mental Health Institute	Falls Church	134	100%	56%
Piedmont Geriatric Hospital	Burkeville	123	101%	30%
Southern VA Mental Health Institute	Danville	72	99%	58%
Southwestern VA Mental Health Institute	Marion	175	98%	50%
Western State Hospital	Staunton	302	99%	59%

Notes: CCCA currently has 24 beds open.

SWVMHI has 134 beds open bc of a construction project.

ESH has 278 beds open bc of a construction project.

State hospital census as of Jan 20 was

99%

Industry standard safest occupancy is

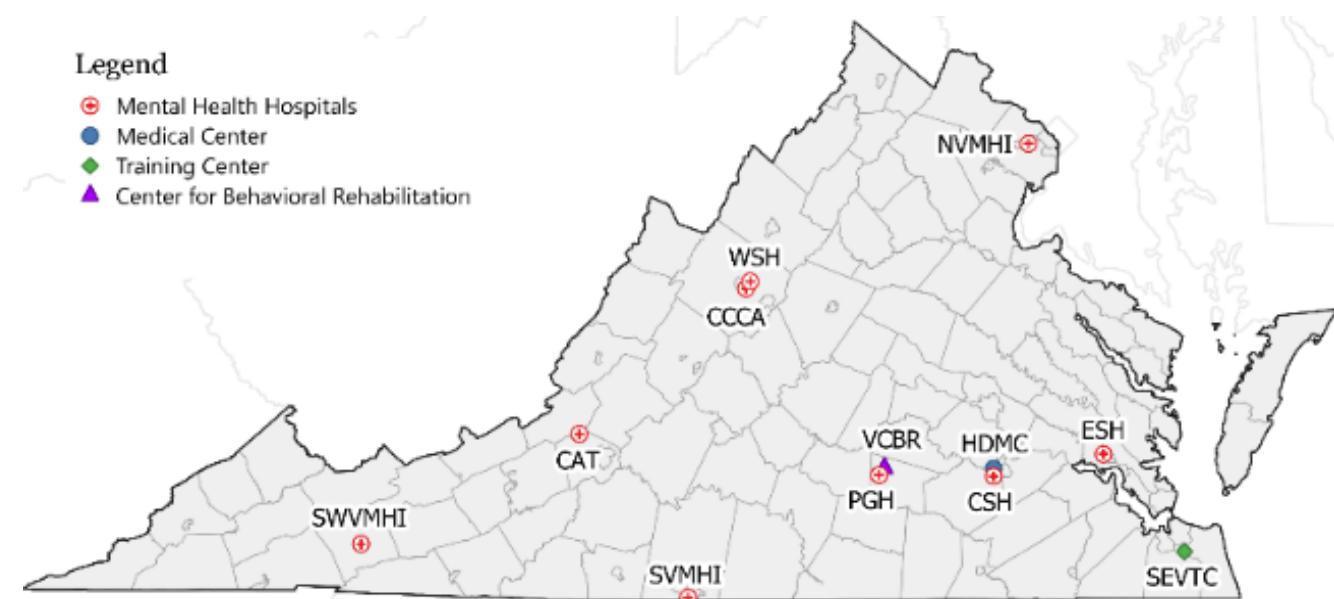
85%

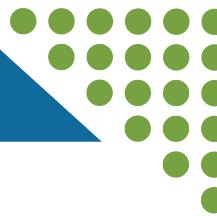
State hospitals are funded to be staffed at

90%

Legend

- ⊕ Mental Health Hospitals
- Medical Center
- ◆ Training Center
- ▲ Center for Behavioral Rehabilitation





The Problem

- 50-year-old facility with no major renovations.
- Core systems at end of life (HVAC, plumbing, electrical, water).
- No phased renovation option; major repairs require full evacuation for up to two years with no guarantee that patients or staff would return.
- High capital cost for an outdated care model.

HDMC Snapshot

Current Census	31
Patients who still need placements	26
Current Staff	152
Staff in HDMC departments moving to new CSH (others will move through attrition)	36

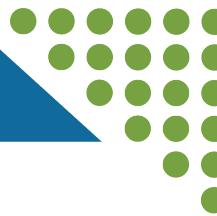
The Plan

- Planned closure by Dec. 2027 with safe, choice-based patient transitions to community settings, nursing facilities, or SEVTC.
- Staff retention and redeployment within DBHDS to minimize layoffs.
- Continuation of essential medical and rehab services through community providers and shared services at CSH.
- Code-required public planning process under VA Code § 37.2-316.
- Code: the Governor and the GA must approve plans to close a DBHDS facility.
- The plan is found here:
<https://rga.lis.virginia.gov/Published/2025/RD880/PDF>

Financial Landscape

- Avoids \$94M renovation or \$145M rebuild of an obsolete facility.
- Combining costs for renovation, operating expenses, lost revenue, and downtime, the 6-year cost to continue HDMC is about \$285M.
- The 6-year cost of closing HDMC and reinvesting in community and SEVTC is about \$115 million.
- Estimated 6-year savings: \$170M, reinvested in:
 - Community provider capacity
 - SEVTC targeted renovations
 - Workforce stability
 - Shared services at CSH

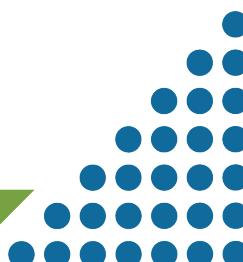


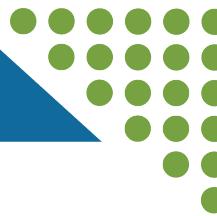


6-year cost to continue HDMC: \$285M (including renovations, downtime)

HDMC Continual Operations		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	6 Year Total
HDMC Operating Costs		\$18,625,415	\$15,347,342	\$28,654,485	\$29,514,120	\$30,399,543	\$31,311,529	\$153,852,435
Loss of Revenue		\$14,400,822	\$14,400,822					\$28,801,644
DD Community Services General Fund		\$590,000	\$607,700					\$1,197,700
DD Community Services Medicaid Waivers or ICF		\$3,637,000	\$3,746,110					\$7,383,110
HDMC Capital Renovation Cost		\$94,110,000						
TOTAL 6 YEAR IMPACT		\$285,344,888						

- There is only one estimate to renovate HDMC at \$94M. This estimate was used for the above, but this is for more beds than a rebuild of HDMC would need
- A new professional estimate would be needed to provide a smaller bed count, or a new build
- The new Central State Building is not conducive to an addition





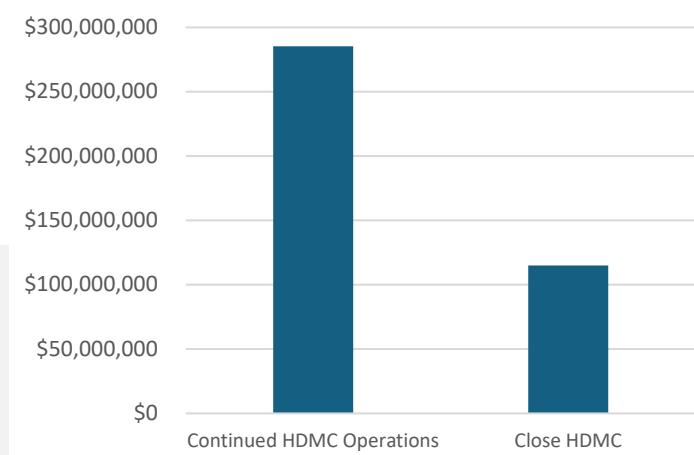
HDMC Closure

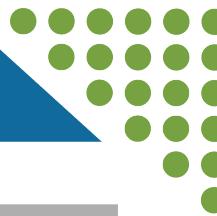
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	6 Year Total
HDMC Operating Costs	\$21,926,364						
Shared Service CSH	\$6,728,121	\$6,929,965	\$7,137,864	\$7,352,000	\$7,572,560	\$7,799,737	\$43,520,246
Medical Staff and Supplies for MH Facilities	\$1,216,478	\$596,478	\$596,478	\$596,478	\$596,478	\$596,478	\$596,478
Retention Bonus Costs	\$3,000,000						
SEVTC Operating Costs	\$2,019,322	\$2,079,902	\$2,142,299	\$2,206,568	\$2,272,765	\$2,340,948	\$13,061,802
DD Community Services General Fund	\$590,000	\$607,700	\$625,931	\$644,709	\$664,050	\$683,972	\$3,816,362
DD Community Services Medicaid Waivers or ICF	\$3,637,000	\$3,746,110	\$3,858,493	\$3,974,248	\$4,093,476	\$4,216,280	\$23,525,607
WTA Costs	\$2,000,000	\$500,000					
Total	\$41,117,285	\$13,960,155	\$14,361,065	\$14,774,002	\$15,199,328	\$15,637,414	\$115,049,249

SEVTC Capital Costs
Potential Sale of HDMC

TOTAL 6 YEAR IMPACT **\$119,549,249**

- **Estimated savings** - \$170M – reinvested in community and SEVTC
- **Key investments** - SEVTC renovations, workforce support, CSH shared services, community provider fund





Language Only Actions

Agency

Extend contract for electronic health records – Enables the extension of the current electronic health records contract to ensure continuation of services for individuals treated by DBHDS state hospitals and centers.

Central Office

Modify language for adolescent substance use services funding – Amends language for earmarked appropriation for adolescent substance use disorder treatment to allow funds to be utilized for more levels of care.

Central Office

Clarify language relating to evaluation of sexually violent predators – Makes technical changes to language for funds earmarked for the evaluation of individuals for civil commitment or conditional release for certain sexual offenses.

Central Office

Amend language related to annual facilities and CSB services report for Agency 790 Grants to Localities – Includes reporting requirements concerning the Program for Assertive Community Treatment team.

Central Office / Grants to Localities

Modify language for early intervention services for Agency 790 Grants to Localities – Allows for early intervention services funds to be transferred to VDH through agreements with local health departments.

Grants to Localities

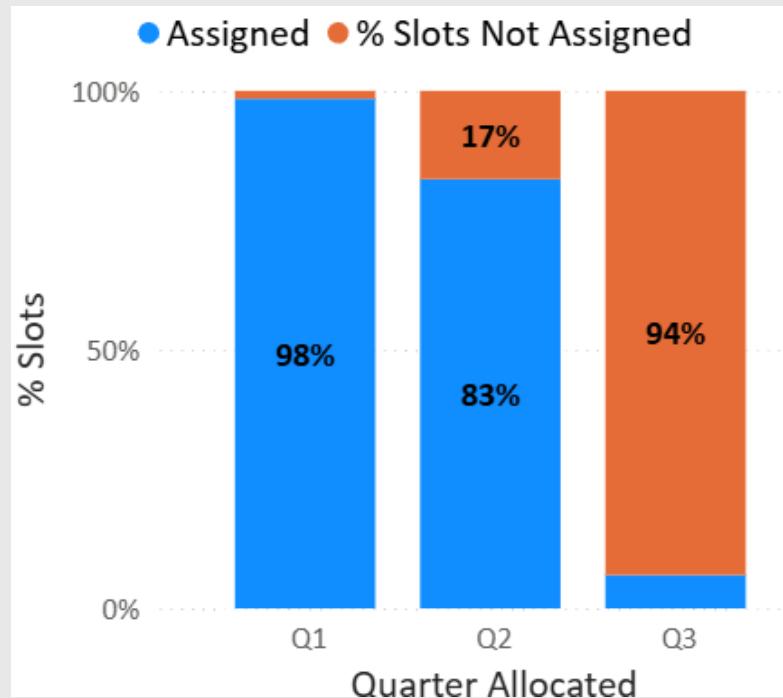
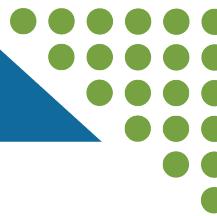
Amend language related to general fund payments to CSBs for Agency 790 Grants to Localities – Provides exceptions to the 24 equal semi-monthly installments model to allow for budget revisions and phase-in of new programs in line with performance contract terms set by DBHDS.

Grants to Localities

Amend language related to distribution of jail diversion funds for Agency 790 Grants to Localities – Allows funds for jail diversions to be distributed utilizing a reimbursement model developed by DBHDS.

Grants to Localities





- 6 CSBs have no one on the Priority 1 waiting list
- 16 CSBs have less than 10 people on the Priority 1 waiting list
- 5 have less than 20
- 7 CSBs have less than 70

18,634 Virginians Currently Receive DD Waiver Services

Waiting List for Waiver Slots

Priority 1

Projected to need services in a year

2,651 Individuals

Priority 2

Expected to need services in 1-5 years

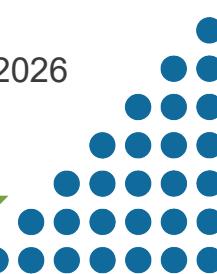
6,670 Individuals

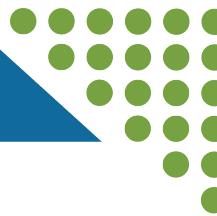
Priority 3

Expected to need services in 5+ years

4,963 Individuals

January 23, 2026





Allocations, Assignments, and Timing

- 2,867 PSH slots funded
- 1,911 Leased up (67%)
- Assignment and lease-up vary by region due to housing availability
- Carryover driven by lease-up and housing start-up timelines

Region	Slots Allocated	Leased	% Leased
Region 1	689	449	65%
Region 2	334	309	93%
Region 3	611	412	67%
Region 4	447	238	53%
Region 5	786	503	64%
Total	2,867	1,911	67%

