

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MAY 19, 2026**

MINUTE ORDER NO. 9

SUBJECT: AUTHORIZE ACCEPTANCE OF INCOMPETENT TO STAND TRIAL (IST) DIVERSION AND COMMUNITY-BASED RESTORATION PROGRAM AND INFRASTRUCTURE PROJECT GRANT FUNDS; ADOPT A RESOLUTION AUTHORIZING THE COUNTY OF SAN DIEGO PARTICIPATION IN IST INFRASTRUCTURE GRANT; AUTHORIZE COMPETITIVE PROCUREMENT TO ESTABLISH CONTRACTS FOR IST SERVICES; AND AUTHORIZE ACCEPTANCE OF GROWTH CAP PENALTY FUNDS FROM THE DEPARTMENT OF STATE HOSPITALS (DISTRICTS: ALL)

OVERVIEW

In recent years, the State of California's (State) legislature has implemented new laws, penalties, and funding in response to a significant increase in the number of individuals committed to the State hospital system after being found Incompetent to Stand Trial (IST) as part of a felony criminal case. An individual deemed IST by the court is unable to understand the charges against them and assist counsel in their defense and may receive treatment through the California Department of State Hospitals (DSH) to restore competency and support their return to court. As the number of justice-involved individuals with serious mental illness found IST has continued to rise, demand for State hospital beds has outpaced available capacity, resulting in prolonged waitlists and admission delays.

In response, the State convened a statewide IST Solutions Workgroup (Workgroup) in 2021 to identify strategies to address growing IST commitments and improve timely access to treatment. The Workgroup recommended investments in local diversion, competency restoration, and community-based behavioral health services to intervene earlier and reduce justice involvement among individuals with serious mental illness. Building on these recommendations, Senate Bill 184 established an IST growth cap and penalty structure to incentivize counties to reduce reliance on State hospital commitments, along with a process through which counties can request penalty funds back for reinvestment in approved local programs and services that reduce IST commitments.

In 2023, DSH made funding available to counties to locally serve this population, including funding for local diversion and community-based restoration programming as well as infrastructure. The funding is intended to reduce the number of IST findings through upstream prevention before custody or diversion and to reduce the number of individuals with serious mental illness arrested and incarcerated for behavior connected to their illness. In January 2024, the County of San Diego (County) Behavioral Health Services submitted letters of interest to DSH for two related grant opportunities. On January 28, 2025 (20), the San Diego County Board of Supervisors (Board) approved initial actions to expand local IST treatment capacity, laying the groundwork for additional investments and grant opportunities now before the County. However, subsequent to that Board action, DSH provided clarification that the funds must be directly linked to the IST Program Grant, focusing on community-based Settings. Thus, today's action supersedes the January 28, 2025 (20) Board action regarding IST Infrastructure Grant Funds.

Today's item requests the Board authorize acceptance of up to \$46,309,500 in one-time IST Diversion and Community-Based Restoration funds from DSH to enhance and build local treatment options for individuals with serious mental illness at risk of being found IST, or those found IST as part of a felony

case. Related Board approvals requested today include adopting a Resolution as required to execute the IST Infrastructure Grant and authorizing the Director, Department of Purchasing and Contracting to issue a competitive procurement for the IST Diversion and Community-Based Restoration program and infrastructure. Today's item also requests the Board authorize acceptance of a total of up to \$6,739,244 in one-time Growth Cap penalty funds from DSH.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Authorize the acceptance of the following grant funds, and authorize the Behavioral Health Services Director to execute all required documents, upon receipt, including any annual extensions, amendments, or revisions that do not materially impact or alter the services or funding level:
 - a. \$41,622,000 in Incompetent to Stand Trial Diversion and Community-Based Restoration Program grant funds from the Department of State Hospitals for the period of July 1, 2026, to June 30, 2031, for programming and treatment and justice system infrastructure efforts to serve the IST population; and
 - b. \$4,687,500 in Incompetent to Stand Trial Diversion and Community-Based Restoration Infrastructure Project grant funds from the Department of State Hospitals for the period of July 1, 2026 to June 30, 2028 for capital infrastructure to serve people who have been charged with a felony, deemed incompetent to stand trial, and who are enrolled in the Incompetent to Stand Trial Diversion and Community-Based Restoration Program.
2. Adopt a Resolution entitled: A Resolution of the Board of Supervisors of County of San Diego Authorizing County Proposal to Participate in the Incompetent to Stand Trial Diversion and Community-Based Restoration Infrastructure Program to authorize the BHS Director, to execute the IST Infrastructure Grant, and all grant related documents.
3. In accordance with Section 401, Article XXIII of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue a competitive procurement for local diversion, community-based restoration and infrastructure programming, and upon successful negotiations and determination of a fair and reasonable price, award contracts for a term of up to one year, with four option years and up to an additional six months if needed, and to amend the contracts as needed to reflect changes to services and funding.
4. Authorize the acceptance of returned Growth Cap penalty funds from the California Department of State Hospitals (DSH), totaling up to \$6,739,244 for Fiscal Years (FY) 2026-27 and FY 2027-28 for diversion, competency restoration and community-based behavioral health treatment; and authorize the Chief Administrative Officer, or designee, to execute all required documents necessary to receive funds from the Mental Health Diversion Fund and enter into or amend agreements consistent with the DSH-approved Growth Cap Expenditure Plan.

EQUITY IMPACT STATEMENT

Individuals who are justice-involved frequently experience barriers that impact their ability to successfully navigate systems of care and the justice system. Nationwide, systemic issues such as poverty, lack of education, inadequate access to healthcare, unsafe neighborhoods, and insufficient social support contribute to disproportionately high rates of crime, arrests, and incarceration among Black, Indigenous, and People of Color, as well as individuals of a lower socioeconomic status who are struggling with mental health or substance use challenges or experiencing homelessness. It is

anticipated that the funding associated with today’s action will have a positive impact on these populations by enhancing access to community-based mental health and diversion programming.

SUSTAINABILITY IMPACT STATEMENT

Today’s item supports the County of San Diego’s (County) Sustainability Goal #2 to provide just and equitable access to County services by addressing barriers that disproportionately affect justice-involved individuals, particularly Black, Indigenous, and People of Color populations and those experiencing homelessness, mental health, or substance use conditions.

FISCAL IMPACT

Recommendation 1a: Incompetent to Stand Trial Diversion and Community-Based Restoration Program grant

Funds for this request are not included in the FY 2026-28 CAO Recommended Operational Plan in Behavioral Health Services. If approved, this request is anticipated to result in one-time estimated costs and revenue of \$8,324,400 in FY 2026-27 and FY 2027-28 for a total of \$41,622,000 through FY 2030-31. The funding source is IST Program Grant from the California Department of State Hospitals. There will be no change in net General Fund cost and no additional staff years for the current fiscal year.

Recommendation 1b: Incompetent to Stand Trial Diversion and Community-Based Restoration Infrastructure Project grant

Funds for this request are partially included in the FY 2026-28 CAO Recommended Operational Plan in Behavioral Health Services. If approved, this request is anticipated to result in \$2,343,750 in FY 2026-27 and FY 2027-28 for a total of \$4,687,500 for the IST Infrastructure Grant. The funding source is IST Infrastructure Grant from the California Department of State Hospitals. There will be no change in net General Fund cost and no additional staff years for the current fiscal year.

Recommendations 2 and 3: Adopt a Resolution and authorize the Director, Department of Purchasing and Contracting, to issue a Competitive Procurement

These recommendations have no fiscal impact. There will be no change in net General Fund cost and no additional staff years.

Recommendation 4: Authorize the acceptance of returned Growth Cap penalty funds from the Department of State Hospitals (DSH)

Funds for this request are included in the FY 2026-27 CAO Recommended Operational Plan. If approved, this request will result in one-time costs and revenue of \$4,264,394 in FY 2026-2027 in Behavioral Health Services (\$1,830,064), Sheriff’s Office (\$587,000), District Attorney’s Office (\$708,000), and Office of the Public Defender (\$1,139,330) and \$2,474,850 in FY 2027-28 in Behavioral Health Services (\$1,830,064) and Office of the Public Defender (\$644,786), for a combined total of \$6,739,244. There will be no change in net General Fund cost and no additional staff years for the current fiscal year.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Desmond, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended, on Consent, adopting Resolution No. 26-046, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF COUNTY OF SAN DIEGO AUTHORIZING COUNTY PROPOSAL TO AND PARTICIPATION IN THE INCOMPETENT TO STAND TRIAL DIVERSION AND COMMUNITY-BASED RESTORATION INFRASTRUCTURE PROGRAM ("IST").

AYES: Aguirre, Anderson, Montgomery Steppe, Desmond

ABSENT: Lawson-Remer

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter