

2025 Legislative Outcomes

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DCT receives \$166.5 million in new funding for patient care, increased treatment capacity, and urgent repairs to facilities

Overview

During the 2025 legislative session, Gov. Tim Walz and state lawmakers invested \$166.5 million in new funding for the 2026-2027 biennium for Direct Care and Treatment (DCT), the state-operated behavioral health system that serves more than 12,000 patients and clients each year.

The increased funding will be used to maintain high-quality patient care at current levels with no cutback in services, substantially increase treatment capacity at the state's largest psychiatric hospital and make urgently needed repairs to DCT treatment facilities statewide.

Increased Operating Budget

DCT received an increase of \$84 million to the agency's base operating budget for the current two-year budget cycle. The new funding will help offset rising personnel costs, which make up more than 85% of the system's total operating expenditures, as well increases in rents and leases, fuel and utilities, and IT and legal services. The increase (\$29.7 million in fiscal year 2026 and \$54.3 million in fiscal year 2027) will allow DCT to operate at current capacity.

Major Expansion of the Anoka-Metro Regional Treatment Center

Responding to calls from counties, courts, advocacy groups, and the state's Priority Admissions Review Panel, Gov. Walz and the Legislature provided \$75 million to build a new 50-bed wing onto the Anoka-Metro Regional Treatment Center, the state's largest psychiatric hospital. The Legislature also provided \$45 million to operate the new wing once construction is complete and it is ready to admit patients.

It is expected to take two years to build the new wing and another year to gradually hire and train the 350 new staff that will be necessary to operate. Once complete and fully staffed, the new wing will allow DCT to admit and treat 150 to 200 more patients each year.

Making Urgent Repairs to DCT Facilities

DCT received \$7.5 million in asset preservation funding to make urgent repairs to DCT facilities. Projects include repairs such as safety, security and code compliance; fire detection and sprinkler systems; major mechanical and electrical system repairs; roofs, doors, windows, tuckpointing and foundation repairs.

Priority Admissions

The Legislature extended for two years a provision in state law clarifying that individuals who meet the criteria for priority admission to state-operated treatment programs must be admitted within 48 hours of *when a medically appropriate bed becomes available*.

The “medically appropriate bed” provision was set to expire on June 30, 2025. If the law were allowed to sunset, DCT would not have had the necessary discretion to manage admission or patient census in its facilities and could have been compelled by the courts to admit more patients than can be cared for safely.

Extending the provision for another two years, until June 30, 2027, gives the Legislature time to explore other options. The proposal aligns with the recommendations contained in the Priority Admissions Review Panel’s recent report to the Legislature.

For More Information

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