

Governor Newsom and Legislative Leader's Proposal to Reform California's Behavioral Health System (Proposition 1)

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Board of Supervisors, February 6, 2024



COUNTY OF MONTEREY
HEALTH DEPARTMENT



MONTEREY COUNTY
BEHAVIORAL HEALTH

Avanzando Juntos **Forward Together**



Governor Newsom's Proposal

➤ On March 19, 2023, Governor Newsom announced a proposal to transform the State's Behavioral Health Care System.

Prop. 1 has been placed on the March 2024 election ballot

Changes included in the proposal would be implemented over multiple years, beginning in January 2025

Timeline



Mar 5, 2024

- **Election**
- Voters will determine whether Prop. 1 passes.

Jan 1, 2025- Jun 30, 2026

- **18-Month Fiscal Transition Period:**
- Transition planning. Metric development. Receive vital specifics and guidance from the Administration.
- Implement new community planning process and develop integrated plan for ALL FUNDING SOURCES.
- Corrective action plans or sanctions may be levied for late submittals.

Jul 1, 2026

- **Full Implementation**
- Transition to new funding categories and new Three-year integrated plan.
- Track data to “to be determined” metrics
- All expenditures and outcomes to be captured via a new “County Behavioral Health Outcomes, Accountability, and Transparency Report.”

TBD – 2028

- Submit first “County Behavioral Health Outcomes, Accountability, and Transparency Report.”

Assembly Bill 531 (Irwin)

General Obligation Bond	<ul style="list-style-type: none">•- Place a \$6.38 billion General Obligation Bond on the March 2024 ballot to:
BH Infrastructure	<ul style="list-style-type: none"><input type="checkbox"/>- Construct new clinic beds (10,000)- Build Permanent Supportive Housing for People experiencing or at risk of homelessness who have behavioral health conditions- Dedicate portion of funds for housing for veterans experiencing or at risk of homelessness who have behavioral health conditions (\$1.05 billion)
Expansion of BH Services	<ul style="list-style-type: none">- Build unlocked community behavioral health treatment and residential settings



Governor Newsom's Proposal – Prop.1 (cont'd)

\$6.38 billion General Obligation Bond to build 10,000 new beds & homes (AB531)

Modernize the Mental Health Services Act (SB326)

Improve statewide accountability, transparency, and access to behavioral health services

Senate Bill 326 (Eggman)



Expand Services to Include substance use disorders (SUD)

- Because of expansion to cover SUD, the name of the MHSA would be updated to Behavioral Health Services Act (BHSA)

State allocation changed from 5% to 10%

- County allocations would be reduced by an additional **5%** to a new total of **10%**.
- These funds would be redirected to
 - 4% for Population-Based Prevention,
 - 3% for workforce investments,
 - 3% for statewide oversight and monitoring.

Senate Bill 326 (cont'd)



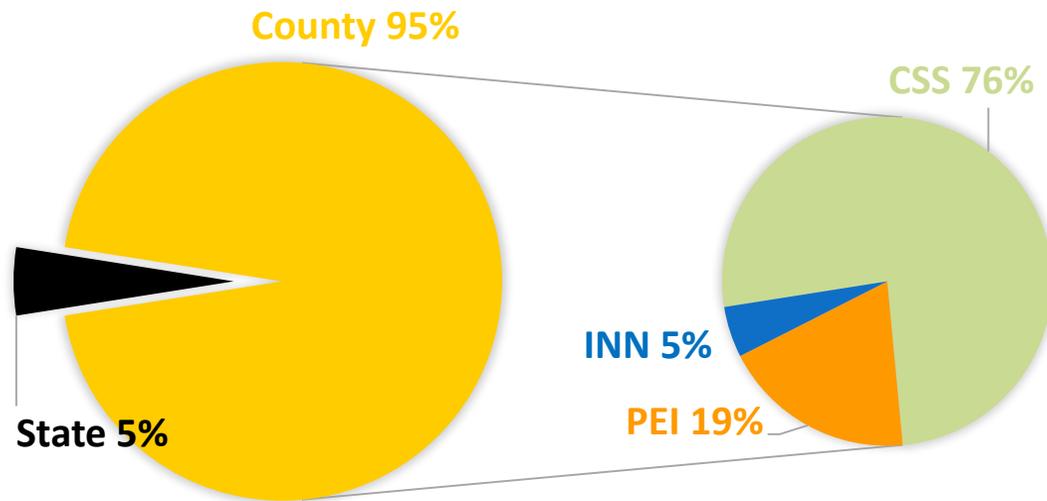
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"Modernize" County Allocations

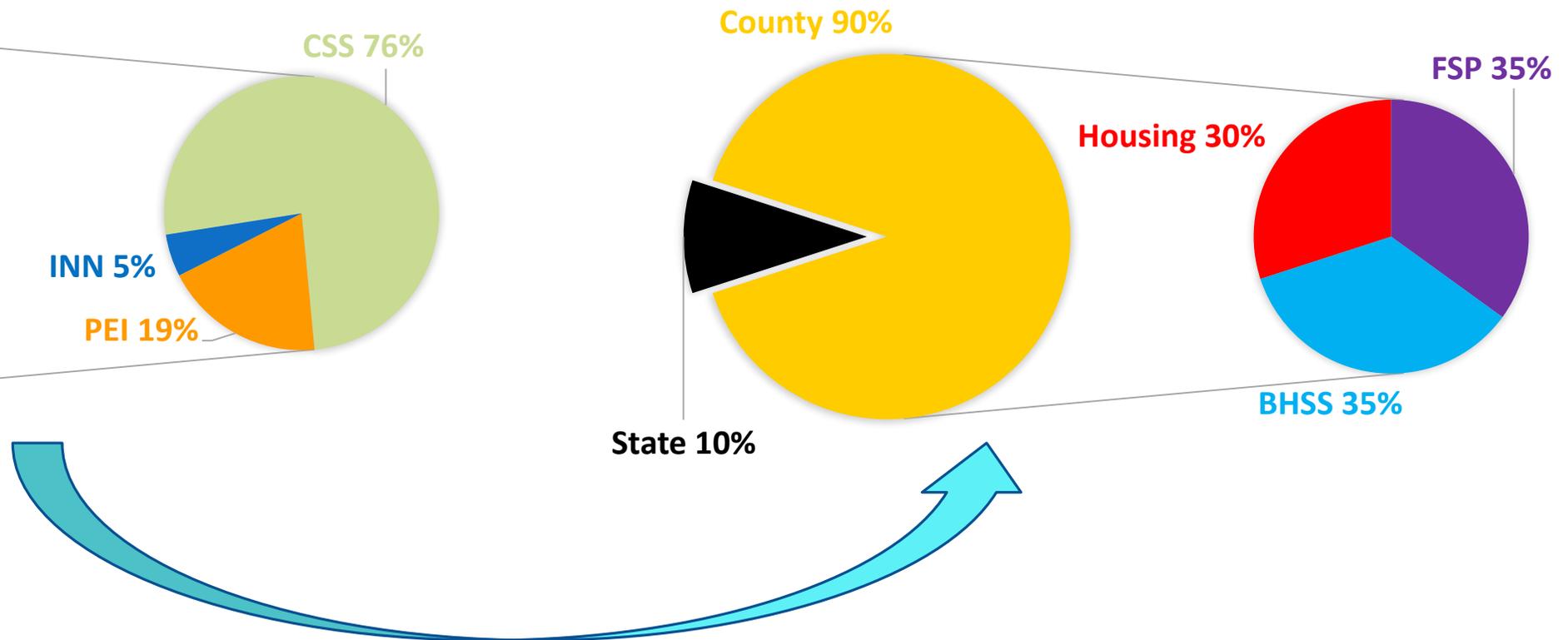
- **30%** for New Housing Interventions
- **35%** for Full-Service Partnership (FSP) Programs
- **35%** for New Behavioral Health Services and Supports (BHSS)
 - Eliminates existing INN, PEI, CFTN, WET, and CSS as standalone components

Senate Bill 326 (cont'd)

FY 26-27 REVENUE ALLOCATIONS (UNDER CURRENT MHSA ALLOCATION)

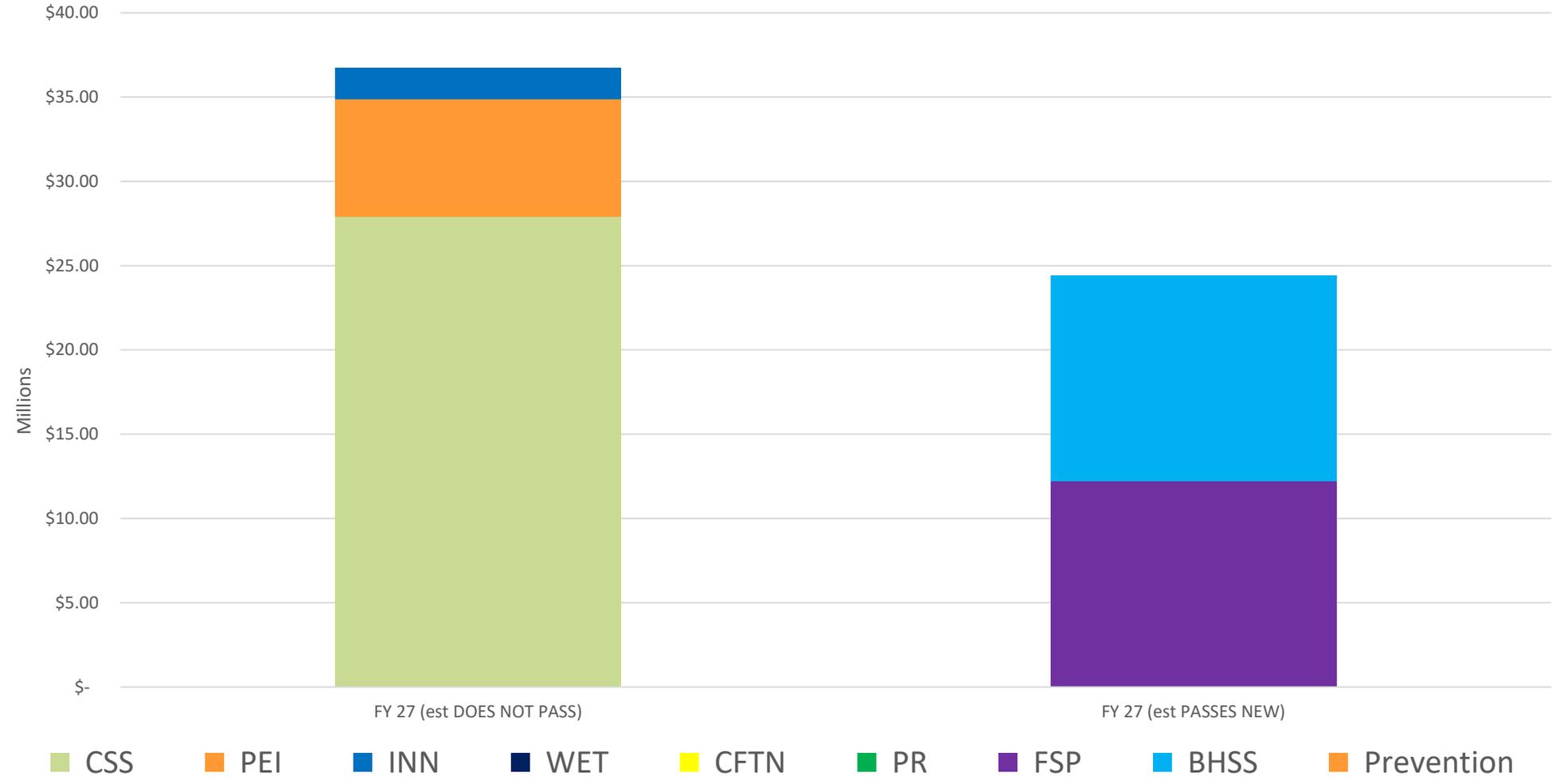


PROPOSED BHSA ALLOCATION



Senate Bill 326 (cont'd)

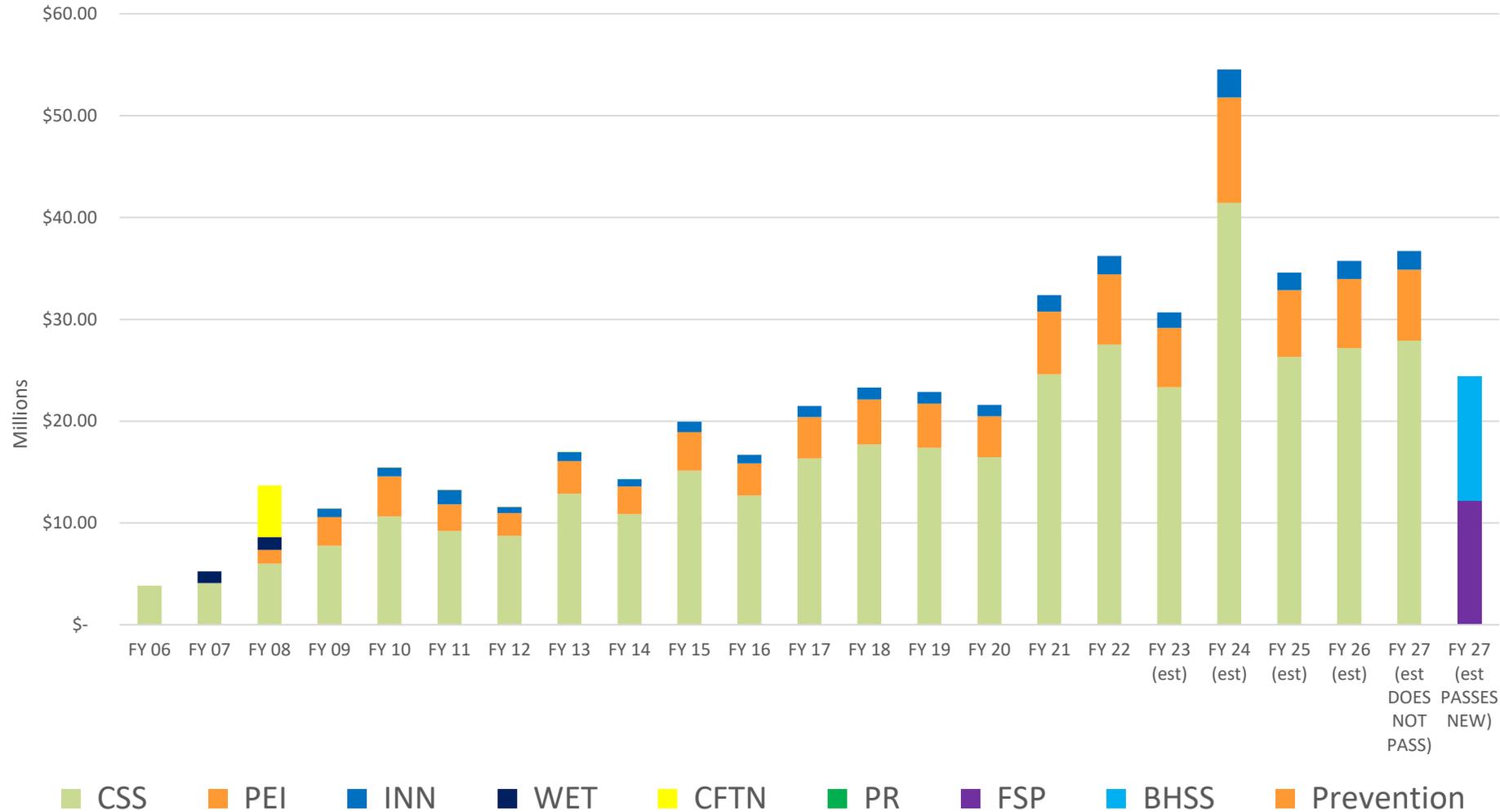
FY27 BHSA Revenue Comparisons



Senate Bill 326 (cont'd)

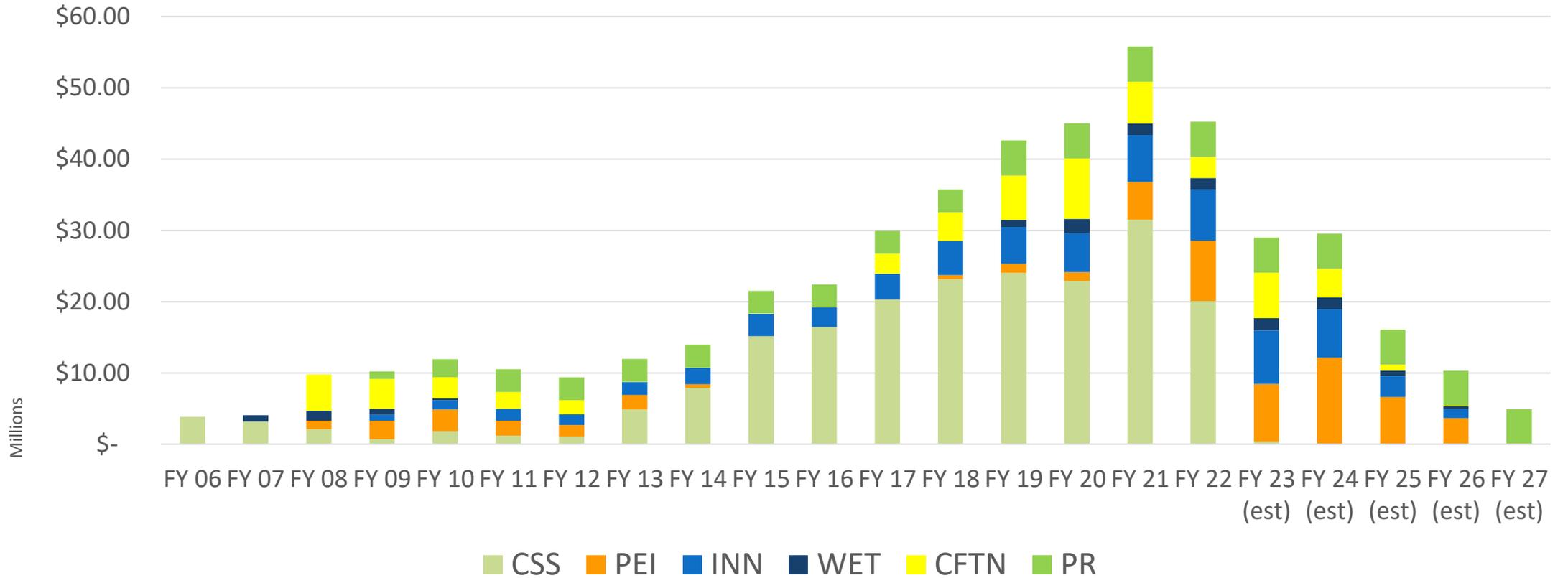


MHSA Revenue History



Senate Bill 326 (cont'd)

Fund Balance by Component (at Fiscal Year End)

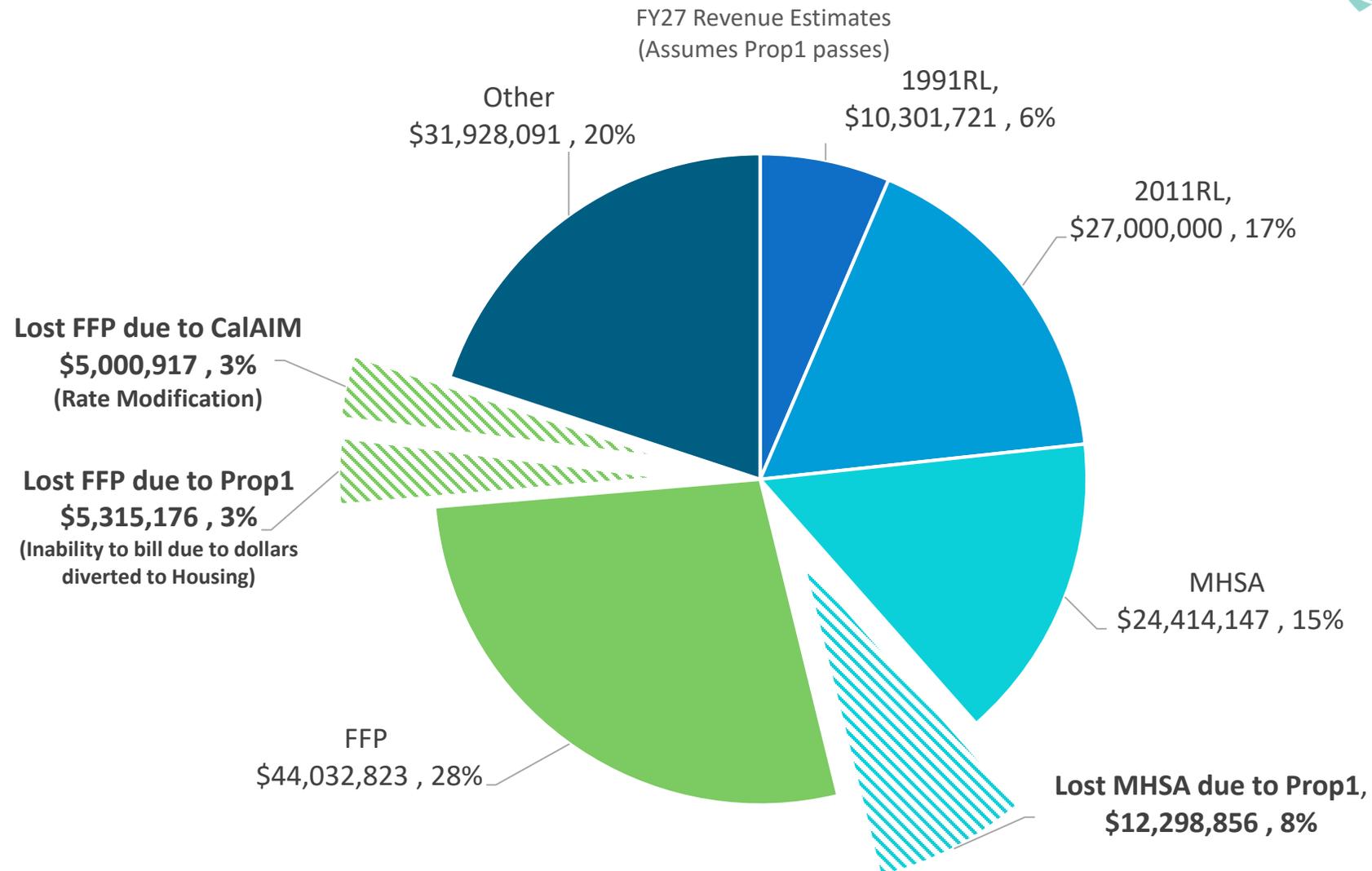


FY27 Revenue Projections – All Sources



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*These figures are projections based on the Bureau's 3-Year Forecast



What Prop.1 would mean for counties across the State...

Because proposed BHSA funding will be oriented around outcomes for homelessness:

Regardless of SMI, this prospectively shifts responsibility to County Behavioral Health for homeless individuals regardless of funding availability

There would still be insufficient housing to accommodate the existing homeless population in California

What Prop. 1 would mean for counties across the State...



■ These changes will dramatically reconfigure funding for PEI and will potentially eliminate INN funded activities

- Would disproportionately and negatively impact services orientated toward at-risk and underserved communities (BIPOC) that cannot otherwise be funded

There will be a dramatic reduction in dollars for the CSS, INN, PEI components, which will result in a reduction in services.





MHSA Revenue is fully allocated

■ Should revenue drop, other funding sources will need to be identified or services will need to be reprioritized and reduced.

■ A summary of MHSA allocations by “Component” and “Strategy” are shown on the following slides, where any future reallocations would need to come from.

MHSA by Component – CSS

Total CSS Estimated Annual Funding: **\$39.4million**



Strategy	Projected # of Clients Served Each Fiscal Year	Estimated Annual MHSA Funding
Full-Service Partnerships		
Early Childhood and Family Stability FSP [CSS-01]	224	4,656,914
Dual Diagnosis FSP [CSS-02]	96	987,689
Transition Age Youth FSP [CSS-04]	263	1,858,239
Adults with Serious Mental Illness FSP [CSS-05]	120	4,941,796
Older Adults FSP [CSS-06]	45	1,194,307
Justice Involved FSP [CSS-13]	137	1,298,855
Homeless Services and Supports FSP [CSS-14]	141	2,812,634

MHSA by Component – CSS (cont'd)



Strategy	Projected # of Clients Served Each Fiscal Year	Estimated Annual MHSA Funding
General System Development Programs		
Access Regional Services [CSS-07]	5,495	3,559,709
Early Childhood Mental Health Services [CSS-08]	516	1,578,790
Supported Services to Adults with Serious Mental Illness [CSS-10]	450	562,440
Dual Diagnosis Services [CSS-11]	67	1,372,775
Homeless Outreach & Treatment [CSS-15]	696	1,075,829
Responsive Crisis Interventions [CSS-16]	596	2,237,599
Mental Health Services for Adults [CSS-18]	1,979	4,791,894

MHSA by Component - PEI

Total PEI Estimated Annual Funding: **\$8.0million**



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Strategy	Projected # of Clients Served Per Each Fiscal Year	Estimated Annual MHSA Funding
Prevention		
Family Support and Education [PEI-02]	278	903,014
Prevention Services for Early Identification of Mental Health Symptoms Throughout the Lifespan [PEI-12]	11,911	828,143
Student Mental Health [PEI-08]	1,091	526,935
Maternal Mental Health [PEI-15]	160	1,502,120
Stigma and Discrimination Reduction [PEI-04]	1,116	393,681
Suicide Prevention [PEI-06]	1,113	501,063
Early Intervention		
Prevention Services for Older Adults [PEI-05]	447	473,400
Early Intervention Strategies for Adolescents, Transition Age & College Age Youth [PEI-13]	1,086	155,278
Culturally Specific Early Intervention Services [PEI-14]	1,207	1,462,323
Prevention and Recovery for Early Psychosis [PEI-10]	55	70,861



MHSA by Component - INN

Total INN Estimated Annual Funding: **\$3.4million**



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Strategy	Projected # of Clients to Be Served per Each Fiscal Year	Estimated annual MHSA Funding
Innovation		
Rainbow Connections [INN-07]	TBD	1,691,877
Screening to Timely Access [INN-02]	TBD	450,000
Transportation Coaching Project [INN-03]	TBD	50,000
Residential Care Facility Incubator [INN-04]	TBD	36,781
Psychiatric Advance Directives [INN-05]	TBD	298,643
Center for Mind Body Medicine [INN-06]	TBD	TBD
Eating Disorder	TBD	400,000

MHSA by Component - WET

Total WET Estimated Annual Funding: **\$1.0million**



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Strategy	Employee Development Activity	Estimated annual MHSA Funding
Supporting Individuals		
	Pipeline/Career Awareness (Outreach)	\$50,000
	Education and Training	\$700,000
	Retention (Loan Repayment)	\$200,000
Supporting Systems		
	Evaluation and Research (course content and instruction methodology)	\$50,000

MHSA by Component - CFTN

Project		Estimated Cost Total Project
Renovation of an East Salinas Facility	"Pearl Street"	\$1,000,000
Development of a New Facility East Sanborn Road in Salinas	This project is underway	\$25,000,000
Monterey Mental Health Rehabilitation Center (MHRC)	Repurposing of 1420 Natividad Road	\$40,000,000
Development of Bridge Housing for the Homeless		\$50,000,000
Development of MCBH Campus		\$50,000,000

The proposed transfer of nearly **\$6.5 million** to CFTN during FY23/24 – FY25/26 will partially fund these projects. Additional funding streams will be required.



Key Points

■ BHSAs will be diverting 30% to a new Housing Component

■ Prevention will now be controlled and funded by the State

BHSA reforms should improve accountability and transparency but will now add administrative burden

BHSA reforms will diminish local control and reduced flexibility



Thank you.

Questions?

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