California's 2024 Proposition 1: Behavioral Health Services Act & Bond Measure

Proposition 1: Behavioral Health Services Act & Bond Measure

Approved by voters on

March 5, 2024 Primary Election

by

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November 12, 2024

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Component 1: BH Infrastructure Bond Act

$6.38 billion state general obligation bond to construct new clinic beds; build permanent, supported housing for individuals experiencing or at risk of homelessness who have behavioral health conditions; build unlocked community behavioral health treatment and residential settings.

- **$1.05 billion Veterans' supportive housing**
- **$ 922 million Supportive housing for individuals with BH needs**
- **$1.5 billion Residential settings for counties, cities and tribes under Behavioral Health Continuum Infrastructure Program**
- **$2.893 billion BH treatment and residential settings authorized by Behavioral Health Continuum Infrastructure Program**

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Component 2:
Behavioral Health Services Act

“Modernizes” Mental Health Service Act, renaming to Behavioral Health Services Act – (MHSA is a 1% income tax on millionaires in California to fund mental health services, approved by voters November 2004)

- **Adds coverage for Substance Use Disorder treatment**
- **Change in funding withhold by the state from 5% to 10%** (State portion would be directed 4% population-based prevention, 3% Workforce investments, 3% statewide oversight).
- **Redirects funding received by the county**
  - **30% Housing Chronically Homeless (new initiative)**
  - **35% Full Service Partnership programs**
  - **35% Behavioral Health Services & Supports**

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Prop 1 Behavioral Health Implementation Timeline

March 5, 2024 - Voters Approved Proposition 1

June 2024 – December 2024 – Initiate local preparation efforts

* Start internal planning process and start sharing information with stakeholders, including continuity of FY 2024-25 funding.

January 1, 2025 - June 30, 2026 - 18-Month Fiscal Transition Period

* Transition planning. Metric development. Receive specifics and guidance from the State.
* Implement new community planning process and develop integrated plan for ALL BH funding sources.
* Corrective action plans or sanctions may be levied for late submittals

July 1, 2026 - Full Implementation

* Transition to new funding categories and new 3 Year integrated plan
* Track new metrics (data tbd)
* All expenditures and outcomes for BH to be captured via new "County Behavioral Health Outcomes, Accountability and Transparency Report" due 2028 and onwards

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Implementing Behavioral Health Services Act

- No immediate effect on the FY 2024-2025 adopted MCBH Budget
  - MCBH has already started extensive planning process to understand and identify program mandates, data, and priorities, so that future changes may be informed by facts and data.
  - MCBH Community Outreach to collect input to begin Fall of 2024
- Starting January 2025, key transitional planning will be initiated
- New Performance Metrics will be established, and data identified to be collected and reported on
- New Community Planning Process for ***comprehensive*** integrated financial plan for all Behavioral Health funding sources
- July 1, 2026, Full Implementation – including:
  - Changes from **MHSA** level and array of services, to **BHSA** array and level of services (inclusive of funding reductions to programs).
  - Comprehensive annual financial reports that will require counties to report on ALL funding sources
  - Comprehensive performance data as per the new metrics to be established

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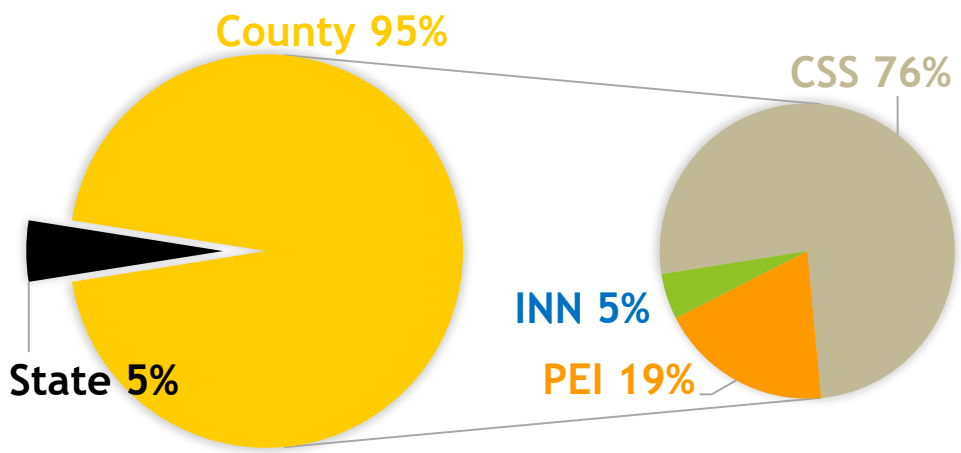
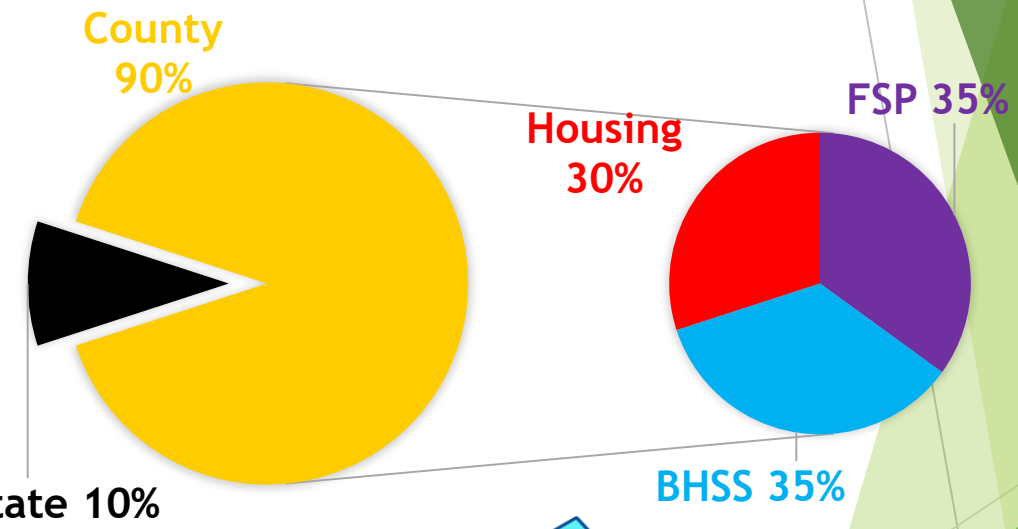
Comparison of MHSA to BHSA

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



PROPOSED BHSA ALLOCATION



CSS – Community Services & Supports
PEI – Prevention & Early Intervention
INN - Innovation

FSP – Full Service Partnership
BHSS – BH services & supports

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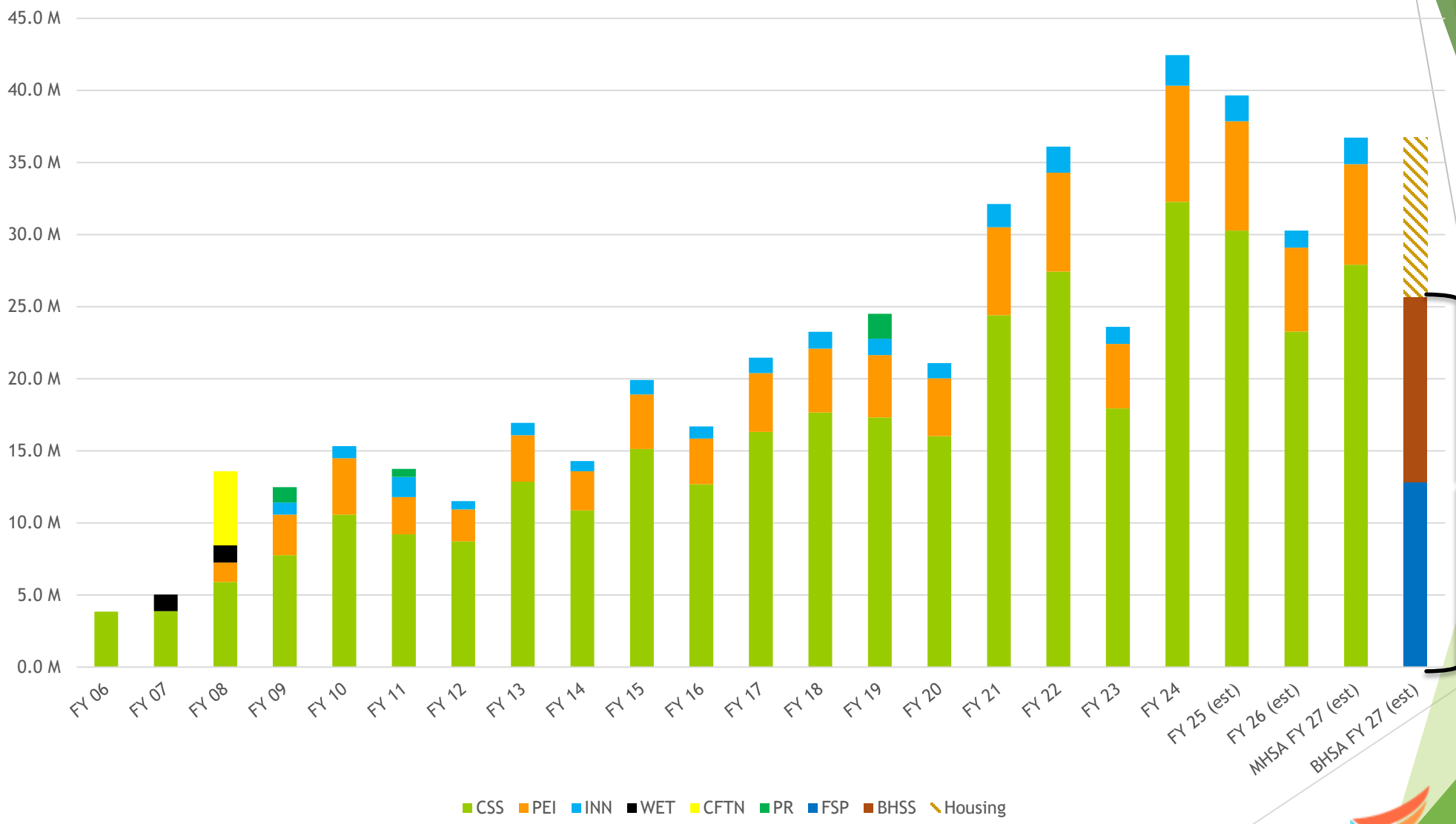
MHSA Revenue History



Funds for current programs

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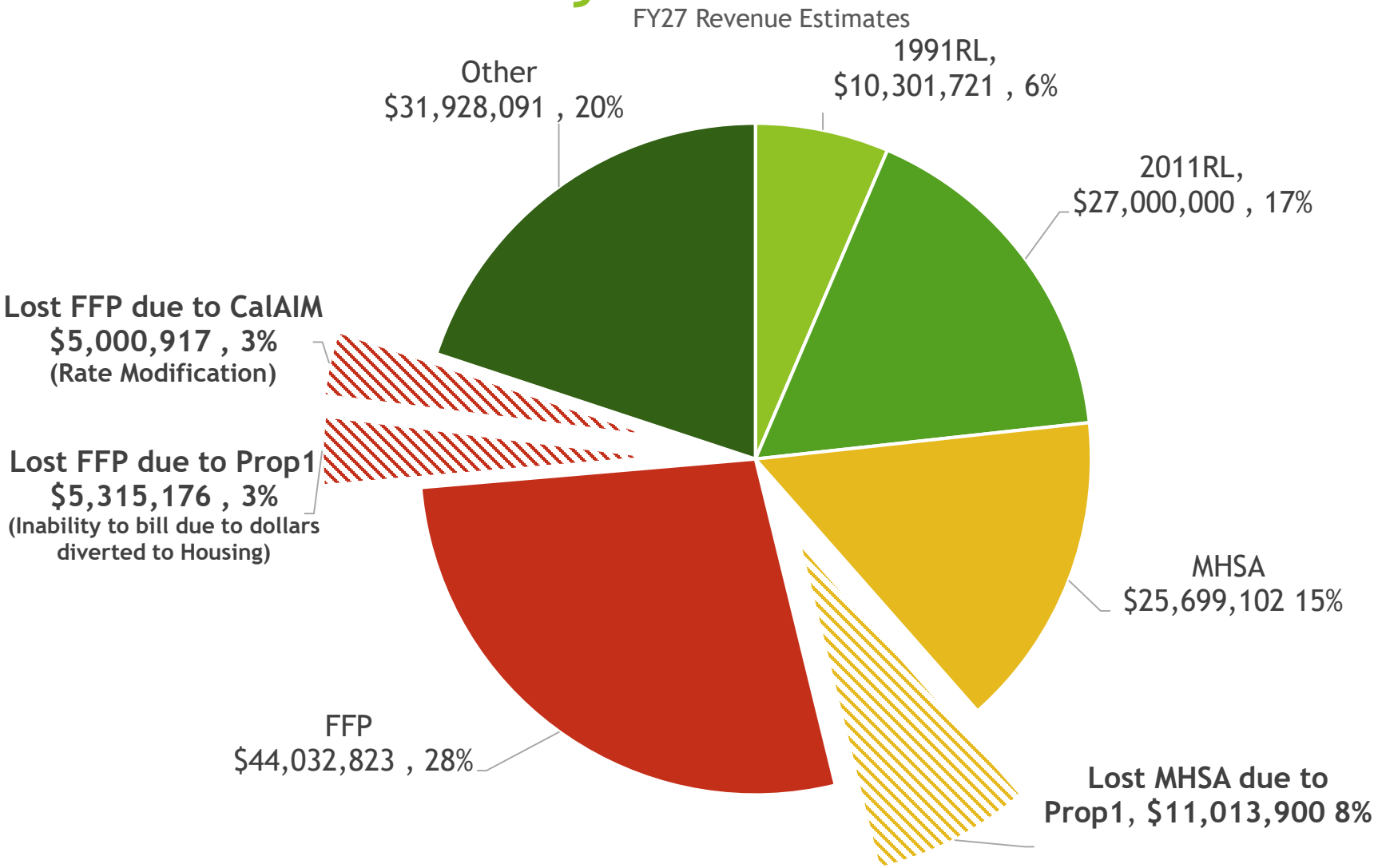
FY27 Revenue Projections – All Sources



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

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MHSA Programs Annual loss of Funds (current spending):

$15.3 million MHSA

+

$5.3 million federal funds

=

$20.6 million loss of Program funds

Program	Projected # of Clients Served each fiscal year	Estimated Annual MHSA Funding for Services	Estimated Annual BHSA funding for services	Estimated Annual BHSA funding for services
Full-Service Partnerships		**$ 17,750,434**	**$ 12,207,073**	***$ (5,543,361)***
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		
General System Development Programs		**$ 15,179,036**	**$ 12,207,073**	***$ (2,971,963)***
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		
Prevention		**$ 4,654,956**	**$ -**	***$ (4,654,956)***
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		**$ 2,161,862**	**$ -**	***$ (2,161,862)***
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		
		$ 39,746,288	**$ 24,414,146**	**$ (15,332,142)**

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Key Implications

- Competitive bond funding available to expand infrastructure
- Per LAO, bond funding will house less than 3% of California's current individuals experiencing homelessness
- Redirection of MHSA funds will result in a reduction of dollars available locally to fund:
  - Local Prevention Programs – adverse impacts on historically underserved communities
  - Innovation Programs
  - Workforce Education & Training
  - Capital Facilities
  - Mental Health Services to both Adults and Children served by Behavioral Health
  - Loss of federal Medi-Cal revenues associated with the reduction in services
- MHSA/BHSA is a highly volatile revenue source and counties need to plan for sustainable programming that the community can rely on

Additional implications

- There is no new funding, only a redirection of existing funding that has been fully utilized in supporting community programs and services.
- Community members will be impacted by service changes due to the redirected funding
- There is no additional funding available for the expanded coverage for Substance Use Disorder treatment.
- Community Based Organizations will be impacted by reductions and/or elimination of funding for highly valued programs, which could threaten their financial viability or affect their workforce.
- Local Prevention Programs will be highly impacted by reductions and/or elimination of funding and adversely affect historically underserved people.
- The bond measure and the homeless funding will not provide sufficient affordable housing to solve homelessness in our communities. This will be a cause of community concern.

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Next Steps:

Preparing for BHSA implementation

- Forecast expected BHSA revenue including BHSA and Realignment
- Identify mandated programs county operates and identify funding available to cover mandates, including federal Medi-Cal dollars
- Identify any other sources of local revenues inclusive of partnerships with schools, probation, child welfare or other governmental providers serving the same population as Behavioral Health.
- Identify non-mandated program, data demonstrating their effectiveness, partners involved with each, local cost to continue operations and federal funding leverage.
- Gather provider and community input on priorities for the non-mandated programs while sharing the amount of revenue available to cover the programs.

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Next Steps:

Preparing for BHSA implementation

- Hold community listening sessions, presenting financial and program information to all stakeholder groups including: various communities, cities, partners, contractors and public. Gather input from all.
- Utilize data and community input sessions to develop recommendations for Board of Supervisors to consider the programs to be funded and provide list of programs that did not have funding secured.
- Work with community providers and partners on transition plans and seek ways of mitigating adverse impacts, including looking at Medi-Cal funding opportunities under CalAIM.
- Continue to work with the State and County Behavioral Health Directors Association on the development of policy guidance around implementation that makes sense for our communities and programs.

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Successful Implementation

Behavioral Health will have:

- Ensured transparency by sharing the data and information widely – measure number and types of stakeholders engaged
- Hold listening sessions and gather input from stakeholders – measure number of types of stakeholders engaged
- Provide written response to community concerns raised during input sessions
- Developed a clear and transparent recommendation for the Board of Supervisors based on facts, data, and input.
- Developed transition plans including seeking ways to mitigate impacts with every contractor or program that will be adversely affected by funding changes. Measure % of programs and contractors with transition plan.
- Measure amount of additional funding that is developed through partnerships, CalAIM Medi-Cal billing or other sources that adds to programs' continuity

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Final Thoughts….

Adversity can drive innovation.

We *will* adapt.

AND, we will provide excellent services to our community, moving forward together.

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