



CHANGE

Prop. 1 makes significant revisions to the Mental Health Services Act (MHSA), these include:

- Change its name to the Behavioral Health Services Act (BHSA)
- Modify how MHSA funds are allocated
 - Counties will continue to receive the bulk of BHSA funds (90%).
 - The allocation across different spending categories changes without an increase in revenues.
- Introduce changes related to the oversight, accountability, and the community planning process.

What to Know About California Proposition 1 Behavioral Health Services Act (BHSA)

CHANGES IN FUNDING ALLOCATION “CATEGORIES”

Current MHSA	Use of Funds	%
Community Services & Support	Treatment	76%
Prevention & Early Intervention	Services & Support	19%
Innovation	Testing new programs	5%

New BHSA	%
Housing	30%
Full-Service Partnerships	35%
Behavioral Health Service & Supports	35%

*Based on our preliminary analysis of each of these buckets, Sacramento County will likely need to redirect approximately \$27M into the new funding categories



Timeline

- The new BHSa will not go into effect until **July 1, 2026**.
- Community Planning process will begin shortly **after January 1, 2025** – in alignment with the language outlined in the bill.

WHAT NOW?

- State guidance is needed in the following areas prior to counties and community partners developing a BHSa implementation plan:
 - **Prevention and Early Intervention** - Beginning July 1, 2026, Prevention will be a state responsibility, and Early Intervention will remain a county responsibility. Counties will need to see how the State defines this distinction to ensure counties complement and not duplicate State programs.
 - **Full-Service Partnership (FSP) Programs** - The bill references varying levels of programs within this category, counties need clarification on what programs are permissible to inform decisions about which existing programs may need to change or evolve to fit within this category.
 - **Innovation Projects** - The bill does not address approved Innovation Projects under MHSa and how they may or may not transition under BHSa.
- New reporting requirements – Language in the bill requires the State to work with CBHDA and CSAC to develop a funding estimate for the May Revision that ensures adequate funding support for new data collection, reporting requirements, and the expanded community planning process.
- Counties will need to expand public reporting and community engagement to cover all county Behavioral Health revenue streams, a new breakdown of county expenditures, and new outcomes/accountability metrics.
- Counties will need to build the administrative staff and capacity to contract with and bill commercial insurance for any privately insured individuals served by the county.
- Workforce development funding is being administered at the State level. Much discussion needs to happen to ensure behavioral health workforce investments prioritize the county behavioral health safety net which is more field based, including county direct services and related service contracted providers.
- More clarity needs to be established around the bond funds. We want to ensure infrastructure investments are dedicated to building out and improving the county safety net specialty substance use disorder (SUD) and mental health delivery system.