



# Proposition 1: Behavioral Health Services Act Implementation

Update to Board of Supervisors  
September 16, 2025

Presenters:

**Nolan Sullivan**, Department Director

**Jan Cobaleda-Kegler**, Behavioral Health Division  
Director

**Melissa Ladrech**, Behavioral Health Services Act  
(BHSA) Coordinator

## Presentation Agenda:

- Overview
- Challenges
- Funding
- Timeline for Transition
- Community Planning
- Integrated Plan

Overview of  
Mental Health  
Services Act  
(MHSA)  
transitioning to  
Behavioral  
Health Services  
Act (BHSA)



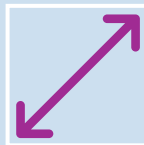
**Funded by 1% tax on incomes over \$1M annually.**



**MHSA was developed to transform the mental health system with additional services and supports including peer services.**



**Prop 1 passed in 2024. MHSA will become BHSA as of July 1, 2026. The funding remains the same; however, the components of the funding will change including a new Housing component.**



**Prioritizes and serves individuals with the most acute and vulnerable needs and the target population has expanded.**

# Challenges to Implementing BHSA

35% of the funding will be redirected away from current treatment and service programs

- 5% to the state for Prevention
- 30% to housing

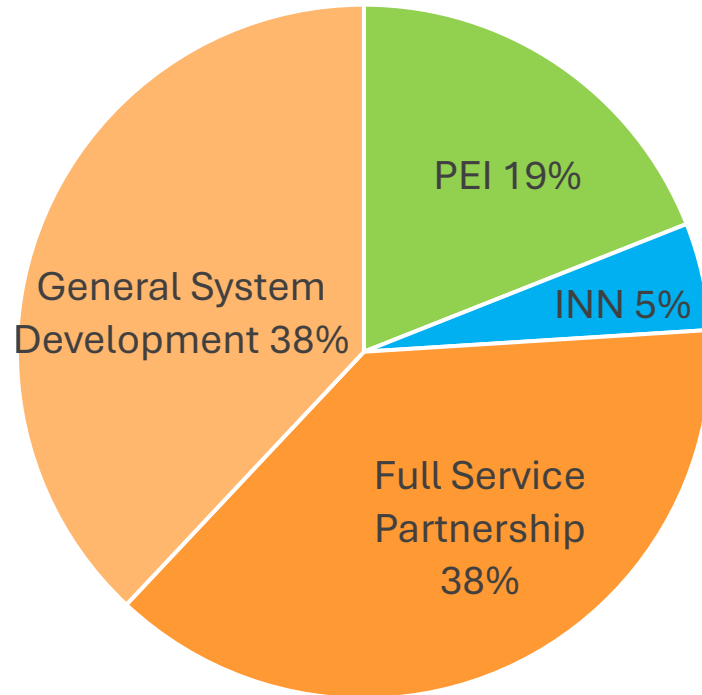
Counties are required to implement evidence-based practices requiring strict adherence to staffing ratios & team composition. Implementing these programs will demand significantly more personnel and substantial increases in funding.

- Assertive Community Treatment ([ACT](#))
- High-Fidelity Wraparound ([HFW](#))

As a result, some existing MHSA programs will no longer be funded, and others will see a reduction in funding.

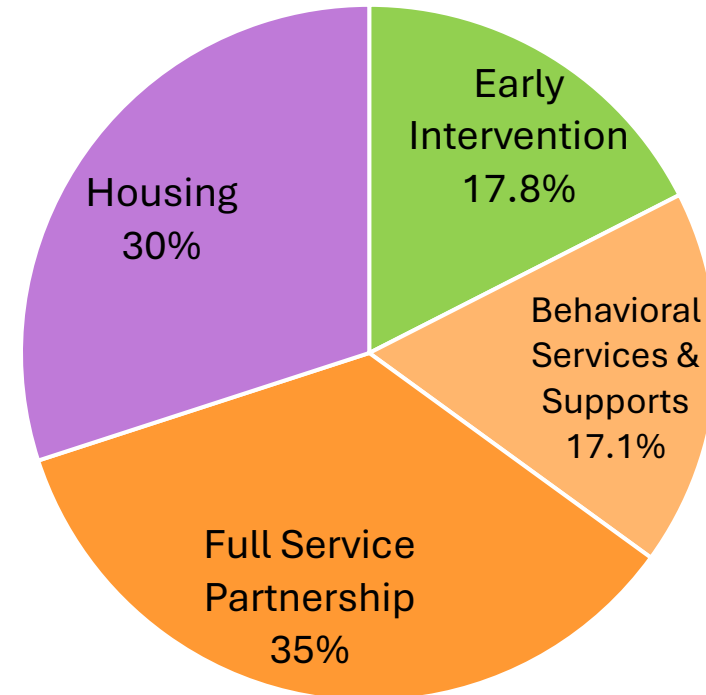
# Mental Health Services Act transitioning to Behavioral Health Services Act

Current  
MHSA Funding Components



- Prevention and Early Intervention (PEI)
- Innovation (INN)
- Full Service Partnership
- General System Development

As of July 1, 2026  
BHSA Funding Components



- Early Intervention
- Behavioral Health Services&Supports
- Full Service Partnership
- Housing

# Timeline for Transitioning from MHSA to BHSA

## Q1-3 2025

- Analysis of system needs
- Engage Stakeholders
- BHSA Steering Committee
- Subject Matter Experts
- Townhalls, Surveys, & Focus Groups



## Q3 2025

- Develop Scaffolding for FY 26-29 BHSA Funds
- Develop Request for Proposals (RFP) for BHSA funded contracts



## Q4 2025

- Behavioral Health Board (BHB) Reviews Draft of FY 26-29 BHSA Integrated Plan
- Final Draft of FY 26-29 BHSA Integrated Plan
- CEO Reviews Draft Plan
- Release RFPs



## Q1 2026

- Send CEO approved final draft Integrated Plan to State for review
- Make any revisions to plan as per State
- Develop BHSA funded contracts



## Q2 2026

- Post FY 26-29 Integrated Plan
- BHB review & Public Hearing
- BOS review and approval Send to State Finalize contracts Implement BHSA July 1, 2026

# Community Program Planning

**Expanding to  
Include Required  
Stakeholder**

**BHSA Steering  
Committee**

**Community  
Program  
Planning  
Workgroup**

**Housing  
Workgroup**

**Subject Matter  
Experts for the  
Behavioral  
Health Goals**

**Listening  
Sessions**

**Town Hall  
Meetings**

**Surveys**

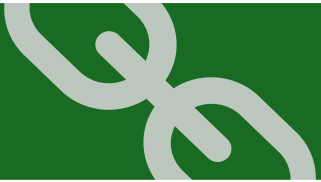
**Key Informant  
Interviews**

**Focus Groups**

# What is the BHSA Integrated Plan (IP)?



**A unified public three-year plan for mental health and substance use services in each county**



**Encompasses all Behavioral Health programs and funding sources into one plan**



**The programs must meet specific requirements, including Housing, Full Service Partnerships, and Early Intervention & support improving the Behavioral Health Measures**



**Department of Health Care Services developed a template for all counties to complete**

# State Behavioral Health Measures

**Compare measure to the statewide rate**

**Analyze disparities for measure by race, sex, and age**

**Describe what programs, services, and funding sources the county is planning to implement to improve the measure**



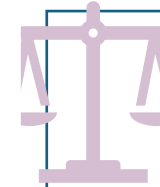
**Access to Care**



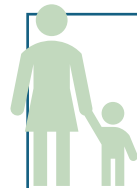
**Homelessness**



**Institutionalization**



**Justice Involvement**



**Removal of Children from Home**



**Untreated Behavioral Health (BH) Conditions**



**Suicide**

BHSA Funds: If FY 26-27 estimated BHSA fund allocation is \$33,000,000:

Component	% of Funding	\$	Requirements
Housing	30%	\$9,900,000	<ul style="list-style-type: none"><li>• 50% Housing for chronically homeless</li><li>• Up to 25% for Capital Development</li><li>• Up to 7% for Outreach and Engagement</li><li>• Other housing solutions</li></ul>

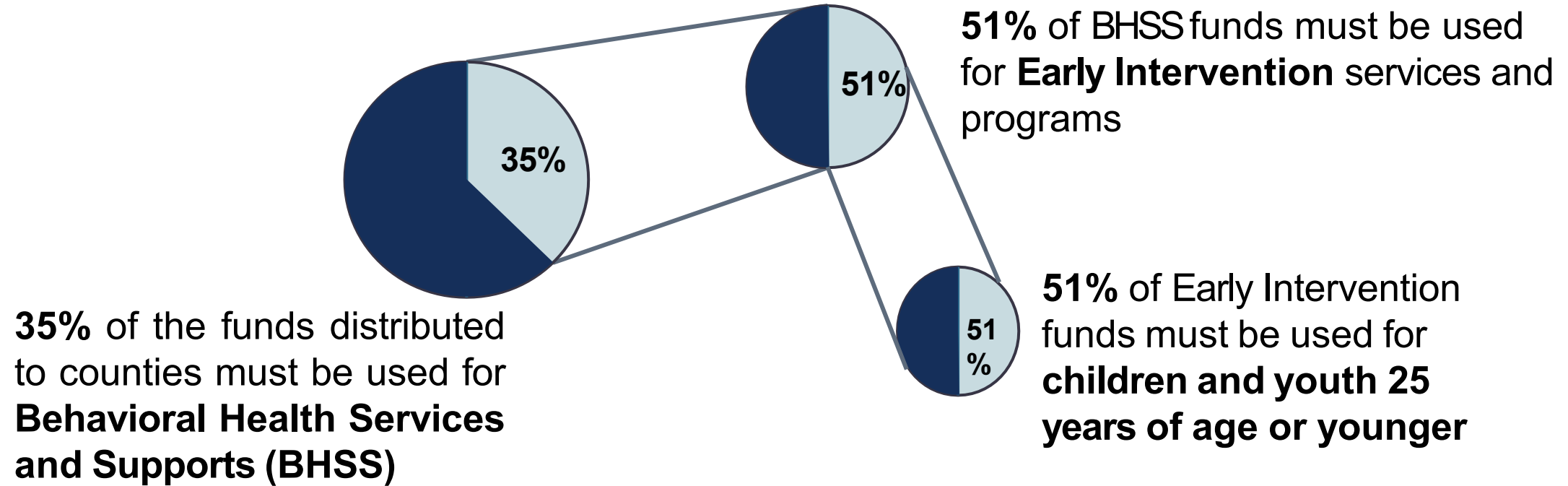
# Draft BHSA Housing Funds Annual Funding for FY 26-29

Type of program	Provider	Amount	Funding Requirements
Outreach and Engagement	DHS Whole Person Care Team	\$700K	7% of Housing funds for outreach and engagement
Housing for chronically homeless	Homelessness Division: Eliza’s Village Mickey Zane Place	\$4.5M	Housing for chronically homeless (50% of Housing Component)
Bridge Housing for clients with BH challenges	DHS Arrowwood with 88 beds	\$500K	Can be used to provide operational supports including maintenance, security and food
Psychiatric Health Facility (PHF), Peer Respite Services ,and Mental Health Rehab Center	Behavioral Health Continuum Infrastructure Program grant to build a 16 bed PHF, 16 MHRC. and 8 Peer Respite beds for a total of 40 beds	\$1.1M	Capital development (up to 25% of Housing component)
Rental subsidies/vouchers	CBO to administer the distribution of funds based	\$1M	For a combination of unhoused clients and chronically homeless clients

# BHSA Funds: FY 26-27 estimated BHSA fund allocation is \$33,000,000 Full Service Partnership Component

Component	% of Funding	\$	Programs
Full Service Partnership (FSP)	35%	\$11,550,000	<ul style="list-style-type: none"><li>• 6 FSP Teams</li><li>• Contracted programs that support FSP clients including peer centers, family support, case management, and therapy.</li></ul>

# Behavioral Health Services and Supports (BHSS) Early Intervention Requirements



# BHSA Funds: If FY 26-27 estimated BHSA fund allocation is \$33,000,000:

Component	Percent of Funding	\$	Programs
Behavioral Health Services & Supports (BHSS)	35%	<b>\$11,550,000</b>  EI: <b>\$5,890,000</b>  EI <25 yrs: <b>\$2,731,050</b>	<ul style="list-style-type: none"><li>• <b>51%</b> of BHSS funding is for <b>Early Intervention</b> (EI) programs and services</li><li>• <b>51% EI</b> is for <b>&lt;25 yrs</b></li><li>• EI must fund <b>First Episode Psychosis</b> program</li><li>• EI must include <b>Outreach, Access and linkage</b> to care and, Mental Health and Substance Use Disorder <b>early treatment services and supports</b></li></ul>

# Next steps:



**Now Thru Dec 2026:** Stakeholder Collaboration



**Dec 2025:** Final Draft BHSA IP & Release RFPs



**Jan 2026:** CEO Review



**Mar 2026:** Submit Draft to DHCS & Begin Contracting



**Apr 2026:** Behavioral Health Board Review & Public Hearing



**May 2026:** BOS Review & Approval



**Jul 2026:** Implementation Begins



**Thank you**  
Any questions?

