

Impacts of Proposition 1 on SLO Behavioral Health and MHSA

Behavioral Health Advisory Board
April 17, 2024



QUICK REVIEW: The Mental Health Services Act

- California's Proposition 63, passed in 2004.
- The MHPA created a 1% tax on income in excess of \$1 million to expand mental health services.
- Approximately 76,000 tax returns reflected taxable income in excess of \$1 million in calendar year 2017.
- County receives allocation based on populations formula.
- Returns are two-years in arrears.
- Funding distributed by "component."
- Components (CSS, PEI, INN, WET, CFTN) each require specific programming.
- All spending must be done with community planning process.
- Dollars must be spent within 3-years.
- County must keep Prudent Reserve.



What is the outcome of Prop 1?

Proposition 1 results

"Yes" is projected to win.

Response	Votes	Pct.
✓ Yes	3,624,512	50.2%
■ No	3,596,373	49.8

An estimated 99 percent of votes have been counted.



GOVERNOR'S "TRANSFORMATION OF BEHAVIORAL HEALTH SERVICES" Scheduled as "Proposition 1" on the March 2024 CA Ballot

1. Reforming the Mental Health Services Act to the *Behavioral Health Services Act* (SB326)

- "...expand services to include treatment for those with substance use disorders...provides more resources for housing and workforce...new and increased accountability for outcomes "

2. Focusing on outcomes, accountability, and equity

- "a new County Integrated Plan for Behavioral Health Services and Outcomes, including all local behavioral health funding and services."

3. Housing and behavioral health treatment in unlocked, community-based settings (AB531)

- A \$4.68 billion general obligation bond to build 10,000 new clinic beds and homes statewide;
- Housing for veterans with behavioral health challenges.



Behavioral Health Services Act (SB326)

Replaces Components with Three New “Buckets” for Assigning BHSA Allocations:

1. Housing 30%

- 50% for Housing Supports/Services
 - Current bill aims this 50% on rental subsidies, shelter, etc., but not services.
- No more than 25% for Capital, including BH facilities to serve homeless

2. Full-Service Partnerships 35%

3. BH Community Services and Supports 35%

- 51% must be spent on ***early intervention***

Proposal would allow counties to move up to 14% between components.



MHSA Fiscal Update

MHSA Fund Summary FY 2022/23 – FY 2025-26

	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>
Beginning Balance	\$ 18,396,769	\$ 12,965,550	\$ 12,255,618	\$ 2,236,020
Revenue				
MHSA State Allocation	\$ 12,908,230	\$ 24,406,427	\$ 16,384,973	\$ 13,314,119
Other Revenue	\$ 6,528,036	\$ 7,363,399	\$ 7,004,108	\$ 5,650,545
Total Revenue	\$ 19,436,266	\$ 31,769,826	\$ 23,389,081	\$ 18,964,664
Total Expense	\$(24,867,485)	\$(32,479,758)	\$(33,408,679)	\$(34,688,690)
Closing Fund Balance	\$ 12,965,550	\$ 12,255,618	\$ 2,236,020	\$(13,488,006)



MHSA Fiscal Update

County of San Luis Obispo

- Info Notice 23-061 MHSA Allocation & Methodology
- FY 2023-24 Allocation = 0.644190%, Reduction from FY 2022-23

Anticipate large fluctuations in funding

- Large annual adjustment in FY23/24 due to capital gains spike in 2021
- More typical annual adjustment in FY24/25 and FY25/26 due to lower capital gains realizations.

Fund Balance at 03/21/2024 (excluding actual PR) = \$ 19,618,292

- Prudent Reserve Fund Balance = \$2,774,412



Impacts on San Luis Obispo County MHSA using draft FY 24-25 State Revenue Projection:

MHSA allocation: \$16,384,973

- 3% (\$491,549) will be taken by the State for workforce development programs.
- 2% (\$327,700) will be taken for population-based prevention programs.

MHSA State Aid Disbursement after 5%: **\$15,565, 724**

1. Housing 30% = \$4,669,717

- Housing/Shelter @50% (\$2,334,859), and Building/Infrastructure @25% (\$1,167,429)

2. Full-Service Partnerships 35% = \$5,448,004

- Current Projected Budget: \$7,956,104 *(-2,508,100)*

3. BH Community Services and Supports 35% = \$ 5,448,004

- Current Budget Plan for Non-FSP (GSD, PEI, WET, CFTN): \$18,773,234 *(-13,325,230)*
- Would exclude 49% of programs and services not defined as “early intervention.”
- Includes new requirement for expanded accounting and reporting across all BH.



Programs Potentially Impacted

- Behavioral Health Treatment Court
- CalAIM Administrative activities
- Central Coast Hotline
- Clinical Supervision Program
- College Wellness and Prevention program
- Community Action Teams
- Co-Occurring Disorder Treatment program
- Crisis Dispatch
- Crisis Intervention Training for law enforcement
- Crisis Stabilization Unit
- Diversity, Equity, and Inclusion Coordination
- Housing Support Programs (e.g. TMHA Bishop Street staff)
- Justice Services Division Management and Administration
- Latino Outreach Program
- Mental Health Diversion Court
- Mental Health Evaluation Team (Mobile Crisis)
 - Incl. grant-matched Youth Crisis Triage Teams
- MHSA Administrative staff
- Older Adult Mental Health Initiative (e.g. Caring Callers, Senior Peer Counseling)
- Promotores interpretation program
- Public Information Officers and Department Comms
- Smart Care electronic health record system
- Suicide Prevention Coordination and Outreach
- Various Peer-based navigation programs
- Veterans Outreach and Treatment Court
- Vocational Training Programs (e.g. Growing Grounds)
- Wellness Centers
- Youth Crisis Stabilization Unit (coming online in 2-3 years)
- Youth School-based Mental Health (12 middle schools)



What's Next?

State:

- MHSA to BHSA transition planning
 - Including “rules and regulations” for new components
- MHSA changes that didn't require a vote
 - e.g. Updating Legislative language, adding SUD reporting, updating role of MHSOAC, etc.
- Review of lessons learned in the last year

SLO County

- Working with staff and community providers to identify potential cuts and offramps (i.e. other funding sources)
 - County has begun reducing MHSA costs
- Seek community advisory input on priorities;
 - Staff will begin preparing program proposals in next FY



Public Comment regarding Proposition 1

<https://forms.office.com/g/u02gV504p4>

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MHSA Reform Public Comment
(MAC 03/27/2024)



MHSA Reform Prioritization Survey

<https://forms.office.com/g/J26AWqHs7B>

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MHSA Reform Prioritization
Survey



BEHAVIORAL HEALTH DEPARTMENT

www.slobehavioralhealth.org

Updates

a. In-Person Hybrid MAC Meeting May 29th

- *UC Cooperative Auditorium 2156 Sierra Way, San Luis Obispo, CA. 93401.
Or join by Zoom.*

