MENTAL HEALTH SERVICES ACT
Annual Update for Programs & Expenditures
Fiscal Year (FY) 2025-26

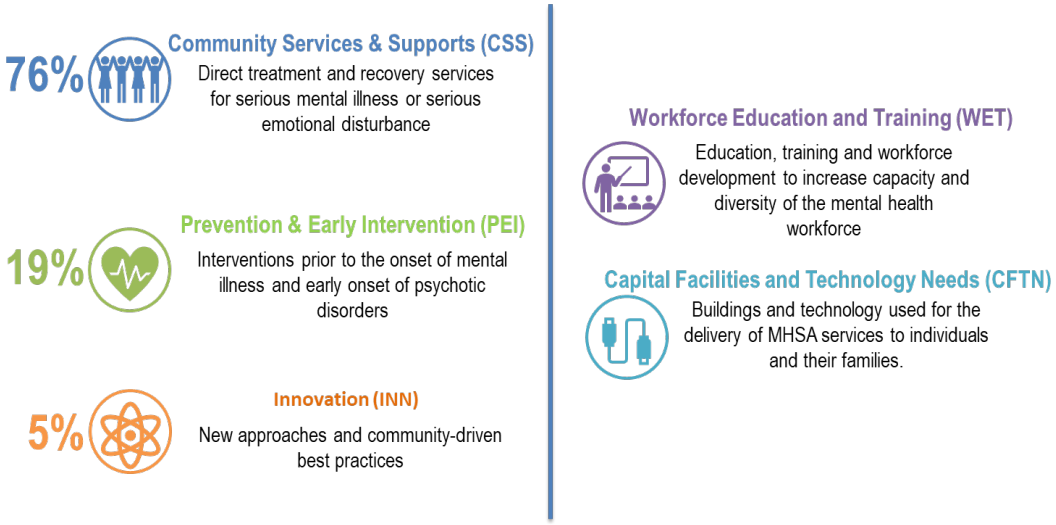
Executive Summary

SAN MATEO COUNTY HEALTH
BEHAVIORAL HEALTH
& RECOVERY SERVICES

BACKGROUND

Proposition 63, the Mental Health Services Act (MHSA), was approved by California voters in November 2004 and provided dedicated funding to transform behavioral health systems, by imposing a 1% tax on personal income over $1 million dollars. San Mateo County Health, Behavioral Health and Recovery Services (BHRS) received an annual average of $50.1 million, in the last five years through Fiscal Year 2023-24.

MHSA funding allocations are grouped into "Components" as listed below, each one with its own set of fiscal and program guidelines.



MHSA legislation requires counties to develop Annual Updates and Three-Year Plans. MHSA legislation also requires that county local behavioral health boards open a 30-day public comment process, hold a public hearing and vote to submit the plans for approval by the Board of Supervisors.

This Executive Summary includes a **high-level summary** of:

1. Fiscal Considerations
2. Implementation Highlights
3. Program Outcomes

The full Fiscal Year (FY) 2025-26 MHSA Annual Update document includes:

1. Fiscal Projections, Ongoing Considerations and Strategies
2. Implementation Activities for FY 2024-25
3. All Program Narratives, Successes/Challenges & Outcomes from FY 2023-24
4. Program and Component Evaluation Reports

FISCAL CONSIDERATIONS

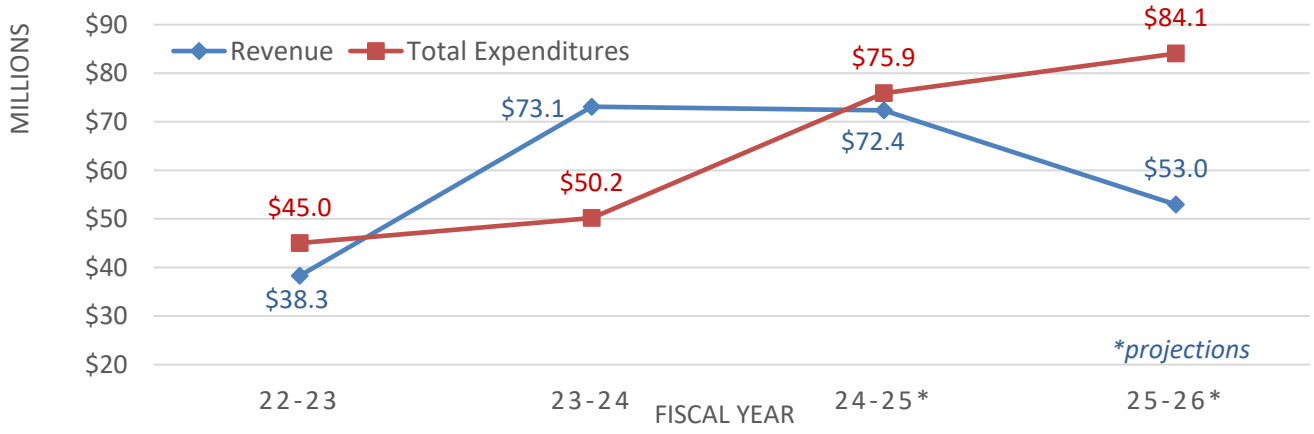
Proposition 1—Local Impact

The recent passage of California's Proposition 1, in March 2024, introduced significant changes to the MHSA funding allocations starting July 1, 2026. Proposition 1 emphasizes a focus on individuals living with serious mental illness and/or substance use disorders, enhanced integration of substance use and mental health services, development of residential treatment and supportive housing and robust fiscal accountability and outcome reporting for behavioral health departments and contracted providers.

BHSA funding allocation category	BHSA amount	Current MHSA amount	Amount to meet requirement
Housing interventions (30%)	$18,973,907	$10,012,430	$8,961,477
Full-service partnerships (32%)	$20,238,834	$19,004,082	$1,234,753
Behavioral health services and supports—early intervention (19.4%)	$12,257,144	$10,279,745	$1,977,399
Behavioral health services and supports—other services (18.6%)	$11,776,472	$18,438,259	($6,661,787)
Administrative expansions	$1,655,080	0	$1,655,080

MHSA Revenues & Expenditure Projections

The below MHSA Revenue and Expenditure chart depicts fiscal year MHSA revenue in blue and total expenditures in red, including one-time allocations. Annual MHSA allocations are volatile and difficult to project. In FY 2023–24 following the COVID-19 pandemic, there was an unprecedented significant one-time adjustment. In FY 2024–25 one-time increases in revenues are projected to continue, due to the reallocation of unspent State MHSA reserves. The FY 2023–26 MHSA Three-Year Plan included ongoing budget increases and a $39M One-Time Spend Plan focused on: 1) Housing Developments; 2) Capital Facilities Purchases; 3) Technology Needs; and 4) System Transformation Projects. The proposed ongoing budget for FY 2025–26 is $68.1 million.



IMPLEMENTATION HIGHLIGHTS

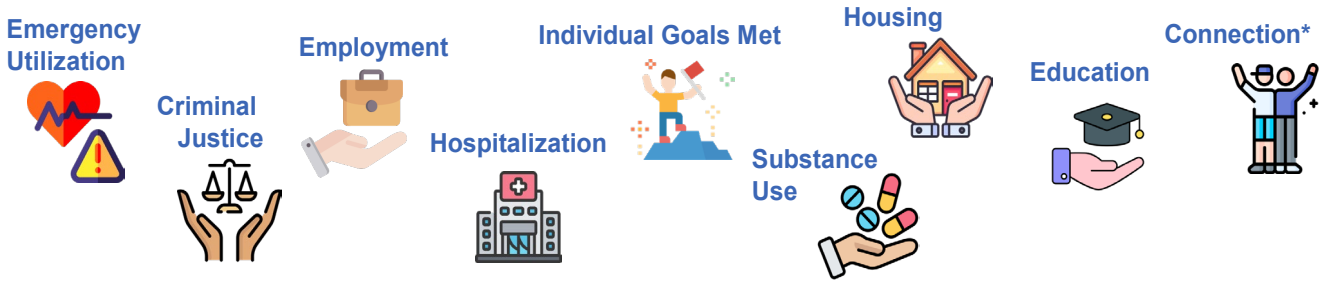
4 New Innovation Projects Approved

INN projects are designed and implemented for no more than 5 years and evaluated to introduce a new behavioral health practice or approach. Four INN projects were approved January-February 2025 and included:

1. *Peer Support for Peer Workers.* The project creates a team of trained peers to provide on-demand peer support services for peers and family members in the behavioral health workforce to increase retention, promote better work-life balance, and decrease burnout, vicarious trauma, and compassion fatigue.
2. *Animal Fostering and Care for Client Housing Stability and Wellness.* The project will provide temporary animal foster care by peers, veterinary and pet support services as needed by adult and older adult clients living with serious mental illness (SMI) and/or substance use disorders (SUD) for whom animal care is an urgent barrier to receiving a higher level of care such as residential treatment or hospitalization or maintaining their housing stability and wellness.

3. *allcove Half Moon Bay.* This youth-focused "one-stop-shop" health center for youth ages 12 to 25 living in the coastside region of San Mateo received a grant to support start-up costs. Local INN funding will supplement and support the delivery of mental health support groups, individual therapy, and other early intervention treatment services at the center.
4. *Progressive Improvements for Valued Outpatient Treatment (PIVOT) – developing capacity for Medi-Cal billing.* The project will support community-based organizations that are interested become certified providers of specialty mental health services (SMHS), bill Medi-Cal for allowable peer support and early intervention services and support the sustainability of critical Community-Defined Evidence Practices (CDEPs) by identifying billable components of CDEPs.

IMPLEMENTATION HIGHLIGHTS



MHSA Outcomes Workgroup

Between October and December 2024, an MHSA Outcomes Workgroup was convened, made up of diverse stakeholders including clients, family members, community members, service providers, and BHRS staff. The workgroup met monthly with the goal of identifying direct treatment program outcomes to inform on the impact of MHSA.

Participants provided input on the definitions of nine outcome measures: emergency utilization, employment, housing, connection, personal goals met, criminal justice involvement, hospitalization, substance use, and education. Key themes focused on the need to shift from deficit-based, crisis-focused indicators toward more holistic, person-centered measures of connection, wellness, and resilience, while also understanding the challenges of data collection and system constraints.

Key strategies for **improving data collection**:

1. In collaboration with stakeholders (e.g. clients, providers) develop a trauma and culturally informed best practice data collection plan and tools that cover all indicators.
2. Identify optimal intervals for data collection and develop a plan for continuous improvement.
3. Integrate the County's "Inclusive Language Guidelines" into data collection processes.

Key strategies for improving **reporting of outcomes**:

1. Include a section in all BHRS reports that provides the purpose of the report and explains how the required performance indicators and goals align with this purpose.
2. Include narrative insights as well as qualitative data on clients' perspectives on engagement and program effectiveness.
3. Provide narrative context with all data tables and charts that include provider and client feedback and the reasons behind the outcomes.
4. Incorporate stakeholder input on interpretation of findings before finalizing the report.
5. Develop best practices around utilization of results for continuous improvement.

PROGRAM OUTCOMES

Community Services and Supports (CSS)

76% of MHSA funding is allocated to the CSS component for direct treatment and recovery services to individuals of all ages living with serious mental illness (SMI) and/or substance use disorders (SUD). The majority of funds must be allocated to **Full Service Partnership (FSP)** and additional funds can be used for **General Systems Development (GSD)**, which includes outpatient treatment services, peer supports, substance use integration among other efforts to improve the behavioral health service delivery system, and **Outreach and Engagement (O&E)** to reach individuals in the community living with SMI/SUD. To see a full list of programs for each category of the CSS component, please visit the MHSA website, www.scmhealth.org/MHSA, under the "About MHSA" tab.

CSS Clients Served in FY 2023-24

FSP Adult/OA	FSP C/Y/TAY	Substance Use	OASIS	Criminal Justice	Dual Diagnosis	Children/ Youth	Other System Dev	Peer Supports	Outreach to Clients
350	171	307	146	47	271	1,022	1,823	632	247

CSS Program Outcomes – Highlights from FY 2023-24

Homelessness ↓	**Adult and Older Adult FSP:** 35% (n=118) of Adults and 17% (n=24) of Older Adults reported an incident of being unhoused (i.e., homeless or emergency shelter) after the first year enrolled in FSP compared to 41% and 21% prior.
Criminal Justice Involvement ↓	**Pathways Program:** 21.9% (n=33) of clients were taken into custody after being admitted to the program, compared to 93.9% before admission.
Education – School Suspensions ↑	**Edgewood Child and TAY FSP:** 8% (n=238) of Children and 2% (n=284) of TAY reported a school suspension incident after the first year in FSP compared to 20% and 10% after the year prior to enrolling in FSP, respectively.
Emergency Service Utilization ↓	**Board & Cares:** 0% (n=78) of clients had a psychiatric emergency episode three months after program admission compared to 24% three months before enrollment. **Homeless Engagement Assessment and Linkage (HEAL):** 0% (n=108) of clients had psychiatric hospitalizations and/or psychiatric emergency services (PES) admission post contact compared to 69% pre contact with HEAL.

"My Family Partner has been a great support for me and my family. I have three children receiving mental health services, and my Family Partner is always open to listening to my concerns. She also helps me connect with the school staff and obtain resources to maintain housing for my family. I am very grateful for my Family Partner's support and her responsiveness to my calls."

- Caregiver/participant

PROGRAM OUTCOMES

Prevention and Early Intervention (PEI)

19% of MHSA funding is allocated to the PEI component for interventions targeting individuals of all ages prior to the onset of mental illness and the early onset of psychotic disorders. PEI programs prevent the development and/or exacerbation of severe behavioral health challenges. The majority of funds must be allocated to programs serving children and youth ages 0-25 and their families and caregivers. PEI programs must include early intervention, prevention, outreach for the recognition of the early signs of mental illness, access and linkage to treatment, stigma and discrimination reduction and suicide prevention strategies. To see a full list of programs for each category of the PEI component, please visit the MHSA website, www.scmhealth.org/MHSA, under the "About MHSA" tab.

PEI Clients Served in FY 2023-24

	Ages 0-25	Early Intervention	Prevention	Recognition of Early Signs of MI	Access & Linkage to Treatment	Stigma Reduction and Suicide Prev
FY 23-24	801	310	2,002	335	9,736	20,879

PEI Program Outcomes – Highlights from FY 2023-24

Cultural Identity	**Cariño Project:** 86% (n=37) reported that due to their participating in this program, they feel more connected to their culture.
Access	**Suicide Prevention Committee**: 88% (N=24) of event/training participants reported that through their participation, they learned knowledge and skills that they can use to access behavioral health services.
Emergency Utilization	**(re)MIND early psychosis:** 95% (n=79) experienced a reduction in hospitalizations; both number of days and number of episodes.
Connection	**Older Adult Peer Counseling:** 58% (N=26) of individual therapy clients and 81% of group clients (n=17) reported that as a result of participating in the program, they feel supported.
Community Advocacy	**Health Ambassador Program for Youth (HAP-Y):** 100% (n=37) of youth reported that due to this program, they can contribute to other people's learning about behavioral health.

"My experience with presentations was greatly beneficial to myself, being able to show facts to others and enlighten not only them but myself is a great experience. Before I was unsure, but after I was more confident about my ability to share this knowledge."

- HAP-Y Participant

Email: mhsa@smchealth.org
Website: www.smchealth.org/MHSA

SAN MATEO COUNTY HEALTH
BEHAVIORAL HEALTH
& RECOVERY SERVICES