



**PROP 1
NEXT
STEPS**



SAN MATEO COUNTY HEALTH

**BEHAVIORAL HEALTH
& RECOVERY SERVICES**

Overview

- What is Proposition 1?
- Implementation Timeline – July 1, 2026
- Local Impact
- Lessons Learned

Prop 1 will impact how we approach funding and developing our programs, and how we look at outcomes.

Opportunity to reflect on priorities, processes and resourcing in BHRS, beginning now.



What is Proposition 1?



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Governor's Context for the Proposal*

- 1 in 20 (50% increase in the last decade) living with serious mental illness (SMI)
- 1 in 4 of unhoused population are living with SMI and at higher risk for justice involvement
- 1 in 3 recently incarcerated unhoused are living with SMI
- Marginalized communities are most impacted by homelessness
- State audits recommended a need to overhaul fiscal and outcome reporting requirements

* Source: <https://www.chhs.ca.gov/behavioral-health-reform/>



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Proposition 1- Three Components

1. \$6.38 billion general obligation bond
2. MHSA Reform – SB 326
3. Statewide accountability and transparency



Implementation Timeline

- **Preparation:** April – December 30, 2024
 - Procurement of IT, fiscal and planning supports
 - Initial discussions on what will be needed for readiness
- **Transition Period:** January 1, 2025 – June 30, 2026
 - January 2025: Kick-off official planning processes to develop an Integrated Three-Year Plan for Fiscal Year 2026-2029
 - March-April 2026: 30-Day Public Comment Period on the Plan
 - Current programs remain as is through June 30, 2026
- **Full Implementation:** July 1, 2026

Local Impact



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1. Bonds (\$6.4 billion)

- \$4.4 billion for unlocked community behavioral health residential settings
- \$922 million for permanent supportive housing
- \$1.1 billion for housing for veterans

What does this mean for BHRS?

- Application process to access these funds – BHRS will have to propose a plan that considers the full scale of operating the housing projects and residential facilities.
 - Leveraging the Behavioral Health Continuum Infrastructure Program (BHCIP), which BHRS has participated in.
 - Call for funding application may release as soon as October 2024



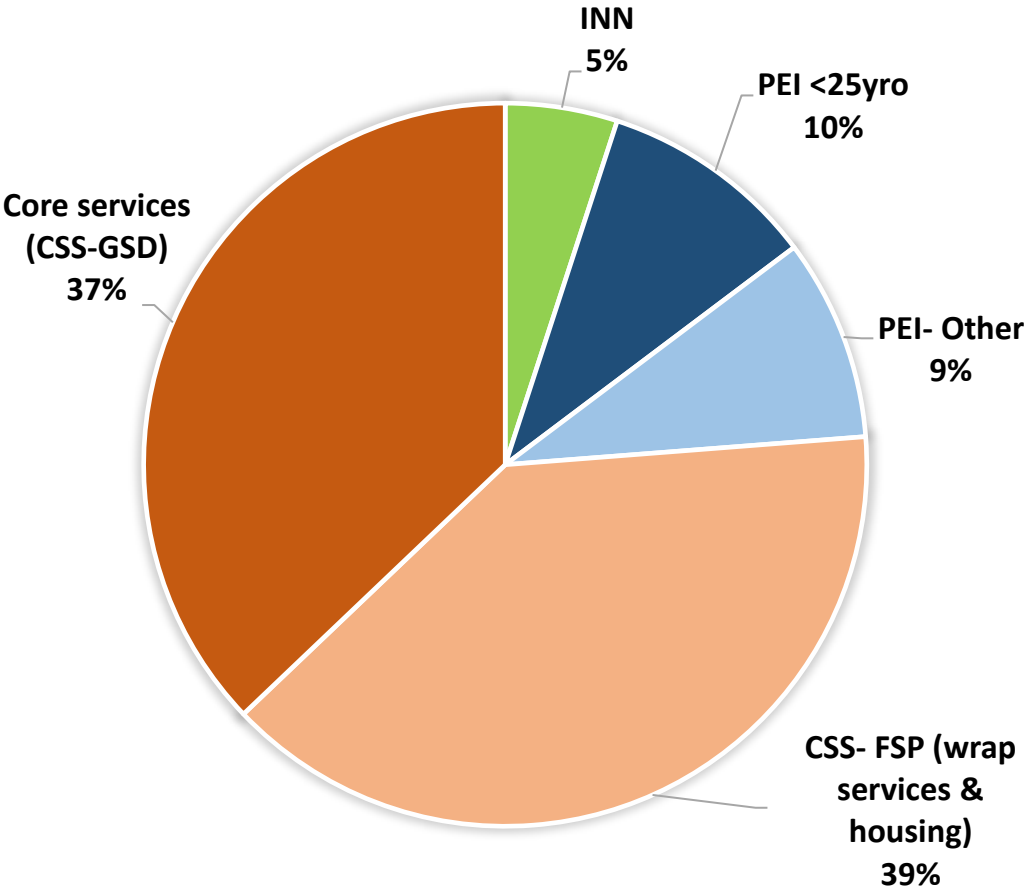
2. MHSA Reform (SB326)

- Name change to Behavioral Health Services Act (BHSA) – broaden to substance use
- **30%** Housing Interventions
 - At least 15% for chronically homeless with focus on encampments
- **35%** Full Service Partnerships (FSP)
- **35%** Behavioral Health Services and Supports (BHSS)
 - At least 15% Early Intervention and 51% of this allocation for youth ages 0-25
 - Eliminated local population-based prevention

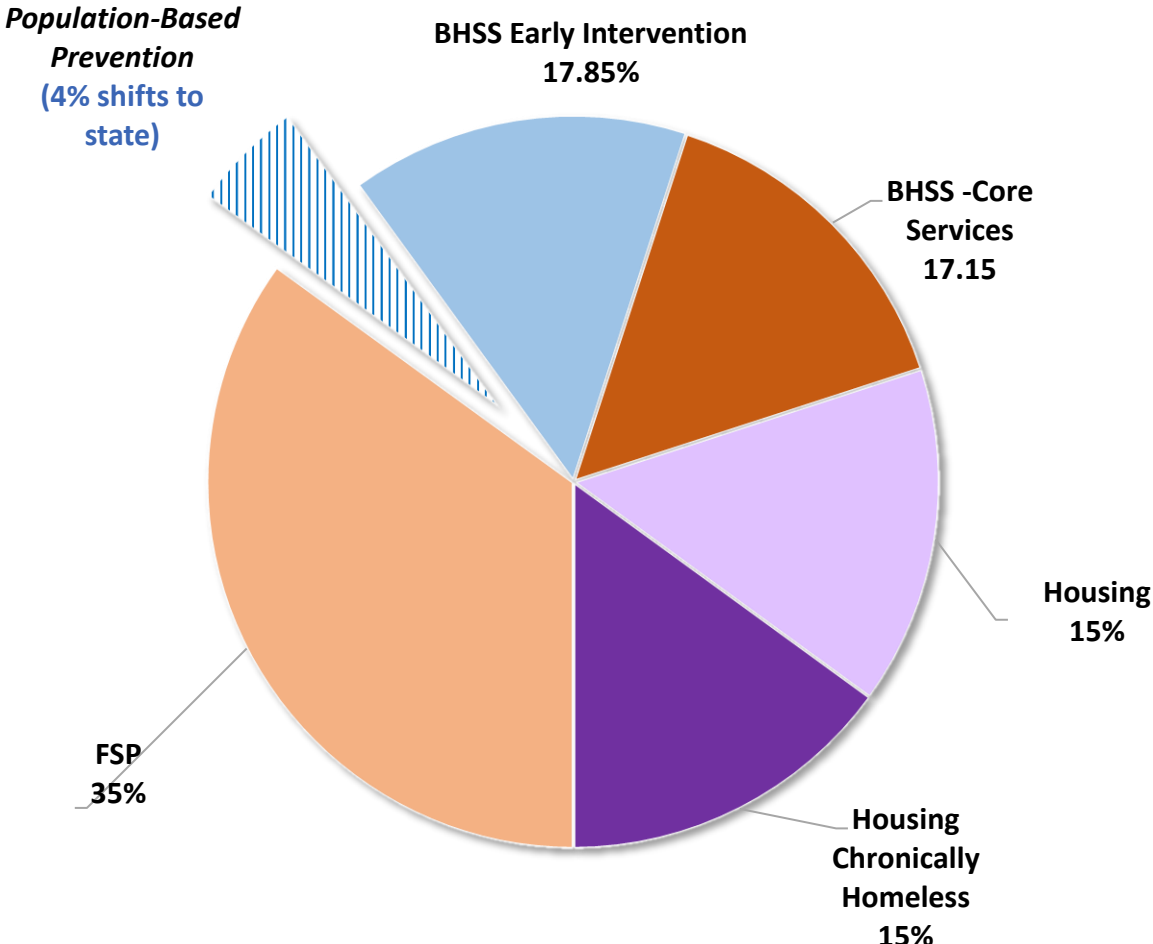
**Can transfer up to 7% per category, 14% max total*

MHSA Components vs. BHSA Categories

Current MHSA Components



New BHSA Categories



What does this mean for BHRS?

- \$15.1M redirection of MHSA funds to meet requirements:
 - \$8.0 (43%) from outpatient treatment programs
 - \$4.3M (100%) from population-based prevention programs.
 - \$2.8M (100%) from innovation and technology projects.
- Identify other funding sources (Realignment, MediCal, Net County, etc.) and enhance State billing to increase reimbursement for BHRS provided services
- Re-prioritize services and review current program criteria to best leverage BHSA funding requirements
- Opportunity for BHRS staff, agency partners, and community to provide input

**Current FY 2023-24 MHSA-funded programs*



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3. Accountability

- Expanded and reformed community planning process
- Fiscal transparency and reporting of ALL BHRS revenues
- Program and client outcome reporting for ALL BHRS services

What does this mean for BHRS?

- There are gaps in our system related to operational staffing and supports (data reporting, fiscal, IT, contracts, admin, etc.)
 - New team and/or supports focused on reporting on performance outcomes
 - Re-configuration of EHR
 - Enhanced fiscal supports (tracking and reporting infrastructures)
 - BHRS-wide strategic planning
 - Contracting supports to meet new contracting requirements



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Behavioral Health Trends

- Integrated Mental Health and Substance Use Services
- Cross-Sector Approach to Planning
- Maximizing Revenues and Transparency to the Public
- Reporting of Performance and Client-Level Outcomes
- Evidence-Based Practices
- Population Health Focus
- Other Priority Areas: equity, unhoused and criminal justice involved individuals, peer supports, workforce development, early intervention for children/youth ages 0-25



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