



Salud Mental y
Tratamiento del Uso
de Sustancias

Health Services Agency–Behavioral Health Division

**Behavioral Health Services Act (BHSA)
Community Program Planning (CPP)
Community Forums**

November 2025

Meeting Agenda

- Welcome, Introductions & Housekeeping
- History of Proposition 1 (Prop 1)
- Overview of Behavioral Health Services Act (BHSA)
- County Behavioral Health System of Care
- Community Program Planning (CPP)
- Interactive Activity
- Bringing it Together: Community Conversation
- Next Steps & Closing Comments

Demographic Survey English



About Behavioral Health Division



Our Services

- Children, Youth, and Adult Mental Health Services
- Substance Use Disorder Services
- Residential Support Services
- Inpatient Mental Health and Crisis Stabilization Services
- Crisis & Post-Hospitalization Services

Who We Serve

Behavioral Health primarily serves individuals with Medi-Cal.

We also provide field-based services to all Santa Cruz County, including at community sites, Juvenile Hall, and County Office of Education School sites.



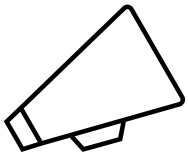
History of Prop 1 & BHSA

Legislative Background of Prop 1



Mental Health Services Act (MHSA)

- Passed by California voters November 2004
- Went into effect January 2005
- MHSA is funded by a 1% tax surcharge on personal income over \$1 million per year
- Often referred to as the “**millionaire’s tax**”



In March of 2023, Governor Newsom announced a plan to address homelessness and to reform MHSA with a goal to transform and modernize California’s behavioral health system.

Legislative Background of Prop 1 (con't)

Prop 1 was a two-part measure based on two bills introduced and passed by the California Legislature

Behavioral Health Service Act (SB326)

- Reforms MHSA.
- Makes changes to the county behavioral health (**mental health and substance abuse**) child and adult systems of care.
- Emphasizes outcomes and accountability through enhanced reporting.

Behavioral Health Bond (AB531)

- Creation of a **\$6.38 billion** general obligation bond to fund behavioral health treatment and residential facilities.
- Emphasis on veterans and individuals with behavioral health needs experiencing homelessness.

Prop 1, was placed on the ballot for the 2024 primary election and was passed by California voters in **March of 2024**.

High Level Overview of SB 326 (Eggman)

Significantly Restructured the Millionaire's Tax Funding, Creates a **New** Housing Category, Eliminates County Prevention Funding, Reduces Prudent Reserve Caps

Eliminated Standalone Innovation Funding Category and Requirement for Separate County Innovation Plans

Created **New** Priority Populations & Established the Millionaire's Tax as a **New** Source of Funding for Substance Use Disorder (SUD) Services

Establishes **New** Statewide Behavioral Health Goals

Reached Beyond MHSA-Overhauled Adult & Children's System of Care Statutes

Changes to the Community Program Planning (CPP) Process & Expanded Stakeholders

Created **New** Structure for Planning, Data Gathering, Reporting, & Accountability Across **ALL** County Behavioral Health Funding Streams

Increased Focus on Maximizing Medi-Cal Billing

Changed Role & Responsibilities of State Partners

Overarching Goals of Prop 1 & BHSA

- **Reduce homelessness**
- Focus on “vulnerable populations” with emphasis on the **unhoused and children/youth**
- Use of **evidence-based practices (EBPs)** and **community-defined evidence practices (CDEPs)** across all funding categories
- Focus on a whole person approach that is **trauma-informed**
- **Reduce disparities**
- **Focus on substance abuse**
- Increase transparency and accountability through specific **state-defined behavioral health goals**
- **Align** state behavioral health initiatives

Fiscal Restructuring of the Millionaire's Tax

County Allocation vs. State Allocation

86% County Allocation down from 91%

35%
Full Service
Partnership
(FSP)

35%
Behavioral
Health
Services &
Supports
(BHSS)

30%
Housing
Interventions

10% State Allocation up from 5%

Minimum of 4% Population Based Prevention

3% Behavioral Health Workforce

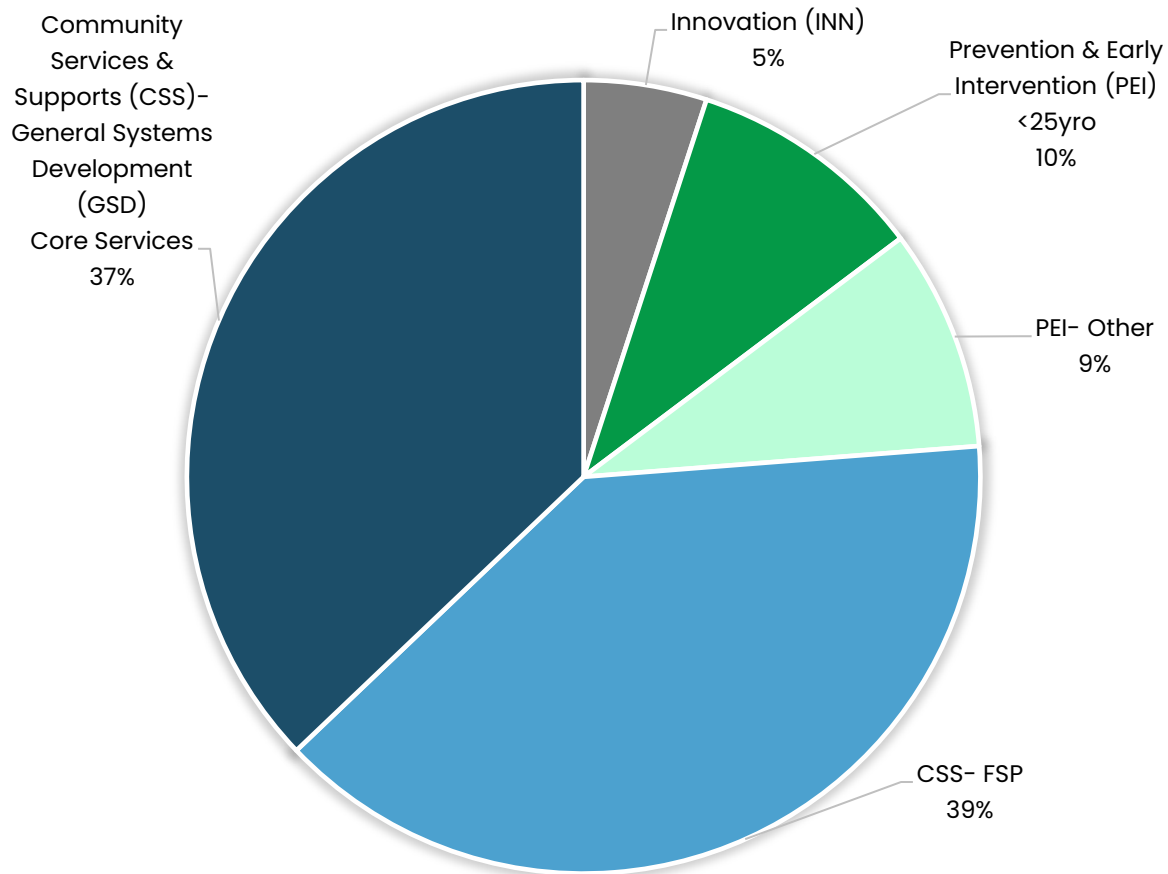
3% State Administration

**4% Allocation to No Place Like Home (NPLH)
Housing Bond**

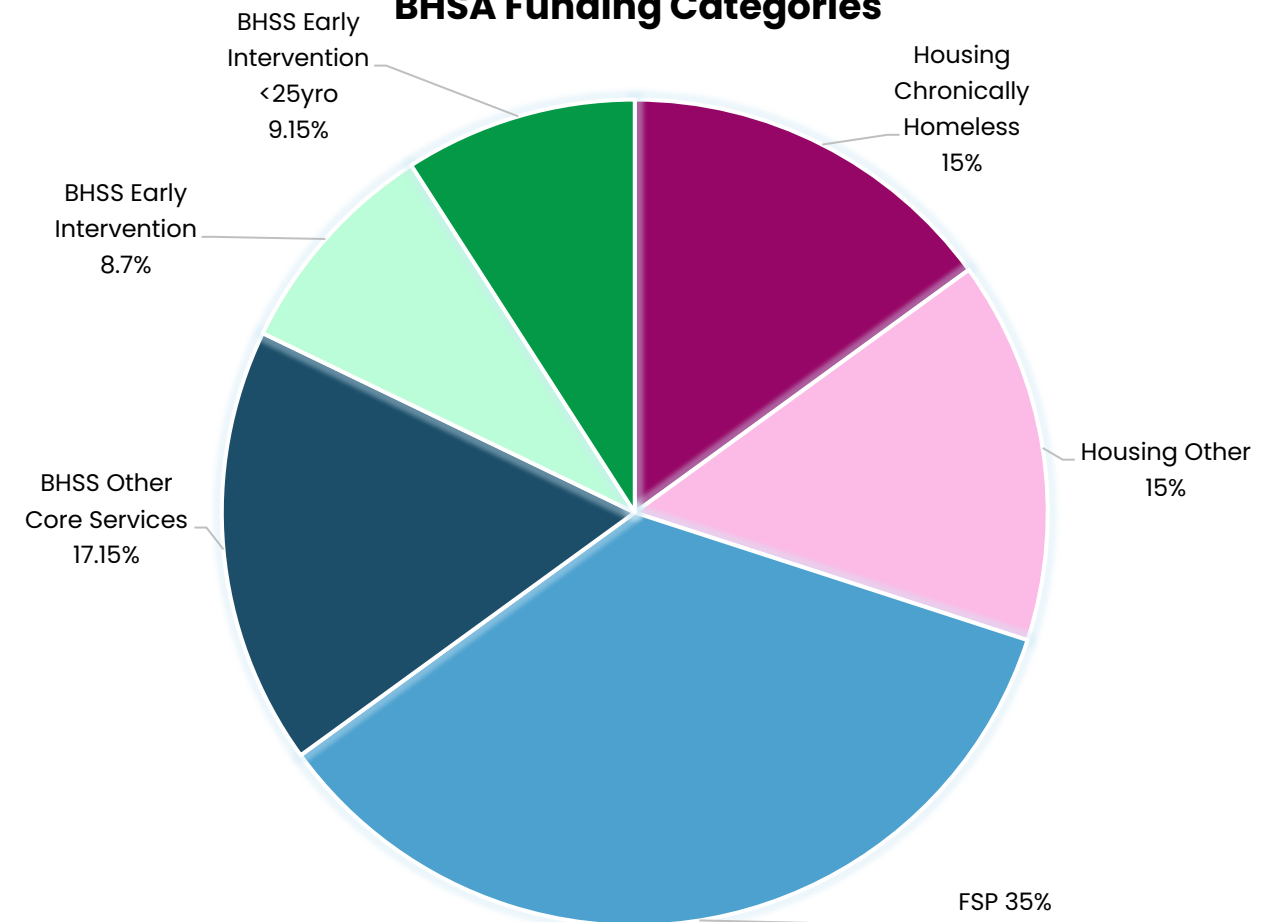
MHSA Components vs. BHSA Components

Local Allocations at County Level (% of total County allocation)

Current MHSA Funding Components



BHSA Funding Categories



Counties currently transfer CSS GSD funds to support Workforce Education and Training (WET) initiatives and Capital Facilities & Technological Needs (CF/TN). Under BHSA this will be funded under BHSS Other.

BHSA Priority Populations

Individuals living with serious mental illness and individuals living with substance use disorders who qualify for county level mental health (MH) or substance use disorder (SUD) services.

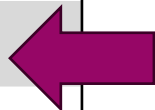
Eligible Children and Youth who:	Eligible Adults and Older Adults who:
Are chronically homeless or experiencing homelessness or at risk of homelessness	Are chronically homeless or experiencing homelessness or at risk of homelessness
Are in, or at risk of being in, the juvenile justice system	Are in, or at risk of being in, the justice system
Are reentering the community from a youth correctional facility	Are reentering the community from a state prison or county jail
Are in the child welfare system	Are at risk of conservatorship
Are at risk of institutionalization	Are at risk of institutionalization

Statewide Population Behavioral Health Goals

Health equity will be incorporated in each of the goal.

Goals for Improvement 	Goals for Reduction 
Care experience	Suicides
Access to Care	Overdoses
Prevention and Treatment of Co-Occurring Physical Health Conditions	Untreated Behavioral Health Conditions
Quality of Life	Institutionalization
Social Connection	Homelessness
Engagement in School	Justice-Involvement
Engagement in Work	Removal of Children from Home

7th Goal
Santa
Cruz BHS will
focus on



BOLD = The six priority goals counties are **required** to address in the Integrated Plan including actions they are taking to improve outcomes related to these goals. Counties **must** also identify at least one additional goal in which the county's data is higher/lower than statewide rate or average, e.g., the county is underperforming compared to the state.

County Behavioral Health System of Care

Different Behavioral Health Systems of Care (soc)

Private Insurance & Other Insurance

- Kaiser
- Blue Cross
- Blue Shield
- TRICARE (military)
- Other

Medi-Cal Managed Care Plans (MCPs)

- Central California Alliance for Health
- Kaiser

Santa Cruz County Behavioral Health

- Mental Health Plan (MHP) Specialty Mental Health Services (SMHS)
- Drug Medi-Cal Organized Delivery System (DMC-ODS)



Who the County is Responsible to Serve

The County has a contract with the state Department of Health Care Services (DHCS) to deliver services through the County MHP and DMC-ODS for:

- Children/youth ages 0-17 years old
- Adults 18 years and older
- Individuals who reside in Santa Cruz County and have Medi-Cal or Medicare insurance
- Uninsured individuals
- Individuals with or at risk of developing more serious or severe behavioral health conditions **(mental health and substance use disorders)**



County Behavioral Health Funding Sources

- 1991 Realignment
- 2011 Realignment
- Revenue generated from Medi-Cal billing
- Behavioral Health Services Act (millionaire's tax)
- Community Mental Health Block Grant Funding
- Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG)
- Projects for Assistance in Transition from Homelessness (PATH)
- Opioid Settlement Funds
- Other Grants
- Intergovernmental Transfers (IGT) funds (when available)
- County General Fund (when available)

Estimated BHSA Revenue for Santa Cruz County

These are preliminary estimates and are subject to change!

BHSA Funding Category	Projected FY 2026/27 BHSA Incoming Revenue
Total Annual BHSA Funding (millionaire's tax)	\$25,369,377
Housing Interventions – 30% of total BHSA	\$7,610,813
Chronically Homeless (50% of Housing funds)	\$3,805,406.50
Other (50% of Housing funds)	\$3,805,406.50
Behavioral Health Services & Supports (BHSS) – 35% of total BHSA	\$8,879,282
BHSS Other (49% of BHSS funds)	\$4,350,848
Early Intervention (EI) (51% of BHSS funds)	\$4,528,434
Early Intervention <25yro (51% of BHSS EI funds)	\$2,309,501 of EI must be directed to <25yro
Full Service Partnership (FSP) – 35% of total BHSA	\$8,879,282
Current Prudent Reserve	\$2,997,357
Prudent Reserve Amount to Spend Down	\$89,921

Counties **may** request to transfer funding between funding categories with a max of 7% from any one category and a cumulative max of 14%. Prudent Reserve cap is being reduced from 33% to 20% of average of last 5 years of revenue under BHSA.

\$1,902,703 (25% of total Housing Interventions funding) **may** be used for Capital Projects to build/rehab housing units.

Behavioral Health System of Care

A **System of Care (SOC)** is a collaborative network designed to deliver coordinated services and supports. These supports are **community-based and culturally and linguistically responsive** for individuals facing mental health and substance use challenges.



State-Defined Behavioral Health Care Continuum

3-Year Integrated Plans (IPs) structure for **ALL** county behavioral health funding sources, not just the millionaire's tax, reported via a new state-defined Behavioral Health Care Continuum.



Community Program Planning

Community Program Planning Process

- Community program planning (CPP) aims to improve the health and well-being of a specific community by identifying community-defined needs, developing strategies, and implementing programs to address those needs.
- Counties ***may*** use **up to 5%** of the total annual BHSA revenue received to fund planning costs.



Your Role as a Partner

BHSA
Mental health and substance use disorder policy
Program planning and implementation
Monitoring
Workforce
Quality improvement
Health equity
Evaluation
Budget allocations

BOLD is new beginning January 1, 2025

Required BHSA Partners

BOLD are new partners

- Eligible youth, adults, older adults and families **as defined in Section 5892**
- **Youths or youth mental health/substance use disorder organizations**
- Providers of mental health/substance use disorder treatment services
- Public safety partners including **county juvenile justice agencies**
- Local education agencies
- **Higher education partners**
- **Early childhood organizations**
- **Local public health jurisdictions**
- County social services and child welfare agencies
- **Labor representative organizations**
- Veterans and representatives from veteran organizations
- Health care organizations, **including hospitals**
- **Health care services plans including Medi-Cal managed care plans**
- **Disability insurers**
- **Tribal and Indian Health Program designees**
- **Representatives from the five most populous cities in counties with populations greater than 200,000**
- **Area Agencies on Aging**
- **Independent living centers**
- **Continuum of care including representatives from the homeless services provider community**
- **Regional Centers**
- **Emergency medical services**
- **Community-based organizations serving culturally and linguistically diverse constituents**

Partner representation **must** include individuals representing diverse viewpoints to include but not limited to **youth representatives from historically marginalized communities; representatives from organizations specializing in working with underserved racially and ethnically diverse communities; representatives from LGBTQ+ communities; victims of domestic violence and sexual abuse; people with lived experience of homelessness.**

Community Program Planning and the Local Review Process



Engage the Community through BHSA Education Sessions, Focus Groups, Community Forums, Key Informant Interviews, Informational Meetings, Committees, and a Community Survey



Develop *DRAFT* Integrated Plan/Annual Update and must submit to the Department of Health Care Services (DHCS) for review by March 31st



Post Integrated Plan/Annual Update Document for 30-Day Public Comment



Hold Public Hearing at the Behavioral Health Advisory Board which signifies the closure of the Public Comment Period



Respond to public comments and finalize the Integrated Plan/Annual Update



FINAL Integrated Plan/Annual Update must be approved by the County Board of Supervisors by June 30th and submitted to the state

**YOU
ARE
NOT
ALONE**



Interactive Activity

Group Agreements

- **Respect:** listen and share your thoughts in a manner that is respectful of others
- **Open-mindedness:** listen to all points of view
- **Acceptance:** suspend judgment as best you can
- **Share the Air:** go for honesty and depth while also making room for others to share
- **Discovery:** question old assumptions, look for new insights, seek to understand rather than persuade
- **Safe Space:** share your honest feedback, positive or negative
- **Other Group Agreements?**

Instructions & Prompts for Interactive Activity

What are the ***unmet needs*** for each group?

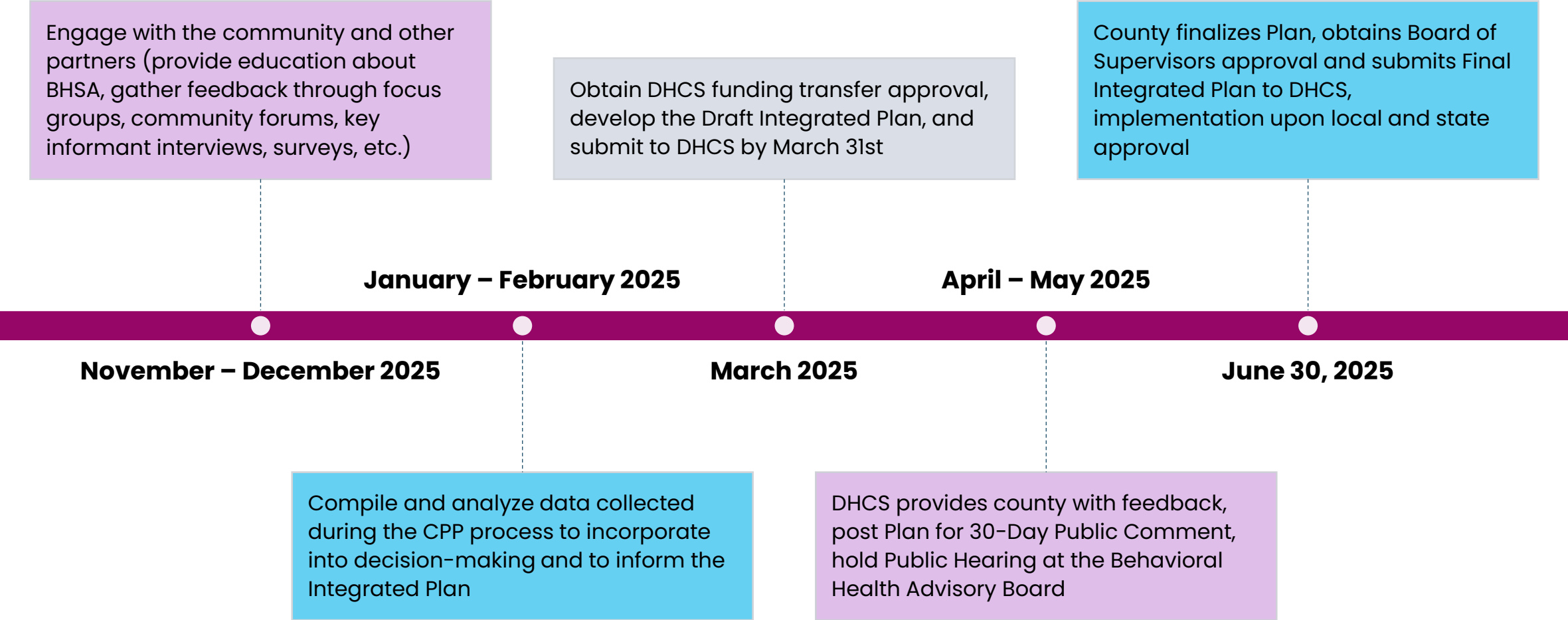
Please share recommended ***solutions*** or ***ideas*** to address the unmet needs identified.

Bringing it Together – Community Conversation



Next Steps

CPP and Integrated Plan Timeline



Reminder to Complete the Demographic Survey & the Meeting Survey

Demographic Survey



Meeting Survey



Stay Connected

For questions, please contact:

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santacruzhealth.org/BHSA



Thank You.

Slides will be posted within the next 10 business days on
santacruzhealth.org/BHSA



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