

Department of Mental Health

MISSION

To optimize the hope, recovery, and wellbeing of our most vulnerable through access to care and resources that promote independence, personal recovery, connectedness, and community integration.

MANDATORY & MAJOR DUTIES

- Specialty Mental Health Services
- Acute Psychiatric Inpatient & Residential Treatment
- Crisis Stabilization Services
- Housing Intervention Services & Supports
- Public Guardian Services



CURRENT BUDGET OVERVIEW

FY 2025-2026
Final Adopted Budget
(\$ Millions)

Total Appropriation

(What We Budgeted to Spend in FY 2025-26)

\$4,412.2



Salaries & Employee Benefits (7,670 positions)

1,183.9 (27%)



Services & Supplies

2,986.5 (68%)



Other (Cap Assets/Equip, Other Charges)

241.8 (5%)

Sources of Funding

(How We Pay For All of This)

\$4,412.2



Federal Assistance

1,328.2 (30%)



State Assistance

2,823.6 (64%)



Fees/Charges for Services*

13.5 (<1%)



Other Resources**

173.4 (4%)



Net County Cost

remaining balance, covered by locally generated revenues

73.5 (2%)

* Some State and Federally funded services are reflected as "Fees/Charges for Services" through reimbursement mechanisms (e.g., Medi-Cal billing)

** "Other Resources" includes miscellaneous revenues not otherwise classified, including fines, settlements, interest earnings, and interdepartmental billing

BUDGET BREAKDOWN BY PROGRAM AREA

What These Investments Deliver For Residents

| General Program Category | % of Dept Budget |
|---|------------------|
| Outpatient and Intensive Outpatient Services | 54% |
| Treatment Beds | 15% |
| Housing Intervention Services | 7% |
| Crisis Response Services | 6% |
| Other (Public Guardian, Program and Administrative Support, and Other Mental Health Services) | 18% |

Program categories shown here are presentation-level groupings created to consolidate information from the new LA County Enterprise System (LACES) for this briefing. Note that as part of the County's initial rollout of data-driven budgeting through LACES, categories and outcome measures will continue to evolve based on practical use and data insights as departments operationalize the system in FY 2026–27.

DEPARTMENT PRIORITIES, METRICS & OUTCOMES

| Priority | Goal | Metrics & Outcomes |
|---|---|--|
| Behavioral Health Services Act (BHSA) Implementation | Improve service delivery and access to care by strengthening staffing and resources at County-operated clinics | ✓ 83% → 92% Improvement in percentage of appointments scheduled within 10 business days (since July 2024) |
| Network Adequacy | Ensure an adequate network of providers across the entire Continuum of Care | ✓ 214 beds + 35 chairs Increase in number of treatment beds & crisis stabilization chairs (since July 2025) ✓ 426 Increase in interim housing beds for individuals and families (since July 2025) |

BUDGET REQUEST (FY2026-2027)

| | |
|----------------------------------|----------|
| Total New Appropriation Request* | \$206.1M |
| Additional positions requested | 36.0 |
| Additional NCC requested | \$0.0M |

| Key Budget Requests | Amount (\$Millions) | One-Time/ Ongoing? | Positions |
|--|------------------------|-----------------------|-----------|
| Behavioral Health Services Act (BHSA) Implementation | \$21.3 | Ongoing | 34.0 |
| Treatment Beds and Crisis Stabilization | \$120.3 | Ongoing | 0.0 |
| Housing Intervention Services | \$34.5 | Ongoing | 2.0 |
| Day Treatment Intensive Services | \$30.0 | Ongoing | 0.0 |

* Priority budget and unmet needs requests

CHALLENGES & MITIGATION STRATEGIES

| Challenges | Response |
|--|--|
| Changes to State Mental Health Funding | <ul style="list-style-type: none">✓ Identify alternative funding sources to maintain essential services✓ Adjust programs to comply with new State rules✓ Prioritize core services and protect access to care✓ Make targeted investments in infrastructure |
| Increased Costs Not Fully Covered by Insurance | <ul style="list-style-type: none">✓ Maximize available Medi-Cal and other allowable funds✓ Use local funds to support programs without other revenue |
| Erosion of Medi-Cal Coverage Due to H.R.1 & State Budget Cuts | <ul style="list-style-type: none">✓ Advocate for streamlined process to request exemption from work requirements✓ Continue to serve all clients regardless of insurance status |