



Proposition 1 Update

Formerly SB 326 and AB 531

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LOS ANGELES COUNTY
**DEPARTMENT OF
MENTAL HEALTH**
hope. recovery. wellbeing.

▶▶ Proposition 1 Overview

- Proposed by California State Legislature, supports Gov. Newsom's vision to "modernize behavioral health"
- Senate Bill (SB) 326 and Assembly Bill (AB) 531 have passed legislature and were signed by Gov. Newsom on October 12, 2023. Combined they become **Proposition (Prop) 1** on the March 2024 ballot.
- Proposes significant shift in MHSA allocations, reducing funding from Core mental health services (Outpatient, Crisis, Linkage) to create a new Housing category (SB 326)
- Requires counties to provide new SUD services to SUD-only populations (with no expansion in funding) and changes Mental Health Services Act to Behavioral Health Services Act (SB 326)

▶▶ Proposition 1 Overview

- Would result in increased State control of how BHSA funds are allocated, spent, and used; reduction in local control of programming priorities (SB 326)
- If it passes, State can issue directives and sanctions if County is determined to not be meeting needs of clients/community (SB 326)
- Proposes a \$6.3B bond to build residential settings ranging from congregate housing with onsite services, community housing with access to services, and may fund locked facilities (AB 531)

▶▶ Proposition 1 Updates

New Components and New Populations

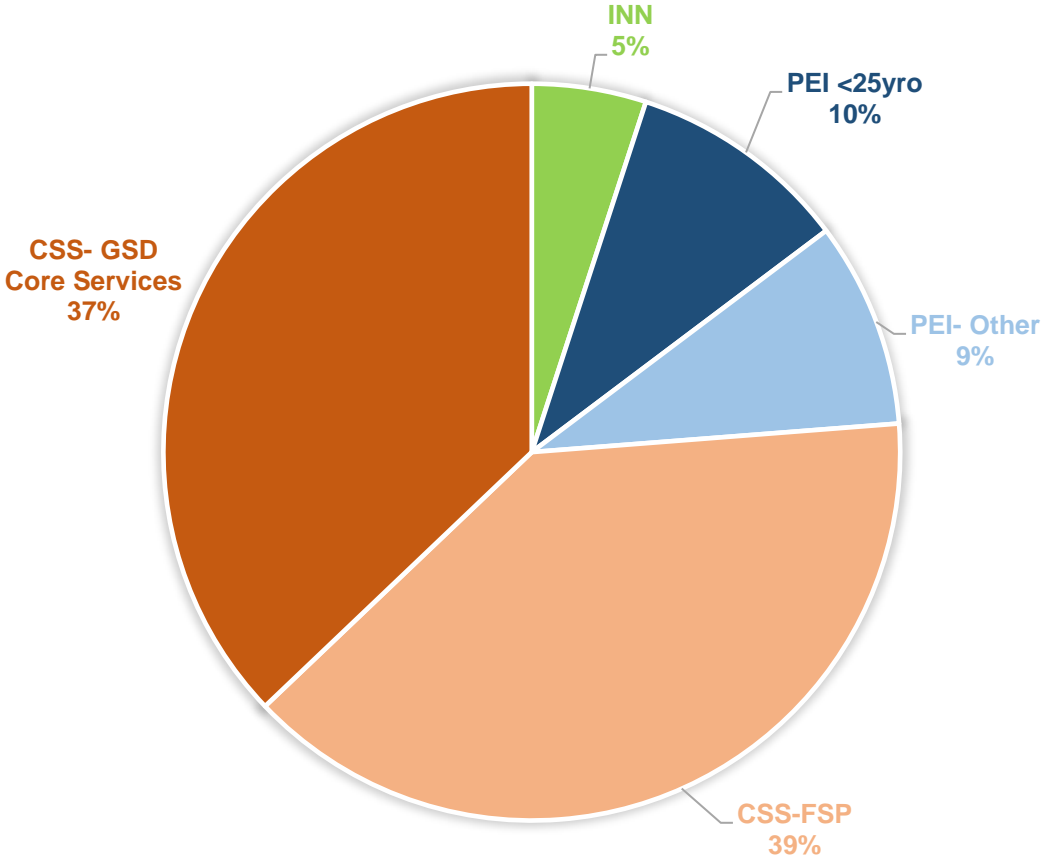
- New: Expanded Target Population
 - Counties may use BHSA funds to serve individuals with debilitating substance use disorder (but without a co-occurring mental illness) and must include this population in planning
- New: Mandated Housing Expenditure Category
 - Includes, but not limited to, rental subsidies, operating subsidies, shared housing, family housing
 - May include capital development at a maximum of 25% of this category, beginning FY 32/33
 - Does NOT include mental health services and supports

►► Proposition 1 Updates

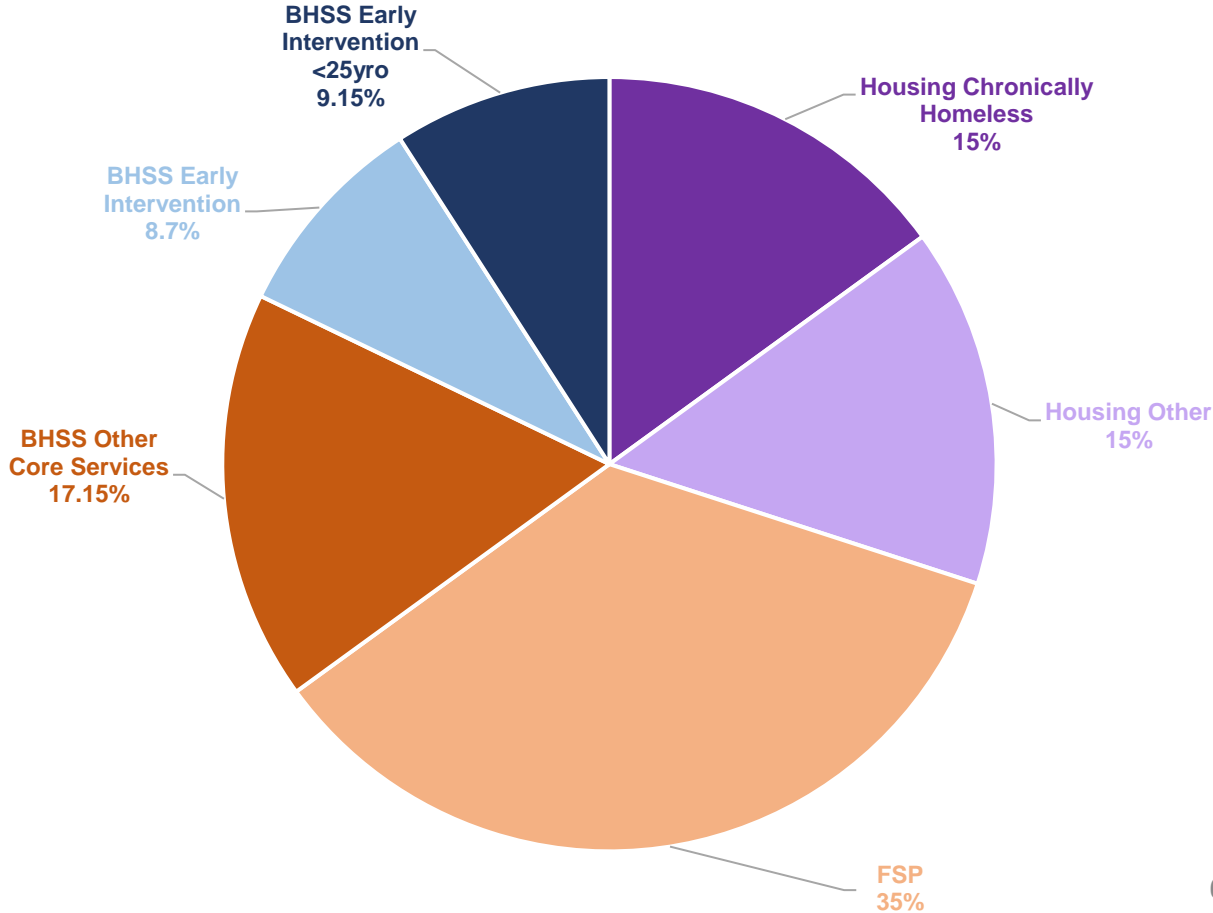
- New: Proposed Allocations include
 - Housing: 30%;
 - FSP: 35%;
 - Behavioral Health Services and Supports (BHSS) 30%
 - Flexible : 17.15%;
 - Early Intervention Child: 9.15%; and
 - Early Intervention All Age: 8.75%.
- Allows for a 7% shift from a single category with a maximum shift of 14% total with State approval.
- No specific allocation for Prevention, Suicide Prevention, Anti Stigma, Workforce Education and Training, and Capital Facilities and Technological Needs, however they may be funded BHSS;

MHSA Components vs. BHSA Categories

Current MHSA Funding Components



BHSA Proposed Funding Categories per SB 326 8/15 Amendments



►► Proposition 1 Updates

- Programmatic areas of impact include:
 - Prevention will be State administered;
 - Innovations no longer has a mandatory allocation, may be implemented within any component;
 - DHCS will identify Evidenced Based Practices and Community Defined Evidenced Based Practices (CDEPs) that counties will need to use;
 - Workforce Education and Training (WET)/Capital Facilities Technological Needs (CFTN);
 - WET will be State administered
 - CFTN expenses will be funded by Behavioral Health Services and Supports (BHSS) category which covers all outpatient, crisis, and linkage services
 - Outpatient Care Services: Current allocation is 37%, will be reduced to 17%
 - Outpatient Clinic Services includes clinic services for all age groups, linkage programs such as HOME, and Crisis Services including UCCs and PMRT

▶▶ Proposition 1 Updates

- Changes to the local mental health board (Commission)
 - Renamed the Behavioral Health Board (or Commission)
 - Shall advise on community mental health and substance use disorder services delivered by local mental health or behavioral health agency
 - Expanded membership including a member 25 years old or younger
- Changes to the planning process and reporting
 - Include substance use
 - Include managed care
 - Include all funding streams, not just MHSA.
 - Must include (but not limited to) the 5 largest cities: Los Angeles, Long Beach, Santa Clarita, Glendale, and Lancaster

▶▶ Proposition 1

- If Prop 1 passes, programmatic and allocation changes will commence July 2026
- County Board of Supervisors does not currently have a position on Prop 1, but may choose to adopt a position in the future
- Unclear at this time what campaigns for/against the proposition will look like
- Contingency planning in DMH to mitigate financial concerns are being initiated, no decisions being made yet



- It's too soon say what the specific impacts will be
- The work ahead will be to identify
 - Impacts of changes in BHSS Outpatient, Linkage, and Crisis, and Prevention services are likely, but specifics and extent is unknown without further details.
 - DMH will need to evaluate all available resources and funding sources to address needs
 - Consider impacts to underserved ethnic communities, regions and consider equity and decision making

►► Clarification Needed for Further Analysis

- What are the guidelines for the new Early Intervention (EI) Categories
 - ◁ Identify Prevention programs that meet new EI criteria
 - ◁ Consider what CSS services may meet new EI criteria
 - Will the 18-month service limit on Early Intervention remain?
- How will Prevention funds be disseminated by the State?
 - ◁ Will agencies and projects currently receiving prevention funds from DMH continue to receive funding from the State?
 - ◁ How will the State administration meet local, cultural, and community needs
- How will Prop 1 impact Individuals, Communities, and Agencies?

▶▶ Principles and Considerations if Proposition 1 Passes

- Maintain engagement with the community throughout the process
 - ◀ Stakeholder townhalls
 - ◀ Stakeholder workgroups
- Questions to consider:
 - ◀ What strategies and resources are available to ensure continuity of care in outpatient, crisis, and linkage services?
 - ◀ How can we ensure Peer services continue to play a role in all levels of care?
 - ◀ What strategies and resources can be implemented to support the needs of underserved communities, children, youth, and families served in Prevention programming?

▶▶ Next Steps for DMH Providers and Community

1. Don't panic! While there are some significant concerns, we still do not have the full picture, and is initiating planning activities now to ensure a smooth implementation if Prop 1 passes
2. Look out for updates from California Department of Health Care Services, from LA County DMH, and other reliable sources
3. Participate in stakeholder discussions held by the Department of Health Care Services and/or DMH

▶▶ Proposition 1

Next Steps

- Next Steps for DMH:
 - Seek clarification on transition guidelines and when bill will impact planning and budgeting
 - Complete a thorough analysis of impact by component
 - Educate stakeholders, providers, and workforce on Prop 1 and potential impacts
 - Consider strategies in the planning process over the next two years to support transition

Thank you!

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Proposition 1 Update Feedback
Survey

