

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH
MENTAL HEALTH SERVICES ACT (MHSA) ADMINISTRATION**

MHSA Mid-Year Adjustment, Fiscal Year 2025-26

The Los Angeles County Department of Mental Health, as required under the Mental Health Services Act (MHSA), is opening a public review and comment period for the MHSA – Mid-Year Adjustment, Fiscal Year (FY) 2025-26, regarding a proposed change to the MHSA Annual Update, FY 2025-26, adopted by the Los Angeles County Board of Supervisors on June 17, 2025. The proposed changes include:

1. Transfer Community Services and Supports (CSS) dollars to Capital Facilities Technological Needs (CFTN) and Workforce Education Training (WET)

Document the transfer of \$104.691 million CSS dollars to CFTN in the amount of \$41 million and \$63.691 million to WET for FY 2025-26. This shift will preserve these funds for future use where they will be needed following implementation of the Behavioral Health Services Act (BHSA). Annual MHSA revenues continue to increase faster than spending and remain highly volatile. MHSA CSS funds must be spent within three years to avoid reversion. CSS funds may be shifted to CFTN and/or WET, in which the reversion timeline is 10 years.

Ongoing programming is currently well funded, the limitation on current service expansion is related to staffing, not funding. The implementation of BHSA will result in a substantial decrease in the ability to fund both WET and CFTN categories due to the reduction in Behavioral Health Services and Supports (BHSS) (formerly CSS) allocations.

2. CFTN: Kedren Children’s Community Care Village (CCCV)

Project implementation delays in FY 2024/2025 prevented full use of approved CFTN and INN funds for the CCCV. The Department is proposing to carryover unspent FY 2024/2025 funds totaling \$10,357,048.03 into FY 2025/2026. The updated FY 2025–2026 allocation will be \$80,126,300.03. This does not represent a change to agreement terms or total contract allocation.

3. CFTN: Our SPOT and Well-Being Project

In partnership with the Los Angeles County Department of Parks and Recreation, DMH will utilize CFTN to fund renovations at LA County parks across the County intended to create public spaces that promote positive social interactions and support community well-being in County parks. LA County Parks and DMH selected 14 parks based on several factors including existing year-round Our SPOT Teen Centers, Countywide Park Needs Assessment, Office of Violence Prevention high violence scores, DMH equity data, and Los Angeles County Equity Explorer Index data. Work will include renovation of existing outdoor open space as a new well-being space, including accessibility upgrades; trees and landscaping

with irrigation; lighting and shade; seating elements including permanent benches designated in an “Open to Chat” style to encourage conversation and social connection; informational signage to teach wellbeing strategies; and related improvements. Selected parks will also include the renovation of an existing unprogrammed area into an outdoor Our SPOT space that includes paving, landscaping, shade, lighting, security fencing, seating, and related improvements. While the thematic design elements and enhancements are similar program wide, each Well-being and Our SPOT space varies in design, shape, and size to reflect community input. CFTN expenditures for this project are estimated at \$10 million.

4. CFTN: Treatment Facility

Department is proposing to utilize, where appropriate, MHSA/BHSA Capital Facilities dollars to provide match or gap funding to ensure completion of a capital project that will result in additional treatment facility beds coming online for the public mental health system. The additional MHSA/BHSA CFTN dollars will be utilized to address a funding gap required to complete capital projects. CFTN expenditures for this project are estimated at \$10 million.

5. CFTN: Urgent Care Center

The Department intends to allocate approximately \$14 million in Capital Facilities and Technological Needs funds toward the construction and tenant improvements necessary to prepare facility space for operation as a Crisis Stabilization Unit.

6. Housing: Residential Care Facility

The Department is proposing to utilize approximately \$4 million in Housing funds to assist with completion of capital project work necessary to increase the pool of available residential care facility beds.

7. Prudent Reserve

The Department will be shifting \$22,585,000 from CSS into the Prudent Reserve. This total represents the maximum available for this transfer.

8. Administrative Action

The following administrative actions are being included to correct naming conventions and to include a program that was inadvertently omitted from the previous Annual Update:

- a. The correct naming convention for the Hollywood 2.0 project is being documented to ensure consistency across all MHSA materials.

- b. The TAY Wellness Center is also formally known as the Martin Luther King Jr. Medical Campus Transitional Age Youth Drop-In Center. This alternate name is being added for accuracy and alignment with program operations.
- c. The Modern Call Center was unintentionally omitted from the prior Annual Update. This is to document it as a continuing project for FY 2025/2026 under Technological Needs.