COUNTY OF SAN DIEGO

AGENDA ITEM

DRAFT

BOARD OF SUPERVISORS

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Fifth District

DATE: **June 3, 2025** **XX**

TO: Board of Supervisors

SUBJECT

RECEIVE AND APPROVE THE MENTAL HEALTH SERVICES ACT ANNUAL UPDATE FOR FISCAL YEAR 2025-26 (DISTRICTS: ALL)

OVERVIEW

The Mental Health Services Act (MHSA) provides ongoing dedicated funding to counties to address a broad continuum of mental health service needs, including prevention, early intervention, system development, technology, and training to effectively support the public mental health system. MHSA programs provide services for children and their families, transition age youth, adults, and older adults, with an emphasis on individuals who are unserved or underserved. MHSA is comprised of five components, including 1) Community Services and Supports; 2) Prevention and Early Intervention; 3) Innovation; 4) Workforce Education and Training; and 5) Capital Facilities and Technological Needs.

County of San Diego, Behavioral Health Services is in the third year of implementing the MHSA Three-Year Program and Expenditure Plan for Fiscal Years (FY) 2023-24 through 2025-26 (Three-Year Plan), previously approved by the San Diego County Board of Supervisors (Board) on June 13, 2023 (22). The MHSA FY 2025-26 Annual Update (Annual Update) includes budget and programmatic changes to the Three-Year Plan. A majority of services outlined in the Annual Update are a continuation of programs which were identified in the Three-Year Plan last year and includes MHSA funding of $303.1 million in FY 2025-26. As mandated by the MHSA, the Three-Year Plan and Annual Update require Board approval prior to submission to the Department of Health Care Services (DHCS) and the California Behavioral Health Services Oversight and Accountability Commission (BHSOAC), previously known as the Mental Health Services Oversight and Accountability Commission (MHSOAC).

Today's action requests the Board receive and approve the Annual Update and to submit to DHCS and the BHSOAC. Today's item supports the County vision of a just, sustainable, and resilient future for all, specifically for communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities.

SUBJECT: RECEIVE AND APPROVE THE MENTAL HEALTH SERVICES ACT ANNUAL UPDATE FOR FISCAL YEAR 2025-26 (DISTRICTS ALL)

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER
Receive and approve the Mental Health Services Act Annual Update for Fiscal Year 2025-26 and authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, to submit the Annual Update to the California Behavioral Health Services Oversight and Accountability Commission and the Department of Health Care Services.

EQUITY IMPACT STATEMENT
The vision of the Mental Health Services Act (MHSA) is to build a system in which mental health services are equitable and accessible to all individuals and families within the region who are in need. According to 2022 data from the California Department of Healthcare Access and Information, Black or African American residents experienced higher emergency department rates of serious mental illness, self-inflicted injury/suicide attempt, and substance related disorders, compared to others. Additionally, according to the California Health Interview Survey, conducted by University of California Los Angeles in 2023, 6.4 percent of San Diegans reported experiencing serious psychological distress in the past month. However, higher percentages of serious psychological distress were reported by residents who live below 200% of the federal poverty level, or identified as White, Hispanic/Latino, or multiracial, compared to others.

MHSA funding provides individuals, who are experiencing serious mental illness, serious emotional disturbance, or have co-occurring substance use disorders, including those with opioid use disorder, with timely access to quality behavioral health care that is responsive to their cultural and linguistic needs. County of San Diego (County), Behavioral Health Services (BHS) serves a diverse range of vulnerable, unserved, and underserved low-income populations who include, but are not limited to, all age groups, individuals experiencing homelessness, LGBTQ+, Black or African American, Indigenous, and People of Color. Behavioral health services offered through County-operated and contracted programs address the social determinants of health by being accessible, capable of meeting the needs of a diverse population, and with the intent to equitably distribute services to those most in need.

In support of these efforts, BHS utilizes a population health approach, along with evidence-based practices and robust data analysis to identify needs and design services that are impactful, equitable, and yield meaningful outcomes for clients. This includes facilitating community engagement forums to solicit input from the community, stakeholders, consumers, family members, community-based providers, and healthcare organizations through formal and informal convenings, along with cross-collaboration with other County departments and community partners.

SUSTAINABILITY IMPACT STATEMENT
Mental Health Services Act (MHSA) programs support the County of San Diego (County) Sustainability Goal #1 to engage the community in meaningful ways and seek stakeholder input to foster inclusive and sustainable communities. County, Behavioral Health Services engages the community through the Community Planning Process, advisory boards, and stakeholder engagements to collaborate and encourage community and diverse range of stakeholders to partner and participate in decisions that impact their lives and communities.

Additionally, MHSA programs support the County Sustainability Goal #2 to provide just and equitable access through the regional distribution of services by allowing chronically unserved and underserved communities and individuals with behavioral health conditions to receive care near where they live. Services are provided at County locations, as well as through community-based providers to ensure care is geographically dispersed throughout the region.

FISCAL IMPACT
Funds for this request are included in the Fiscal Year (FY) 2025-26 CAO Recommended Operational Plan for the Health and Human Services Agency. If approved, this request will result in estimated Mental Health Services Act (MHSA) costs and revenues of approximately $303.1 million in FY 2025-26. The funding source is MHSA. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ADVISORY BOARD STATEMENT
On May 1, 2025, the Behavioral Health Advisory Board voted to _____ the recommendation.

BACKGROUND
On June 4, 2024 (15 & 16) the San Diego County Board of Supervisors (Board) approved an amendment to the Fiscal Years (FYs) 2023-26 Mental Health Services Act (MHSA) Three-Year Program and Expenditures Plan (Three-Year Plan) and received the MHSA FY 2024-25 Annual Update. Section 5847 of the California Welfare and Institutions Code requires that county mental health programs prepare and submit a three-year plan and annual updates for programs and expenditures funded by the MHSA. The Three-Year Plan and MHSA FY 2025-26 Annual Update (Annual Update) must be adopted by the San Diego County Board of Supervisors (Board) and submitted to the California Behavioral Health Services Oversight and Accountability Commission (BHSOAC) and the Department of Health Care Services (DHCS) within 30 days of adoption.

MHSA provides funding to counties to address a broad continuum of mental health service needs, including prevention, early intervention, system development, technology, and training to effectively support the public mental health system. In addition, MHSA provides funding to address co-occurring substance use disorders, including those with opioid use disorder. MHSA programs provide services for children and their families, transition age youth, adults, and older adults, with an emphasis on individuals who are unserved or underserved. MHSA is comprised of five components, including 1) Community Services and Supports; 2) Prevention and Early Intervention; 3) Innovation; 4) Workforce Education and Training; and 5) Capital Facilities and Technological Needs.

Since the establishment of MHSA, the County of San Diego (County) will have invested approximately $3 billion in MHSA programs by the end of FY 2025-26 to expand and enhance critical mental health programs for San Diego County residents. The County continues to make MHSA investments in prevention, treatment, and support services through the continued

development of a regionally distributed model of care focused on prevention and continuous care, rather than perpetual crisis. Additionally, MHSA-funded programs are evaluated across several categories which include, but are not limited to, access, quality, cost, integration, utilization, and client satisfaction. The evaluation of MHSA-funded programs demonstrates a positive impact for programs that treat mental health symptoms but also proactively address unmet social needs and connection to education, employment, housing, and physical healthcare.

Community engagement is at the center of the County, and a stakeholder engagement Community Program Planning process is required by MHSA funding. County Behavioral Health Services (BHS) continuously engages in ongoing open dialogue with the Behavioral Health Advisory Board (BHAB), BHS councils and collaboratives, and other stakeholders in multiple settings to gather input to inform recommendations for the utilization of MHSA funds. A 30-day public review and comment period of the draft Annual Update began on April 1, 2025, and concluded with final comments heard at the regular BHAB meeting on May 1, 2025.

BHS is in the third year of implementing the Three-Year Plan, and the Annual Update includes budget and programmatic changes to the Three-Year Plan. A majority of services outlined in the Annual Update are a continuation of programs that were previously approved by the Board in the Three-Year Plan. . This year's MHSA Annual Update is unique in that it is the final report that will be submitted to the state before counties across California transition to the new **Behavioral Health Services Act (BHSA)** that begins on July 1, 2026, and will result in significant changes across the behavioral health system.

BHS continues to assess the system impacts of Proposition 1, the Behavioral Health Services Program and Bond Measure, referred to as BHSA. The BHSA was passed by California voters in March 2024 and transforms the MHSA by shifting the scope of some services from those with serious mental illness to an emphasis on housing to support individuals experiencing homelessness or chronic homelessness. It also dedicates resources for full-service partnerships, early intervention services, and support programming for individuals with substance use disorders, regardless of a co-occurring mental health disorder. Included in the BHSA is a bond measure, which allows counties to finance loans or grants for capital assets for permanent supportive housing for veterans and others who are homeless with behavioral health conditions. Extensive planning is underway in preparation of BHSA, which will include new programming, shifts to existing services, extensive new reporting requirements, more expansive community engagement, and new data requirements. BHSA will also require extensive new financial reporting across all funding sources that support the behavioral health continuum of care. BHS continues to prepare for these changes as information is provided by the state and will work side-by-side with the various stakeholders and the provider network to ensure the changes are being communicated and the voices within the community are being heard.

Today's action requests the Board receive and approve the Annual Update, and to submit to the BHSOAC and the DHCS, if approved. The Annual Update includes MHSA funding of $303.1 million in FY 2025-26.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

SUBJECT: RECEIVE AND APPROVE THE MENTAL HEALTH SERVICES ACT ANNUAL UPDATE FOR FISCAL YEAR 2025-26 (DISTRICTS ALL)

Today's proposed action supports the County of San Diego (County) 2025-2030 Strategic Plan Initiatives of Equity (Health) and Community (Quality of Life) as well as the regional *Live Well San Diego* vision. This is accomplished by addressing the social determinants of health by providing accessible behavioral health services and meeting the needs of a diverse population through a fully optimized mental health and social service delivery system. These efforts reduce disparities and strengthen the well-being of all San Diegans.

Respectfully submitted,

USE "INSERT PICTURE" FUNCTION TO INSERT SIGNATURE

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)
Attachment A - Mental Health Services Act (MHSA) Fiscal Year 2025-26 Annual Update

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