COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fourth District

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Fifth District

DATE: **June 3, 2025** **15**

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.

On June 13, 2023 (22), the San Diego County Board of Supervisors (Board) approved the MHSA Three-Year Program and Expenditure Plan for Fiscal Years (FY) 2023-24 through 2025-26 (Three-Year Plan). As mandated by MHSA, the County of San Diego Behavioral Health Services (BHS) is required to submit the Three-Year Plan and an MHSA Annual Update (Annual Update) to the Department of Health Care Services (DHCS) and the California Behavioral Health Services Oversight and Accountability Commission (BHSOAC).

On June 4, 2024 (15 and 16) the Board approved an amendment to the Three-Year Plan and received an Annual Update for FY 2024-25. BHS is in the final year implementing the Three-Year Plan and will be submitting the Annual Update for FY 2025-26. This 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 and include MHSA funding of $303.1 million in FY 2025-26.

Today's action requests the Board receive and approve the Annual Update for FY 2025-26 and to submit the report to the BHSOAC and DHCS. 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 (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 across the region who are in need. Data from the California Department of Healthcare Access and Information in 2022 showed that Black or African American residents experienced disproportionately higher rates of emergency department visits for self-inflicted injury/suicide attempt, serious mental illness, and substance related disorders compared to other groups. Additionally, the California Health Interview Survey, conducted by the University of California Los Angeles in 2023, indicated that 6.4% of San Diego residents reported experiencing serious psychological distress in the past month. Notably, the prevalence of serious psychological distress was higher among residents who live below 200% of the federal poverty level, and individuals who identified as White, Hispanic/Latino, or multiracial.

MHSA funding supports timely access to culturally responsive behavioral health care for individuals who are experiencing serious mental illness, serious emotional disturbance, or have co-occurring substance use conditions including those with opioid use disorder. The 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. County-operated and contracted behavioral health programs are designed to address the social determinants of health by ensuring services are accessible, capable of meeting the needs of communities, and are equitably distributed to those most in need.

SUSTAINABILITY IMPACT STATEMENT
The 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 the community and 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.

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

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 approved the Mental Health Services Act Annual Update for Fiscal Year 2025-26 and authorized submission to California Behavioral Health Services Oversight and Accountability Commission and the Department of Health Care Services.

BACKGROUND
On June 13, 2023 (22), the San Diego County Board of Supervisors (Board) approved the Mental Health Services Act Three-Year Program and Expenditure Plan for Fiscal Years (FY) 2023-24 through 2025-26 (Three-Year Plan). Section 5847 of the California Welfare and Institutions Code requires that county mental health programs prepare and submit a Three-Year Plan and an MHSA Annual Update (Annual Update) for programs and expenditures funded by MHSA.

On June 4, 2024 (15 and 16) the Board approved an amendment to the Three-Year Plan and received the Annual Update for FY 2024-25. The Three-Year Plan and Annual Update must be approved by the 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 approval.

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 disorders. 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 in 2004, the County of San Diego (County) will have invested approximately $3 billion into MHSA programs by the end of FY 2025-26 to expand and enhance critical mental health programs for San Diego County, serving approximately over 100,000 residents annually. In the last two decades, MHSA has enhanced and expanded behavioral health care across the region to support people with the most significant mental health, substance use, and housing needs. MHSA has provided critical resources to help our most vulnerable populations, including children, transition-age youth, adults, older adults, and families. In FY 2025-26, the

County will continue to make 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 from programs that treat mental health symptoms but also proactively addresses unmet social needs and
connection to education, employment, housing, and physical healthcare.

MHSA funding requires stakeholder engagement through Community Program Planning. 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 for FY 2025-26 began on April 1, 2025, and concluded with final comments heard at the regular BHAB meeting on May 1, 2025.

BHS is in the final year of implementing the Three-Year Plan and the final year of implementing MHSA. The majority of services outlined in the Annual Update for FY 2025-26 are a continuation of programs that were previously approved by the Board in the Three-Year Plan. The Annual Update includes budget enhancements for various programs including crisis stabilization services, housing and short-term rental assistance, expansion of Assertive Community Treatment program, along with various other program increases to support service needs as well as community engagement.

This year's Annual Update is unique in that it is also 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. BHSA was passed by California voters in March 2024 via Proposition 1 and transforms the MHSA by shifting 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 supports programming for individuals with substance use disorders, regardless of a co-occurring mental health disorder. The state will be dedicating 10% of the overall BHSA funding for statewide administration, workforce, and prevention services. In addition to BHSA, Proposition 1 included the Behavioral Health Infrastructure Bond Act of 2024, which provides funding to develop an array of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for individuals experiencing mental health and substance use disorders.

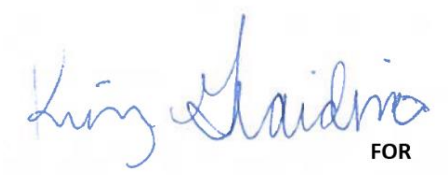
Extensive planning is underway in preparation of BHSA, which will include new programming, shifts in existing services, extensive new reporting requirements, more expansive community engagement, and new data requirements. BHSA will also require extensive new financial reporting across all funding sources that support the behavioral health continuum of care. BHS continues to

assess the impact of BHSA and prepare for these changes as information is provided by the State. BHS will work side-by-side with other Health and Human Services Agency departments, 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 for FY 2025-26 and submit the report to the BHSOAC and the DHCS, if approved. The Annual Update for FY 2025-26 includes MHSA funding of $303.1 million.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN
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,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)
Attachment A – Mental Health Services Act Annual Update for Fiscal Year 2025-2026