



Governor's Proposal to Modernize California's Behavioral Health System – SB 326 (Eggman) / AB 531 (Irwin)

Three months after Governor Newsom's initial announcement proposing to modernize the state's behavioral health system and create more behavioral health housing, details of the proposal were released in print through two legislative policy bills. SB 326, authored by Senator Susan Talamantes Eggman, proposes significant changes to the Mental Health Services Act (MHSA), and AB 531, authored by Assemblymember Jacqui Irwin, proposes a \$4.68 billion bond measure to finance the construction of community mental health facilities, for consideration on the March 2024 ballot.

While the top-line elements of the Governor's proposal remain from his initial announcement, the proposal also expands the state role in administering and directing MHSA funding. This comprehensive proposal requires detailed review and analysis to assess its full policy and fiscal impacts to counties and their communities. To be clear, although the Administration had indicated its plans to work in close partnership with legislative leaders as well as with the California State Association of Counties (CSAC) and other critical stakeholders as bill language was developed after the proposal's announcement, CSAC was not consulted on the provisions of the proposal released in print.

Yesterday afternoon, the Governor released a [statement and fact sheet](#). Attached you'll also find a more detailed summary of the proposal's provisions. The anticipated next steps for these two policy bills are to work their way through the legislative process in the coming months, and will require consideration and approval by the Legislature before moving to the Governor's desk for signature in 2023. These steps need to occur prior to being presented to the voters for approval in March 2024.

The Department of Health Care Services (DHCS) will host a [webinar](#) on Thursday, June 22 at 3:30 p.m. (no registration required) to provide an update on the Governor's proposal.

We believe many aspects of the Governor's proposal align with core principles CSAC has long supported to change MHSA, but other aspects will require significant vetting by counties as the actual service providers. We will continue to advocate for changes to make MHSA work better for your communities by engaging through the legislative process. We will also continue to update you, as the Legislature deliberates the proposal and makes its own changes.

As always, we welcome your questions, suggestions, and insights on this and any other priority issue for counties.

[View summary of proposed changes](#)