Behavioral Health Services Act Three Year Integrated Plan FY26-29

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Agenda

- Behavioral Health Services Act Overview and Integrated Plan Requirements
- Three-Year Integrated Plan Budget FY26-29 and BHSA Programming Changes
- Feedback Received

Behavioral Health Services Act Overview and Integrated Plan Requirements

CA Behavioral Health Services Act: Mental Health Services Act Reform

- Mental Health Services Act (MHSA), approved by voters in 2004, established 1% tax on personal income above $1 million for mental services.
- The first major reform of MHSA, the **Behavioral Health Services Act (BHSA)**, was approved by CA voters under Proposition 1 in 2024.
- BHSA goes into effect July 1, 2026.
- BHSA expands target population to include individuals with substance use disorder; continues to prioritize services for children and youth; people who are chronically homeless, veterans.
- BHSA reform impacts on San Francisco:
  - **New state-directed and required funding allocations**, reduce San Francisco ability to allocate to prevention and non-specified behavioral health services.
  - **New county planning and reporting requirements**; must report all sources of revenue and expenditures to state.

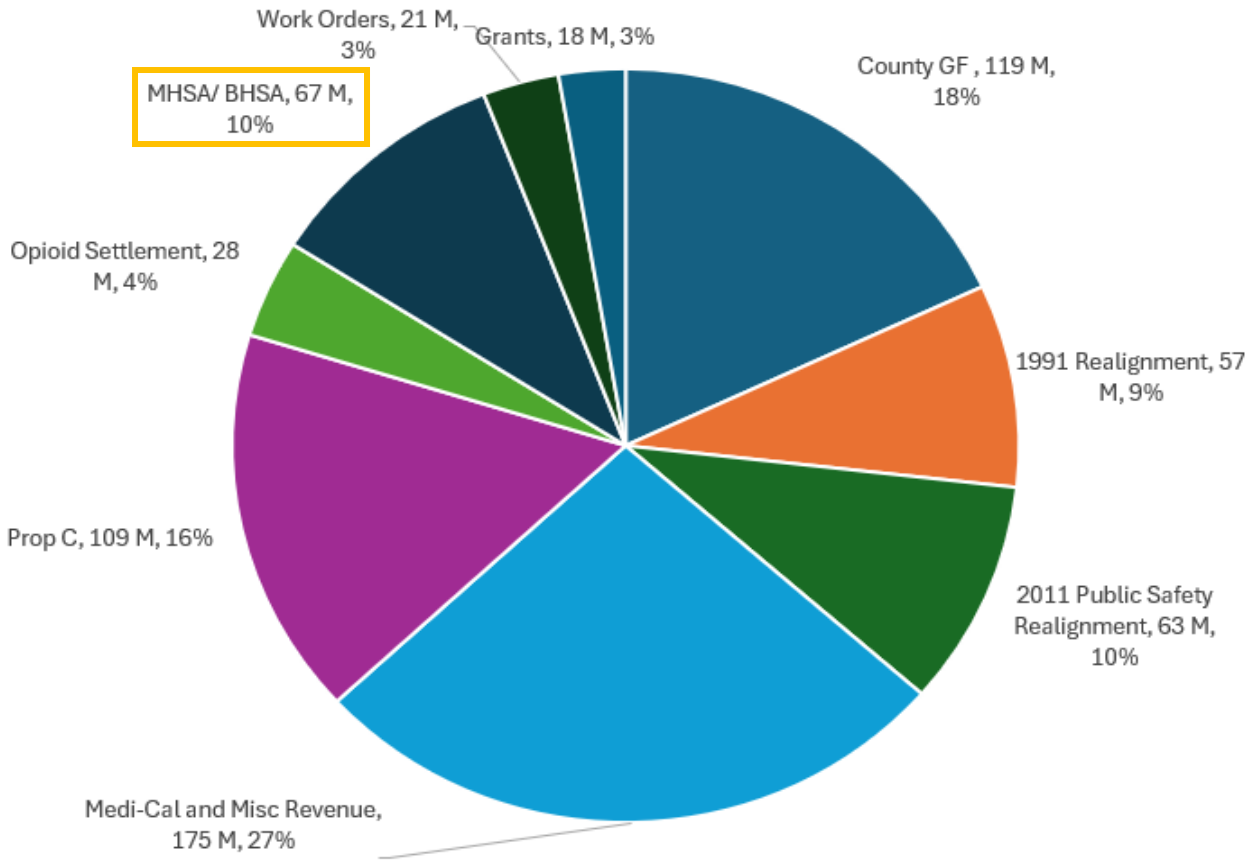
BHSA Three-Year Integrated Plan Requirements

- **BHSA Three-Year Integrated Plan must:**
  - Describe how the County will deliver high quality, culturally responsive, and timely access to services.
  - Include all local, state, and federal behavioral health funding and services.
  - Collaborate with local health jurisdiction and Medi-Cal Managed Care Plans
  - Align with the Community Health Assessment and Community Health Improvement Plan.
  - Be informed by community stakeholders, with extensive engagement requirements.
  - Address statewide priority goals (e.g. access to care, homelessness) and county-selected goal (overdose).
    - In 2026, DHCS will develop **performance accountability measures**.
- Counties must engage with 26 stakeholder groups in a **Community Program Planning (CPP)** process.
  - SFDPH held 15 CPP meetings, conducted targeted stakeholder outreach, administered a community survey (~1,200 responses), and leveraged the 2024 Community Health Assessment.
- Under State requirements, the draft Plan was:
  - **Submitted to CA Department of Health Care Services** (DHCS) with approval from **Behavioral Health Director** and **Mayor** by March 31, 2026
  - Posted for a 30-day **Public Comment** Period
  - Reviewed by the **Behavioral Health Commission**
- **Final plan** must be submitted to DHCS **with approval from Board of Supervisors** by June 30, 2026.

BHSA Three-Year Integrated Plan Budget FY26-29 and BHSA Programming Changes

FY25-26 Total Behavioral Health Services Sources of Revenue

$656M
Total Behavioral Health Services Sources of Revenue



Revenues (FY25-26)

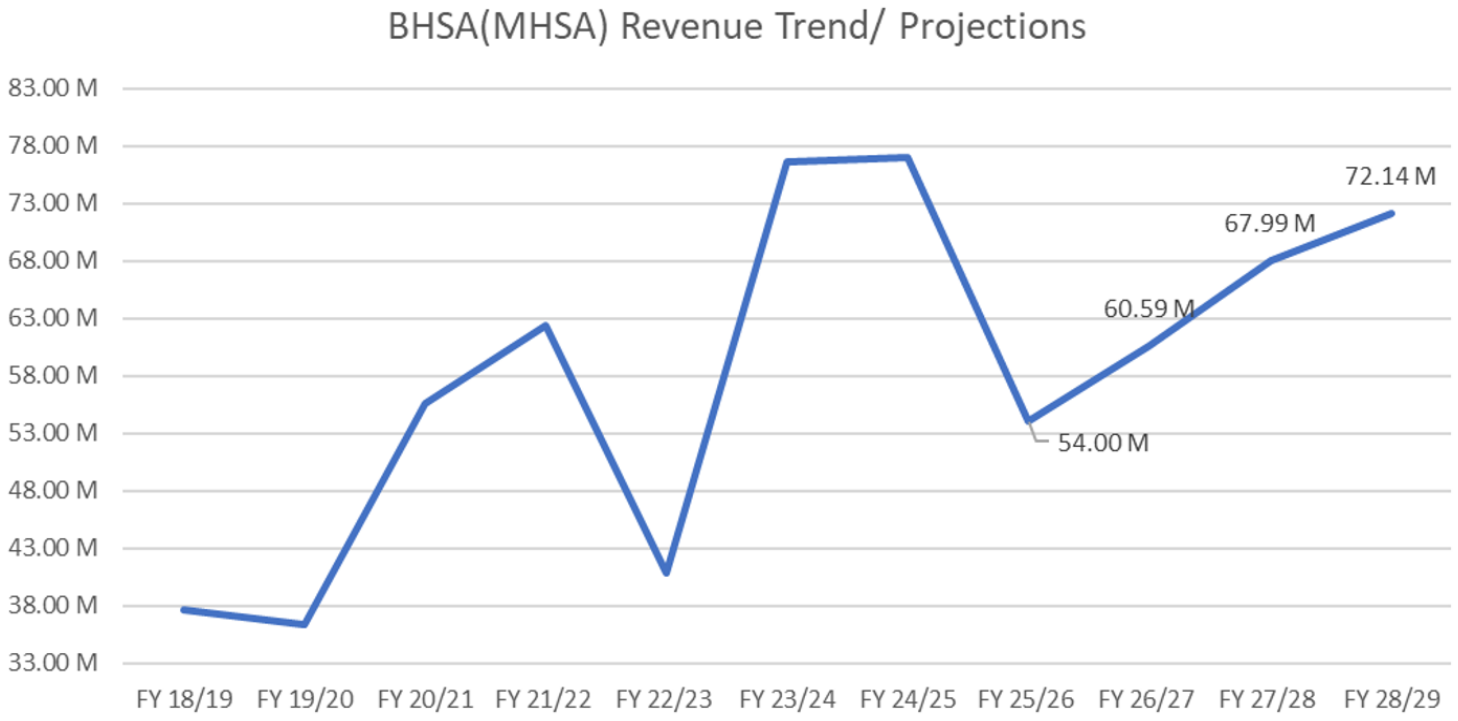
How SFDPH Developed the Proposed BHSA Budget

Volatile Revenue Source
BHSA funding fluctuates; depends on a 1% tax on personal income over $1M; shifts significantly during economic ups and downs.

Conservative Planning
SFDPH planned conservatively to avoid overcomitting revenue. Revenues came in higher than projected, can result in unspent balances.

Rollover Funds
State permits counties to carry forward unspent funds.

Proposed BHSA Budget of $92M is based on projected revenues, unspent fund balances, and increased Medi-Cal revenue.



*Summary includes State distributions only, excluding interest and reallocations of reverted funding from other counties

Required BHSA Funding Allocations

Housing Interventions: 30%

- 50%+ dedicated to chronically homeless
- ≤ 25% capital development
- ≤ 7% outreach and engagement

Full-Service Partnership: 35%

- Assertive Community Treatment (ACT)/Forensic ACT (FACT)
- Intensive Case Management (ICM)
- Individual Placement and Supported Employment (IPS)
- High Fidelity Wrap (HFW)

Behavioral Health Services and Supports: 35%

- At least 51% dedicated to early intervention (EI) programs
- Of EI, at least 51% for individuals 25 years or younger
  - Required Coordinated Specialty Care (CSC) for First Episode Psychosis (FEP)
- Remaining funding can include
  - Other behavioral health services
  - Outreach and Engagement
  - Workforce Education and Training (WET)
  - Capital facilities and technological needs

These allocations apply only to BHSA-funded programming and do not reflect all Behavioral Health Services programming and investments.

BHSA funding categories changed under Proposition 1, but overall BHSA funding did not increase.

MHSA v. BHSA Funding Allocations & Budgets

FY25-26 SF MHSA Budget

	Total $ (M) *Programs + staff*	% allocation**
Community Services & Supports (CSS)	$34.7	76%
Innovation (INN)	$1.1	5%
Prevention & Early Intervention (PEI)	$17.6	19%
Workforce Education & Training (WET)	$11	***
Capital Facilities (CF) / Technology Needs (TN)	$2.4	***
Total	**$66.8**	**100%**

Proposed FY26-27 SF BHSA Budget

	Total $ (M) *Programs + staff*	% allocation**
Housing	$30.8	34%
Full-Service Partnership (FSP)	$28.8	31%
Behavioral Health Services & Supports (BHSS)	$32.3	35%
Total	**$92.0***	**100%**

BHSA adds new funding categories and reduces county allocations, requiring PEI and non-Full-Service Partnership reductions and shifts to other services. The State anticipated that these shifts would require counties to reduce and rebalance contracts.

*Estimate, based on state revenues. Subject to changes based on tax revenue, finalized in March/April. **Funding transfers allowed up to 7% for in any 1 group, no more than 14% across total budget.
***While not part of the 76/19/5 allocation formula, per MHSA, counties may transfer up to 20% of their CSS funds to WET or CFTN to support staff development, recruitment, and infrastructure.

Our Approach for Programmatic Changes

Policy

- Implemented BHSA requirements to allocate and potentially modify existing MHSA programs and services

Budget

- Developed a spending plan based on historic MHSA funding allocation and projected state revenues to develop a BHSA budget FY26-29. These are subject to change.

Programming

- Evaluated MHSA program and staff expenditures against BHSA program requirements and funding allocations.
- Identified other DPH-funded programs that qualified for BHSA funding priorities
- Engaged various community stakeholders and receive their input throughout the process.
- Reviewed areas where program shifts were needed to meet new BHSA requirements, including difficult decisions to reduce and eliminate programs, particularly primary prevention.

BHSA Program Impacts for FY26-27 and FY27-28

After reviewing all BHSA-funded programs, DPH determined fit for new categories and reduced programs in areas that were oversubscribed or did not meet BHSA priorities.

The programs impacted were the following:

Programs ending June 30, 2026:

- **$3.9M** - Workforce Education & Training* (14 programs)
- **$1.3M** - Early Childhood Prevention (1 program)
- **$978K** – Socially Isolated Adults (3 programs)

Programs ending June 30, 2027:

- **$1.1M** - Workforce Education & Training (4 programs)
- **$973K** - School-based Wellness (4 programs)
- **$750K** - Innovation Program (1 program)
- **$500K** - Prevention Program (1 program)

*Inclusive of previously announced $17M DPH CBO reductions

Feedback Received

Integrated Plan Feedback

SFDPH has received feedback on the Integrated Plan through public comment and a hearing at the Behavioral Health Commission, which **will be reflected in the final Plan**.

Public Commenters:

- Called out veterans and immigrant populations as priority populations for services
- Advocated for sustained funding for peer-led and family support services
- Advocated for early intervention services for children

Behavioral Health Commissioners:

- Highlighted the importance of housing investments and sought more detail on DPH's overall housing portfolio
- Called out justice-involved adults as a priority population for services
- Sought more information on administrative costs
- Sought more information on performance measures for County Behavioral Health
- Clarified the reach of the Community Planning Process
- Sought more information on prevention funding, including future use of State Prevention Set-Aside

SFDPH is revising the plan to call out these needs and investments more prominently. **No funding or programming changes are necessary to respond to this feedback.**

Thank you