

Mental Health Services Act: The Urgent Need to Protect Funding for Children & Youth

In 2004, voters approved Proposition 63, also known as the Mental Health Services Act (MHSA). The purpose of the MHSA is to expand and improve mental health services for Californians by providing funding for a broad range of programs and services and the capacity building needed to deliver them. Under the MHSA, a one percent tax is levied on personal income over \$1 million in California. The funds are distributed to county mental health agencies to support a wide range of services and programs, such as prevention and early intervention, treatment services, crisis intervention, outreach and engagement, housing support, and more. Currently, the MHSA requires a portion of the funds to be spent on children and youth. For example, 51% of prevention and early intervention dollars are required to be spent on 0-25-year-olds.

Recently, the Administration [proposed key changes](#) to the MHSA that eliminate requirements that dollars be spent on children, introducing the possibility that counties would no longer have to spend **any** money on children's mental health. If the proposed changes were in effect today, California's children could experience a reduction of over \$700 million annually in expenditures for mental health services and supports. **Our goal is to ensure infants, toddlers, school-age children, transition-age youth, and families are housed, healthy, and thriving. As proposed, the Governor's initiative would allow for drastic reduction of funding for that goal.** The Legislature is expected to vote on this proposal, which is contained within Senate Bill 326 (Eggman), this summer to put on the March 2024 ballot (as a change to the MHSA initiative, it needs to be approved by the voters).

Specifically, the Governor's proposed changes in Senate Bill 326 (Eggman) does the following:

- a. SB 326 (Eggman) requires 30 percent of county dollars be spent on housing.
- b. SB 326 (Eggman) requires 35 percent for the Full-Service Partnership (FSP) program.
- c. SB 326 (Eggman) requires 5 percent of county spending to be on Prevention, through population-based programming on behavioral health and wellness. SB 326 states that this prevention funding must focus on school-wide or classroom-based mental health and substance use disorder programs, not individual services.
- d. SB 326 (Eggman) requires 30 percent for Behavioral Health Services and supports, which includes early intervention, workforce education and training, capital facilities and technology needs and innovative pilots and projects.

We need your help to ensure that resources currently being invested in our children and youth are preserved for their benefit. Since 2005, the MHSA has worked to fill in funding gaps where the State has underinvested, especially in the areas of prevention and children's services. For example, our state's Medi-Cal program has historically [failed](#) to meet its obligations to provide low-income children (who are overwhelmingly Black and children of color) with the preventive services, including developmental and mental health screenings, they are entitled to. The MHSA has served to provide funding for programs that impact our infants and toddlers, school-age children and our transition age youth. As proposed, the changes to the MHSA could severely limit hard fought investments into child-serving programs.



Side-by-Side Comparison of the Current Mental Health Services Act and the Governor’s Proposal

Current MHSA	Governor’s Proposed Changes in SB 326 (Eggman)
<p>MHSA requires 19 percent of expenditures be spent on Prevention and Early Intervention (PEI). - Of this amount, MHSA requires at least 51 percent of PEI be spent on the 0–25-year-old population. In recent years, this has resulted in over \$300 million annually for children and youth PEI services and supports.</p>	<p>SB 326 (Eggman) requires 5 percent of county spending to be on Prevention, through population-based programming on behavioral health and wellness. SB 326 states that in this prevention funding must focus on school-wide or classroom-based mental health and substance use disorder programs, not individual services.</p> <p>Prevention dollars for schools should be focused on schoolwide behavioral health supports and programs and not services and supports for individuals.</p> <p>Prevention allocation would be subject to community process.</p>
<p>76 percent is required to be spent on Community Supports and Services (CSS). Results in over \$2.5 billion in spending per year.</p>	<p>Renames the CSS category as the Behavioral Health Services and Supports (BHSS) category. Requires 30 percent for BHSS, which includes early intervention, workforce education and training, capital facilities and technology needs and innovative pilots and projects. Of these dollars, half must be spent on Early Intervention.</p>
<p>Majority of CSS must be used for Full-Service Partnerships (FSPs).</p> <p>Currently, 25.9percent of FSPs serve 0-15-year-olds, 22.4percent of FSPs serve 16-25-year-olds. Dollar expenditure amount unknown for children.</p>	<p>35 percent of funds will be used for FSPs. Allocates slots for the Administration’s new CARE Court, for conservatorship of chronically homeless individuals with severe behavioral health issues.</p>
<p>Housing allowed but underinvested.</p>	<p>30percent for housing and enhanced care in residential settings for individuals with serious mental illness/serious emotional disturbance and/or substance use disorder.</p> <p>Half of this is prioritized for housing interventions for chronically homeless. Typically, youth and families do not meet the formal definition of “chronically homeless.”</p> <p>Up to 25 percent can be used for capital development.</p>
<p>Excludes substance use disorder population.</p>	<p>Broadens the target population to include those with debilitating substance use disorders.</p>

FAQ: Governor's Proposal to Change the Mental Health Services Act SB 326 (Eggman)

1. How are the proposed MHSA changes different from current law and practice?
The state is proposing several changes to the MHSA. In addition to changing the required amount for spending on key categories, it introduces a new category: housing. See background for more details.
2. How does SB 326, the Governor's proposal to change the Mental Health Services Act (Proposition 63), deprioritize kids?
Under current language, SB 326 (Eggman) allows counties to choose how they spend their categorical funding, giving them the option not to spend anything on children and youth. However, counties are not afforded that same option to refuse to spend money on homelessness. Children and youth should receive the same protections.
3. How much funding for children and youth is at risk?
In years of high income for California's millionaires, we believe counties spend between \$700 million and \$1 billion, annually, on the categories of prevention and early intervention, community support and services and full-service partnerships for the benefit of children and youth.
4. Isn't county flexibility on MHSA funding a good thing?
Given the political pressure to respond to more visible social problems, like homelessness, our experience has been that counties are unlikely to prioritize more 'silent' social ills like the mental health needs of children and youth.
5. Aren't the recent California Advancing and Innovating Medi-Cal (CalAIM) and the Children and Youth Behavioral Health Initiative (CYBHI) investments enough for children and youth?
No. Both CalAIM and the CYBHI have yet to be fully implemented and the majority of the CYBHI is one-time funding. It is premature to reroute funds from the MHSA due to the introduction of CalAIM and the CYBHI when we have yet to fully realize and understand the impact of these investments.
6. What kinds of programs are at risk if children's services are not protected?
Several programs are at risk, including but not limited to: infant and early childhood mental health consultation, unaccompanied minor youth programs, and school based/linked behavioral health services and supports.
7. What would make the proposal stronger for kids?
We recommend the Legislature set aside funds for children and youth ages 0-25 in every category of MHSA funding: housing, Full-service Partnerships, Prevention and Behavioral Health Services and Supports. This is the only way that we can be sure children and youth are prioritized.

We urge you to call or email your state legislative representative now and let them know your concerns!

To find your representative, please go [here](#) and enter in your home address. Each elected member's website has contact information.

DRAFT EMAIL

Dear (Official),

Our organization is thankful for the investments the State of California has made in children's mental health.

(Include a sentence about your organization.)

We are writing to express concern about the Governor's newest proposal on "Modernizing the Mental Health Services Act (MHSA)" as reflected in Senate Bill 326 (Eggman). Since 2004, the MHSA has worked to fill in funding gaps where the State has underinvested. While we appreciate the State's willingness to update portions of the MHSA, we are troubled with the State's short-sighted strategy to re-route key investments away from children.

(Include why the MHSA matters to your organization).

We respectfully request that no support of the proposed changes to the MHSA is given until children and youth are protected. Specifically, we recommend the Legislature set aside sufficient funds for children and youth ages 0-25 in every category of MHSA funding.

Signed,

Your Name

PHONE SCRIPT

Hello, my name is _____, and I live in (REPRESENTATIVE's - i.e. Assembly Member/Senator's) district. I'm calling about SB 326 (Eggman). I'm very concerned about the Governor's proposed changes to the Mental Health Services Act. The changes being proposed will NOT protect children and youth.

*Add in a few words about how these changes will impact your organization or loved ones.

I urge SENATOR/ASSEMBLYMEMBER (Last Name) to ensure the bill is amended to **set aside sufficient funds for children and youth ages 0-25 in every category of MHSA funding. I know the Member cares about the behavioral health needs of our children and youth and urge them to ask for this requested change to SB 326. Thank you!**

Any questions from staff? Please refer to the FAQ above.