

**California Behavioral Health Planning Council
Legislation and Public Policy Committee
Meeting Summary**

Wednesday, June 19, 2024
1:30 pm to 5:00 pm
Lake Arrowhead Resort
27984 CA-189, Lake Arrowhead, CA 92352
Lakeview Terrace Room

Members Present:

Barbara Mitchell, Chairperson	Javier Moreno, Chair-Elect	
Amanda Andrews	Ian Kemmer	Daphne Shaw
Karen Baylor	Steve Leoni*	Deborah Starkey
Stephanie Blake	Catherine Moore	Ali Vangrow*
Jason L. Bradley	Noel O'Neill	Tony Vartan
Monica Caffey	Elizabeth Oseguera	Susan Wilson*
Erin Franco	Karrie Sequeira	Uma Zykofsky

*=Virtual Attendance

Meeting Commenced at 1:30 p.m.

Item #1 April 2024 Meeting Minutes

The committee members reviewed the April 2024 meeting minutes. There was a consensus to accept the minutes meeting minutes without any changes.

Item #2 State Budget Update

Gail Gronert, CBHDA's Director of Strategic Initiatives provided an update on the status of the State's current budget negotiations. She noted that the budget has not yet been resolved so the presentation is based on what is currently known about the Governor's proposals and the Legislature's counterproposals currently being negotiated. The following are highlights from the presentation:

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- The State's major sources of revenue including the Behavioral Health Services Act (BHSA) fluctuate dramatically from year to year. A multi-billion dollar budget deficit is forecasted over the next couple of years.
- In January 2024 the Governor proposed the use of \$13.1 billion of the State's \$38 billion reserves to address the deficit.
- In May 2024 the Governor proposed to reduce the use of the reserves to \$4.2 billion and \$8.9 billion in fiscal year 2025-26. The May Revision proposal also included the following:
 - Changes to the rollout of the health care minimum wage enacted with SB 525 in 2024.
 - \$85 million in state funding for county behavioral health to implement new processes to prepare and submit the Integrated Plan (previously Three-Year Plan) and BH Outcomes, Accountability, and Transparency Report (previously Annual Revenue & Expenditure Report).
 - Elimination of the use of General Fund for Behavioral Health Continuum Infrastructure Program (BCHIP).
 - Request from the Department of Health Care Services to reduce Behavioral Health Bridge Housing (BHBH) General Fund expenditure authority of \$132.5 million in 2024-25 and \$207.5 million in 2025-26, and an increase in expenditure authority from the Mental Health Services Fund of \$90 million in 2025-26, for the final rounds of grants for Behavioral Health Bridge Housing.
- The Legislature matched the Governor's May revision use in their counterproposal. The counter proposal also included the following:
 - To reduce, not eliminate California Work Opportunity and Responsibility to Kids (CalWORKS) Behavioral Health Funding funding by \$30 million in 2023-24, \$37 million in 2024-25, and \$26 million in 2025-26.
 - Approval of most of the Governor's proposals to delay and eliminate workforce funding.
 - Rejection of eliminating \$30 million General Fund in 2024- 25 and on-going for the Family Urgent Response System (FURS).
 - Adoption of placeholder language, including revisions, to add milestones toward implementation, reporting to the Legislature, and changes to reflect stakeholder feedback.
 - Rejection of the General Fund trigger and the associated savings (\$425 million in 2026-27 and \$647 million in 2027-28) as proposed in the May Revision.
 - Approval of BHBH as budgeted.
 - Restoration of all General Fund resources for BHCIP and shift into 2025-26, 2026-27, 2027-28, and 2028-29 after utilization of all Proposition 1 Bond funds.

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Item #3

Partner's Voice: Behavioral Health Services Act

Chad Costello, Executive Director, California Association of Social Rehabilitation Agencies (CASRA) discussed his member's views on the Behavioral Health Services Act (BHSA). He acknowledged that as with any new initiative there are opportunities and challenges. Chad then highlighted that the initiative changed substantially from the time it was introduced to the time it was passed, which created many flexibilities. These flexibilities include counties having the ability to potentially move up to 14 percent of funding between funding categories with the Department of Health Care Services' (DHCS) approval. Chad stated that he doesn't believe there will be much change with the Full Service Partnerships (FSPs) requirements because most counties are already spending a minimum of 35 percent on FSPs. Chad shared that there is an umbrella of services that can be included as housing interventions. DHCS has the discretion to add more services to be included without approval from the legislature. Further, Chad highlighted that small counties with a population less than 200,000 can ask for an exemption from the 30% housing interventions requirement. The housing component may be difficult for counties with populations slightly over 200,000. He acknowledged that the changes created because of the initiative will not be easy but emphasized the importance of maximizing the flexibilities available through the community planning process. Some suggestions included redesignating funding from other funding categories to direct more to the behavioral health services and supports for a maximum of 42 percent. Additionally, he shared that prevention programs could likely be redesignated as early intervention. He shared the importance of the maximizing flexibilities through the community planning process. There will now be an inclusion of substance use disorder (SUD) providers, Managed Care Plans, and other partners will in the process and as well as all funding streams rather than just the Mental Health Services Act (MHSA) funds. Chad highlighted that there has not been a steady funding for workforce since the initial 10 percent set aside including in the Mental Health Services Act, so the inclusion of the 3 percent workforce allocation to the state provides an important opportunity.

Potential challenges that were highlighted included:

- The bond money is scheduled to be released by the beginning of 2025, which is a concern since there will not be adequate time for a community planning process.
- New initiatives often need clean up legislation, however the soonest clean up language could be introduced is the 2025 legislative cycle which would be after the initiative goes into effect.
- There are concerns about counties having adequate staffing to implement all component of the initiative.

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- There is still a lot of unknown and anxiety created among the community and providers as a result. There is a concern about there not being adequate time for meaningful stakeholder input and a potential loss of funding.

Chad shared his organization is focused on being open and transparent with their providers. They are aware they may have to make program adjustments and they will focus their efforts on the possible adjustments as more details are released.

Item #4 Public Comment

There was no public comment.

Item #5 CBHPC Members Discussion of BHSA

Barabara Mitchell led a conversation about the Council’s responsibilities related to the Behavioral Health Services Act (BHSA). Additionally, she shared the private landlords are not required to abide by Housing First laws, rather they often restrict the use of drugs in their housing. She acknowledged that this is a controversial topic and reminded the committee that this topic was tabled as an action item at the last committee meeting.

After reviewing the draft recommendation and a discussion, Noel O’Neill made a motion to send the drafted letter with modifications. Catherine Moore seconded the motion. Karen Baylor, Erin Franco, Ian Kemmer, Steve Leoni, Javier Moreno, Liz Oseguera, Deborah Starkey, Tony Vartan, Susan Wilson, and Uma Zykofsky voted no. Amanda Andrews, Stephanie Blake, Jason L. Bradley, Monica Caffey, and Daphne Shaw. The motion failed, therefore the committee decided against sending a letter with recommendations related to Housing First.

Steve Leoni requested that the committee schedule more time at the October meeting for a discussion on BHSA, as there are many other concerns he would like the committee to address.

Item #6 Public Comment

Barbara Wilson expressed her gratitude for the committee’s discussion of Housing First.

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Item #7 Assemblymember Matt Haney

Assemblymember Haney's staff was unable to join the meeting. The committee discussed the Assemblymembers bill, Assembly Bill 2479.

Catherine Moore made a motion to support AB 2479 if amended. The motion was seconded by Steve Leoni. Jason L. Bradley and Tony Vartan abstained. The motion passed.

Item #8 Senate Bill 1082

Theresa Comstock, Executive Director, CA Association of Local Behavioral Health Boards & Commissions provided an update on Senate Bill 1082, which would require the Department of Public Health to develop and implement an Augmented Residential Care Facility plan. She informed the committee that the bill is not moving forward this legislative session but is expected to be re-introduced next session. She also asked the committee to consider sponsoring the legislation. The committee expressed interest in supporting the initiative, however not in a lead capacity at this time. The committee expressed that they feel it is most appropriate for the Housing and Homelessness Committee taking the lead for the Council on this initiative.

Item #9 Consent Agenda

Naomi Ramirez, CBHPC Chief of Operations, reviewed the bills listed on the Consent Agenda and the recommended position, which included: to support Assembly Bill (AB) 1470; to oppose AB 2154, Senate Bill (SB) 26, SB 402, SB 1184; and oppose unless amended AB 2352.

Daphne Shaw made a motion to approve the consent agenda. Steve Leoni seconded the motion. Amanda Andrews, Karen Baylor, Stephanie Blake, Jason L. Bradley, Ian Kemmer, and Tony Vartan abstained. The motion passed.

Item #10 Review of Pending Legislation

Chairperson, Barbara Mitchell facilitated a discussion of the bills on the Pending Legislative Positions list with all members.

Javier Moreno made a motion to support Senate Bill (SB) 997 and SB 1397. Tony Vartan seconded the motion. Amanda Andrews, Karen Baylor, Stephanie Blake, Jason

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L. Bradley, Monica Caffey, Steve Leoni, Daphne Shaw, and Deborah Starkey abstained. The motion passed.

Erin Franco made a motion to oppose SB 1043. Monica Caffey seconded the motion. Catherine Moore, Daphne Shaw, Deborah Starkey, and Tony Vartan voted no. Amanda Andrews, Karen Baylor, Stephanie Blake, Jason L. Bradley, Ian Kemar, Steve Leoni, Barbara Mitchell, Javier Moreno, Noel O'Neill, Liz Oseguera, and Uma Zykofsky abstained. The motion failed.

Liz Oseguera made a motion to watch SB 1043. Tony Vartan seconded the motion. Stephanie Blake, Jason L. Bradley, Steve Leoni, Barbara Mitchell, and Uma Zykofsky abstained. The motion passed.

Karen Baylor recommended that the committee consider restructuring the format of the committee meetings to allow more time to discuss legislation.

Item #11 Public Comment

Barbara Wilson expressed her hope for the Council to reinstate a workgroup to assist Theresa with legislation to develop and implement an Augmented Residential Care Facility plan, which would help address the crisis adult residential facilities are facing.

The meeting adjourned at 5:00 pm.