

Integrated Plan Budget, Funding Transfers, and Exemptions

Housekeeping

- » You may type your comments into the chat box throughout the presentation.
- » Once we reach the discussion portion of our workgroup meeting, please raise your hand to speak and we will go in the order of raised hands.

Webinar Focus

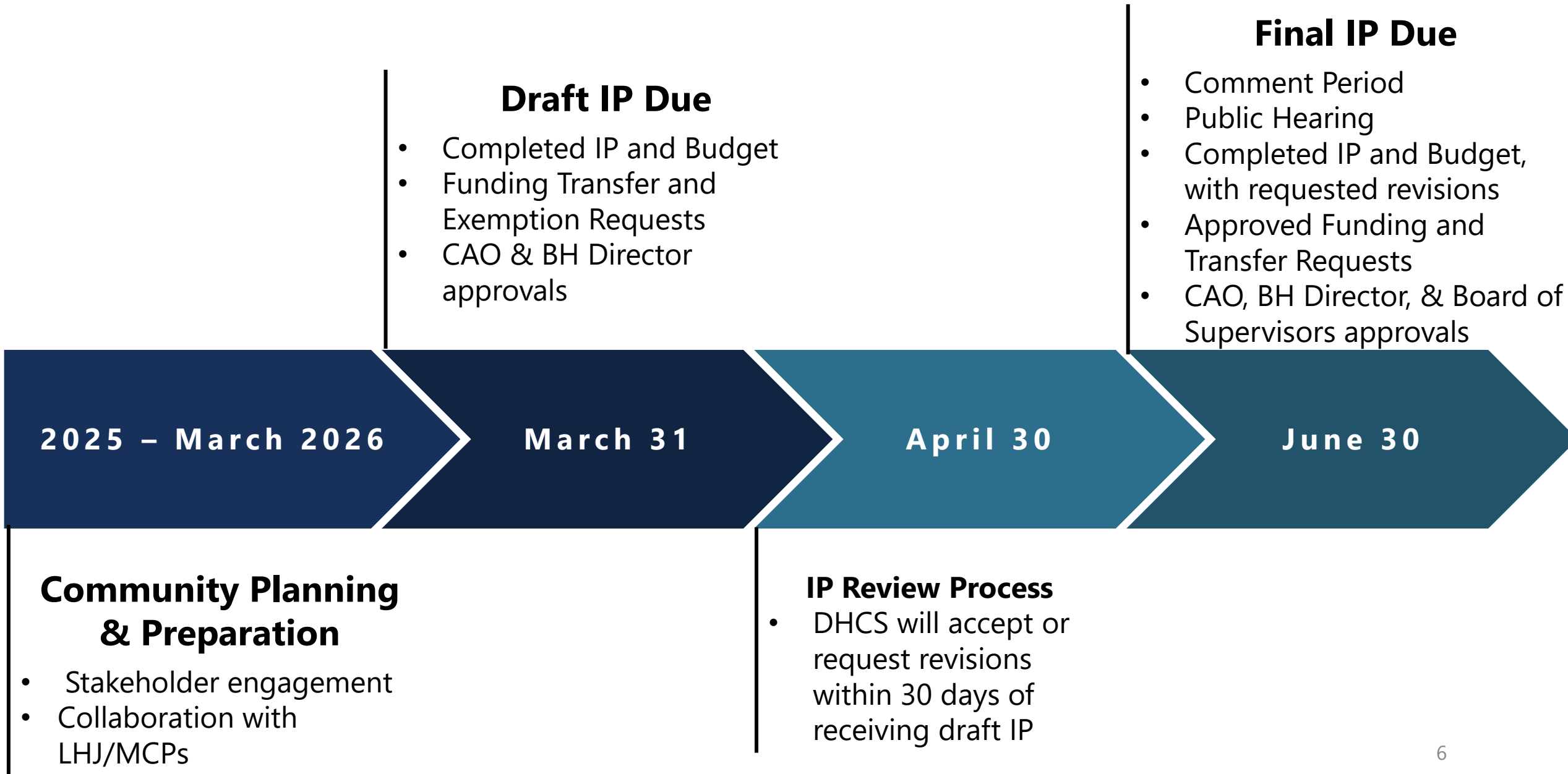
- » Please note this webinar will focus only on instructing counties how to complete the Integrated Plan template, not the policy behind the questions included in the Integrated Plan.
- » All policy information can be found in the [County Behavioral Health Services Act Policy Manual](#).

Webinar Agenda

- » Integrated Plan Submission Timeline
- » Integrated Plan Budget
- » Care Continuum Inventory
- » Prudent Reserve
- » Redistributing Unspent MHSA Funds to BHSA Components
- » Funding Transfer and Exemption Requests
- » Appeals for Transfer and Exemption Requests

Integrated Plan Submission Timeline

Integrated Plan Submission Timeline



Integrated Plan Submission Timeline - Revisions

Final IP Due

- Comment Period
- Public Hearing
- Completed IP and Budget, with requested revisions
- Approved Funding and Transfer Requests
- CAO, BH Director, & Board of Supervisors approvals

County revises and resubmits in 15 calendar days.

April 30

May 15

May 30

June 30

IP Review Process

- DHCS will accept or request revisions within 30 calendar days of receiving draft IP.

DHCS reviews and responds in 15 calendar days.

Integrated Plan Budget

Budget Template Requirements

- » The Budget Template covers broad behavioral health funding planning by requiring counties to consider BHSA and non-BHSA funding sources.
- » Counties must report planned expenditures and projected number of individuals served under the Care Continuum.
- » Care Continuum is broader than just BHSA and includes distinct frameworks for substance use disorder (SUD) and mental health (MH) services.
 - Housing services under the Care Continuum will be aggregated reporting across both SUD and MH in the Integrated Plan.

Care Continuum Inventory

Care Continuum Projections

- » Left column depicts the Care Continuum framework.
- » Counties will select the Care Continuum services they plan to provide each fiscal year and the projected expenditures and individuals served associated with that service.

Table One: Behavioral Health Care Continuum Projected Expenditures									
	Services Are Provided in County	Total Projected Expenditures On Adults and Older Adults			Total Projected Expenditures on Children/Youth (under 21)			Projected Individuals to be Served Annually (May be duplicated)	
		Year One	Year Two	Year Three	Year One	Year Two	Year Three	Eligible Adults and Older	Eligible
Substance Use Disorder (SUD) Services									
Primary Prevention Services	<input checked="" type="checkbox"/>	\$5,000.00	\$4,000.00	\$ 6,000.00	\$2,500.00	\$2,000.00	\$ 3,000.00	1121	600.00
Early Intervention Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Outpatient Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Intensive Outpatient Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Crisis and Field-Based Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Residential Treatment Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Inpatient Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Mental Health (MH) Services									
Primary Prevention Services	<input checked="" type="checkbox"/>	\$4,000.00	\$4,000.00	\$ 5,000.00	\$1,500.00	\$2,000.00	\$ 1,500.00	3000	1000
Early Intervention Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Outpatient and Intensive Outpatient Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Crisis Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Residential Treatment Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Hospital and Acute Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Subacute and Long-Term Care Services	<input type="checkbox"/>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#	#
Housing Services (MH + SUD)									
Housing Intervention Component Services	<input checked="" type="checkbox"/>	\$6,000.00	\$5,500.00	\$ 5,000.00	\$4,000.00	\$3,400.00	\$ 4,200.00	328	125
Total Projected Expenditures and Individuals Served									
Total Projected Expenditures and Individuals Served (auto-populated)		*****	*****	*****	\$8,000.00	\$7,400.00	\$ 8,700.00	4449	1725

Care Continuum Inventory

- » DHCS will provide a Care Continuum Inventory to counties (portion shown on the following slide) as a resource cataloguing examples of services that may be included in each care continuum service category.
- » This is a *recommended* tool that counties may choose to use when developing care continuum projections in the budget.
- » Expected release date for the Care Continuum Inventory tool is September 2025.

Care Continuum Inventory – Primary Prevention Services

SUD Framework Service Category	Service Category Definition	Example SUD Services
<p>Primary Prevention Services</p>	<p>Includes services and activities that educate and support individuals to prevent substance misuse and substance use disorders from developing. These services/activities offer communities support in identifying and addressing issues, tools for coping with stressors and information on ways to promote resiliency. They may also include services and public health campaigns focused on overdose prevention. Services may be funded by sources including, but not limited to: SUBG Prevention Set-Aside, SAMHSA PATH Block Grant, Opioid Settlement Funds, and 2011 Realignment.</p>	<p>Primary prevention set-aside funded services, such as education including paid media campaigns for "fentapills" or adverse childhood experience awareness</p> <p>Preventive alcohol and drug treatment services</p> <p>Harm reduction education and services</p> <p>Naloxone training and distribution</p> <p>Other targeted prevention activities, such as SUBG-funded prevention screening and referrals</p>

Questions?

Prudent Reserve

Prudent Reserve Transfers

- » Prudent Reserve (PR) funds may be spent on the following BHSA services and programs:
 - Full Service Partnership services
 - Housing Intervention Programs, except capital development
 - BHSS Children's System of Care
 - BHSS Adult and Older Adult System of Care
 - BHSS Outreach and Engagement

Prudent Reserve Transfers – IP Budget

- » Counties must report all transfers between the Prudent Reserve and BHSA components in both the IP and IP budget.
- » Each BHSA component tab includes a transfer section for reporting the amount of estimated transfers per fiscal year.
- » Here is an example of budget reporting for a county that transfers \$10,000 **out** of the PR to BHSS each fiscal year:
 - Note: Counties may transfer different amounts each year, if they choose.

BHSS Prudent Reserve Transfer Information	Year 1	Year 2	Year 3
Transfers into BHSS component from Local Prudent Reserve	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Transfers out of BHSS component into Local Prudent Reserve	\$ -	\$ -	\$ -

Prudent Reserve Assessment

- » Counties are required to assess their PR every three years and include the assessment in the IP.
- » If any funds are above the PR maximum, the county will need to report how funds above the PR maximum ("excess PR") will be reallocated to BHSA components.
- » DHCS will provide the maximum PR level for each county.
- » Any amount over the maximum must be redistributed to BHSA components.

Assessing Prudent Reserve

- » To calculate the PR maximum for a county, DHCS will take the average of the total funds distributed to that county over the previous five fiscal years.
 - Large counties (population > 200,000): PR cannot exceed 20% of average
 - Small counties (population < 200,000): PR cannot exceed 25% of average

Excess Prudent Reserve Transfers

- » Counties with **excess** PR funds will need to report how they plan to redistribute the funds to FSP, BHSS, and/or Housing Interventions in the IP.
 - This includes a written response describing what services and programs will be funded and how this aligns with community needs and broader behavioral health goals.
 - Excess PR funding may be redistributed to any BHSA component, including capital development.
- » In the IP budget, counties will report the dollar amount of these excess transfers.

Excess Prudent Reserve Transfers – IP Budget

- » If a county's PR balance is \$100,000 and the maximum is \$60,000, then \$40,000 must be redistributed to BHSA components.
- » Example: Here is how a county would record redistribution of excess PR in the IP budget.

Excess Prudent Reserve to BHSA Components	
Transfer from Prudent Reserve to BHSA Component Allocation	Amount
Estimated Local Prudent Reserve Balance At End of Previous Fiscal Year	\$ 100,000.00
Local Prudent Reserve Maximum (2)	\$ 60,000.00
Excess Prudent Reserve Funding that must be	\$ 40,000.00
Housing Intervention (3)	\$ 10,000.00
FSP	\$ 10,000.00
BHSS (4)	\$ 20,000.00
Total Transferred Excess Prudent Reserve (auto-populated)	\$ 40,000.00

Questions?

Redistributing Unspent MHSA Funds to BHSA Components

Redistributing Unspent MHSA Funds to BHSA

- » Beginning July 1, 2026, counties are required to [redistribute unspent MHSA funding to BHSA components](#).
- » Counties have flexibility to reallocate the unspent funds to BHSA components at local discretion and must report reallocations in the IP.
 - Redistribution of MHSA funds is not included in the BHSA component allocation in the IP budget.
 - Exception: Unspent MHSA WET and CFTN funds must be reallocated to BHSS, not FSP or Housing.

Redistributing Unspent MHSA Funds to BHSA

- » Below is an example of a county reporting how they plan to redistribute unspent MHSA funding to BHSA components in the IP Budget.

MHSA Component	Available Unspent MHSA Funds	Transferred to Housing Interventions	Transferred to FSP	Transferred to BHSS
CSS	\$1,000	\$500	\$250	\$250
PEI	\$3,000	\$2,000	\$0	\$1,000
INN	\$5,000	\$0	\$5,000	\$0
WET	\$1,000			\$1,000
CFTN	\$1,000			\$1,000
Total (auto-populated)	\$11,000	\$2,500	\$5,250	\$3,250

Data in table is for illustration purposes only.

MHSA Innovation Projects

- » Innovation (INN) projects funded through encumbered MHSA INN funding will be permitted to continue under BHSA through the first Integrated Plan cycle.
- » This allows counties time to complete their previously-approved, "operational" projects.
 - "Operational" means the INN project has incurred expenditures prior to July 1, 2026.
- » If the project is not "operational," the encumbered MHSA INN funds may be subject to reversion.
- » Operational projects must conclude by July 1, 2029.

Questions?

Funding Transfer & Exemption Requests

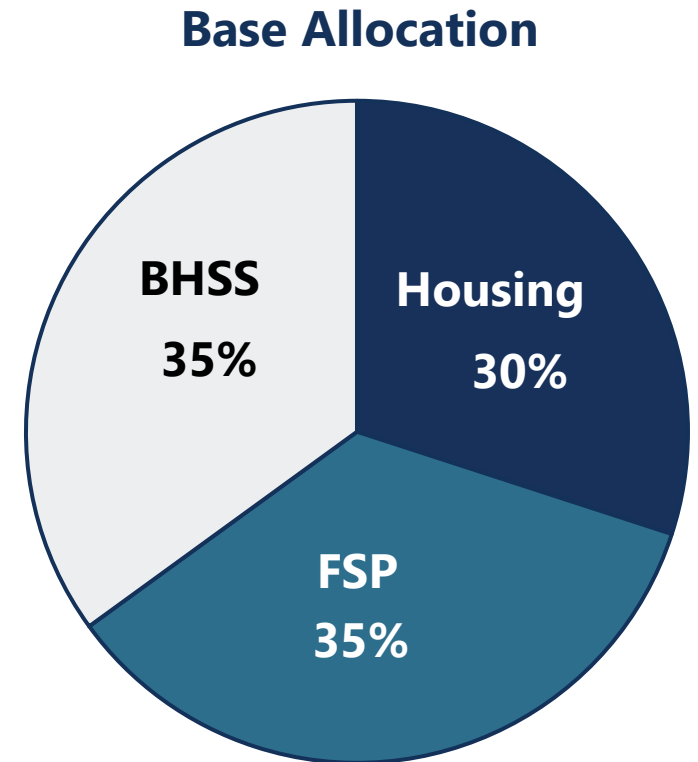
Funding Transfer & Exemption Request Submission

- » Transfer requests must be submitted at the same time as the Draft Integrated Plan
- » All communication from DHCS to counties regarding transfer and exemption requests will come through the County Portal.

Funding Transfer Requests

Funding Transfer Rules and Flexibilities

- » All counties are permitted to request changes to funding allocation percentages to better meet community needs.
- » Transfer rules include:
 - No more than 7% transferred to and from any one component; and
 - No more than a maximum of 14% transferred across all components per fiscal year.
- » Counties may transfer **different amounts each year in the Integrated Plan**, but once the transfer is requested, they cannot be updated during that Integrated Plan cycle.



Housing Interventions for Outreach and Engagement

- » Counties may use up to 7% of Housing funds for Outreach and Engagement.
- » If counties opt to allocate HI funds to Outreach and Engagement, the amount of Housing Interventions funds available to transfer **must decrease** by that amount.
 - For example, if 3% of Housing Interventions funds are dedicated to Outreach and Engagement, only 4% may be transferred from Housing Interventions to FSP or BHSS (since the total cannot exceed 7%).

Reporting Funding Transfer Requests in the IP

- » Counties must report the proposed dollar amounts of funds transferred between components in the IP.
- » Counties that requested an exemption to the 30% allocated to Housing Interventions should assume the request is approved and complete the Funding Transfer tables accordingly.
 - For 2026-29 IP, this applies to small counties only.
- » Funds transferred from one component **must also** be reported in the table that corresponds with where the funds were transferred to.
 - Every transfer must **be entered twice**: in the table it transferred from and the table it transferred to.

Questions?

Exemption Requests

Exemption Requests

Full Service Partnership Requests

- » For FY 2026-2029 IP, all counties are exempt from EBP fidelity requirements and do not need to request an exemption.
 - In future IPs, only counties with a population less than 200,000 will be permitted to submit requests for this FSP exemption.

Housing Exemption Requests

- » For the FY 2026-2029 IP, only counties with a population less than 200,000 may request a Housing Interventions exemption.
 - All counties may begin submitting requests in the FY 2032-2035 IP.

Housing Exemption Requests

- » There are three Housing Intervention Exemptions.
 1. BHSA Component Allocation
 2. Funds for Chronically Homeless
 3. Funds for Capital Development

- » Counties may request more than one exemption.

Housing Exemption Request #1: BHSA Component Allocation

- » Counties seeking an exemption to the required 30% Housing Interventions allocation beyond the 7% funding transfer limit.

Criteria to reduce beyond transfer allowance:

- Very limited need;
- Sufficient funding from other sources; and/or
- Other considerations.

Criteria to increase beyond transfer allowance:

- Very significant need;
- Insufficient funding from other sources; and/or
- Other considerations.

Housing Exemption Request #1 Example

- » A county requests to decrease Housing Interventions by 10% from the base allocation of 30% and reallocate that funding to BHSS.
 - REMINDER: County will assume this exemption request is approved when completing the funding transfer tables to show the requested decrease from Housing Interventions and the funding reallocated to BHSS

1a. What percentage of funds is the county requesting to utilize for the Housing Intervention Component?

County IP response: 20%

Housing Exemption Request #1 Example

1b. Of the percentage of funds above or below the required 30 percent being utilized for Housing Interventions, identify which allocation components and the percentage the funding will transfer from or into

I. Full Service Partnership: **0%**

II. Behavioral Health Services and Supports: **10%**

Housing Exemption Request #1 Example

1c. Please select which Housing Interventions exemptions criteria the county meets

- I. **Very significant or very limited need**
- II. Sufficient/insufficient funding from other sources
- III. Other Considerations

Housing Exemption Request #1 Example

1d. Please provide justification for this Housing Interventions.

Written response that describes the limited need, the data source(s) (Point in Time Count, for example) used to determine there is a limited need, and/or any other evidence used as the basis of determining the need for the requested exemption.

1e. Please select the data source

- I. Claims Data
- II. Coordinated Entry System Data
- III. Housing Inventory Count
- IV. Homeless Management Information System Data
- V. Point in Time Count**
- VI. Other

Housing Exemption Request #2: Funds for Chronically Homeless

- » Counties seeking an exemption to the required 50% of Housing Intervention funds dedicated to individuals who are chronically homeless.

Criteria to reduce required allocation:

- Very limited need;
- Sufficient funding from other sources; and/or
- Other considerations.

Housing Exemption Request #3: Funds for Capital Development

- » Counties seeking an exemption to the limit that no more than 25% of Housing Interventions for capital development.

Criteria to increase beyond limit:

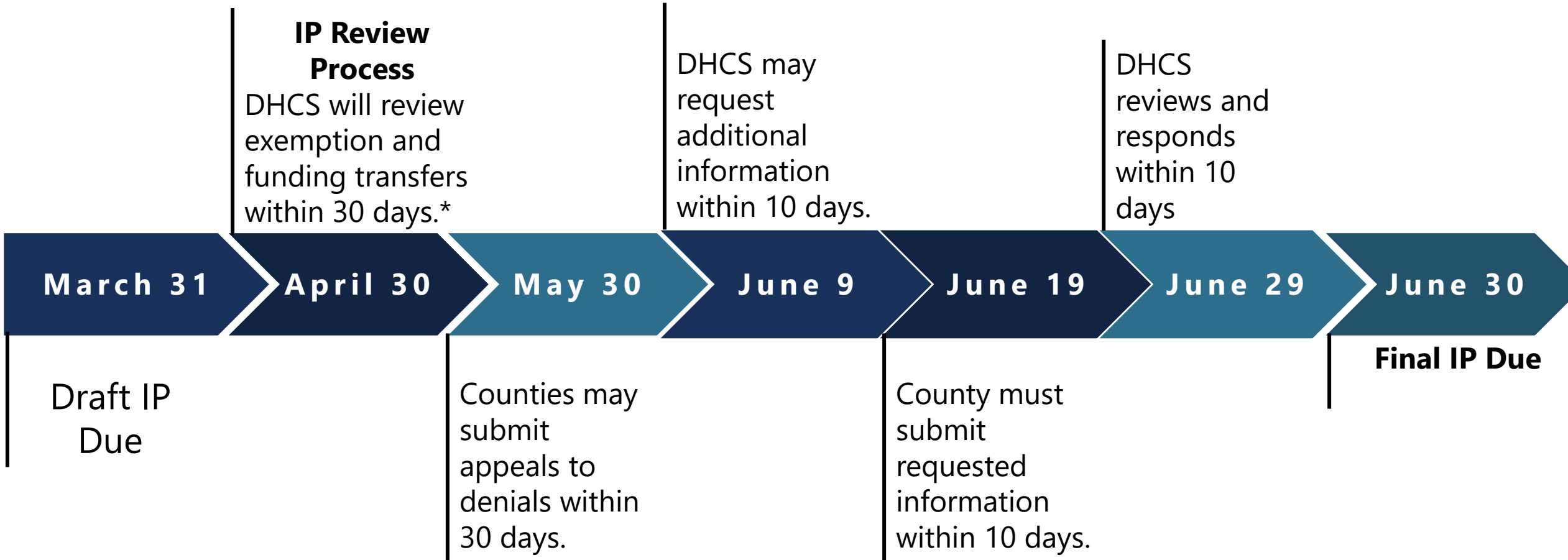
- Significant capital development required to meet housing needs of eligible population;
- Other funding sources insufficient;
- Cost of accessibility improvements exceed 25% limit; and/or
- Other considerations.

Appeals for Transfers and Exemptions

Funding Transfers and Exemptions Appeals Process

- » Counties will submit funding transfer and exemption requests with their draft IP by the March 31 deadline.
- » DHCS will review requests and respond within 30 days of receipt.
- » If denied, DHCS will communicate with counties through the County Portal and send a letter of denial through the Portal.
- » Counties may appeal denials within 30 days.
- » The appeals process will occur between DHCS' review and the due date for the final IP.
 - Even counties that pursue an appeal will be required to submit an updated IP by the June 30 deadline.

Appeals Timeline



*Days refers to calendar days.

Questions?

Next Steps

Forthcoming Guidance

Upcoming Policy Manual Modules

- » Compliance, Oversight, and Monitoring
- » Biennial EBP/CDEP List
- » Annual Updates, Intermittent Updates, and BHOATR

Appendix

Links

- » [County Behavioral Health Services Act Policy Manual](#)
 - [County Integrated Plan](#)
 - [Behavioral Health Transformation Fiscal Policies](#)
- » [Integrated Plan Budget Template](#)
- » [Additional BHT Training Resources](#)