

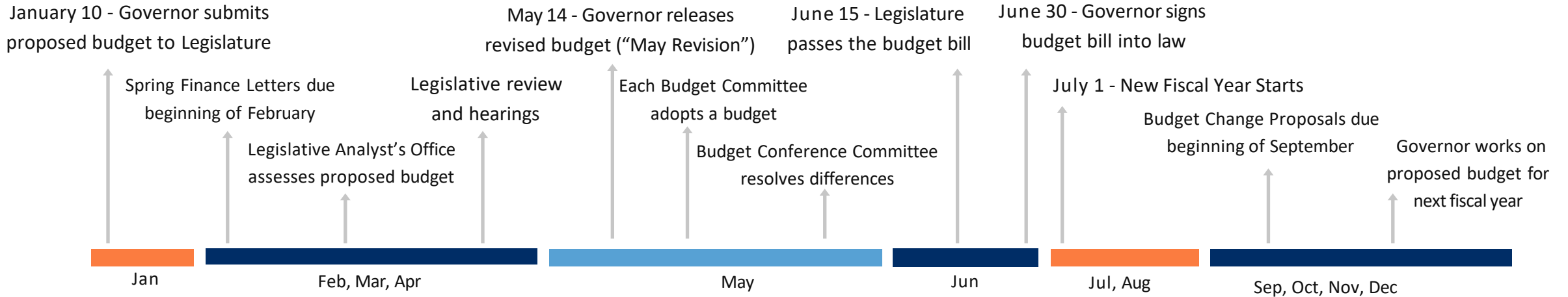


May Revise Budget Update

Norma Pate, Deputy Director of Administrative Services and Performance Management

May 22, 2025

California's Budget Process



Commission proposals are submitted to the Department of Finance (DOF) and/or the Legislature, reviewed and revised by the DOF and/or the Legislature, and negotiated by the Governor and Legislature.

Commission budget proposals do not require the DOF's approval before submission to the Legislature.

May Revise Budget Adjustment for FY 25/26

- **Total Expenditures:** \$321.9 billion (\$226.4 billion General Fund)
- **Deficit:** \$11.9 billion projected, actual closer to \$40 billion with previous remedies
- **Budget Solutions:** \$16.1 billion in cuts, \$7.1 billion rainy-day fund withdrawal, \$27.3 billion in total remedies
- **Major Proposals:**
 - Cuts to Medi-Cal, state insurance, and home health services
 - Freeze on new Medi-Cal enrollments, premium hikes, benefit reductions
 - Reallocation of funds from special accounts to core services



BHSOAC Current and Proposed Budget Overview

	Current	Gov. January Budget	May Revise
	FY 2024-25	FY 2025-26	FY 2025-26
Personnel	\$ 9,697,000	\$9,892,000	\$9,892,000
Operations	\$4,295,000	\$4,079,000	\$4,079,000
Budget Directed	\$500,000	\$500,000	\$500,000
Local Assistance	\$34,306,000	\$34,306,000	\$14,306,000
State Budget Reductions	(\$1,578,000)	(\$1,537,000)	(\$1,537,000)
TOTAL	\$47,220,000	\$47,240,000	\$27,240,000

Elimination of Mental Health Wellness Act funds

Loss of \$20 million per year with an immediate impact of a \$60 million loss for current Commission projects:

- 0-5/Maternal Behavioral Health
- Full Service Partnerships (FSPs)
- Peer Respite



Critical funding needed to Protect Early Childhood Support

0-5/MATERNAL BEHAVIORAL HEALTH INITIATIVE AT RISK

- The \$20 million 0-5 initiative supports birthing people and families from pregnancy through early childhood – when support has the greatest long-term impact.
- It connects families – especially low-income moms of color – to systems like CalAIM and BHConnect, ensuring they don't fall through the cracks.
- 13 community-based organizations across California have already been selected for \$18 million in grants, with another \$2 million for technical assistance and landscape analysis.
- Cutting this funding now would derail this work just as it's ready to launch, and harm families who urgently need care and connection.



Critical Funding Needed to Sustain FSPs and Prop 1 Implementation

FSP INITIATIVE AT RISK

- This includes \$20 million dedicated to improving FSPs – a cornerstone of California’s behavioral health care for the most vulnerable people.
- This funding is about making sure FSPs actually work for real people in crisis, not just maintaining programs, but improving how services are delivered and evaluated through technical assistance and performance management.
- Prop 1 depends on FSPs working well. This funding ensures they actually meet the needs of people in crisis, not just continue as-is.
- The initiative is close to launch – cutting now would negatively affect implementation of Prop 1.



Critical Need to Preserve Peer Respite Funding

PEER RESPITE INITIATIVE AT RISK

- This would include \$20 million peer respite initiative.
- Peer respites are home-like, voluntary settings where people in crisis receive support from trained peers – not hospitalization or police intervention.
- They are a key part of California's vision for behavioral health transformation and directly support goals in the 988 Strategic Plan.
- For many – especially people of color and those with past trauma – peer respites offer dignity, choice, and healing in ways traditional crisis services cannot.
- Cutting this now stalls the creation of safe, trusted alternatives that could reduce ER visits, hospitalizations, and law enforcement involvement.



Ongoing Impact of Eliminating MHWA Funds

The elimination of MHWA funds from the Commission budget would likely result in reduced resources for behavioral health programs, potentially leading to decreased access to services, diminished community support, and increased strain on other social services.



EmPATH Units Liquidation Deadline Extension

EMPATH: Emergency, Psychiatric Assessment, Treatment, and Healing

- Purpose of Reappropriation:
 - The reappropriation of \$7,768,000 in MHWFA funds is necessary to address licensing delays affecting EmPATH units and ensure continuation of critical services.
- Impact of EMPATH Units:
 - EmPATH units reduce unnecessary ER visits and hospitalizations, streamline mental health assessments, and provide a calming environment for individuals in crisis.

EmPATH Units Liquidation Deadline Extension (cont.)

EMPATH: Emergency, Psychiatric Assessment, Treatment, and Healing

- **Licensing Barriers:**

- Current licensing regulations are not aligned with the needs of psychiatric emergency units, causing significant delays in operationalizing EmPATH units.
- The California Department of Public Health and local agencies are working with the Commission to resolve these issues, but additional time is needed.

- **Support for Grantees:**

- The requested extension will allow grantees to establish service delivery once licensing challenges are resolved.
- This ensures the effective use of funds and supports the long-term sustainability of EmPATH programs.

Early Psychosis Intervention (EPI) Plus Program Liquidation Deadline Extension

- **Program Impact:** The EPI Plus program, established under Chapter 414, Statutes of 2017 (AB 1315), provides critical, evidence-based early intervention services for psychosis and mood disorders, addressing behavioral health needs at their onset to improve long-term outcomes.
- **Funding Need:** The requested reappropriation of \$430,000 will extend the liquidation date for Sacramento County's EPI Plus Program, ensuring full use of funds originally allocated in the 2019 Budget Act. This extension supports uninterrupted service delivery and maximizes the program's impact.
- **Cost-Effectiveness:** The reappropriation ensures that funds already allocated are effectively spent, avoiding waste and fulfilling the program's mission to expand access to high-quality, evidence-based interventions.

Welfare and Institutions Code, Section 5845.8

- Welfare and Institutions Code, Section 5845.8, requires the commission to fulfill biennial legislative reporting obligations by conducting data analytics and evaluations of FSPs in California, as established by Senate Bill 465, Chapter 544, Statutes of 2021.
- Commission receives \$400,000 annually to support the requirements in WIC 5845.8.



Proposal : Evaluating Child-Serving FSPs

OBJECTIVE: Enhance accountability and outcomes for child-serving FSPs through data integration and evaluation.

- **Key Actions:**

- Data Integration: Analyze statewide datasets to assess outcomes and inform a BHSA data accountability framework.
- Interest holder Engagement: Co-develop evaluation and learning plans with youth, caregivers, providers, and state leaders.
- Collaboration Expansion: Partner with UC programs for technical assistance and sustainable practices.

- **Alignment:** Supports BHSA goals and SB 465 reporting requirements.

- **Request:** Amendment to UCSF interagency agreement for statewide evaluation.



Expenditure Authorization

- **\$400,000:** FSP Evaluation – amend existing Interagency Agreement with UCSF.
- **\$143,010:** Contract with Salesforce to renew access to Tableau, used for our data dashboards.
- **\$55,000:** Amend the existing Centris contract before it expires on June 30, 2025. We require additional support to acquire Criminal Justice data.
- **\$45,000:** Contract with Sellers Dorsey for meeting facilitation for the Innovation Partnership Fund discussion.
- **\$18,000:** Office plants for cleaner air and workplace mental wellness. One-time costs of approximately \$6,000 for containers and delivery/installation and monthly maintenance (approx. \$1,000 per month).
- **\$9,000:** Asana project management software used by the Research team.

Proposed Motion

That the Commission approves the Fiscal Year 2024-25 expenditure plan and associated contracts.

