# Innovation Partnership Fund Working Framework

Version 2.0

***Disclaimer:*** *This working draft reflects themes and priorities that have emerged to date from public conversations with the California Commission for Behavioral Health. It is not intended to be complete and rather is intended to prompt discussion and feedback. The Commission, through its Program Advisory Committee, welcomes input from stakeholders and the public to shape the Fund's structure, scope, and strategy.*

## Background and Purpose

The Innovation Partnership Fund, established through Proposition 1 and administered by the California Commission for Behavioral Health, is designed to invest in bold, equity-centered solutions that fundamentally improve how behavioral health[1] (mental health and substance use) services are delivered, experienced, and sustained across the state.

California's behavioral health system faces significant challenges: persistent racial and geographic disparities, rising youth needs, workforce shortages, fragmented systems, and unsustainable funding models. While recent investments have built momentum, they have yet to deliver the transformative change Californians need.

The Innovation Partnership Fund is a unique opportunity to support community-led, real-world innovation – solutions that are ready to be implemented, scaled, and sustained to improve outcomes for people living with or at risk of behavioral health conditions.

## Definition of Innovation

For the purposes of funding proposals under the Innovation Partnership Fund, we would propose that "innovation" be defined as a new or adapted approach to solving persistent problems in California's behavioral health system – especially those that relate to equity, access, workforce shortages, and service fragmentation.

To be considered innovative under this Fund, a project must:

- Advance new models, tools, partnerships, or technologies not yet widely implemented in California, this may include adopting or scaling efforts underway in one county but that could be scaled in other counties;

[1] **Behavioral health** includes both mental health and substance use disorders. It refers to the prevention, diagnosis, and treatment of these conditions, as well as services that support recovery and overall wellbeing.

- Introduce or scale practical, community defined evidence based practices[2] that increase access to prevention, treatment, and recovery supports – particularly for historically underserved populations and inclusive of harm reduction approaches;
- Demonstrate a clear break from the status quo[3], not simply incremental improvements to existing programs or efforts, but a concerted deviation from those efforts;
- Be actionable and ready for real-world implementation, not solely focused on concepts, research, or pilot testing; and
- Innovation may include ideas from other sectors or geographies, adaptation of promising practices, or bold new models co-created with people with lived experience. At its core, innovation is about transforming how we deliver care – with impact, equity, and dignity.

## Focus on Priority Populations

As we consider how to invest these funds, it is critical to anchor our collective efforts around the core purpose of the Behavioral Health Services Act (BHSA) and Proposition 1. This initiative is specifically focused on individuals with serious mental illness – including conditions such as schizophrenia, bipolar disorder, and schizoaffective disorder – and/or those with severe substance use disorders. These are the individuals most at risk of experiencing homelessness, hospitalization, incarceration, or premature death due to untreated or undertreated behavioral health conditions. The BHSA aims to prevent these conditions from becoming severe and disabling through early detection and intervention, while also ensuring timely and effective care for those already experiencing serious illness. While broader behavioral health and wellness are important, this funding is intentionally targeted at those with the greatest needs and highest risk – too often overlooked and underserved.

- The statutory framework under Proposition 1 is clear and specific about who shall be served by these funds. As outlined in the Welfare and Institutions Code 5945.1(c), the Innovation Partnership Fund shall be designed for the purpose of "improving BHSA programs and practices funded pursuant to Section 5892.1(a) for the following groups:" "Underserved populations"

[2] **Community Defined Evidence Based Practices** or CDEPs, which have been evaluated through the California Reducing Disparities Project, and offer culturally anchored interventions that reflect the values, practices, histories, and lived experiences of the communities they serve.

[3] **Status quo** in the context of innovation can be considering the prevailing conditions, solutions, or approaches that are in place before a novel idea, product, or process is introduced. It is what is considered "normal" or "the way things are done" – often marked by inertia, routine, or outdated assumptions.

- "Low-income populations"
- "Communities impacted by other behavioral health disparities"
- "Other populations, as determined by the Behavioral Health Services Oversight and Accountability Commission"

Additionally, the statute requires that investments also align with "meeting statewide Behavioral Health Services Act goals and objectives."

- It is important to note that the Innovation Partnership Fund is required to focus on the programs and practices funded pursuant to 5892.1(a), which is the BHSA funding that goes to the Counties. Proposition 1, through Welfare and Institutions Code 5892(d), has specified that these programs and practices must prioritize serving the following populations: Children and Youth who meet one or more of the following criteria:
    - "Are chronically homeless or experiencing homelessness or at risk of homelessness"
    - "Are in, or at risk of being in, the juvenile justice system"
    - "Are reentering the community from a youth correctional facility"
    - "Are in the child welfare system pursuant to W&I Code sections 300, 601, or 602"
    - "Are at risk of institutionalization"

- Adults and Older Adults who meet one or more of the following criteria:
    - "Are chronically homeless or experiencing homelessness or at risk of homelessness"
    - "Are in, or at risk of being in, the justice system"
    - "Are reentering the community from state prison or county jail"
    - "Are at risk of conservatorship"
    - "Are at risk of institutionalization"

Together, these provisions provide a clear statutory mandate: Proposition 1 funding must be directed toward those populations with the highest behavioral health needs who often face structural barriers. Projects must align with the goals of the BHSA and demonstrate innovation in serving priority populations, as defined in law.

# Pillars for Investment

The Innovation Partnership Fund would focus its initial investments on three strategic pillars, identified through stakeholder engagement and Program Advisory Committee recommendations. Each pillar represents a key opportunity to address longstanding system challenges and create scalable impact.

## 1. Youth: Prevention and Early Intervention at a Population Level

Invest in strategies that promote overall well-being and prevent the onset of behavioral health conditions among youth – especially in communities most impacted by trauma, discrimination, and underinvestment.

- Support upstream, community-based interventions that meet young people where they are – schools, homes, community centers, and digital platforms.
- Fund culturally responsive and developmentally appropriate supports, including peer-to-peer programs, family engagement strategies, and trauma-informed practices.
- Advance universal mental health and substance use literacy, early detection tools, and systems that support social-emotional development.
- Promote cross-system collaboration between behavioral health, education, child welfare, and juvenile justice to create seamless early intervention pathways.
- Ensure youth voice and leadership in program design, implementation, and governance.

## 2. Workforce: Expanding Peer, Traditional, and Non-Traditional Providers to Align with Community Needs[4]

Strengthen and diversify the behavioral health workforce by supporting the pipeline, recruitment, training, and employment of peer, traditional, and non-traditional providers – particularly those with lived experience – to address both current and future-oriented behavioral health workforce gaps.

- Invest in peer support specialists, promotores, community health workers, cultural brokers, and other trusted messengers rooted in their communities.
- Fund alternative credentialing pathways and remove barriers that prevent qualified individuals from entering the workforce.
- Expand training programs that embed cultural humility, trauma-informed care, and co-occurring mental health and substance use expertise.
- Build partnerships between academic institutions, workforce certification organizations, community-based organizations, and public agencies to scale inclusive pipelines and address workforce *demand*.
- Support recruitment, retention, and career development strategies to sustain the workforce over time and address workforce *supply*.

[4] The California Commission for Behavioral Health would coordinate projects with other relevant state departments working on developing/expanding California's behavioral health workforce (e.g., the California Department of Health Care Access and Information).

### 3. Enhancing Quality and Integration of Behavioral Health Systems and Services

Support innovations that improve behavioral health services, bridge silos, and enable providers across systems – specifically mental health and substance use – to work together in service of whole-person care for all populations, including youth, adults, and older adults.

- Invest in tools, technologies, and service delivery models that improve, grow, and/or better connect behavioral health with physical health, housing, education, social services, and justice systems.
- Support shared data systems, care coordination platforms, and integrated service delivery models that enable warm handoffs and reduce fragmentation.
- Fund community-driven navigation tools that simplify access to care for individuals and families – especially those with complex needs.
- Break down regulatory and financial barriers that prevent collaboration and accountability across sectors.
- Encourage partnerships that embed behavioral health into non-traditional settings, including schools, shelters, reentry programs, and family resource centers.

## Cross-Cutting Priorities

All proposals must consider the following six core dimensions:

1. ***Equity:*** Proposals should consider advancing racial equity and closing gaps in access, experience, and outcomes for communities historically underserved by the behavioral health system – including communities of color, LGBTQ+ individuals, people with disabilities and who use drugs, rural residents, and others marginalized by systemic barriers.

2. ***Financing and Sustainability:*** Proposals should consider a clear, feasible plan for long-term sustainability. This may include alignment with Medi-Cal, commercial health plans, philanthropic investment, public-private partnerships, or local funding streams. The goal is to ensure that effective innovations can be scaled and sustained beyond initial investment.

3. ***Public-Private Partnerships:*** Proposals should consider collaboration across public, private, and community sectors. Strong proposals will demonstrate partnerships between government agencies, health systems, technology innovators, philanthropic organizations, community-based providers, and others working together toward shared impact.

4. ***Lived Experience and Community Leadership:*** Proposals should consider how they are designed with, not for, people with behavioral health conditions and lived experience. Proposals should demonstrate meaningful engagement of individuals, families, and communities who are most directly impacted – through co-design, shared governance, continuous feedback loops, and leadership roles in implementation. Lived experience must inform every stage of the innovation process to ensure relevance, trust, and impact.

5. ***Alignment with Statewide Behavioral Health Transformation Efforts:*** Proposals should consider building upon – not duplicating – California's broader behavioral health transformation efforts. This includes alignment with: Proposition 1, BH-CONNECT, CalAIM, the Drug Medi-Cal Organized Delivery System, and Children and Youth Behavioral Health Initiative (CYBHI). Proposals should complement these initiatives by filling critical gaps, testing bold ideas, accelerating systems change, or reaching populations or geographies that remain underserved. The goal is to ensure coherence and strategic leverage across all levels of the state's behavioral health investments.

6. ***Demonstrate Agility and Lean Process Integration:*** *Proposals* should demonstrate agility and a commitment to nimble, lean process improvements. This includes building the necessary infrastructure, cultivating a culture of continuous learning, and developing teams that can rapidly iterate, pivot, and operate under a lean process philosophy. The goal is to fully leverage available funds while ensuring that lessons are quickly learned and immediately incorporated into ongoing efforts.

## Next Steps

The California Commission for Behavioral Health and its Program Advisory Committee is committed to a transparent and inclusive process for designing and implementing the Innovation Partnership Fund.

Please engage in our process by participating in the Program Advisory Committee meetings, our forthcoming stakeholder listening sessions, and by providing us with your written feedback at program@bhsoac.ca.gov.

Together, we can ensure this Fund fulfills its promise: to spark real, scalable, and lasting change for the behavioral health of all Californians.