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Agenda Item
Regular Meeting of the
Board of Supervisors
Tuesday, June 23, 2026

Item Number: 1.2

MEETING DATE: 06/23/2026

DEPARTMENT: BEHAVIORAL HEALTH

AGENDA ITEM PREPARER: Geraldine Arce

DEPT HEAD/DIRECTOR: Rachel White

SUBJECT:

BEHAVIORAL HEALTH DEPARTMENT - R. WHITE

1. Approve the three-year Behavioral Health Services Act (BHSA) Integrated Plan since the passing of Proposition 1 in March 2024, for the period July 1, 2026 through June 30, 2029, detailing the mental health and substance use disorder services and programs to be provided by the Behavioral Health Department based on the requirements of SB 326 / Proposition 1, funded in the same manner as the preceding MHSA; and
 2. Authorize Chair to sign the Department of Healthcare Services (DHCS) certification, pursuant to WIC §5963.02, to approve the implementation of the BHSA Integrated Plan FY2026/27 through FY2028/29.
- SBC FILE NUMBER: 810

AGENDA SECTION:

CONSENT AGENDA

BACKGROUND/SUMMARY:

In March 2024, California voters passed Proposition 1, to transform the Mental Health Services Act (MHSA) 2004, to the Behavioral Health Services Act (BHSA) 2026 (implementation effective July 1, 2026). During the Fall of 2025, extensive community input was obtained to inform the development of the BHSA Integrated Plan, and the associated BHSA Budget, over the next three fiscal years 2026 through 2029.

Under MHSA, the Behavioral Health Department previously provided Prevention programs, however, the State decreased County Behavioral Health funding allocation by 4% to be diverted to the California Department of Public Health (CDPH) to provide Prevention programs instead. As standard, all other MHSA programs continue beneath one third (35%) of the BHSA allocation known as Behavioral Health Services and Supports (BHSS). Another third (35%) of the allocation is dedicated to Full-Service Partnership (FSP) to provide intensive services for individuals with the highest needs. The final third (30%) of the allocation is dedicated to Housing Interventions (HI) to provide a variety of interim and permanent housing options to behavioral health clients, since stable housing is closely linked to mental wellness.

BHSA now includes the funding of the Substance Use Disorder System of Care previously provided by the Behavioral Health Department but funded by other means.

Behavioral Health goals are being mandated across all counties in the State to improve access to care and reduce homelessness, institutionalization, justice involvement, removal of children from the home and better identification of untreated behavioral health conditions as well as prevention and treatment of co-occurring physical health conditions. Requests for proposals will assist SBCBH to meet the state mandated goal requirements and address a workforce gap of 62% for licensed providers in San Benito County by contracting with a range of service providers.

The Department of Health Care Services (DHCS) was State directed to provide extensive Guidance to the County to inform the planning process and an online portal to answer a multitude of specific questions to comprise the Integrated Plan. The development and completion of the BHSA Integrated Plan, has taken place over the past several months and included a more robust process of garnering input from the San Benito County Community.

A draft of the Integrated Plan was submitted to the DHCS on time on March 31st, 2026, after San Benito County CEO review and approval. Revisions indicated by the DHCS were implemented during the first two weeks of May 2026, reviewed and approved by the DHCS on May 28th, 2026. The Behavioral Health Board held a Public Hearing on May 21st, 2026 to close the public comment period and any substantive comments were included in the Integrated Plan.

The State Dept. of Health Care Services (DHCS), Behavioral Health Division requires local Board of Supervisors (BOS) approval of the County Behavioral Health Departments (BH) Behavioral Health Services Act (BHSA) Integrated Plan. The County Behavioral Health Dept. is responding to the requirement to submit the BHSA Integrated Plan for the Fiscal Years 2026-27 through FY2028-29 to the Board of Supervisors for approval certification.

In summary, this BHSA Integrated Plan details the impact of Proposition 1 in the future programming and expenditure requirements for the duration of this Integrated Plan for San Benito County Behavioral Health. The required Public Posting Comment Period occurred April 1st to May 21st, 2026, and the Behavioral Health Board held the Public Hearing to conclude the public comment period. The County Executive Officer reviewed and signed to certify the Integrated Plan on March 20th, 2026. On the Board of Supervisors review and approval, submission to DHCS and the BHSA Oversight and Accountability

Commission will take place by the State's set deadline of June 30th, 2026, so that BHSA implementation can begin on July 1st, 2026.

FISCAL IMPACT:

There is no change in fiscal impact to the County General Fund, since the funding source for BHSA is the same as for MHSA and Behavioral Health Fund allocations from the State will continue uninterrupted, however the State are reducing the annual allocation to each county as indicated in the Background/Summary above, so each County receives 90% of the total allocation.

During the course of this three-year BHSA Integrated Plan and Budget preparation, a one-time opportunity to place unspent MHSA funds into any component of the new BHSA structure is at the County's discretion. The entire amount has been allocated to continue to support services and programs in the Behavioral Health Services and Supports (BHSS) component. Unspent MHSA funds are subject to the new sub-allocation rules of the BHSA components into which they are placed; in the case of the BHSS component, 51% of the total BHSS funding must be spent on Early Intervention, and 51% of that must be spent on youth below the age of 25 years. Remaining funds cover all other programs and services such as child and adult outpatient, capital facility and technological needs, workforce education and training, and outreach and engagement in services. The reversion timescale of the MHSA unspent funds does not reset with the implementation of BHSA, so funds must continue to be spent within a timely manner.

The Behavioral Health Department requested the transfer of (7%) funds from FSP and HI, which collectively transferred into BHSS (14%). This transfer is to better align resources with the County's current system needs and service capacity.

As standard, up to 25% of the Housing Intervention (HI) component funding can be spent on Capital Development, however, a request to spend an additional 10%, for a total of 35% of the HI component funding has been approved by the State to facilitate collaboration on a housing development project with Health and Human Services Agency (HHSA). The goal is to provide additional County housing for clients of HHSA and SBCBH experiencing homelessness and behavioral health issues.

MHSA funding did not previously provide for Substance Use Disorder services and programs, however, under BHSA both our mental health and substance use services and programs are fiscally supported.

The G/L code for the BHSA is still under development due to the Behavioral Health Department fiscal restructure.

STAFF RECOMMENDATION:

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2. Authorize Chair to sign the Department of Healthcare Services (DHCS) certification, pursuant to WIC §5963.02, to approve the implementation of the BHSA Integrated Plan FY2026/27 through FY2028/29.

ATTACHMENTS:

[Agenda Fact Sheet - BHSA Act](#)

[Board of Supervisors Certification](#)

[BHSA IP for SBCBH 2026-2029 DHCS](#)

[BHSA Budget FY26.27-FY28.29 DHCS](#)