

Governor Newsom Proposes Modernization of California's Behavioral Health System and More Mental Health Housing

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WHAT TO KNOW: Governor Newsom proposed a 2024 ballot initiative to improve how California treats mental illness, substance abuse, and homelessness: A bond to build state-of-the-art mental health treatment residential settings in the community to house Californians with mental illness and substance use disorders and to create housing for homeless veterans, and modernize the Mental Health Services Act to require at least \$1 billion every year for behavioral health housing and care

SAN DIEGO – Governor Gavin Newsom, in partnership with Senator Susan Talamantes Eggman (D-Stockton), has proposed the next step to modernize how California treats mental illness, substance use disorders, and homelessness.

An initiative would go on the 2024 ballot that would:

1. Authorize a general obligation bond to:
 1. Build **thousands of new community behavioral health beds in state-of-the-art residential settings to house Californians with mental illness and substance use disorders**, which could serve over 10,000 people every year in residential-style settings that have on-site services – not in institutions of the past, but locations where people can truly heal.
 2. Provide more funding specifically for **housing for homeless veterans**.
2. Amend the Mental Health Services Act (MHSA), leading to at least \$1 billion every year in local assistance for **housing and residential services for people experiencing mental illness and substance use disorders**, and allowing MHSA funds to serve people with substance use disorders.
3. Include new accountability and oversight measures for counties to improve performance.

The **MHSA was originally passed 20 years ago; it is now time to refresh it** so it can better meet the challenges we face. Key changes that the Governor is proposing include: Creating a permanent source of housing funding of \$1 billion a year in local assistance funds to serve people with acute behavioral health issues, focusing on Full Service Partnerships for the most seriously ill; and allowing MHSA to be used for people with substance use disorders alone.

WHAT GOVERNOR NEWSOM SAID: “This is the next step in our transformation of how California addresses mental illness, substance use disorders, and homelessness – creating thousands of new beds, building more housing, expanding services, and more. People who are struggling with these issues, especially those who are on the streets or in other vulnerable conditions, will have more resources to get the help they need.”

WHAT COMES NEXT: The Administration plans to work in close partnership with legislative leaders in this space including Senator Eggman and Assemblymember Jacqui Irwin (D-Thousand Oaks), as well as with the California State Association of Counties, other critical local government stakeholders, community-based service organizations, advocates, and people with lived experience as bill language is developed.





FACT SHEET

WHAT ELSE GOV. NEWSOM HAS DONE:

- \$2.2 billion for the Behavioral Health Continuum Infrastructure Program.
- \$1.5 billion for Behavioral Health Bridge Housing.
- \$1.4 billion to expand and diversify the behavioral health workforce.
- \$4.7 billion Master Plan for Kids' Mental Health, of which the Children and Youth Behavioral Health Initiative is the central component.
- \$1.4 billion to build out a Medi-Cal benefit for mobile crisis response, as well as \$38 million to expand 9-8-8 and CalHOPE crisis call center.
- Over \$600 million to support community-based alternatives to state hospitalization for those who commit felonies who are incompetent to stand trial.
- Over \$1 billion to address the opioid epidemic.
- \$7 billion to reform CalAIM – enhanced care management for people with serious mental illness, a no wrong door approach to care, and more.

- \$1.6 billion proposed to implement the California Behavioral Health Community-Based Continuum Demonstration to strengthen services and supports for those who are at risk of homelessness, incarceration and foster care placements.
- \$50 million for the California Veterans Health Initiative (CVHI) for veteran suicide prevention and mental health.