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# FACT SHEET: PROPOSITION 1

California Presidential Primary Election | March 5, 2024

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### 1. What is [Proposition 1](#)?

- Proposition 1 combines [Senate Bill 326](#) (changes to the Mental Health Services Act) and [Assembly Bill 531](#) (The Behavioral Health Infrastructure Bond Act of 2023).

### 2. Why is [Proposition 1](#) controversial?

- Proposition 1 is controversial because it cuts services funding for local, county-based mental health services for severely mentally ill children and adults by at least half (loss of ~ 719 million per year).
- Proposition 1 also controversial because it dedicates \$2.98 billion dollars in grants to private businesses to build privatized, clinical treatment facilities, including locked facilities, to involuntarily detain persons with mental illness and substance use disorders for involuntary treatment.
- Another 1.5 billion is dedicated for grants to cities and counties for the same purposes.

### 3. Who opposes [Proposition 1](#)?

- Cal Voices
- Mental Health America of California
- The California American Civil Liberties Unions (ACLU of NorCal, SoCal, & CalAction)
- Depression and Bipolar Support Alliance
- California League of Women Voters
- Disability Rights California
- Various cities, Counties, and County Supervisors
- Local Advocacy Groups and Local Mental Health Service Providers

### 4. What will my vote do?

- A “NO” vote on Proposition 1 rejects both bills at once.
- A “YES” vote on Proposition 1 approves both bills at once.

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## 5. Did SB326 and AB531 have to be placed together on the ballot as one Proposition?

- No, the legislature chose to place both bills on the ballot as one Proposition to be approved or rejected together.

“(b) Notwithstanding Sections 13115 and 13117 of the Elections Code or any other law, the single measure [] shall be placed as the first measure on the March 5, 2024, statewide primary election ballot and shall be designated as “Proposition 1.” – AB531 Section 7(b). Parallel citation in SB326.

## 6. Why is Proposition 1 on the ballot?

- Assembly Bill 531 allows California to take on debt to be repaid by the taxpayers with interest (“bonds”) and the California Constitution requires bond borrowing to be approved by the voters.
- Senate Bill 326 is on the ballot because the Mental Health Services Act (MHSA) cannot be fundamentally altered without voter approval. Senate Bill 326 fundamentally alters the MHSA.

## 7. What is the [Mental Health Services Act](#) (“MHSA”)?

- A 2004 grassroots voter initiative that places a 1% tax on personal incomes over 1 million dollars and dedicates that money to fund county-based, mental health services.
- MHSA funds are restricted. By law the funds can only be used for services and programs for adults and children with serious mental illness or serious mental illness and a co-occurring substance use disorder(s).
- MHSA services are free and provided to the seriously mentally ill regardless of whether they have medical insurance.
- All services and programs funded by the MHSA must be designed for voluntary participation (voluntary services). MHSA funds cannot currently be used for law enforcement functions or for long-term, institutional settings.
- MHSA funding is approximately 30% of all mental health services funding counties receive to provide services to adults and children with serious mental illness in their county.
- Counties can spend the MHSA money for the programs and services the local community wants through the Community Planning Process, so long as those services and programs fall into one of three main categories: Preventions and Early Intervention (19%), Community Services and Support (76%), and Innovative Programs (5%).
  - What sort of services and programs are funded through Prevention and Early Intervention?

- Examples include suicide prevention; the recognition of psychosis and early intervention of serious mental illness in children; community defined and culturally and linguistically unique programs to reduce disproportionately poor mental health outcomes for racial and ethnic minorities, and more.
- What sort of services and programs are funded through Community Services and Supports?
  - A minimum of 51% of funding in CSS (76%) must be spent on Full Service Partnerships which provide intensive case management to the target population who meet additional criteria.
  - Examples also include mental health outpatient clinics; voluntary “crisis residential” programs where persons coming out of mental hospitals can stay to stabilize for 90 days or use an alternative to hospitalization; housing vouchers; Medi-Cal Peer Support (Peer-To-Peer mental health providers); and, more.
  - Peer Support Services are a Medi-Cal benefit funded through CSS and Proposition 1 does not provide any assurances that evidence-based peer support services will be sustained.
- What sorts of services and programs are funded through Innovation?
  - Innovation provides time-limited funding to test a new approach in mental health for unserved and underserved populations, that if effective, may be permanently funded in CSS or PEI. Example: Adoptive Families Respite Program in Sacramento County that provides support to families who choose to adopt children with serious mental illness.
- Does the MHSA pay for housing?
  - Yes; assistance such as rental vouchers, project-based permanent supportive housing, and housing navigation can be provided with MHSA funds.

## 8. How does SB326 (“Behavioral Health Services Act”) in Proposition 1 fundamentally alter the Mental Health Services Act?

- It will increase the amount of money the state keeps from the MHSA tax before distribution to the counties by 5%, to a total of 10%.
- It will separate Prevention from Prevention and Early Intervention and move Prevention and Prevention funding from the counties to the state for upstream public education activities instead of direct services.
- It will permit the counties (“may”) to use MHSA funds for substance use disorder services for adults and children who have moderate or severe substance use disorders but who have no mental illness.



- It will change what counties must do with MHSA funds.
  - It will mandate counties spend a fixed amount on Full Service Partnerships (35%); Community Services and Supports (including Early Intervention) (35%), and “Housing Interventions” (30%).
  - Early Intervention (19%) will be a mandatory spending amount under, and out of, Community Supports and Services (35%).
  - It will reduce Community Services and Supports funding by approximately half (estimated loss of 719 million per year on approximately 2 billion in total funding), largely due to shifting funding into “Housing Interventions.”
- It creates a large number of new mandates for county spending. Examples include, new subpopulations in service planning; new prioritization of the unhoused, criminal justice involved and others who must be served first with the limited funds; new and unwritten statewide performance outcome measures and fines to counties; new and expanded authority for the state through the Department of Healthcare Services to approve or disapprove of county use of funds.

## 9. Does Proposition 1 increase funding for services?

- No, Proposition 1 does not raise the 1% tax on personal incomes over 1 million dollars that is the funding source for MHSA.

## 10. Does Proposition 1 cut service funding?

- Yes, programs and services for adults and children with serious mental illness currently funded under Community Supports and Services will have to be cut by about half.
- Non-Full-Service-Partnership, Community Services and Supports funding, will reduce from 35% to 17% under Proposition 1.

## 11. Does Proposition 1 increase or cut funding for Full Service Partnerships?

- The level of funding for Full Service Partnerships is fairly comparable under MHSA versus Proposition 1. The [Legislative Analysts' Office](#) estimated Proposition 1 would increase funding for Full Service Partnerships in aggregate by 121 million dollars (from 515 million) per year, but changes to the law could still cause Full Service Partnership cuts in individual counties.
- If your county is currently spending more than its mandated minimum 38% on Full Service Partnership programs under MHSA, your county must reduce Full Service Partnership spending to a fixed amount of 35% under Proposition 1.

See, [testimony from Nevada County](#), SB326, ~ 5:22 timestamp.



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**12. What factors determine how much my county will have to cut services for serious mental illness under Proposition 1?**

- SB326 did not analyze or model the impacts of funding changes on individual counties whose programs and services differ. Many factors are involved.
- One major factor is whether your county is using MSHA funds as the county's 50% share of cost to deliver a Medi-Cal service.
  - If your county has to reduce spending and no longer can meet the 50% share of cost on a Medi-Cal service, the county also loses the 50% contributed by the Federal government in "matching funds." This doubles the loss of service funding for a county.
- A second major factor, is whether your county plans on offering stand-alone substance use disorder services as Proposition 1 allows.
  - If your county does plan on offering substance use disorder services to those with moderate to severe substance use disorders and no mental illness, service funding for those with only serious mental illness has to be reduced.
  - There is no new service funding in Proposition 1 to support the expansion of services to persons with only a substance use disorder.

**13. Will other funding sources or other recent behavioral health investments make up for funding losses in Proposition 1?**

According to the [legislative bill analysis](#):

"The administration has not provided any fiscal estimates demonstrating how the new behavioral health investments [citation to a list of programs] will offset losses in ongoing, flexible funding under BHSA, and mitigate severe cuts to core local mental health services."

The list of programs cited:

(1) Mental Health Student Services Act (MHSSA); (2) CYBHI; (3) School BH Infrastructure Grants; (4) BH Continuum Infrastructure Program; (5) Expansion of the Incompetent to Stand Trial Diversion Program; (6) Development of Mental Health and Wellness Instructional Resources and Training; (7) BH Workforce Development; (8) Community Assistance, Recovery, and Empowerment (CARE) Court; (9) BH Bridge Housing; (10) CalAIM (Medi-Cal) BH Initiatives; (11) 988 BH Emergency Crisis Phone Line; (12) Creation of an Office of Suicide Prevention; (13) Enhanced Funding for BH Oriented Teacher Training; (14) School Health Demonstration Project; (15) Community Schools; SB 326 Page 57 (16) Project Cal-Well; (17) Project Cal-Stop; (18) Medi-Cal Justice-Involved Initiative; (19) Medi-Cal MAT Expansion Program; (20) Medi-Cal Community-Based Mobile Crisis Intervention Services; and, (21) CalHOPE Crisis Counseling Assistance and Training Program.

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#### 14. What are “Housing Interventions” in Proposition 1?

- “Housing interventions” is not given a definition in SB326.
- “Housing interventions” “may include” housing vouchers, development of permanent supportive housing (with restrictions), operating subsidies, the non-federal share of transitional rent, etc.

#### 15. Can “housing interventions” funding pay for placement in a clinical treatment facility instead of permanent supportive housing?

- Proposition 1 lists some, but not all, of the possible uses for “housing intervention” funds. Additional purposes for “housing interventions” funds will be determined by the State Department of Health Care Services (DHCS).
- DHCS gave the following example of the use of “housing interventions” funds other than permanent supportive housing:  
“A consumer in an FSP [Full Service Partnership] is placed in an adult residential facility uniquely designed for complex co-occurring disorders which requires lower staffing ratios and enhanced services for rehabilitation and recovery. The cost of the placement exceeds the rate provided by the SSI/SSP Non-Medical Out of Home Care Rate (NMOHC). BHSA funds can be a “patch” to fully cover costs. This use of funding can be scored as part of the overall 30% requirement for housing.”

#### 16. What will the bond in Proposition 1 (AB531, The Behavioral Health Infrastructure Bond Act of 2023) build?

- Approximately one-third (2.42 billion) of bond sale proceeds is for loans or grants to build permanent supportive housing and two-thirds (4.34 billion) is for grants to counties and private parties to build clinical treatment facilities.
- A grant is a sum of money given by a government for a particular purpose that does not have to repaid like a loan.

#### 17. What does Proposition 1 say related to Permanent Supportive Housing to be built under the bond?

- 1.65 billion is for loans or grants to “eligible entities” for “permanent supportive housing” [undefined] for veterans and their families who are at risk of homelessness, homeless, chronically homeless and also meet the criteria for serious mental illness and/or substance use disorder(s).
- 922 million is for loans or grants to “eligible entities” for “permanent supportive housing” [undefined] for persons “living with a behavioral health challenge” [undefined] who are also at risk of homelessness, homeless or chronically homeless.

- It is [estimated](#) the bond will build 4,300 permanent housing units in total, about half (2,500) for veterans
- SB326 estimates, “over 10,000 Californian veterans [are] experiencing homelessness.”

**18. What does Proposition 1 say related to clinical treatment facilities to be built under the bond?**

- 1.5 billion dollars is for grants "cities, counties, and cities and counties and tribal entities" for the purposes of the Behavioral Health Continuum Infrastructure Program (BHCIP), which is an existing program.
- 2.893 billion is for "grants" to unspecified parties for the Behavioral Health Continuum Infrastructure Program (BHCIP).
- SB336 says 10,000 permanent supportive housing units and clinical treatment beds will be built, implying ~ 6,700 clinical treatment beds.

**19. What kinds of clinical treatment facilities can BHCIP / Proposition 1 grants build?**

- “[S]hort-term crisis stabilization, **acute** and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched **longer term treatment** and rehabilitation options for persons with behavioral health disorders.”

**20. Does the BHCIP program funded under Proposition 1 make grants to build locked mental health and substance use disorder facilities?**

- Yes, BHCIP is an existing program with the same operative language that is currently building locked facilities, such as mental hospitals.

**21. Does the BHCIP program funded under Proposition 1 make grants to private businesses and for-profit clinical treatment facilities?**

- Yes. For more information on BHCIP:
  - BHCIP website: <https://www.infrastructure.buildingcalhhs.com/>
  - BHCIP dashboard: <https://www.infrastructure.buildingcalhhs.com/bhcip-data-dashboards/>

**22. How much of the funding for clinical treatment facility beds can be used for locked facilities?**

- All the grants funds (4.34 billion) for clinical treatment facilities can be used for locked mental health and substance use disorder facilities. Nothing in AB531 dedicates or specifies how much money must be used for voluntary unlocked treatment beds versus locked facilities.



- All language requiring clinical treatment facilities to be “voluntary and unlocked” was [stripped out from the bill](#) at the last moment.

### 23. How does Proposition 1 relate to involuntary treatment under Senate Bill 43 and CARE Court?

- The legal changes to MHSA and the bond money in Proposition 1 can support a large expansion of involuntary interventions for mental health disorders and substance use disorders.

### 24. What is Senate Bill 43 and how does it create a need for locked and involuntary treatment facilities that Proposition 1 can meet?

- [Senate Bill 43](#) is a new law in California that passed at the same time as the bills underlying Proposition 1. It creates a need for locked substance use disorder treatment facilities in order for the law to take effect.
- SB43 allows the State to take people into custody for placement in involuntary facilities if they are alleged to have any “severe” substance use disorder in the Diagnostic and Statistical Manual (DSM) and are poor or vulnerable.
  - “Severe” refers to the level of use of a substance and does not refer to what type of substance is being used. For instance, cannabis use disorder is a listed substance use disorder in the DSM.
  - SB43 applies to all people in California, not only the unhoused.
- California has [no locked substance use treatment facilities](#) at present resulting in 56 of 58 Counties delaying implementation of the law. Proposition 1 can build those facilities.

### 25. Does Proposition 1 support CARE Court?

- Yes, the [CARE Act](#) specifies that the courts can order counties to provide the court-ordered CARE Plan treatment inclusive of housing (which some judges are interpreting to mean [clinical treatment facilities](#)) and that MHSA can fund those court-ordered plans.
- The mandated spending on “housing interventions” can therefore direct funds towards the expansion of CARE Court.