June 8, 2026

RE: Coalition Statement Opposing Use of BHSA Funds to Offset General Fund Costs

Dear Governor Newsom and Legislative Leaders:

We are a group of behavioral health organizations that oppose the proposed use of more than 30% of Proposition 1, Behavioral Health Services Act (BHSA), state-directed funds to replace existing General Fund obligations for the following reasons:

1. **It is misaligned with voter intent.** Voters approved Proposition 1 expecting BHSA funding to expand and strengthen California's behavioral health system for people with the greatest needs, not to create a state backfill fund for anticipated ongoing budget shortfalls. Using BHSA dollars to "offset" General Fund obligations is inconsistent with what voters were told and what they approved.

2. **It further weakens prevention funding.** Proposition 1 shifted behavioral health prevention funding from the county to the state level, which destabilized the community-based prevention infrastructure. Many organizations have lost funding or face

uncertainty as they wait to compete for future state contracts under the Department of Public Health (CDPH), which could be cut in half since the state proposes to shrink that pot even further by funding other initiatives, including efforts that do not appear directed toward BHSA priority populations. CDPH has already fully developed its population-based prevention plan to implement these voter-approved investments, and this proposal would prevent that plan from coming to full implementation. This raises serious concerns that prevention funding was moved from counties to the state only to be redirected to fund programs that have nothing to do with prevention.

3. **It appears inconsistent with the BHSA's non-supplantation language.** The BHSA states that prevention funds "shall not supplant funding for services and supports for which ongoing funding is available through Children and Youth Behavioral Health Initiative (CYBHI) or other sources." The administration appears to argue that these General Fund offsets are not ongoing. But the programs being funded are not one-time investments, and budget documents indicate that some of these expenditures are intended to continue. Calling them temporary does not mean they will actually end up being temporary. In addition, the Administration's proposal to directly fund CYBHI programs with BHSA dollars is directly contrary to that language.

4. **It undermines BHSA's workforce commitments for priority populations.** Proposition 1 included dedicated workforce funding because California's most serious behavioral health workforce shortages are in serving people with the highest-acuity needs. Reducing or redirecting these funds means the state will not carry out the workforce plan voters approved, even as people with serious mental illness, substance use disorders, homelessness, and justice-system involvement remain in desperate need of qualified providers and staff. The Department of Health Care Access and Information (HCAI) is nearly finished with their comprehensive Workforce Education and Training (WET) plan to implement these voter-approved investments, and these reductions would prevent that plan from coming to full implementation.

5. **It uses BHSA to pay for existing state obligations.** The programs proposed for BHSA offsets are largely existing programs, existing obligations, or ongoing state responsibilities. They do not represent new behavioral health investments, new capacity, or new services for the priority populations that the BHSA was intended to serve. For example, the BHSA was sold in part as allowing counties and the state to address substance use disorder treatment directly, not just co-occurring conditions. But that does not mean the BHSA should be used to absorb existing state obligations, including costs in the Drug Medi-Cal Organized Delivery System (DMC-ODS), that are borne by the General Fund.

6. **Some proposed offsets are a stretch under BHSA.** Some of the proposed General Fund offsets do not appear closely tied to the BHSA's core purpose of serving people with serious mental illness, substance use disorders, and other priority populations. Using BHSA funds for items, like construction apprenticeship grants, raises serious questions about whether these expenditures are consistent with the law or voter intent.

This proposal sets a dangerous precedent. It also commits future BHSA funding to offset state costs before the long-term fiscal picture is fully known and before the BHSA has been fully implemented. If allowed to stand, the BHSA risks becoming a recurring budget-balancing tool rather than a protected behavioral health investment.

We urge the Legislature to reject the proposed use of BHSA funds for General Fund offsets and to establish clear parameters around BHSA state-directed and administrative spending to ensure these funds are used consistently with voter intent and statutory requirements.

Thank you for your time and consideration.

Respectfully,

Brenda Grealish
Executive Director
Commission for Behavioral Health (CBH)

Patricia Barahona
Chief Executive Officer
Youth Leadership Institute (yli)

Mona Afary
Executive Director
Center for Empowering Refugees & Immigrants (CERI)

Theresa Comstock
President
CA Coalition for Behavioral Health (CCBH)

Bill Stewart
President
CA Association of Local Behavioral Health Boards/ Commissions (CALBHB/C)

Staci Anderson
President & CEO
PRO Youth

Dawniell Zavala
Executive Director
Cal Voices

Le Ondra Clark Harvey Ph.D.
Chief Executive Officer
California Behavioral Health Association (CBHA)

Alex Fajardo
Executive Director
El Sol Neighborhood Educational Center

Jessica Wilson (Cruz)
Chief Executive Officer
National Alliance on Mental Illness (NAMI) California

Melissa Hannah
Executive Director
United Parents

Karen Larsen
Chief Executive Officer
Steinberg Institute

Chad Costello, MSW, CPRP
Executive Director
California Association of Social Rehabilitation Agencies (CASRA)

Beth Parsons
Chief Executive Officer
Youth for Change

Adelaida Moore
Director
Sunrays of Hope

Gustavo Ayala
Interim Executive Director
Sustainable Wellness Solutions

Jonathan Vickrey
Acting CEO
Peer Recovery Services

Gerad Amore
Chief Executive Officer
Help Is Hope

Maria Mata Vasquez
Chief Operating Officer
Law Foundation of Silicon Valley

Dr. Rhiyan Quiton
Executive Director
Interim Inc.

Rayshell Chambers
Executive Director
Painted Brain

Liz Logsdon
Executive Director
Mental Health Advocacy Services

Zoe Kornweibel
Executive Director
Communities Voices

Carolina Ayala
Chief Executive Officer
Happier Life Project

Orlando Vera
Chief Executive Officer
Peer Voices United

Imari Kariotis
Chief Executive Officer
California Peer Watch

Tasha Henneman
Chief of Policy & Government Affairs
PRC

Monica Porter
Associate Director and Senior Counsel of Public Policy
Disability Rights California

Lynn Rivas, PhD
Interim Executive Director
California Association of Mental Health Peer Run Organizations (CAMHPRO)

Stacie Hiramoto
Executive Director
Racial & Ethnic Mental Health Disparities Coalition (REMHDCO)

Usama Khalil
Chief Executive Officer
Refugee Enrichment & Development Association (REDA)

Heidi Strunk
President and Chief Executive Officer
Mental Health America of California (MHAC)

Morey Riordan
Executive Director
Openhouse

Claudia Cendejas
Executive Director
Humanidad Therapy and Education Services

Hằng Nguyễn
Chief Executive Officer & Executive Director
BPSOS Center for Community Advancement, Inc.

Joy Alafina, MBA, CAE
Executive Director
California Association of Marriage and Family Therapists (CAMFT)

Josefine Alvarado Mena, Esq.
Chief Operating Officer
Safe Passages

Yolanda Randles, MPH
Executive Director
West Fresno Resource Center

Sarah Underwood
Founder & Senior Evaluation Consultant
Underwood Strategic Insight

Arcenio J. López
Executive Director
Mixteco/Indígena Community Organizing Project (MICOP)

Adrienne Shilton
Senior Vice President of Public Policy and Strategy
California Alliance of Child and Family Services (CACFS)

Tyler Rinde
Director of Government Affairs
California Psychological Association

Yoonyoung Kwak, Ph.D.
Founder and Senior Data Consultant
YK Stats & Consulting

Kerrilyn Scott-Nakai
President and Chief Executive Officer/Chief Financial Officer
Center for Applied Research Solutions (CARS)

Sharon Kennedy
Sr. Executive Director
International Rescue Committee (IRC) California

Stephanie Manieri
Executive Director
Latino Service Providers (LSP)

Debra Oto-Kent, MPH
Founding Executive Director
Health Education Council (HEC)

Charles Helget
California Association of Veteran Service Agencies (CAVSA)

Chris Flaherty
Chief Executive Officer
Nation's Finest Veteran Services

Robb Layne
Executive Director
California's Association of Alcohol and Drug Program Executives (CAADPE)

Gulshan Yusufzai
Executive Director
MAS-Social Services Foundation

Lizzie Guansona
Legislative Advocate
California Academy of Child & Adolescent Psychiatry (CALACAP)

Orvin Hanson
Chief Executive Officer
Indian Health Council, Inc.

Akilah Templeton MPA, MSW
President-CEO
Veterans Village of San Diego

Darryl J. Vincent
President and Chief Executive Officer
U.S. Vets

Leo Cuadrado, Capt., U.S. Marine Corps (Ret)
Executive Director
New Directions for Veterans

Tramecia Garner
Executive Director
Swords to Plowshares

Avo Makdessian
Executive Director
First 5 Association of California

Regina Mason
Co-Founder
The Village Project, Inc.

Virgil Moorehead Jr.
Executive Director
Two Feathers Native American Family Services