STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-27	4140	Department of Health Care Access and Information

Hyperion Budget Request Name	Relevant Program or Subprogram
4140-043-BCP-2026-MR	3835 - Health Care Workforce

Budget Request Title
Behavioral Health Services Act Allocation: Workforce Programs

Budget Request Summary
The Department of Health Care Access and Information requests expenditure and position authority for 3 positions and $5,509,000 in state operations and $94,493,000 in local assistance in 2026-27 and ongoing for a total of $100,002,000 from the Behavioral Health Services Fund. The department also requests provisional language authorizing encumbrance or expenditure of funds until June 30, 2029, and exemption from the Public Contract Code.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☒ Budget Bill Language ☐ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	N/A	N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Approval Date:** N/A

Project Approval Document: N/A **Total Project Cost:** N/A

If proposal affects another department, does other department concur with proposal? ☒ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Marissa Enos	5/14/2026	Scott Christman	5/14/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Elizabeth Landsberg	5/14/2026	K Jones on behalf of Kim Johnson	5/14/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Joseph Donaldson	5/14/2026

A. Problem Statement

Access to affordable and appropriate behavioral health care for Californians is limited, particularly for individuals with significant behavioral health conditions and co-occurring disorders. Some populations—such as unhoused individuals and justice-involved individuals—have some of the highest needs for behavioral health services but experience the most significant barriers to care. Despite significant state and federal investments, demand for behavioral health services continues to outpace system capacity.

Key workforce challenges include a shortage of behavioral health professionals trained to work with high-acuity and co-occurring conditions, maldistribution of health professionals by geography and setting, high staff turnover in safety-net settings, and inadequate capacity in community-based and non-clinical roles that are essential for engagement, continuity, and recovery. As a result, many individuals interact with the behavioral health system only after conditions have escalated to crisis, often through emergency departments, inpatient facilities, or the criminal justice system; settings that are costly, reactive, and poorly suited to long-term stabilization.

Workforce shortages span nearly every role including licensed clinicians, substance use disorder counselors, peer and community-based workers, as well as supervisors, and are particularly acute in rural and underserved communities. HCAI analysis of California's behavioral health workforce supply and demand shows statewide shortages for all roles analyzed. Supply and demand forecasts project that by 2033, all counties in California could face shortages of non-prescribing licensed clinicians (such as psychologists and Licensed Clinical Social Workers); 22 counties may face shortages greater than 50%.

The root causes of these shortages are many, including: inadequate training capacity, misalignment between training and practice, training pathways that are lengthy and expensive, limited paid training opportunities and insufficient clinical supervision capacity, and financial disincentives to work in settings that serve individuals with significant behavioral health conditions. The county behavioral health system – which serves individuals with significant behavioral health conditions - faces even greater challenges recruiting and retaining behavioral health professionals due to the difficulty of the work, non-competitive compensation compared to private settings, and limited capacity to supervise and retain clinical trainees.

Proposal Statement

Proposition 1 (approved by the voters in March 2024) requires that a minimum of three percent of Behavioral Health Services Act (BHSA) revenues go toward the Behavioral Health Workforce Initiative, with up to five percent being set aside for planning, development, and state operations. The goal of the Behavioral Health Workforce Initiative is to increase the current and future supply of behavioral health professionals serving individuals with significant behavioral health conditions and priority populations, so that the workforce reflects the communities served and is equipped with the appropriate knowledge and skills to meet the needs of these populations.

HCAI conducted a broad community engagement process, with 21 structured dialogue sessions involving 287 participants. Sessions set out to identify causes and propose solutions to key workforce challenges related to the provision of high-quality behavioral health services to individuals with significant behavioral health conditions. Sessions covered key topic areas such as workforce retention and recruitment and the behavioral health workforce serving older adults.

Based on the results of this community engagement process and following a second phase of community and stakeholder engagement, HCAI has developed five BHSA workforce investment objectives. These objectives are outlined in HCAI's proposed BHSA 2026-2030 Workforce Education and Training (WET) Plan:

1. Expand existing workforce skills

2. Educate and train future licensed professionals
3. Scale and optimize deployment of non-licensed workforce
4. Enhance career pathways and advancement
5. Recruit and retain workforce

Specific programs and investments that fit into each of these five objectives have been developed through an iterative and consultative process and shared through public meetings and a public comment period. The final proposal for BHSA investment priorities as articulated in the BHSA 2026-2030 WET Plan is expected to be approved by the Behavioral Health Planning Council in June 2026.

HCAI requests $100.02 million in expenditure authority for 2026-27. Of this funding, $53.9 million (local assistance funding) will be allocated to funding new behavioral health workforce programs aligned with the BHSA 2026-2030 WET Plan and the five objectives described above.

$40.6 million is directed in lieu of existing General Fund behavioral health workforce programs. At HCAI specifically, $8.5 million of the $40.6 million is directed to Children and Youth Behavioral Health Initiative (CYBHI) programs. The remaining $32.1 million will be administered through IAA agreements with Department of Health Care Services, Department of State Hospitals, and Department of Corrections and Rehabilitation, as detailed below:

- Department of Health Care Services
  - $5.1 million: Children and Youth Behavioral Health Initiative Wellness Coach Benefit.
  - $11.9 million: Children and Youth Behavioral Health Initiative Behavioral Health Service and Supports Platform.
- Department of State Hospitals
  - $14.1 million: Psychiatry Workforce Pipeline Programs.
- Department of Corrections and Rehabilitation
  - $1 million: Mental Health Training and Outreach Coordination Program.

To administer the $59.42 million local assistance in new workforce programs aligned with the BHSA 2026-2030 WET Plan, HCAI requests three positions in 2026-27 and ongoing to support the continuous planning, development, implementation, oversight, and evaluation of the workforce components of Proposition 1.

B. Justification

The transformation of behavioral health through Proposition 1 requires significant investment and planning to address the behavioral workforce needs for all Californians. HCAI requests $100.02 million in expenditure authority to support the development, implementation, administration, and evaluation of the workforce initiatives in Proposition 1. HCAI requests $94.5 million in local assistance and $5.5 million in state operations. HCAI requests authority for three positions at a cost of $505,000 for 2026-27 and ongoing to support the development, implementation, administration, and evaluation of the workforce initiatives in Proposition 1.

The requested positions will conduct policy oversight, design and re-design of BHSA programs, as well as producing the workforce analytics and conducting and overseeing the program evaluations that will help HCAI best target its funds. The following section provides a description of the staffing request and role within the Proposition implementation.

Personnel

<u>Research and Evaluation Section (two positions):</u>

HCAI requests the following staffing authority to support the additional work and alignment with the needs of Proposition 1.

One Research Data Manager – responsible for the oversight and supervision of the Research and Evaluation Branch of HCAI's health workforce development office, including the planning

of long-term vision and strategies for the Health Workforce Research Data Center, and communication to executive management and external stakeholders. This leadership role will design and implement analytics and program evaluations to better understand behavioral health workforce gaps and target investments appropriately. This includes overseeing the design and implementation of evaluation efforts to assess the impact of BHSA funds on the behavioral health workforce in the county behavioral health system, and the impact on individuals with significant behavioral health conditions and other BHSA priority populations.

One Research Data Specialist II – HCAI has developed a first-ever in-house supply and demand model for the behavioral health workforce. This position will be responsible for behavioral health workforce data management, data analysis, modeling, integrating Research Data Center and Program data, and workforce data/research support, including improving the functionality and scope of the current model to include additional profession types explicitly targeted in BHSA. This position will serve as the subject matter and technical expert on behavioral health workforce data and the lead for behavioral health workforce supply and demand modeling, essential for determining and prioritizing workforce gaps. This position will serve as a more independent high level data specialist tasked with developing data collection standards and integration of existing data with future data sources. Outputs from this position will be used to understand and update models related to gaps in the behavioral health workforce, which in turn are used to target BHSA funds to geographic areas and roles with the greatest need. This position will also be responsible for developing and implementing analytical methods to estimate need for non-licensed behavioral health professionals in the county behavioral health system, as HCAI's supply and demand model is only able to assess gaps for licensed behavioral health professionals.

<u>Health Workforce Behavioral Health Policy Section (one position):</u>

HCAI's health workforce policy section supports the program design, direction, and strategy for health workforce development programs. The position listed in this proposal will support the establishment of a dedicated behavioral health policy section to support the expansion of behavioral health workforce development outlined in Proposition 1 and ensure the long-term success of the workforce initiatives.

One Supervisor II – responsible for the oversight, supervision of policy staff, and alignment of the behavioral health workforce strategy to meet the goals of the department and state identified in Proposition 1. Leads community engagement, program design and re-design, and policy analysis to ensure high impact and relevant programs funded by BHSA.

Contracting/Consulting Services

HCAI requires $1,160,000 in contracting in 2026-27. Contract resources will assist with organizational change management, research and evaluation, staff augmentation and information technology enhancements. These services will provide specialized expertise to expand workforce development, education, and retention strategies for behavioral health professionals serving individuals with significant behavioral health conditions and other BHSA priority populations. All contract work will be directed by HCAI and coordinated closely with HCAI staff to ensure alignment, integration, and sustainability.

Community Engagement: $350,000 in 2026-27

Effective implementation of the Behavioral Health Workforce Initiative will require significant coordination across government departments and agencies, as well as public engagement through public bodies and other platforms to support HCAI's initiatives will align with and complement other initiatives and population needs. Stakeholder engagement in BHSA program design is indicated in statute, and HCAI intends to continue engaging community and key stakeholders throughout program implementation, monitoring, and redesign as needed. In partnership with HCAI staff, to ensure alignment with BHSA goals, consultants will coordinate strategic planning, governance, stakeholder engagement and outreach, and partnership management for complex initiatives such as:

- Define core competencies related to serving individuals with significant behavioral health conditions
- Co-design a technical assistance package designed to support counties and county-contracted organizations

Research and Evaluation: $360,000 in 2026-27

Consultants will design and conduct mixed method evaluations to assess the effectiveness and relevance of BHSA programs on key metrics such as retention of the health workforce in the county behavioral health system, efficiencies gained as a result of team-based care and the expansion of the non-licensed behavioral health workforce, improved health outcomes as a result of workforce development, and the capacity of the county behavioral health system to recruit, retain and optimize its behavioral health workforce. Consultants will support evaluation of individual programs, as well as overall impacts of the initiative on the behavioral health workforce serving individuals with significant behavioral health conditions.

Project Management and Staff Augmentation: $300,000 in 2026-27

Program management consultants will coordinate internal strategic planning; oversee cross-department and cross-agency alignment; support program sequencing and implementation; manage timelines and deliverables; and provide staff augmentation to ensure HCAI has adequate internal capacity to administer the BHSA Workforce Initiative, particular in the first two years of program design and launch.

Information Technology Enhancements: $150,000 in 2026-27

Specialists with design and implement data systems to track workforce development activities and program performance. Contractors will provide ongoing maintenance and support for systems that enable transparency and accountability, with HCAI oversight to ensure interoperability with existing platforms.

C. Departmentwide and Statewide Considerations

This proposal will drive significant progress toward developing and supporting the behavioral health workforce that communities need, with a focus on addressing market and population inequities and aiming to provide better access to behavioral health workforce for individuals with significant behavioral health conditions and those that seek care through safety net settings.

D. Outcomes and Accountability

The goal of the BHSA Workforce Initiative is to increase the number and improve the distribution of behavioral health professionals serving individuals with significant behavioral health conditions, while supporting the workforce to better serve these populations. Rigorous program evaluation will monitor progress toward this outcome.

Early outcomes related to specific programs (e.g. number of scholarships awarded; number of additional education slots developed) will be established once programs are approved through the ongoing stakeholder engagement and program development process. Mixed methods evaluation will assess the readiness and effectiveness of the county behavioral health system in attracting, retaining and optimizing their behavioral health workforce with the end of goal of expanding access to quality care for individuals with significant behavioral health conditions.

E. Implementation Plan

Every five years, HCAI is charged with publishing a Workforce Education and Training (WET) Plan (Welfare and Institutions Code Section 5820). The 2026-2030 WET Plan is reviewed and approved by the California Behavioral Health Planning Council (CBHPC) before final publication. The purpose of the WET Plan is to articulate the behavioral health workforce needs of California's public behavioral health program and provide guidance for the behavioral health workforce strategies and programs the Department of Health Care Information and Access (HCAI) should offer. Programs approved in the WET Plan will be funded with BHSA funds.

Prioritized behavioral health workforce development programs outlined and approved in the *2026-2030 Five-Year Workforce Education and Training Plan* will be implemented in 2026-27. Programs will be prioritized based on stakeholder feedback and by accounting for sequencing and urgency. Some priority programs will be implemented in subsequent years.

F. Supplemental Information (If Applicable)

Requesting PCC exemption and multiyear authority:

1. The Department of Health Care Access and Information may execute grants and contracts, including exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts and grants entered into or amended pursuant to the federal Rural Health Transformation Program shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code (excepting Chapter 3, commencing with Section 12100), and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services. This exemption does not apply to procurements typically overseen by the California Department of Technology.

2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2029.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Behavioral Health Services Act Allocation: Workforce Programs

BR Name: 4140-043-BCP-2026-MR

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Permanent	0.0	3.0	3.0	3.0	3.0	3.0
Total Positions	**0.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**
Earnings - Permanent	0	330	330	330	330	330
Total Salaries and Wages	**$0**	**$330**	**$330**	**$330**	**$330**	**$330**
Total Staff Benefits	0	175	175	175	175	175
Total Personal Services	**$0**	**$505**	**$505**	**$505**	**$505**	**$505**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	68	68	68	68	68
5320 - Travel: In-State	0	9	9	9	9	9
5322 - Training	0	3	3	3	3	3
5324 - Facilities Operation	0	33	33	33	33	33
5340 - Consulting and Professional Services - External	0	99,384	99,384	99,384	99,384	99,384
Total Operating Expenses and Equipment	**$0**	**$99,497**	**$99,497**	**$99,497**	**$99,497**	**$99,497**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$100,002**	**$100,002**	**$100,002**	**$100,002**	**$100,002**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4

State Operations - 3085 - Behavioral Health Services Fund	0	5,509	5,509	5,509	5,509	5,509
Total State Operations Expenditures	**$0**	**$5,509**	**$5,509**	**$5,509**	**$5,509**	**$5,509**
Local Assistance - 3085 - Behavioral Health Services Fund	0	94,493	94,493	94,493	94,493	94,493
Total Local Assistance Expenditures	**$0**	**$94,493**	**$94,493**	**$94,493**	**$94,493**	**$94,493**
Total All Funds	**$0**	**$100,002**	**$100,002**	**$100,002**	**$100,002**	**$100,002**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3835 - Health Care Workforce	0	99,937	99,937	99,937	99,937	99,937
3860 - Administration	0	65	65	65	65	65
Total All Programs	**$0**	**$100,002**	**$100,002**	**$100,002**	**$100,002**	**$100,002**