



# **Behavioral Health Services (BHS) Fiscal Year 2026-27 Budget**

Sacramento County

Behavioral Health Commission

May 20, 2026

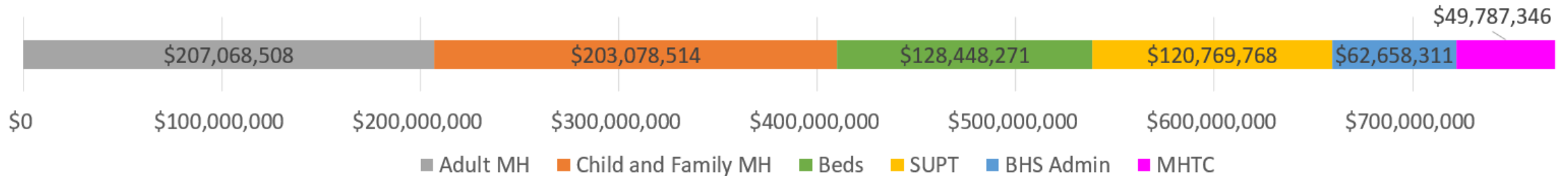
## FAST FACTS

- FY 2025-26 Requested Budget: \$771.8M
- 161 Provider Agencies with 238 Programs
- Workforce of over 3,500 people across the BHS system of care
- 39,501 consumers served
- Local funds are required as match for Federal Medicaid funds, but payments are received as Patient Care Revenue, which is allowable as a matching fund
- FY 2026-27 Requested Budget: \$740M
- Budget Hearings June 10-12

# Budget Comparison

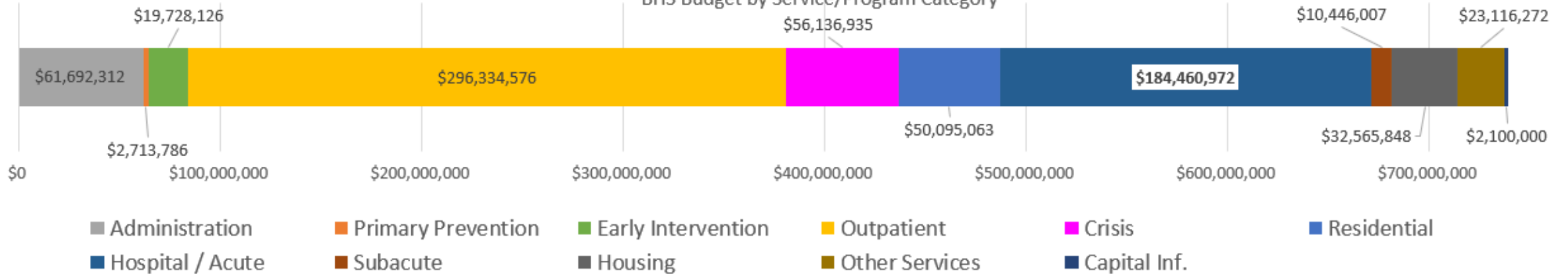
## Fiscal Year 2025-26

BHS Budget by Service/Program Category



## Fiscal Year 2026-27

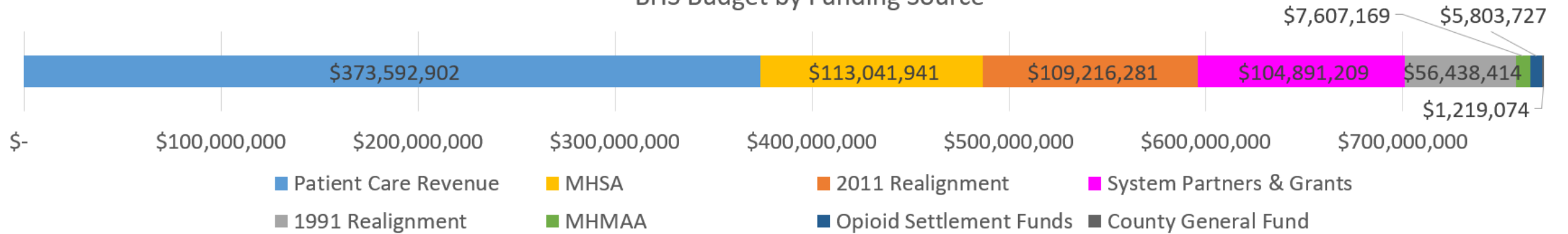
BHS Budget by Service/Program Category



# Budget Comparison, cont'd

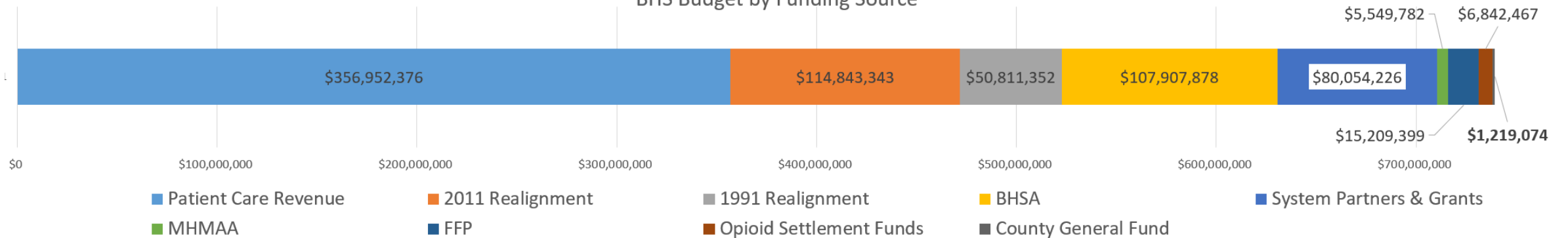
## Fiscal Year 2025-26

BHS Budget by Funding Source



## Fiscal Year 2026-27

BHS Budget by Funding Source



# Fiscal Year 2026-27 Outlook

- On January 13, 2026, The County's Chief Financial Officer held the FY 2026-27 Budget Workshop for the Board of Supervisors.
- The workshop addressed the current and projected future fiscal environment, describing risks and pressures to the County.
- At that time, the Board approved budget priorities and the approach for initial resource allocations to Departments.
- Risks included uncertainty around federal funding and unavoidable cost increases and highlighted the Mays Consent Decree and the County Medically Indigent Services Program.
- With current structures in place, it was projected that costs will outpace the County's Discretionary and Semi-Discretionary funding in FY 2026-27.

# Fiscal Year 2026-27 Base Budget

- Each year the Departments are tasked with submitting a base budget:
- Base Budget represents the cost of continuing CURRENT services in the upcoming Fiscal Year
- May include some cost of doing business increases
- A significant portion of the costs to budget are not within the authority of the Department to decide:
  - ◇ Staff Costs – defined by the County
  - ◇ Overhead and Allocated costs (IT infrastructure, liability insurance, building lease and use costs, vehicle costs outside of fuel)
- Includes some reductions if not at County’s discretion (e.g., grant fund expires and program being funded is to be dismantled)
- Sacramento County Board of Supervisors makes final decisions during Budget Hearings.

# BHS Requested Base Budget

Recommendations included up to a 2% reduction in initial resource allocation compared to the adjusted FY 2025-26 allocation for all budget units except those with no spending discretion.

For BHS:

- Reduction of Realignment revenues (\$5.2M)
- Increased costs due to COLAs and other escalators in labor agreements recently ratified
- Rate increases from some vendors
- Reduction of spending authority due to expiring grants
- Growth is different and is approved by the Board of Supervisors separately from the base budget – these are increases to service offerings or increased service levels in existing offerings.

# BHS Budget Priorities

- The BHS priorities for base budget mostly remained as discussed in prior BH Commission meetings:
  - ◇ Aside from contracts that were identified for sunset, keep the current service delivery system intact, despite the shift of funding away from prior obligations and into housing categories as mandated by the BHSA.
  - ◇ No layoffs
  - ◇ Absorb increases (Collectively bargained wage increases, etc.)
  - ◇ Absorb \$5.2M reduction in semi-discretionary (Realignment) funds

# May Revise

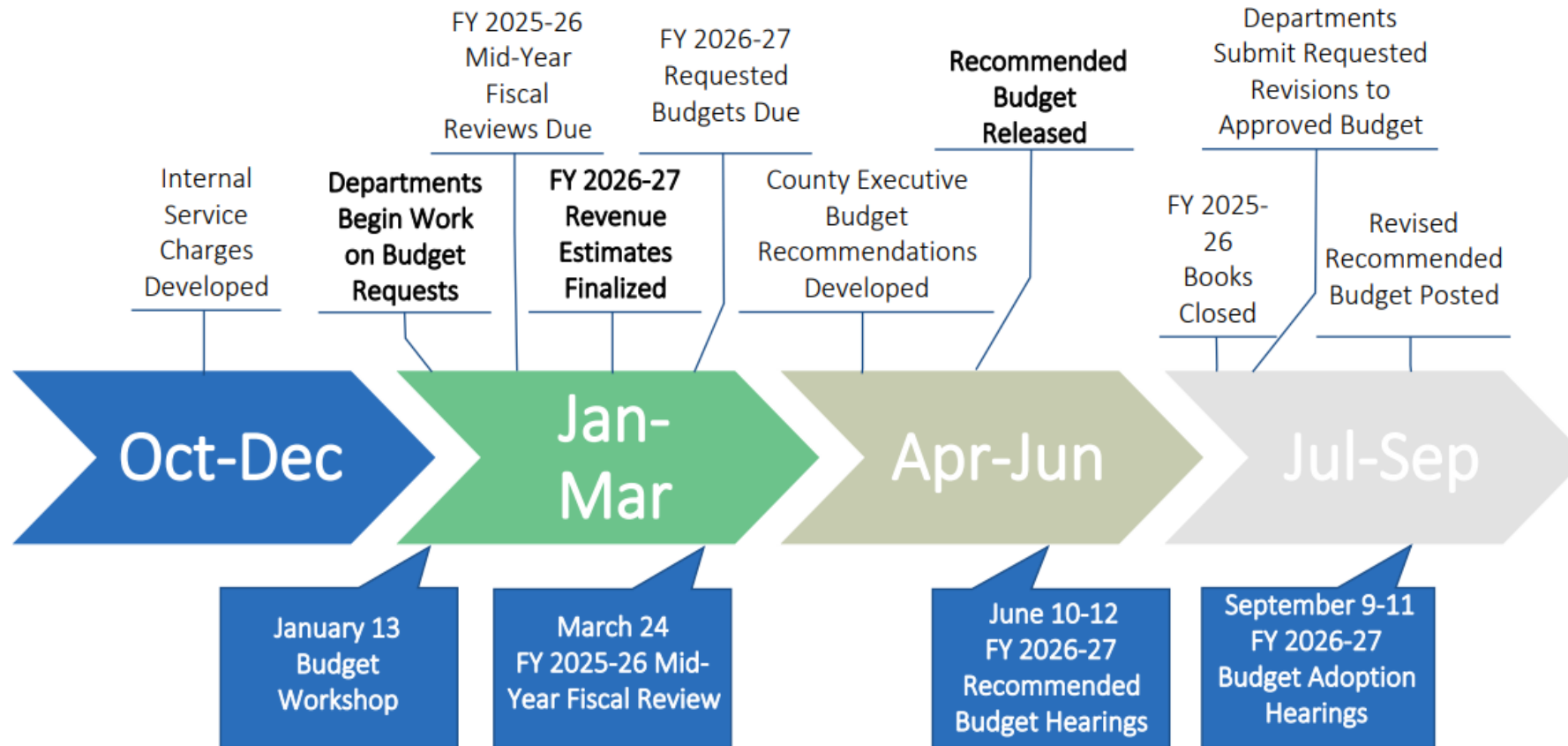
Governor Newsom released the May revision to the State Budget on May 14, 2026.

There are no major reductions to Behavioral Health, per se. However, there is no change in the May revision to the proposal that would make the Mobile Crisis Benefit a voluntary program, which would shift the local match cost to Counties.

*Note: Enhanced federal matching was a temporary ARPA benefit.*

# What happens now (from CFO presentation)

## Budget Process and Timeline





**Thank You/Questions?**