Proposition 36 Behavioral Health Implementation Request for Information (RFI) Submission Training Webinar

Thursday, January 22, 2026

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

THE CENTER at Sierra Health Foundation

Agenda

» Welcome

» Meet the Team

» RFI Purpose and Overview of Proposition 36

» Funding Overview

» Request for Information (RFI) Submission Process

» Live Demo Scope of Work and Budget Template

» Reporting Requirements

» Contact Information and FAQ

Department of Health Care Services

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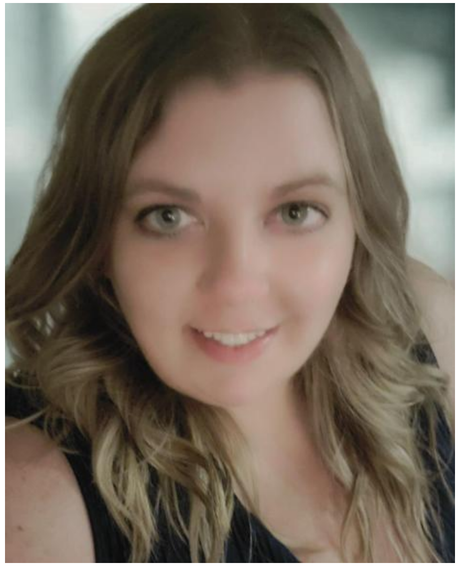

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The Center Background

» Founded in 2012

» Brings people, ideas, and infrastructure together to create positive change in California

» Dedicated to health and racial equity

» Acting as administrative entity in partnership with the California Department of Health Care Services (DHCS) to support the Proposition 36 Behavioral Health Implementation Funding

THE CENTER
at Sierra Health Foundation

RFI: Purpose & Background

» **Legislative Goal:** Support the implementation of **Proposition 36,** which reclassifies certain drug offenses as "treatment-mandated felonies."

» **Objective:** Divert individuals with two or more prior convictions from incarceration into drug and mental health treatment.

» **Role of Funding:** To help counties build the capacity (staff, systems, facilities) to handle this new legal workflow and caseload.

Program Administration

Department of Health Care Services (DHCS):

» Provides the funding and overall program oversight.

The Center at Sierra Health Foundation (The Center):

» Acts as the Administrative Entity.

» Manages contracts, disburses payments, and collects reports.

Note: Counties will contract directly with The Center, not DHCS.

Contract Term & Timeline

Key Dates

» **Contract Term:** March 1, 2026 – March 31, 2028.

» **Priority Response Deadline:** February 27, 2026, 1 p.m. PST

» **Program Conclusion:** All funded activities must conclude by March 31, 2028.

Contracting Process

» **Rolling Basis:** Contracts will be processed in a "First-Come, First-Executed" order.

» **Immediate Action:** Contract development begins immediately upon receipt of a complete submission.

» **Instruction:** Counties are encouraged to submit as early as possible to maximize their implementation time within the contract term.

County Allocations & Disbursement (Appendix A)

Allocation Methodology

» **Non-Competitive:** This is not a competitive grant for County Behavioral Health Departments; this is one-time funding allocated to counties by the legislature.

» **Formula:** Allocations were determined by DHCS in consultation with the Judicial Council, as required by AB 102.

» **Lump Sum:** Funding will be issued as a **single payment** once the contract is executed.

» **No Increases:** Counties may not request more than their designated amount.

Redistribution Policy

» If a county declines funding, those dollars return to the pool.

» Declined funds may be redistributed to participating counties according to the distribution methodology.

Please refer to **Appendix A** in the RFI package to locate your county's specific dollar amount.

Two Funding Categories

Implementation & Capacity Building

» **Allocation:** Minimum **50%** of total award (up to 100%).

» **Match: No Match Required**.

Focus: Infrastructure, systems, and workforce.

Treatment Services

» **Allocation:** Maximum **50%** of total award.

» **Match: 25% Local Match Required**.

Focus: Direct client services and evaluations.

Category 1: Implementation & Capacity

Allocation Rule: Minimum **50%** of total award.

Match Requirement: None (0%).

Allowable Activities:

» **Workforce:** Hiring staff, training, and policy development.

» **Infrastructure:** IT upgrades, Electronic Health Records (EHR) updates.

» **Facilities:** Housing support and treatment facility improvements.

» **Coordination:** Costs to collaborate with Courts, Probation, and Public Defenders.

Category 2: Treatment Services

Allocation Rule: Maximum **50%** of total award.

Match Requirement: 25% Local Match Required.

Allowable Activities:

» Court-mandated behavioral health evaluations.

» Treatment services **not** reimbursable by Medi-Cal or commercial insurance.

» Wraparound services for the target population.

Key Fiscal Restrictions

» **Treatment Expenditure:** No more than 50% of funding allocation can be spent on treatment-related costs.

» **Non-Supplantation:** Funds cannot replace existing state, federal, or local funding for current services. They must supplement, not supplant.

» **Payor of Last Resort:** Prop 36 funds can only be used for treatment *after* maximizing all other revenue sources (e.g., Medi-Cal, private insurance).

» **Audit Ready:** Counties must maintain distinct accounting to track these specific funds separately from other funding streams, and be prepared to report on them if asked.

Access Portal & Confirm Intent

» **Access Instructions:** To claim your allocation, navigate to the secure online portal and open the **Proposition 36 Behavioral Health Implementation and Funding Application**.

» **The Threshold Question:** Upon opening the application, you must answer the following question to determine your submission path:

"Does the County intend to accept Proposition 36 Implementation funding as outlined in the sample allocation table in Appendix A?"

Your Next Steps:

» **Select YES:** Proceed to the Scope of Work & Budget (Appendices C & D).

» **Select NO:** Proceed to the Letter of Declination (Appendix B).

If Declining Funds (Appendix B)

If you select "No" in the portal, you must upload a formal **Letter of Declination**.

» This releases your allocation to be redistributed to other participating counties.

Letter Requirements

» **Format:** Must be on official County Letterhead.

» **Signatory:** Signed by an authority authorized to decline funds (e.g., County Director).

» **Content:** Clearly state the decision to decline Prop 36 / AB 102 funding and include contact info for verification.

» **Template:** Use the sample provided in **Appendix B**.

Submission Questions: Contact Information (Appendix C)

Primary Contacts Required: You will need to provide contact details for the following key roles:

» **County Behavioral Health Director:** Final approval authority.

» **County Fiscal Authority:** Authorized to sign off on financial commitments.

» **Fiscal/Banking Contact:** Manages EFTs, invoices, and expenditure reports.

» **Primary Project Manager:** Day-to-day lead for execution.

» **Data Reporter:** Lead for tracking and reporting project data

Submission Questions: Narrative & Certifications (Appendix C)

Funding Intent

» **Treatment Services:** Indicate if you plan to use funds for Treatment (Category 2).

» **Match Source:** If yes, identify the source of the required **25% local match** (e.g., Realignment, General Fund).

Required Certifications You must certify that AB 102 funds will:

» **Not Supplant:** Not replace existing county funding obligations.

» **Last Resort:** Only be used for non-reimbursable services.

» **Maximize Revenue:** Be used only after maximizing federal and commercial insurance reimbursement.

Submission Questions: Data Readiness (Appendix C)

Capacity Assessment - You will be asked if you currently collect or plan to build capacity for the following:

» **Case Volume:** Cases with substance abuse/mental health evaluations.

» **Treatment Entry:** Defendants entering Drug Treatment, Mental Health Treatment, or both.

» **Outcomes:** Successful completions vs. unsatisfactory performance/refusals.

» **Demographics:** Race, Gender, Age, and Housing Status.

Scope of Work: Planning & Implementation (Appendix D)

Funding Rules

- » **Minimum Allocation:** At least 50% of total funds.
- » **Match:** No local match required.

Allowable Activities (as related to Proposition 36)

- » **Infrastructure:** IT upgrades, Electronic Medical Records (EMR) systems
- » **Workforce:** Hiring, training, and policy development.
- » **Capital:** Housing and treatment facilities (including recovery housing).
- » **Collaboration:** Coordination costs with Courts and Probation.

Scope of Work: Treatment Services (Appendix D)

Funding Rules

» **Maximum Allocation:** <u>Up to 50%</u> of total funds.

» **Match Requirement:** 25% Local Match is required for every dollar spent in this category.

Allowable Activities (as related to Proposition 36)

» **Non-Reimbursable Care:** Treatment or evaluations not covered by Medi-Cal or commercial insurance.

» **Court-Related Services:** Behavioral health evaluations for court proceedings.

» **Restriction:** Cannot be used for services covered by an individual’s existing insurance (funding of last resort).

Workbook Access & Security Warning

The File Type

» You will be downloading a **Macro-Enabled Excel Workbook (.xlsm)**.

» This format is required to make the multi-select dropdown menus function correctly.

Critical Action Required

» Upon opening the file, you will likely see a yellow **Security Warning** bar at the top of Excel.

» **You MUST click "Enable Content" or "Enable Macros."**

Warning: If you do not enable content, the dropdown menus in the Scope of Work will not function. This just means you’ll have to do more manual entry between the worksheets.

Workbook Structure: The Tabs

» **About This Workbook:** Instructions and guidance notes.

» **Summary_Narrative:** High-level project descriptions (Goals, Equity, Compliance).

» **Summary_Budget:** This tab auto-calculates totals from your other budget tabs. You do not need to enter data here.

Implementation Tabs (Labeled "Infrastructure"):

- » **Mandatory:** All counties must complete the SOW and Budget for implementation activities (as 50-100% of all funding must be implementation-related).

Treatment Tabs (Optional)

- » **Conditional:** Only complete these if you are funding direct treatment services.

Narrative

Your Role

» Please provide clear, high-level descriptions of your project goals.

» Your answers here allow us to respond quickly and accurately to public inquiries about how your County is utilizing these funds.

Key Requirement

» Brief but descriptive answers are sufficient.

» Do not leave these fields blank.

Implementation (Mandatory)

Labeled as SOW_Implementation & Budget_Implementation

Funding Rules

» **Mandatory:** Every county must complete this section.

» **Flexibility:** You may allocate **50-100%** of your total grant to Implementation/Infrastructure.

» **No Match Required.**

Pre-Populated Activities

» We have pre-filled required Financial Reporting and Data Reporting activities (including deadlines) into the Scope of Work for you.

» Do not remove these rows. You must assign a responsible staff member to them.

Treatment (Optional)

Labeled as SOW_Treatment & Budget_Treatment

When to Use

» Only complete these tabs if you choose to fund direct treatment services.

Funding Rules

» **Cap:** You cannot allocate more than **50%** of your total grant here.

» **Match:** Every dollar spent here requires a **25% Local Match**.

» *The Budget tab includes a section to identify your match source.*

If Not Using Treatment Funds:

» Leave these tabs blank.

Anatomy of the Scope of Work

Required Columns (Submit These)

- » **Activity Description:** What specifically are you doing?
- » **Responsible Parties:** Who is leading this task?
- » **Start/End Dates:** When will this happen?
- » **Monitoring Approach:** How will you verify progress?
- » **Budget Line Reference:** Which budget category pays for this?

Anatomy of the Scope of Work (continued)

Gray Columns (For Your Internal Use Later)

» ***Headers:*** *"Progress Tracking" and "Completion Date"*

» **Optional:** These columns are for your own internal tracking.

» **Purpose:** Use them to track your status so you are ready if audited and for reporting, but you are not required to submit data in these fields.

Scope of Work: Objectives

The Requirement

» Every Scope of Work must begin with a clear **Objective Statement** at the top.

» Make Objectives **SMART** (**S**pecific, **M**easurable, **A**chievable, **R**elevant, **T**ime-Bound).

Sample Objective

*By **March 31, 2028**, [County Name] will have fully implemented a cross-system workflow that ensures eligible individuals [describe Proposition 36 eligibility] are assessed and placed into appropriate treatment services within 10 business days of court determination.*

Anatomy of the Budget

Key Categories

» **Personnel:** Enter Staff Name/Title and FTE.

» **Operating Expenses:** Rent, IT, Supplies, etc.

» **Subcontracts:** Vendor or Consultant costs.

Automation Features

» **Auto-Tabulation:** Columns C, D, and E will automatically sum into the "Total" columns.

» **Fringe Benefits:** Auto-calculated based on Personnel costs.

» **Double-Check Manually:** Please manually verify your totals before submitting.

Why? While formulas are included throughout the workbook to auto-total, it is possible to accidentally delete or overwrite them while working. A manual check ensures your request is accurate.

Submission & Completeness

Upload Requirement

» You must upload the fully completed Excel workbook to the portal to submit your RFI response.

Completeness Matters

» **Our Support:** We will review your workbook and work with you to fix any technical errors or clarify details.

» **The "Fast Track":** However, minimizing the need for back-and-forth revisions is the best way to speed up the process.

» **Result:** A complete and accurate workbook allows us to execute your agreement and release funds significantly faster.

Live Demo: Scope of Work & Budget

We will walk through:

» Opening the file & enabling Macros

» Navigating tabs and built-in guidance

» Filling out sections of the SOW

» Entering line items in the Budget

» Reviewing auto-calculated totals

» Saving & preparing the file for submission

Annual Data Reporting (AB 102)

Legislative Mandate

» To receive funds, counties must report data and outcomes to The Center.

» This ensures the Judicial Council can meet legislative reporting requirements mandated by AB 102 (§26(f)).

Anticipated Reporting Schedule

» **Annual Report 1:** December 2026

» **Annual Report 2:** December 2027

» **Final Report:** March 2028

Note: All programmatic activities must conclude by March 31, 2028.

Important Note on Early Completion: If a county completes its Scope of Work or fully expends its budget prior to March 2028, all three annual reports are still required. Reporting obligations remain in effect until the contract term ends.

Required Data Elements for Reporting

Metric Categories Counties must build capacity to report on "treatment-mandated felonies" (H&S Code § 11395), including:

» **Case Volume:** Number of cases charged where an expert submitted a substance abuse or mental health evaluation.

» **Treatment Entry:** Number of defendants entering drug treatment, mental health treatment, or both.

» **Outcomes:** Successful completions, job training orders, and unsatisfactory performance or refusals.

» **Demographics:** Race, Gender, Age, and Housing Status.

Financial Expenditure Reporting (AB 102)

Requirement

» Separate from the annual data/outcomes reporting, counties must submit Financial Expenditure Reports to track the spending of these specific funds.

Statutory Due Dates

» **Report 1:** December 11, 2026

» **Report 2:** September 30, 2027

» **Final Report:** April 30, 2028 (within 30 days of end of contract)

Submission Method

» Reports will be submitted to The Center (templates and instructions will be provided closer to the first due date).

Contract Development & Execution

» **Contract Drafting:** The Center will draft a contract based on submitted information and schedule time with county staff to review.

» **Compliance Review:** The Center and County will collaborate to ensure the Scope of Work and Budget meet all requirements.

» **Insurance Verification:** The Center will collect necessary proof of insurance documents.

» **Signature:** A finalized contract will be sent to the County for signature.

» **Execution & Payment:** Once the agreement is fully executed, counties are eligible to commence work and submit invoices for payment.

Contacts and FAQs

Reminder: This is a Non-Competitive Allocation

» All counties are eligible for their allocation and we are here to support your work. If you have any questions, please contact us directly for assistance.

» Email: Prop36@sierrahealth.org

» FAQ: We will compile common questions and post an FAQ on the DHCS Proposition 36 Website by Friday, February 6, 2026, and if necessary, Wednesday, February 18, 2026, as questions are received from counties through submission period.

Questions?