

August 10, 2023



The Honorable Jacqui Irwin
California State Assembly
1021 O Street, Suite 6220
Sacramento, CA 95814

Re: SUPPORT – AB 531 (Irwin) and SB 326 (Eggman) Behavioral Health Services Act Behavioral Health Infrastructure Bond Act of 2023

Dear Assemblymember Irwin and Senator Eggman:

On behalf of the California Retailers Association, we are writing in strong support of SB 326 and AB 531, your historic legislative package working with Governor Newsom to transform the Mental Health Services Act (MHSA) pass an accompanying \$4.86 billion bond measure to build 10,000 new community behavioral health beds and housing to provide care to Californians of all ages with serious mental health and substance use disorders.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, on-line marketplaces, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware, and home stores. CRA works on behalf of California's retail industry, which operates over 400,000 retail establishments with a gross domestic product of \$330 billion annually and employs one fourth of California's total employment.

California is facing a confluence of crises - homelessness, serious mental illness, and substance use disorders - and this moment demands bold and comprehensive action. Among Californians experiencing homelessness, nearly 40,000 have a serious mental illness and over 36,000 have a chronic substance use disorder. A recent RAND study indicates the state has a shortage of at least 6,000 behavioral health beds. This lack of sufficient capacity leads not only to unnecessary long lengths of stays in locked settings and hospitals, but contributes to the growing crisis. The need for mental health and substance use services is even more acute among our state's veterans. There are over 10,000 California veterans experiencing homelessness on any given night: upwards of 50% or more of homeless veterans suffer from mental health issues and around 70% are affected by substance use disorders. The proposed bond would dedicate a portion of the funding to provide the support our veterans deserve.

It is long overdue that we modernize our approach to serving our fellow Californians who are most in need of the mental health care they deserve - those with serious mental illnesses, experiencing or at risk of homelessness, and veterans who spend their nights on the streets.

This transformational package focuses on housing with accountability and reform with results to help ensure Californians can access critical behavioral health services and find the type of housing for their needs in the community - making good on a decades-old promise by state leaders.

These actions will complement and build upon California's transformative behavioral health care expansion and accomplishments to date, including the CARE Act, the Children's and Youth Behavioral Health Initiative, the CalAIM expansion of behavioral health services in Medi-Cal, historic investments in behavioral health housing and infrastructure, veterans' health and housing initiatives, and behavioral health workforce investments – to provide a continuum of community care for all.

The status quo is not acceptable. Our families and communities need big, bold action, and we need it now. For these reasons, we are in strong support of SB 326 and AB 531.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rachel Michelin".

Rachel Michelin
President/CEO
California Retailers Association