



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

**Department Name:** Behavioral Wellness  
**Department No.:** 043  
**Agenda Date:** June 9, 2026  
**Placement:** Administrative Agenda  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director: Antonette Navarro, LMFT, Director  
Department of Behavioral Wellness  
Contact: Katie Cohen, Psy.D., LMFT, Assistant Director of Clinical Operations  
Department of Behavioral Wellness  
**SUBJECT:** Second Amendment to the Services Agreement with Olive Crest for Mental Health Services for Fiscal Year 2024–27

**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a Second Amendment to the Agreement for Services of Independent Contractor (BC 24-016) with Olive Crest (not a local vendor) to decrease placement capacity in both in-county and out-of-county short-term residential therapeutic programs and decrease the contract amount by \$1,250,000 for a revised, total maximum contract amount not to exceed \$1,000,000, inclusive of \$750,000 for fiscal year (FY) 2024-2025, \$50,000 for FY 2025-2026, and \$200,000 for FY 2026-27, resulting in no change to the contract term of July 1, 2024 through June 30, 2027; and
- b) Determine that the above-recommended action is not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the action is a governmental funding mechanism and/or fiscal activity that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

The Board of Supervisors is requested to authorize the Chair to execute the Second Amendment to the Agreement with Olive Crest to update the member capacity in both in-county and out-of-county short-term residential therapeutic programs (STRTP) due to significantly fewer admissions than anticipated. This amendment results in a total reduction in cost to the County of \$1,250,000 over the term of the agreement; a decrease of \$700,000 for FY 2025-26 and \$550,000 for FY 2026-27. These changes do not affect the contract term of July 1, 2024 through June 30, 2027.

Approval of the recommended actions will allow the Department of Behavioral Wellness (BWell) to continue providing necessary specialty mental health services (SMHS) to children and youth with serious emotional disturbances (SED), while also ensuring that the contracted service level is commensurate with demand.

**Discussion:**

Olive Crest is a community-based organization (CBO) that provides residential STRTP placements to Medi-Cal eligible children and youth ages 12 through 24 who are system involved (foster care or probation) with serious emotional disturbances (SED) who are Santa Barbara County residents as well as presumptive transfer members from other counties. Program services include assessment and reassessment, collateral services, crisis intervention, intensive care coordination, medication support services, treatment plan development, rehabilitation, targeted case management, and therapy (individual, family and group).

Olive Crest operates one (1) in-county facility in Goleta, California, and seven (7) out-of-county facilities in Orange, Santa Ana, and Perris, California. STRTPs are designed to operate as small community-based facilities with a maximum capacity of 16 members. Actual admissions are contingent upon referrals from the Santa Barbara County placing agency, Child Welfare Services (CWS) and Probation.

BWell originally developed the contract to serve up to 16 member admissions at the in-county facility, as well as allowing for placements at Olive Crest's out-of-county facilities through execution of the first amendment. However, in FY 2025-26, only one (1) member was admitted at the in-county facility. Due to systemwide placement capacity constraints and reduced demand for local placements within Olive Crest's commercial sexual exploitation of children (CSEC) population, as many youths require out-of-county placement based on treatment and safety needs, admissions at Olive Crest's in-county STRTP facility during FY 2025–26 were significantly lower than originally anticipated. In response, BWell has met with Olive Crest to address referral and placement expectations and will continue collaborating with provider and placing agencies to support placement access and monitor ongoing service needs.

As a result, due to significantly less admissions and a reduction in the anticipated capacity of 16 members to one member at each of the in-county and out-of-county STRTPs managed by Olive Crest, this second amendment will result in a decrease to the contract amount by \$1,250,000, from \$2,250,000 to a revised total of \$1,000,000. This amendment will result in no change to the term of the agreement.

**Background:**

BWell provides a continuum of mental health services to County residents in part through contracted providers, including CBOs. CBOs provide various SMHS to adults with serious mental illness (SMI) and children and youth with SED.

Implemented a decade ago, the California Department of Social Services Continuum of Care Reform (CCR), Assembly Bill (AB) 403, marked a significant shift in the child welfare services program. AB 403

combined existing and new reforms designed out of an understanding that children who must live apart from their biological parents thrive best in committed, nurturing family homes. It provides the statutory and policy foundation to ensure that services and support for children, youth, and their families remain focused on maintaining stability. In Santa Barbara County, BWell, CWS, and Probation partner as interdisciplinary agencies for determining the need for and recommending the placement of children and youth in the County into an STRTP. An STRTP is a residential facility that provides an integrated program of specialized intensive care and supervision services and support, SMHS, mental health treatment, and short-term (24-hour) care and supervision to children and youth.

In 2022, AB 1051 was introduced to build on the progress of AB 403 to ensure the continuity of care for children and youth by enhancing placement options and expanding access to intensive services and presumptive transfer rules. The Olive Crest agreement provides resources within and outside of Santa Barbara County for BWell to place children and youth in compliance with AB 1051.

BWell has contracted with Olive Crest for STRTP SMHS services since March 2022. On June 25, 2024, the Board of Supervisors approved the FY 2024-26 Agreement with Olive Crest (BC 24-016) for the provision of mental health services to children and youth at one (1) in-county STRTP facility for a maximum capacity of 16 members, ages 12 through 24 years old.

On June 3, 2025, the Board of Supervisors approved a first amendment to the agreement to extend the contract term for an additional fiscal year through June 30, 2027; update certain standard terms in compliance with State and federal requirements; and add seven (7) additional out-of-county STRTP locations in Orange County and Riverside County, increasing the number of available beds up to a maximum of 16 and overall placement capacity commencing June 3, 2025. The increased capacity resulted in an increase to the contract amount of \$750,000, for a revised total of \$2,250,000.

**Performance Measure:**

The agreement with Olive Crest identifies program goals, outcomes, and measures to monitor program implementation. The program goals are to provide intensive, structured care for children and youth with consistent supervision through:

- providing the appropriate level of mental health services support for members who have been removed from their homes by a juvenile court; and
- developing, supporting, and empowering members and their family units by identifying existing strengths and areas of need and teaching problem-solving skills.

**Contract Renewals:**

**Performance Outcomes**

In FY 2024-25, Olive Crest served seven (7) members in seven (7) enrollments and discharged six (6) members. In FY 2025-26, Olive Crest served and discharged one (1) member and did not enroll any new Santa Barbara County members since July 2025. Due to the small number, member treatment outcomes are suppressed and there is not any performance measure outcome data to report.

BWell, CWS and Probation have made several attempts to place youths in both in-county and out-of-county facilities; however, placement availability has been limited due to provider capacity and demand for services. The County has not placed any youth at Olive Crest during this fiscal year. BWell has met with Olive Crest to discuss referral processes, service needs, and placement expectations.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

The above-referenced Agreement is funded by a combination of State and federal funds. There is no impact to the General Fund. The funding sources were included in the FY 2024-2025 and FY 2025-26 Adopted Budgets and FY 2026-27 Recommended Budget.

With the transition to California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform, the ongoing program cost will primarily be funded with fee-for-service Medi-Cal Patient Revenue with Realignment funding covering the local match. The amount of federal funds is contingent on the client’s aid code and the State-issued rate for the service.

**Fiscal Analysis:**

<b>Funding Source</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Total</b>
State	\$14,584	\$980	\$3,922	<b>\$19,486</b>
Other: Medi-Cal Patient Revenue	\$735,416	\$49,020	\$196,078	<b>\$980,514</b>
<b>Total</b>	<b>\$750,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$1,000,000</b>

A decrease to the contract maximum allocation by year is needed due to the significantly lower than anticipated placements.

**Special Instructions:**

Please email one (1) complete, executed copy of the above Amendment and one (1) Minute Order to [sarriaga@sbcbswell.org](mailto:sarriaga@sbcbswell.org) and to [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – Olive Crest FY 2024-27 Board Contract Second Amendment (signature required)

**Attachment B** – Olive Crest FY 2024-27 Board Contract First Amendment

**Attachment C** – Olive Crest FY 2024-26 Board Contract BC 24-016 executed

**Contact Information:**

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