



**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: May 5, 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: Laura Zeitz, RN, Assistant Director Inpatient, Crisis, Long Term Care, Justice and Housing, Department of Behavioral Wellness

SUBJECT: Second Amendment to the Participation Agreement (No. 4640-SHB-2023-SB) with California Mental Health Services Authority (CalMHSA) for the State Hospital Program for Fiscal Year 2023-26

County Counsel Concurrence

As to form: Yes

Other Concurrence:

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 State Hospital Program Participation Agreement (No. 4640-SHB-2023-SB) with California Mental Health Services Authority (CalMHSA) to extend the term of the contract from June 30, 2026, through June 30, 2027, for a revised contract term of July 1, 2023, through June 30, 2027, and increase the contract amount by \$11,216, for a revised total contract maximum not to exceed \$47,668 (inclusive of \$12,618 per fiscal year (FY) for FY 2023-2025 and \$11,216 per FY for FY 2025-2027); 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) and (b)(5), finding that the action is a governmental funding mechanism and/or administrative 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 Participation Agreement with California Mental Health Services Authority (CalMHSA). This Agreement provides administrative and negotiation support with the Department of State Hospitals (DSH) specifically for the rates and management of State Hospital beds for members with severe behavioral health conditions. This Second Amendment extends the contract term for an additional fiscal year (FY), through June 30, 2027, and increases the cost of the contract by \$11,216 for a total of \$47,668.

Approval of the recommended actions will allow BWell to continue receiving State Hospitals bed usage as needed, with administrative support from CalMHSA.

Discussion:

CalMHSA, a Joint Powers Authority (JPA), is the administrative agent for behavioral health departments and negotiates the State Hospital beds with DSH on behalf of city and county mental health authorities. Under Section 4330 of the California Welfare and Institutions Code (W&I) counties must reimburse DSH for State Hospital beds and service usage by their residents. Members referred to State Hospitals by BWell are individuals who have severe behavioral health conditions requiring specialized inpatient treatment services or individuals who, under the Lanterman-Petris-Short (LPS) Act "Murphy" Conservatorships, were previously found incompetent to stand trial on specific felony charges.

The State Hospital bed fee for eight (8) beds per fiscal year is \$11,216. With this Amendment, the term of the contract is being extended for another fiscal year until June 30, 2027, which results in an increase to the total maximum contract amount from \$36,452 to \$47,668.

Background:

On April 1, 2014, the Board of Supervisors authorized BWell to join CalMHSA. As a member of CalMHSA, participating counties, including Santa Barbara, are able to sign on to the negotiated agreement between CalMHSA and DSH for the County's State Hospital bed needs. DSH has jurisdiction over State Hospitals which provide services to individuals with mental illness in accordance with W&I Code Section 4100. These services include inpatient psychiatric health care, treatment and support services for County residents who have mental, emotional or behavioral disorders. DSH oversees the following State Hospital facilities: Atascadero, Coalinga, Metropolitan (located in Norwalk), Napa, and Patton, as well as the Admission, Evaluation, and Stabilization (AES) Center in Kern County. The State Hospitals admit individuals who have been referred from their home county under a civil commitment or through the courts on a forensic commitment. The State Hospitals offer a broad range of diagnostic, treatment, and rehabilitation services including: pharmacological therapy, individual and group psychotherapy, educational, vocational and competency training, independent living skills development, and cognitive skills development.

Historically, counties have been required to notify DSH of the minimum number of State Hospital Beds they planned to use in a year and DSH would subsequently issue the State Hospital Agreements at the end of the year. Prior to CalMHSA's involvement to serve as the liaison agency for matters of compliance in negotiating a Memorandum of Understanding (MOU) with DSH, the rates for State Hospital Beds were higher and increased annually. During that time, BWell paid a flat annual fee regardless of whether or not the beds were utilized.

On May 20, 2014, the Board of Supervisors approved BWell's entrance into the first State Hospital Beds (SHB) MOU between CalMHSA and DSH, allowing the County to access State Hospital Beds at negotiated rates, which is currently set at \$1,402 per bed per day. On May 7, 2024, the Board of

Supervisors approved the FY 2023-25 State Hospital Program Participation Agreement with CalMHSA for a total maximum contract amount of \$25,236.

On June 10, 2025, the Board of Supervisors approved the First Amendment to the State Hospital Program Participation Agreement with CalMHSA, increasing the total maximum contract amount by \$11,216, for a revised total maximum contract amount of \$36,452, and extending the term from June 30, 2025, through June 30, 2026.

The number of State Hospital beds allocated to each county by DSH is determined based on historical usage and other statewide considerations. Counties do not have control over the number they receive once the annual allocation is set. Opportunities to increase a county’s allocation are limited, as decisions must account for the needs of jurisdictions across the entire State. For example, based on DSH data (see chart below), Santa Barbara County was allocated ten (10) State Hospital beds annually in FY 2023-24. This decreased to seven (7) beds in FY 2024-25 and slightly increased to eight (8) beds in the current FY 2025-26.

Total LPS Conservatees at DSH	
Fiscal Year	# of Allocated Beds per FY
2020-21	12
2021-22	11
2022-23	9
2023-24	10
2024-25	7
2025-26	8

Fiscal and Facilities Impacts:

BWell will utilize Behavioral Health Realignment (State) funds to cover both the cost of State Hospital beds and the CalMHSA administrative fee. There is no impact to the General Fund. Funding for this amendment was included in the Adopted Budget for FY 2025-26. This funding source will be included in BWell’s proposed budget for the FY 2026–27 but remains contingent on the Board of Supervisors’ approval.

Fiscal Analysis:

Funding Source	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
State	\$12,618	\$12,618	\$11,216	\$11,216	\$47,668
Total	\$12,618	\$12,618	\$11,216	\$11,216	\$47,668

The contract with CalMHSA covers the administrative fee associated with serving as an intermediary between the County and the Department of State Hospitals to negotiate rates on behalf of multiple counties. This fee is separate from the actual cost of State Hospital beds.

Utilization of State Hospital beds cost \$2.5 million in FY 2024-25 and is forecasted to cost \$2.4 million in FY 2025-26.

Special Instructions:

Please email one (1) complete, executed copy of the above Amendment and one (1) Minute Order to sarriaga@sbcbswell.org and to bwelcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – CalMHSA FY 2023-27 SHB Program Participation Agreement No. 4640-SHB-2023-SB Second Amendment

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Attachment B – CalMHSA FY 2023-26 SHB Program Participation Agreement No. 4640-SHB-2023-SB
First Amendment

Attachment C – CalMHSA FY 2023-25 SHB Program Participation Agreement No. 4640-SHB-2023-SB
executed

Contact Information:

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