



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: November 4, 2025
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: Memorandum of Understanding Template for Assembly Bill 1051 Out-of-County
Foster Children and Youth Placement for Fiscal Year 2025-28

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 and authorize the Director of the Department of Behavioral Wellness or designee to execute Memorandum(s) of Understanding with county Mental Health Plan(s) for the care of County of Santa Barbara Medi-Cal eligible foster children and youth who are placed in certain residential facilities and receiving Specialty Mental Health Services outside of the County of Santa Barbara in other counties as required under Assembly Bill 1051 on a case-by-case basis in form and content substantially similar to the attached single-use agreement template (Attachment A) with a total maximum contract amount not to exceed **\$75,000** per placement through June 30, 2028;
 - i) Delegate to the Director of the Department of Behavioral Wellness or designee, as the Director of the County of Original Jurisdiction, the authority to (i) approve authorization (whether initial or renewal) requests for additional services or treatment at a higher level of care per Section IX of the Memorandum of Understanding (MOU); and (ii) authorize an increase in funding, if actual service levels exceed initial estimates for more intensive treatment purposes, provided the increase in funding is within available appropriations and does not cause the total maximum contract amount of this MOU to

exceed \$100,000 per Section X, all without requiring the Board of Supervisors' approval of an amendment of the MOU, subject to the Board of Supervisors' ability to rescind this delegated authority at any time;

- b) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute Memorandum(s) of Understanding with county Mental Health Plan(s) for the care of Medi-Cal eligible foster children and youth from other counties who are placed in certain residential facilities and receiving Specialty Mental Health Services in the County of Santa Barbara as required under Assembly Bill 1051 on a case-by-case basis in form and content substantially similar to the attached single-use agreement template (Attachment A) with a total maximum contract amount not to exceed **\$75,000** per placement through June 30, 2028; and
- c) Determine that the above-recommended actions are 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 actions are governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Board of Supervisors is requested to authorize the Director of the Department of Behavioral Wellness or designee to execute Memorandum(s) of Understanding with other county Mental Health Plan(s) on a case-by-case basis as single-use agreements for the care of Medi-Cal eligible foster children and youth receiving Specialty Mental Health Services who are being placed in certain residential facilities such as Community Treatment Facilities (CTFs), Group Homes (GHs), Short-Term Residential Therapeutic Programs (STRTPs), and Children's Crisis Residential Programs (CCRP) in the two following scenarios:

- a) Foster children and youth, under the jurisdiction of the County of Santa Barbara, who are placed in certain residential facilities that are located outside of the County of Santa Barbara in other counties; and
- b) Foster children and youth, under the jurisdiction of other counties, who are placed in certain residential facilities, located within the County of Santa Barbara.

The Department of Behavioral Wellness (BWell) does not anticipate a large number of MOUs for children and youth being placed out-of-county, as Assembly Bill (AB) 1051 directs Counties to attempt to contract directly with out-of-county providers for placements before considering MOU option. BWell has successfully contracted with several out-of-county STRTPs to ensure adequate capacity for the majority of Santa Barbara children and youth in foster care requiring a higher level of placement. There have been times when a youth requires specialty treatment not provided by one of the STRTPs currently contracted and an MOU would allow access to that treatment if a provider was unable to contract. MOUs will be reserved for situations in which a direct contract with a provider is not feasible.

Discussion:

The proposed Memorandum of Understanding (MOU) template establishes the terms and conditions under which the County of Original Jurisdiction and the County of Residence (hereafter "Counties") may enter on a case-by-case basis into single-use agreements to coordinate services and placements in Community Treatment Facilities (CTFs), Group Homes (GHs), Short-Term Residential Therapeutic Programs (STRTPs), and Children's Crisis Residential Programs (CCRP) when direct contracts with

out-of-county providers are not feasible. It outlines the roles and responsibilities of Counties to ensure compliance with applicable legal requirements, and to safeguard the safety, stability, and well-being of children and youth in foster care.

The County of Original Jurisdiction retains responsibility for court oversight, case management, and payments for Specialty Mental Health Services (SMHS) provided to foster children and youth who are residents of the County of Original Jurisdiction but placed in residential facilities in other counties.

For example, the County of Santa Barbara would be the County of Original Jurisdiction whenever we place our children and youth into another county.

The County of Residence is responsible for providing SMHS to foster children and youth who are residents of the County of Original Jurisdiction and placed in residential facilities within the County of Residence. For example, whenever we receive children or youth from another county and they are being placed in the County of Santa Barbara, we would be the County of Residence.

Currently, there is no established method for determining the division of duties and funding responsibilities for SMHS provided to foster children and youth placed in out-of-county residential facilities when direct contracts with out-of-county providers are not feasible. In some cases, a direct contract is not an option due to providers being unable to meet the importance of insurance requirements (particularly sexual misconduct liability) necessary to ensure adequate coverage is provided.

Approval of the recommended actions will resolve this challenge by allowing to execute an MOU with another county on a case-by-case basis when direct contracts with out-of-county providers are not feasible, ensuring no disruption to continuity of care, and adverse impact on timely reimbursement.

As the implementation of AB 1051 is being further defined, BWell will assess the volume of requests to provide SMHS for the care of foster children and youth placed in out-of-county residential facilities, and may return to the Board of Supervisors to request approval of a Master Services Agreement template to contract with other Counties if the demand warrants such action.

Background:

BWell provides a continuum of SMHS to Santa Barbara County residents, partly through contracted providers. Contracts with facilities providing services at various levels of care are key to ensuring that members' needs are optimally met.

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 brought together 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 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.

In Santa Barbara County, BWell, Child Welfare Services (CWS), and Probation partner as interdisciplinary agencies in determining the need for and recommending the placement of County of Santa Barbara children and youth in 24-hour care residential facilities as follows:

- a) Short-Term Residential Therapeutic Programs (STRTPs) offer short-term intensive care and support, including mental health treatments, Specialty Mental Health Services (SMHS), and supervision services to children and youth;
- b) Community Treatment Facilities (CTFs) are a residential facility where children and youth live temporarily to receive the necessary treatment for severe emotional and/or behavioral disorders;
- c) Group Homes (GHs) are designed to provide home-like setting support and care for children and youth who need assistance with daily living; and
- d) Children’s Crisis Residential Programs (CCRP) offer a safe, supportive and nurturing environment for children and youth facing mental health challenges by providing guidance and resources to help them navigate difficulties and build resilience.

In 2024, AB 1051, added Welfare and Institutions (W&I) Code section 14717.25, which changed the responsibility for these services from the County of Original Jurisdiction to the County of Residence in which the foster children and youth reside. The defined process above is a “presumptive transfer,” which means a prompt transfer of the responsibility for arranging and payment for SMHS from the County of Original Jurisdiction to the County of Residence, as provided by W&I Code section 14717.1. When a child or youth is placed in CTFs, GHs, STRTPs, and CCRPs outside of their County of Original Jurisdiction, the responsibility to arrange and pay for SMHS shall remain with the Mental Health Plan (MHP) in the County of Original Jurisdiction, unless specific conditions warrant an exception.

Counties that provide SMHS for foster children and youth are reimbursed through federal financial participation (FFP) and matching county share Medi-Cal billing. On April 23, 2024, the Board of Supervisors approved the Participation Agreement No. 4948-PT-2023-SB for the Inter-Member Transfers (a.k.a. Presumptive Transfer) Program with California Mental Health Services Authority (CalMHSA). CalMHSA has been contracted to act as a fiscal agent to perform fund transfers on behalf of counties as specified above. To support this, CalMHSA operates a banking pool funded by all participants to facilitate timely, efficient, and accountable fund transfers between counties. Each participating member county has a separate financial ledger account and will receive periodic statements of year-to-date balance, payments to other counties, payments from other counties, administration fees, and interest earned.

BWell seeks to establish the subject MOU(s) to promote effective inter-county coordination for residential placements of foster children and youth in out-of-county residential facilities where direct contracts are not feasible. These placements are intended to be time-limited and based on the child’s assessed medical necessity, in alignment with the goals of CCR and relevant provisions of the W&I Code Sections 14717.1, 14717.2, and 14717.25. Through this MOU, the participating Counties affirm their shared commitment to ensuring the medical necessary care and well-being of foster children and youth in out-of-county residential facilities across California is seamless and without disruption of services.

Fiscal Analysis:

MOU agreements will be funded with State Realignment funds already designated in the CalMHSA Portal for youth placements. When a youth is placed out of county, the County of Residence will provide and bill for Specialty Mental Health Services (SMHS) directly to the State and then invoice

the County of Santa Barbara, as the County of Original Jurisdiction, for the local match to federal funds.

The required local match amount will depend on the type and frequency of services delivered, as well as the client's Medi-Cal aid code. While we initially estimated placement costs of up to \$75,000 per youth, actual costs will vary based on each member's specific needs and length of treatment. This was budgeted and approved by the Board of Supervisors as part of our renewal agreement with CalMHSA.

Conversely, when another county places a youth in Santa Barbara County, BWell, as the County of Residence, will bill the State for SMHS delivered in order to draw down federal funds. The County of Original Jurisdiction will then be invoiced for the required local match to those federal funds. Whenever possible, the CalMHSA Portal will be used to facilitate this process. For Counties not participating in the portal, alternative invoicing arrangements will be established directly between Counties.

Special Instructions:

Please email one (1) Minute Order to Svetlana Arriaga at sarriaga@sbcbswell.org and to bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – MOU Template FY 2025-28 for AB 1051 Out-of-County Foster Children and Youth Placement

Contact Information:

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