



**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:** December 3, 2024  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director(s): Antonette Navarro, LMFT, Director  
Department of Behavioral Wellness, 805-681-5220  
Contact Info: Laura Zeitz, Assistant Director Department of Behavioral Wellness, 805-681-5220  
**SUBJECT:** Department of State Hospitals (DSH) Third Amendment FY 19-25 Pre-Trial Felony Mental Health Diversion Program Grant Agreement

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**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 Director of the Department of Behavioral Wellness, or designee, to execute the **Third Amendment** to the multi-year grant agreement with the **Department of State Hospitals (DSH), Agreement (No. 19-79011-000 A3)**, to remove the right to amend this agreement for any additional terms; to add requirements regarding County’s use of Generative Artificial Intelligence (GenAI) in the execution of this contract; and to extend the term of the agreement for six months with no change to the total maximum agreement amount of \$5,714,500 for a revised period of January 1, 2020, through June 30, 2025 (Attachment A);
- b) Approve and authorize the Director of the Department of Behavioral Wellness, or designee, to accept subsequent reports pursuant to Exhibit A, Section 6.D of the DSH Grant Agreement and make immaterial amendments that do not change the contract amount or substantive terms of the DSH Grant Agreement; and
- c) Determine that the above actions are government fiscal activities or funding mechanisms, that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:**

This item is on the agenda to request the Board of Supervisors (Board) to approve, ratify, and authorize the Director of the Department of Behavioral Wellness (BWell), or designee, to execute the Third Amendment to the multi-year grant agreement with the Department of State Hospitals (DSH), (No. 19-79011-000 A3), to remove the right to amend this agreement for any additional terms; to add requirements regarding County’s

use of Generative Artificial Intelligence (GenAI) in the execution of this contract; and to extend the period of the Agreement for six (6) months, for a revised period of January 1, 2020 through June 30, 2025. This Amendment does not add any additional funding. The total maximum agreement amount of this agreement shall remain \$5,714,500.00. This item also seeks delegation of authority to the Director of the Department of Behavioral Wellness, or designee, to accept subsequent reports pursuant to Exhibit A, Section 6.D of the DSH Grant Agreement and make immaterial amendments that do not change the amount or substantive terms of the DSH Grant Agreement. The County Executive Office has directed the Department of Behavioral Wellness (BWell) to manage the administration and compliance of the contract.

Approval of the recommended actions will allow the County to continue to divert individuals who are Incompetent to Stand Trial (IST) into a Residential Treatment Program instead of jail and secure appropriate placements and housing for specific Felony Mental Health Diversion (FMHD) clients. These actions will extend the duration these services can continue to be provided.

**Background:**

On January 28, 2020, the Board of Supervisors approved the Grant Agreement 19-79011-000 with the Department of State Hospitals (DSH) to accept \$2,644,500 for the period of January 1, 2020, to December 31, 2022, for the County to provide a Pre-Trial Mental Health Diversion Program. The DSH Diversion Program is a collaboration between DSH, county governments (CEO's Office, County Department of Behavioral Wellness, Public Defender, District Attorney, Probation and Sheriff; and the Superior Court), community-based treatment providers and housing providers to help expand diversion programs for clients with serious mental illness. The DSH grant target population is individuals with serious mental disorders who have committed certain felony crimes and are found by a court of competent jurisdiction, to qualify for diversion services pursuant to Penal Code § 1001.36 referred to as Felony Mental Health Diversion (FMHD) clients. Specifically, the target population is individuals who face felony charges and could be determined Incompetent to Stand Trial (IST). The goal of the DSH Diversion Program is to provide these individuals, when deemed appropriate by the court, with long-term community mental health treatment and other services to avoid criminal charges and institutionalization.

Then, on January 24, 2023, the Board approved the First Amendment to the Grant Agreement (No. 19-79011-000 A1)) which provided additional funds to expand diversion programs by adding a second category of diversion clients. The Agreement identifies the client in the following two categories: 1) Clients are FMHD clients found IST or likely to be found IST with a diagnosis of Schizophrenia, schizoaffective disorder, or bipolar disorder; 2) Clients who are currently on the DSH Incompetent to Stand Trial (IST) waitlist. All clients in this category are eligible for housing if they are currently on the DSH waitlist. The goal is to secure appropriate placements and housing for diversion clients who are currently on the DSH IST waitlist and provide housing that is in the most appropriate level of care. In addition, this Amendment extended the Agreement term from December 31, 2022 to December 31, 2024.

On June 27, 2023, the Board approved the Second Amendment (No. 19-79011-000 A2) to the Grant Agreement which increased program funds by \$852,000 and expanded services to an additional six (6) clients in Category 2, for a total of 10 clients in this category.

This Third Amendment (No. 19-79011-000 A3) to the Grant Agreement removes the right to amend this agreement for any additional terms; adds requirements regarding County's use of Generative Artificial Intelligence (GenAI) in the execution of this contract; and extends the Agreement term for six (6) months, now to end on June 30, 2025.

**Performance Measure:**

The County is expected to provide all services, including any and all required reports, in a timely manner in accordance with the criteria articulated in the agreement's Statement of Work. Specifically, fund disbursement is tied to meeting program objectives and population goal outcomes pursuant to the DSH Grant Agreement. The project team does not anticipate any challenges in meeting the targets.

**Contract Renewals and Performance Outcomes:**

The DSH Diversion Program accepted all 28 contracted slots by the program admission deadline of 6/30/24;

program performance summary is presented below. Information about any individuals referred beyond the 28 cohort slots is not provided in program performance summary as it is part of the Permanent DSH program and contract.

The County has accomplished the following program goals related to the DSH Pilot Cohort through 11/15/2024:

1. Established a comprehensive and streamlined referral and eligibility determination process with Public Defender.
2. In total, 95 clients were referred for the DSH Pilot Program from the start of the program until the last client was accepted:
  - a. 31 individuals were found ineligible at initial case review due to not meeting statutory requirements (e.g., no qualifying diagnosis, Department of State Hospitals / Jail Based Competency Program (DSH/JBCT) on current case number) or mismatch between current needs and available community resources. Note that the vast majority of these referrals were in the first two years of the program as partners were still learning the eligibility requirements.
  - b. 24 individuals withdrew interest, charges were resolved, or they opted for another program before eligibility determination.
  - c. 40 individuals were evaluated by eligibility assessors using the START tool: 34 were recommended and 6 were not recommended based on START tool results.
    - i. Of the 34 individuals that were assessed and recommended, 6 were restored to competency prior to their court date. Therefore, 28 individuals were recommended and subsequently accepted into the program.
3. The 28 individuals accepted into the program have participated for at least 30 days, meeting the pilot contract goal.
4. Of the 28 individuals accepted into the Pilot Cohort, 21 clients have been discharged: 12 clients have successfully completed the program and were successfully diverted; 1 termination due to LPS conservatorship established; 2 terminations for moving out of county (court case remained in county but clients were connected to services in destination county); 1 termination due to AWOL; 1 termination due to re-arrest; and 4 terminations for program non-compliance.
5. The Life House (Safe and Stable Housing) has served 14 DSH AB1810 Pilot Cohort clients (3 are currently living at Life House).

All quarterly data reports for the pilot program have been submitted to DSH on time.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Category 1 Funding</u>	<u>Category 2 Funding</u>	<u>Housing Funding</u>
Federal			
State - DSH Grant	\$ 2,644,500	\$ 1,420,000	\$ 1,650,000
County			
<b>Total</b>	<b>\$ 2,644,500</b>	<b>\$ 1,420,000</b>	<b>\$ 1,650,000</b>
<b>Grand Total</b>			<b>\$ 5,714,500</b>

Narrative: This Amendment is to extend the agreement from Dec 31, 2024 to June 30, 2025 only. There is no change to the grant award. The grant amount remains at \$5,714,500.

**Key Contract Risks**

The County must meet target population goals defined as a FMHD Client participating in the program for a minimum 30 days or completing the program within 30 days. The project team encountered some difficulty

in meeting the objectives. It is expected these difficulties have been resolved, however, it is possible they could return. The contract requires the County to provide all services to Diversion Clients including medical care. If the County cannot serve the proposed number of clients due to actual costs exceeding the level of funds available, the contract may be amended by DSH. The contract also includes a budget contingency clause which absolves the State from liability to pay funds or other consideration under the Agreement if funds are not budgeted for the program in which case the County may cease services under the Agreement. The County may also cancel the contract upon 50 days written notice to DSH.

**Special Instructions:**

Please return one (1) Minute Order to Chris Shorb at [cshorb@sbcbswell.org](mailto:cshorb@sbcbswell.org) and to the BWell Contracts Division at [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A:** DSH FY 20-23 Grant Agreement 19-79011-000 A3

**Attachment B:** DSH FY 20-25 Grant Agreement 19-79011-000 A2

**Attachment C:** DSH FY 20-25 Grant Agreement 19-79011-000 A1

**Attachment D:** DSH FY 20-23 Grant Agreement 19-79011-000

**Authored by:**

C. Shorb