



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency

Subject: Revenue Agreements with the Cities of Santa Cruz and Watsonville for Behavioral Health Support Services

Meeting Date: June 10, 2025

Formal Title: Approve four revenue agreements in the total amount of \$496,441 with the Cities of Santa Cruz and Watsonville for various behavioral health support services, and take related actions

Recommended Actions

1. Approve renewal of a revenue agreement with the City of Santa Cruz, Contract No. 25R0140, in the amount of \$178,200 for Homeless Outreach, Proactive Engagement and Services related programs;
2. Approve renewal of a revenue agreement with the City of Santa Cruz, Contract No. 25R0948, in the amount of \$150,390 for Mental Health Liaison Services to the City of Santa Cruz Police Department;
3. Approve Amendment No. 12 to a revenue agreement with the City of Santa Cruz, Contract No. 25R0554, in the amount of \$97,198 for Downtown Outreach Program services;
4. Approve renewal of a revenue agreement with the City of Watsonville, Contract No. 25R0139, in the amount of \$70,653 for Mental Health Liaison Services to the Watsonville Police Department; and
5. Authorize the Health Services Agency Director or designee to sign each of the four revenue agreements.

Executive Summary

Over the last several years, the Health Services Agency (HSA) Behavioral Health Division (BHD) has maintained three (3) different revenue agreements with the City of Santa Cruz and one (1) revenue agreement with the City of Watsonville for behavioral health support services. These agreements were approved on the Fiscal Year (FY) 2024-25 Continuing Agreements List (CAL); however, delays in negotiations postponed finalizing of the agreements until after the cutoff for agreements to be submitted under the CAL authority.

Discussion

BHD provides ongoing behavioral health support services to the Cities of Santa Cruz and Watsonville through separate revenue agreements, which are renewed annually, as detailed below.

City of Santa Cruz, Contract No. 0140: This agreement, in the amount of \$178,200, pays for 0.5 full-time equivalent (FTE) field based Mental Health Client Specialist (MHCS) I clinician as well as subsidizes a portion of BHD's costs associated with Sober Living Environments. These services support Homeless Outreach, Proactive Engagement and Services (HOPES) related programs.

City of Santa Cruz, Contract No. 0948: This agreement, in the amount of \$150,390, pays for a portion of 2.0 FTE Senior MHCS who serve as Mental Health Liaisons (MHLs) with the Santa Cruz Police Department, providing mental health outreach and crisis support services.

City of Santa Cruz, Contract No. 0554: This agreement, in the amount of \$97,198, pays for a portion of BHD's costs for the Downtown Outreach Program operated by Encompass Community Services. Renewal of the agreement is completed through an annual amendment for the current fiscal year.

City of Watsonville, Contract No. 0139: This agreement, in the amount of \$70,653, will pay 50% of the estimated cost for 1.0 FTE Sr./MHCS who serves as a Mental Health Liaison (MHL) with the Watsonville Police Department. This contract had been renewed in a status quo format, without the overall amount increasing, for several years. The \$20,653 increase in the FY 2024-25 contract renewal brings the City's contribution back to 50% of the position costs. The remaining FY 2024-25 costs for this position are funded by Department of Health Care Services/Crisis Care Mobile Unit grant funding.

These agreements were approved on the FY 2024-25 CAL, however delays in negotiations postponed finalizing of the agreements until after the cutoff date for agreements to be submitted under CAL authority, requiring Board approval of their renewals in order to state a commencement date of July 1, 2024. As has occurred for the past several years, the vital Behavioral Health services financed by these revenue agreements have been continued in good faith from the outset of this fiscal year while negotiations continued. The revenues from these agreements will be compensating HSA BHD for services provided throughout FY 2024-25.

Financial Impact

These contract renewals will reimburse BHD for costs, as described above, already incurred through the normal provision of services. These revenues are included in HSA BHD's FY 2024-25 Approved Budget in the amounts and accounts as follows: Contract No. 25R0140: \$178,200 under account 363101/42384; Contract No. 25R0948: \$150,390 under account 363101/41150; Amendment No. 12 to Contract No. 25R0554: \$97,198 under account 363101/41150; and Contract No. 25R0139: \$70,653 under account 363101/41150. No new County General Funds are needed nor requested.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety

Submitted By:

Jennifer Herrera, Interim Director of Health Services

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.