



Board Agenda Item 35

DATE: September 23, 2025

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Amendment No. 1 to Memorandum of Understanding with California Mental Health Services Authority for the State of California, Office of Statewide Health Planning and Department for Workforce Education and Training Central Region Grant

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Amendment No. 1 to Memorandum of Understanding with California Mental Health Services Authority (CalMHSA) for Office of Statewide Health Planning and Department (OSHDP) for Workforce Education and Training (WET) Central Region Grant to modify language in sections related to payment terms and term language, with no change to the term of September 15, 2020, through June 30, 2026, or compensation maximum of \$6,615,968.

Approval of the recommended action will modify language in Agreement 21-470, allowing Central Region partnering counties to request to directly receive remaining matching local funds for use at their discretion, with no change to the compensation amount of term. The services are funded with Office of Statewide Health Planning and Development (OSHDP) Workforce Education and Training (WET) grant funds, with no increase in Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended action, CalMHSA will not be allowed to directly give participating central region counties the funds they invested or were awarded when they want to spend them locally on retention activities or other eligible program activities under the California Department of Health Care Access and Information (HCAI) Behavioral Health Program Grant. Instead, the County would receive these funds and Department administrative resources would need to be dedicated to create separate participation agreements with each county wanting to spend their funds locally. Under Agreement 21-470, the County of Fresno, in its capacity as Lead County for the Central Region counties, already paid CalMHSA 15% of HCAI grant award funds in the total amount of \$992,395 to provide services as a third-party administrator of the Agreement, the third-party fiduciary agent, and provide program support for the Agreement deliverables. CalMHSA has already established agreements with each participating central region county and amending Agreement 21-470 would provide a mechanism for CalMHSA to return funds directly to counties.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. This Amendment does not modify the agreement's maximum compensation. The grant award amount of \$6,615,968 and the 33% match from the Central Region of \$2,183,269, remains unchanged for a total budget of \$8,799,237. Sufficient appropriations and estimated revenues associated with this agreement are included in the

Department's Org 5630 FY 2025-26 Adopted Budget.

DISCUSSION:

On November 16, 2021, the Board retroactively approved Agreement 21-470, authorization CalMHSA for the term effective September 15, 2020 through June 30, 2026 to act as a fiscal administrator and to administer the Central Region grant with OSHPD, now operating under as the California Department of Health Care Access and Information (HCAI), for the workforce, education, and training allocation in the amount of \$6,654,171. Resources from this grant are designed to help address regional needs by strengthening recruitment, training, education, and retention of the Public Mental Health System. The five allowable program activities under the grant are pipeline development, undergraduate college university scholarships, clinical master & doctoral graduate education stipends, loan repayment program, and retention activities. While CalMHSA serves as the fiscal administrator for this grant, the County of Fresno is the grantee for the Central Region Partnership, acting as the fiscally responsible entity in charge of administering the grant funds for the Central Region Partnership.

Counties in the Central Region primarily agreed to use grant funds for loan repayment programs over the course of the five-year grant period. The nature of the award system lends itself to having unspent dollars due to loan repayment awardees having a smaller loan balance than their award amount or awardees declining their award later in the process. Every partnering county requires a minimum service commitment to receive the loan repayment award, with each county having the option to provide funds upfront or after the service period. Counties opting to provide funds after the service commitment have a probability of having leftover funds if an awardee breaches their service agreement and is no longer eligible for the award.

Counties with leftover funds have plans to reinvest those dollars in retention activities. In May 2025, Department grant representatives were notified by CalMHSA that the Department's Central Region Partners in Tuolumne County requested to receive the remaining balance of their grant allocation to use in WET-approved retention activities. Currently, there are no terms in Agreement 21-470 that permit partnering counties to reinvest their leftover funds. The agreement states leftover funds are to be returned to the lead county in the partnership, Fresno County.

This Amendment will provide an infrastructure for Central Region partnering counties to receive and expend its allocated funds and comply with Agreement 20-10015 with OSHPD. OSHPD reserves the right to recover any and all amounts provided to the Central Region for its failure to perform the terms outlined in Agreement 20-100015. This Amendment deviates from the County's model contract and is written in the State's agreement template. The Amendment includes a clause that indemnifies CalMHSA from any legal claims or actions related to the fund request and the requesting County's use of the distributed matching local funds. The Department has determined that this risk is acceptable.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of this agreement at the September 2025 meeting.

REFERENCE MATERIAL:

BAI #33.1, November 16, 2021

BAI #33, November 16, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement 21-470

CAO ANALYST:

Ronald Alexander