



Board Agenda Item 33

DATE: March 3, 2026

TO: Board of Supervisors

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

SUBJECT: Community Care Expansion Preservation Program Grant Administration Agreement with California Mental Health Services Authority (CalMHSA)

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interests of the County would be served by entering into an Agreement with California Mental Health Services Authority (CalMHSA) given their experience in grant administration, their government status, behavioral health specialization and project-ready infrastructure; and**
- 2. Approve and authorize the Chairman to execute an Agreement with California Mental Health Services Authority (CalMHSA) for third-party administration and grant implementation support services for the Community Care Expansion Preservation Program, effective upon execution through June 30, 2029, total not to exceed \$6,282,842.**

There is no Net County Cost associated with the recommended actions. Approval of the recommended actions will allow the Department to contract with California Mental Health Services Authority (CalMHSA) for third-party administration services for the Community Care Expansion (CCE) Program, which includes disbursement and oversight of Operating Subsidy Payments (OSP) and Capital Project funds to eligible residential care facilities serving low-income, elderly, and at-risk individuals. CalMHSA will provide technical assistance, program monitoring, disbursement processing, reporting, and compliance oversight to ensure adherence to California Department of Social Services (CDSS) guidelines and all funding requirements. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department will be unable to retain CalMHSA as a third-party administrator to facilitate timely implementation of the CCE Preservation Program, which may result in the loss of unspent grant funds.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances due to unusual or extraordinary circumstances, as CalMHSA is the only State-designated consulting provider with the expertise in administering similar grants and availability to immediately support the Department's needs for a third party administrator of the CCE Preservation Program, ensuring program implementation and timely compliance with grant program requirements without undue delay. The General Services

Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum cost of the recommended Agreement (\$6,282,842) will be funded with CCE Preservation Program grant funds.

The total cost of acquiring CalMHSA's services as the third-party administrator for Fresno County's CCE Preservation Program grant is based on the maximum allowable 15% administrative cost. This is calculated separately for each component of the grant:

Operating Subsidy Payment (OSP) funds: \$2,351,591
Maximum administrative cost: \$352,739

Capital Project (CP) funds: \$3,111,750
Maximum administrative cost: \$466,762

Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health's Org 5630 FY 2025-26 Adopted Budget and will be included in future budget requests for the duration of the term of the Agreement.

DISCUSSION:

On September 14, 2010, the Board approved Agreement No. A-10-489 with CalMHSA, authorizing the Department to join the CalMHSA Joint Powers Agreement (JPA), to develop, implement, administer, and provide fiscal oversight of Mental Health Services Act - Prevention and Early Intervention statewide projects. The County has received membership benefits including cost reductions and the related efficiencies of sharing resources and knowledge.

On April 23, 2024, the Board approved Agreement No. A-24-189 which executed a Program Funding Agreement with the HORNE LLP for Community Care Expansion (CCE) Preservation Projects. This funding agreement established support for Operating Subsidy Payment (OSP) to prevent closure of licensed residential adult and senior care facilities and Capital Project (CP) funds to allow facilities to make essential physical repairs or necessary upgrades to avoid closure or make the facility compliant with licensing standards. Agreement No. A-24-189 was amended once on August 6, 2024, to extend the deadlines or the obligation and liquidation component of the agreement to the deadlines issued by CDSS.

The Community Care Expansion (CCE) Program funds the acquisition, construction, and/or rehabilitation of adult and senior care facilities that serve applicants and recipients of Supplemental Security Income/State Supplementary Payment (SSI/SSP) or Cash Assistance Program for Immigrants (CAPI), who are at risk of or experiencing homelessness. This program was established by Assembly Bill (AB) 172 (Chapter 696, Statutes of 2021) to fund both capital projects and promote the sustainability of residential adult and senior care facilities and to address historic gaps in the long-term care continuum.

The CCE Program is part of a broader, state-wide effort to expand the state's housing and care continuum, improve treatment outcomes, and prevent the cycle of homelessness or unnecessary institutionalization. This agreement will allow CalMHSA to act as third-party administrator for the Operating Subsidy Payments (OSP) and Capital Project funds awarded to the County.

The Agreement varies from the standard County template as it was drafted by CalMHSA. The template is utilized by CalMHSA to execute Agreements with different Counties and is consistent statewide. The agreement includes a limitation of liability to funds paid to CalMHSA and a mutual indemnity clause. The agreement requires payment for services shall be made within thirty (30) days of receipt of invoice, differing

from the County practice of forty-five (45) days from receipt of invoice. This is standard across all CalMHSA agreements. The Department has determined the benefits of this agreement as written outweigh any potential risks and recommends approval of the Agreement.

Approval of the first recommended action will suspend the competitive bidding process consistent with Administrative Policy No. 34, for delivery of third party administration services of the CCE Preservation Program, ensuring program implementation and timely compliance with grant program requirements. Approval of the second recommended action will authorize the Agreement with CalMHSA for the provision of said administrative services, effective upon execution through June 30, 2029, total not to exceed \$6,282,842.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Agreement during the January 2025 meeting.

REFERENCE MATERIAL:

BAI #39, August 6, 2024
BAI #35, April 23, 2024
BAI #39, September 14, 2010

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Agreement with CalMHSA

CAO ANALYST:

Ronald Alexander Jr.