



NATHAN FLETCHER

CHAIR

SUPERVISOR, FOURTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: **October 11, 2022**

09

TO: Board of Supervisors

SUBJECT

ESTABLISH THE BEHAVIORAL HEALTH IMPACT FUND 2.0 (DISTRICTS: ALL)

OVERVIEW

Behavioral health covers a broad spectrum of mental health and addiction services. In recent years, behavioral health has come into full focus by the San Diego County Board of Supervisors (Board) as the issues surrounding addiction and mental health continue to significantly impact our community. In response to this, the Board has taken measures to address those challenges.

In 2019, I brought forward a board letter to create the Behavioral Health Impact Fund in partnership with the City of San Diego, which was seeded with \$25 million in funding to spend on impactful programs. This fund has successfully supported innovative behavioral health services and has created traditional housing units, crisis treatment vans, and technology for mental health and addiction services. Now that these funds are almost completely expended, I am proposing to close out the existing fund and establish a new fund wholly controlled by the County, the Behavioral Health Impact Fund 2.0 (BHIF 2.0), which would feature lightly modified criteria that can ensure funds are quickly deployed for priority projects along the behavioral health continuum.

Without funding, some of these necessary projects may never come into fruition, thus leaving the region with serious gaps in care. Establishing the BHIF 2.0 to expeditiously award grants to projects within the continuum of services, including workforce, services, and infrastructure, in line with the recently adopted Optimal Care Pathways (OCP) model, will benefit the region and everyone who relies upon the County for behavioral health support.¹

Today's recommendation asks the Chief Administrative Officer to establish BHIF 2.0, and authorize the issuance of requests for proposals for the continuum of services, including behavioral health workforce programs, supports, and/or infrastructure projects. Staff are asked to

¹ RECEIVE AN UPDATE ON ADVANCING THE BEHAVIORAL HEALTH CONTINUUM OF CARE, AUTHORIZE CONSTRUCTION CONTRACT FOR THE EAST REGION CRISIS STABILIZATION UNIT, AND RECEIVE THE OPTIMAL CARE PATHWAYS MODEL, September 27, 2022.

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report back to the Board every 120 days on the status of awards granted to monitor progress toward meeting our goals.

RECOMMENDATION(S)

CHAIR NATHAN FLETCHER

1. Pursuant to Government Code section 26227, find that the proposed Behavioral Health Impact Fund 2.0 is necessary to meet the social needs of the County's population.
2. Establish the Behavioral Health Impact Fund 2.0 grant program.
3. Direct the Chief Administrative Officer to return to the Board within 120 days with proposed evaluation and selection criteria for the Behavioral Health Impact Fund 2.0.
4. Authorize the Director, Department of Purchasing and Contracting, subject to availability of funding, to issue request(s) for proposals for continuum of care services, which includes behavioral health workforce programs, services, and/or infrastructure projects, to award agreements to successful proposers on an ongoing basis, and to amend the grant agreements as necessary.
5. Direct the Chief Administrative Officer, or designee, to administer the Behavioral Health Impact Fund 2.0, including the evaluation of proposals and the administration of the resulting agreements.
6. Direct the Chief Administrative Officer to submit a written report to the Board of Supervisors every 120 days on the status of awards, including the total number of awards granted, types of projects awarded, a description of recently awarded projects, and amount of funds remaining.

EQUITY IMPACT STATEMENT

Behavioral Health Services (BHS) serves as the specialty behavioral health plan for Medi-Cal eligible residents within San Diego County who are experiencing serious mental illness or serious emotional disturbance. Our Medi-Cal recipients are some of our most vulnerable representatives of our society, and as a steward of public health, the County must ensure that the resources and services offered through County-operated and contracted programs promote equitable outcomes, advance wellness across the spectrum of need, and are equitably distributed. The Behavioral Health Impact Fund 2.0 would allow for the immediate allocation of support and services to communities disproportionately impacted by historic underinvestment.

SUSTAINABILITY IMPACT STATEMENT

Creating a Behavioral Health Impact Fund 2.0 that disseminates expeditiously awarded projects will create positive social and economic enhancements, contributing to the overall sustainability of the region by providing support for the most vulnerable members of our community. This action can help create a healthier, stronger, and more resilient San Diego.

FISCAL IMPACT

There is no fiscal impact with today's recommendations to establish the fund. There may be future impacts associated with operating this fund including the issuance of grant agreements.

BUSINESS IMPACT STATEMENT

N/A

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ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Behavioral health covers a broad spectrum of mental health, substance use, and alcohol services. In recent years, the San Diego region has seen concerning markers for unmet behavioral health needs including increased demand for utilization of behavioral health services, an increase in unhoused individuals, and an increase in drug-related overdose deaths. San Diego County's (County) Behavioral Health Services (BHS) is charged with providing support and services to those in need. However, various factors have limited the County's capacity to respond to needs and includes a lack of funding for regionwide infrastructure, workforce, and program availability. Funding these supports is necessary as outlined in the Optimal Care Pathways (OCP) model adopted by the Board that outlined the significant gap in services, and presented a model for planning future investment in facilities by type.

In 2019, the County was afforded a unique opportunity to create a new funding mechanism for investment in the behavioral health continuum. In 2011, former Governor Jerry Brown closed the State Redevelopment Agency which allowed the agency's remaining funds to be spent in regional San Diego cities and the County. This resulted in dispute and ongoing litigation amongst the municipalities in the region over the future of the Redevelopment Agency funds. The City of San Diego and the County of San Diego both had a vested interest in these funds and came to an agreement on their utilization. Working with the previous administration, we were able to join the County and the City toward a common cause and set aside a portion of disputed funds for behavioral health services, regardless of the outcome of pending litigation.

This partnership with the City resulted in a \$25 million fund titled the Behavioral Health Impact Fund (BHIF). This fund was to be used for one-time capital funding for mental health and drug treatment providers to expand their capacity to provide services to individuals. Many important projects were awarded and notably included 58 co-located residential substance use disorder beds, 21 transitional housing units, improvements for properties dedicated to transitional-aged youth, technology and telehealth purchases to treat substance use disorder, and other amenities and infrastructure improvements. Nearly all of this \$25 million fund has been awarded and the fund will soon be depleted.

It is my recommendation that the Board close out BHIF and establish a new fund, BHIF 2.0, which would be wholly separate from BHIF and the underlying redevelopment litigation that led to its creation. There were particular procedural actions included in how BHIF operated that slowed down the awarding of grants. Additionally, this funding was limited toward use for capital funding when a much more flexible funding source is now needed. While I am not proposing to seed BHIF 2.0 with funds at this time, it is important that a mechanism be established to continue the work as the original BHIF is depleted and future funding sources are identified.

The creation of the BHIF 2.0 can alleviate many financial barriers to providing desperately needed programs within the continuum of services, including workforce, services, and infrastructure. The "continuum of services" means supports and programs, including but not

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limited to, mental health assessment and treatment, detoxification, crisis stabilization, residential treatment, temporary or permanent supportive housing, temporary and permanent affordable housing, housing services, behavioral health workforce investments, and the like.

The structure of BHIF 2.0 will be flexible and allow for investments in unmet behavioral health needs. Most importantly, it will be able to disperse awards to ensure progress with OCP and related programs, but will expand in scope to now include services and workforce investments, in addition to infrastructure (e.g., treatment beds, etc.). Awarding grants on a rolling basis can ensure worthy proposals are brought online as quickly as possible. BHS can help guide awards to projects that support the continuum of services.

Today's action will create the new structure of BHIF 2.0, and future actions by this Board will allocate funding. To monitor progress toward meeting our goals, I propose that periodic reports be made to the Board as to the number of grants awarded, the types of projects funded, and the remaining funds. These actions can ensure that necessary projects are funded in a timely fashion and that the Board can be engaged to ensure projects are successful.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions supports the Empower Strategic Initiative in the County of San Diego's 2022– 2027 Strategic Plan by supporting the creation of the Behavioral Impact Fund 2.0, which will fund new projects in the continuum of services

Respectfully submitted,

NATHAN FLETCHER
Supervisor, Fourth District

ATTACHMENT(S)
N/A