



# County of Monterey

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: RES 26-096

June 23, 2026

**Introduced:** 6/11/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a Resolution to:

- a. Amend the FY 2025-26 Adopted Budget for the Health Department's Behavioral Health Bureau, (025-0256-8410-HEA013) to increase appropriations by \$5,856,690 to fund increased behavioral health service expenditures, financed by available fund balance (4/5ths Vote Required);
- b. Amend the FY 2025-26 Adopted Budget for the Health Department's Behavioral Health Bureau (023-8410-HEA012) to increase appropriations by \$5,856,690 to support contract amendments and increased client treatment and placement expenditures, financed by a transfer-in from (025-0256-8410-HEA013) of \$5,856,690 (4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller and County Administrative Office to incorporate the changes in the FY 2025-26 Health Department's Behavioral Health Bureau's Adopted Budget (025-0256-8410-HEA013 and 023-8410-HEA012) (4/5ths vote required).

### RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

- a. Amend the FY 2025-26 Adopted Budget for the Health Department's Behavioral Health Bureau, (025-0256-8410-HEA013) to increase appropriations by \$5,856,690 to fund increased behavioral health service expenditures, financed by available fund balance (4/5ths Vote Required);
- b. Amend the FY 2025-26 Adopted Budget for the Health Department's Behavioral Health Bureau (023-8410-HEA012) to increase appropriations by \$5,856,690 to support contract amendments and increased client treatment and placement expenditures, financed by a transfer-in from (025-0256-8410-HEA013) of \$5,856,690 (4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller and County Administrative Office to incorporate the changes in the FY 2025-26 Health Department's Behavioral Health Bureau's Adopted Budget (025-0256-8410-HEA013 and 023-8410-HEA012) (4/5ths vote required).

### SUMMARY:

The Health Department's Behavioral Health Bureau requests an amendment to the FY 2025-26 Adopted Budget to increase appropriations by \$5,856,690. This request is fully funded by existing 1991 Realignment Fund Balance. The requested adjustment addresses the need for mid-year contract amendments for several providers, continued increases in acute psychiatric inpatient hospitalization costs, and continued growth in expenditures associated with clients requiring placement in long-term care, Mental Health Rehabilitation Centers (MHRCs), Institutes for Mental Disease (IMDs), and other specialized treatment facilities. Approval of the recommendation will have no impact on the General Fund.

### DISCUSSION:

The Health Department's Behavioral Health Bureau (BHB) requests an increase in appropriations of \$5,856,690 in the FY 2025-26 Adopted Budget (023-8410-HEA012), financed by existing 1991 Realignment Fund Balance (025-0256-8410-HEA013).

On May 19, 2026, the Board of Supervisors approved an appropriation increase of \$11,900,813 to address projected FY 2025-26 expenditures. Subsequent to that action, the Bureau initiated additional contract amendments and continued to experience growth in acute psychiatric inpatient hospitalization and long-term treatment placement expenditures. The additional appropriation authority requested herein reflects these expenditures and updated projections through the remainder of the fiscal year.

A portion of the requested increase is attributable to mid-year contract amendments approved during FY 2025-26, including amendments for Drug Medi-Cal Organized Delivery System (DMC-ODS) providers totaling \$1,770,651, Specialty Mental Health Services providers totaling \$167,809, and other contracted service providers totaling \$15,219. These amendments were necessary to provide additional funding for contracted services where utilization exceeded original contract assumptions and to ensure the continued availability of services necessary to meet community behavioral health needs.

The remaining requested appropriation increase of approximately \$3.9 million reflects continued growth in expenditures associated with acute psychiatric hospitalization and long-term treatment placements. During FY 2025-26, the Bureau has experienced increased costs associated with acute psychiatric inpatient hospitalization, as well as growing utilization of Mental Health Rehabilitation Centers (MHRCs), Institutes for Mental Disease (IMDs), and other specialized treatment facilities for clients with complex behavioral health needs requiring higher levels of care. Placement costs, hospitalization costs, and lengths of stay have continued to exceed original budget assumptions, resulting in higher-than-anticipated expenditures.

The requested increase also provides sufficient appropriation authority to accommodate projected year-end expenditures based on current spending trends and anticipated placement activity through the remainder of the fiscal year.

Approval of the recommended action will increase appropriations by \$5,856,690, financed entirely by existing 1991 Realignment Fund Balance (025-0256-8410-HEA013), with no impact on County General Fund contributions.

This work supports one of the County of Monterey Health Department 2025-2028 Strategic Plan Goal(s): 2. Provide Exceptional Person-Centered Care through Accessible, Community-Focused Health Services. It also supports one of the ten essential public health services, specifically: 7. Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office, Auditor-Controller's Office, and County Counsel have reviewed and support this appropriation increase.

FINANCING:

Approval of the recommendation will have no impact on the General Fund. The requested appropriation increases are financed with 1991 Realignment fund balance of \$5,856,690.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This recommendation improves the well-being and quality of life by ensuring access to behavioral health treatment, crisis services, and community-based care for county residents.

Mark a check next to the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice

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Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Proposed Resolution