

ANALYSIS

Item 5: Oregon Health Authority Community Mental Health Services

Analyst: Matt Stayner

Request: Approve, retroactively, the submission of a federal grant application to the Substance Abuse and Mental Health Services Administration in the amount of \$302,198 for Community Mental Health Services Block Grant supplemental funding.

Analysis: On August 26, 2025, the Oregon Health Authority (OHA) became aware of a one-time supplemental funding opportunity from the Substance Abuse and Mental Health Services Administration (SAMHSA) through the Community Mental Health Services Block Grant (MHSBG) program. Notification of the funding opportunity and the agency's intent to apply for the funding was provided to legislative leadership and the Legislative Fiscal Office on August 28, 2025. The application deadline was September 3, 2025. The supplemental funding period is for federal fiscal year 2026 (October 1, 2025 through September 30, 2026).

The stated purpose for the supplemental funding is to support capacity-building and strategic collaboration efforts addressing the nexus of homelessness and serious mental illness, particularly among individuals involved in civil commitment processes and assisted outpatient treatment programs. If awarded, OHA intends to use the funding for a limited-duration position to help establish a program serving individuals involved in the civil commitment process or under aid and assist orders to transition into permanent supportive housing.

If awarded, OHA intends to request position and expenditure authority as part of the agency's fall budget rebalance. No state matching funds or maintenance of effort are required.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

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Oregon Health Authority
Chase

Request: Retroactive authorization for the Oregon Health Authority (OHA) to apply for a \$302,198 grant to support capacity-building and strategic collaboration efforts aimed to address unsheltered homeless individuals with a serious mental illness from the Substance Abuse and Mental Health Services Administration (SAMHSA).

Recommendation: Approve the request.

Discussion: OHA requests retroactive authorization to apply for one-time supplemental funds totaling \$302,198 through the SAMHSA Community Mental Health Services Block Grant to support capacity-building and strategic collaboration efforts aimed at addressing the intersection of unsheltered homelessness and serious mental illness, particularly among individuals involved in civil commitment processes and assisted outpatient treatment programs.

If awarded, OHA will use the funding to support one new, limited duration position for 12 months (0.50 FTE) to establish policies and protocols necessary to maintain a cohesive continuum of care between hospitals, residential settings, and permanent supported housing. This work includes developing listening sessions and community partner work groups to co-create the policies and procedures, as well as building local and regional continuums to serve individuals moving between higher and lower levels of care.

The grant was announced on August 26, 2025, the agency provided notice on August 28, 2025, and applications were due on September 3, 2025. Due to the limited time available between the grant announcement date and the application deadline, OHA was unable to comply with the 10-day statutory notification requirement; however, legislative notification was provided quickly, and feedback was provided by the Legislative Fiscal Office before the agency submitted the application. There is no match or cost-sharing requirement associated with the grant. If awarded, OHA may request additional position authority, and the corresponding Federal Funds expenditure limitation, at a future meeting of the legislature.

Tina Kotek, Governor

August 29, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of Request

The Oregon Health Authority (OHA) Behavioral Health Division requests retroactive approval to apply for one-time supplemental funds offered by the Substance Abuse and Mental Health Services Administration (SAMHSA) through the *Community Mental Health Services Block Grant* (MHBG). OHA learned of the funding opportunity on Aug. 26, 2025 and the application was due by midnight Eastern Time Sept. 3, 2025. OHA sent a 10-day notification to the President of the Senate and Speaker of the House on Aug. 28, 2025. Oregon intends to apply for \$302,198, which will be available from Oct. 1, 2025 through Sept. 30, 2026. There is no state match nor maintenance of effort required.

Agency Action

The funding is intended to support capacity-building and strategic collaboration efforts aimed at addressing the needs of unsheltered homeless individuals with a serious mental illness – particularly those involved in the civil commitment process. The funding may not be used for direct services; rather, it supports a wide range of technical assistance, training, policy development, and coordination activities.

OHA will use this funding to support one new, limited duration position to develop and launch a program that helps individuals across Oregon transition into permanent supportive housing. This program will support those exiting higher levels of care, facilitate safe and supportive transitions from more secure residential settings, and assist individuals in avoiding higher levels of care by connecting them with community resources within permanent supportive housing. The population served includes individuals under an Aid and Assist order and those involved in the civil commitment process. The position will provide cross systems collaboration to

Senator Kate Lieber
Representative Tawna Sanchez
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develop programmatic policy and procedures that can be replicated throughout Oregon. This position will support work OHA has already begun to integrate behavioral health services into housing programs across Oregon's communities.

Currently, OHA provides funding for direct services to behavioral health agencies, residential care settings, and a small number of permanent supportive housing facilities. These contracts are managed by staff who already carry significant responsibilities, including direct, hands-on support for individuals transitioning through various levels of care. The addition of this position is critical to building the infrastructure needed to ensure a cohesive and transparent continuum of care across hospitals, residential settings, and permanent supportive housing.

This role will lead the development of policies and protocols that align existing programs into a unified system. It will also coordinate listening sessions and community partner workgroups to co-create these policies and procedures, ensuring they reflect local and regional needs. Importantly, this work is time-limited: once the foundational structure is in place, existing programs will align with the new framework, and the position will no longer be needed.

Action Requested

OHA requests retroactive approval to apply for supplemental funds offered by the Substance Abuse and Mental Health Services Administration (SAMHSA) through the *Community Mental Health Services Block Grant*.

Legislation Affected

None.

Sincerely,



Sejal Hathi, MD MBA
Director

EC: Matt Stayner, Legislative Fiscal Office
Stacey Chase, Department of Administrative Services
Jason Trombley, Department of Administrative Services
Kate Nass, Department of Administrative Services
Amanda Beitel, Legislative Fiscal Office