



DATE: May 19, 2026

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT: Adopt a Resolution Authorizing the City Manager to 1) Negotiate and Execute an Agreement with Alameda County Health for the Provision of Medi-Cal Administrative Activities by the City of Hayward Youth and Family Services Bureau for Fiscal Year 2026 - 2027, 2) Accept Up to \$400,000 in Reimbursements for the Provision of Such Services, and 3) Incorporate \$300,000 in Reimbursement Revenue into the Adopted Budget For FY 2026-27 and Authorize the City Manager to Appropriate Up to an Additional \$100,000

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an Agreement with Alameda County Health (AC Health) for Medi-Cal Administrative Activities (MAA) services provided by the City of Hayward Youth and Family Services Bureau for Fiscal Year 2026-27, incorporate \$300,000 into the proposed budget for FY 2026-27 and appropriate up to an additional \$100,000 if additional services are provided; and accept between \$300,000 and \$400,000 in reimbursement revenue.

SUMMARY

Since 2006, the City of Hayward has had an annual Memorandum of Understanding (MOU) with Alameda County Health (AC Health) to provide Medi-Cal Administrative Activities to youth and families in Hayward, with the goal of promoting family stability and preventing juvenile justice involvement through offering comprehensive, culturally responsive services and opportunities. As a result, of this MOU, AC Health provides an annual reimbursement to the City of Hayward for the cost of time spent providing services that support the Medi-Cal program. Examples of these activities which are provided by the Youth and Family Services Bureau (YFSB) include assisting eligible individuals to apply for Medi-Cal coverage, connecting people to Medi-Cal covered services, and developing programs and policies that close service gaps and allow more people to access Medi-Cal and Medi-Cal covered services. The amount of MAA reimbursement varies year to year, but it is expected to be between \$300,000 and \$400,000 for FY26-27, which minimally funds 1.0 Full Time Equivalent (FTE) Family Counselor. Additional revenue generated beyond that is reinvested into YFSB's programming to further offset the cost to the City's General Fund.

Council approval is requested to authorize the City Manager to negotiate and execute the annual MOU with the AC Health for MAA to maintain these important mental health services for Hayward youth and families.

FISCAL IMPACT

The City will receive between \$300,000 and \$400,000 in reimbursement from the one-year agreement with AC Health. The 1.0 FTE Family Counselor position discussed in this staff report is included in the City's Proposed FY 2026-27 Operating Budget. Accepting and appropriating the reimbursement funds will help to offset the cost of the position.

BACKGROUND

Research clearly shows that being arrested in adolescence significantly increases the likelihood of subsequent arrests.¹ Consistent with best practices on the most effective ways to serve youth and families and prevent escalating contact with the juvenile justice system, YFSB provides a continuum of services that address the root causes underlying youth behaviors that result in contact with law enforcement.

The YFSB's central mission is to ensure Hayward's richly diverse youth and families feel safe, supported and experience community connectedness and general wellbeing. This is achieved through offering comprehensive, culturally responsive services and opportunities that promote family stability and prevent juvenile justice involvement through empowering families to build on their strengths, supplement needs, and create pathways to achieving goals. For nearly 45 years, YFSB has successfully done this supporting thousands of families to address challenges and improve their individual and family functioning. Less than 10% of youth who participate in YFSB's services are arrested or re-arrested within one year. YFSB's groundbreaking model of integrating mental health clinicians into the Hayward Police Department was recognized in the Commission on Accreditation for Law Enforcement Agencies (CALEA) evaluation as a national model and was recommended for replication in police departments nationwide.

To offset the cost of providing YFSB Services, since 2006, the City has had an annual MOU with the AC Health to provide MAA. The State of California Department of Health Care Services (DHCS) recognizes that local, community agencies such as YFSB have a unique relationship with Medi-Cal eligible individuals and are in a position to facilitate these individuals' access to Medi-Cal and Medi-Cal covered services. It further recognizes the expertise of these agencies to identify and assess the healthcare needs of the Medi-Cal-eligible individuals served. As a result, DHCS, through the AC Health, reimburses the City for the cost of time spent providing services that support the Medi-Cal program. Examples of these activities include assisting

¹ The Annie E. Casey Foundation. (2020). Research in Brief to Transform Juvenile Probation: Expand the Use of Diversion from the Juvenile Justice System. Baltimore, MD: Author. Retrieved from <https://www.aecf.org/resources/expand-the-use-of-diversion-from-the-juvenile-justice-system/>

eligible individuals to apply for Medi-Cal coverage, connecting people to Medi-Cal covered services, and developing programs and policies that close service gaps and allow more people to access Medi-Cal and Medi-Cal covered services. The amount of MAA reimbursement varies year to year, but it is expected to be between \$300,000 and \$400,000 for FY26-27, which minimally funds 1.0 FTE Family Counselor. Additional revenue generated beyond that is reinvested into YFSB’s programming to further offset the cost to the City’s General Fund.

Table 1 below, summarizes the number of reimbursable hours spent improving access to Medi-Cal and Medi-Cal covered services as part of the MAA program in FY24-25, which is the most recent year with available data

Table 1. FY24-25 Hours Spent on Medi-Cal Administrative Activities

Activity	Hours
Medi-Cal Outreach	917
Referral, Coordination, and Monitoring of Medi-Cal-covered services	3,690
Contract Administration	512
Program Planning and Policy Development	4396
Total	9,514

DISCUSSION

The YFSB staff play a critical role in connecting community members to Medi-Cal covered services. In recognition of this function, the County provides an annual reimbursement for the cost of staff time spent providing this service. This reimbursement funding is re-invested to support YFSB programming, which contributes to the overall strength and success of the YFSB model. Providing alternatives to youth involvement in the juvenile justice system is a critical issue locally and nationally. The literature clearly shows that more restrictive juvenile justice interventions such as youth incarceration contribute to poorer outcomes and increased rates of recidivism. Conversely, offering alternatives such as family counseling, case management, and diversion, not only reduces recidivism but also leads to better outcomes for youth and families overall. The execution of this agreement and the acceptance of the associated funding will allow the YFSB to continue to play a crucial role in keeping youth out of the juvenile justice system and contributing to the overall safety and wellbeing of Hayward families.

Components of Medi-Cal Administrative Activities Program – FY26-27

- Medi-Cal outreach to connect Medi-Cal-eligible individuals with Medi-Cal-covered services;
- Referral, coordination, and monitoring of Medi-Cal covered services;
- Facilitating the Medi-Cal application process;
- Contract administration for Medi-Cal covered services; and
- Program planning and policy development to increase Medi-Cal system capacity and close service gaps and coordinate with other agencies to improve service delivery

The services that will be provided under the recommended agreement are part of the YFSB's overarching strategy to reduce and prevent juvenile involvement in the justice system by linking youth to services and opportunities that help them stay positively connected with the community. Addressing the root causes underlying youth behavior problems, such as mental health challenges, family functioning issues, school engagement problems, and insufficient access to positive activities and supports are critical components to encourage youth success and prevent contact with law enforcement. For youth who do encounter law enforcement, these services give officers more options and minimize formal processing in the juvenile justice system. This has a clear nexus with public safety and contributes to the overall wellbeing of Hayward families.

ECONOMIC IMPACT

As stated above, improving community safety and keeping youth out of the juvenile justice system by supporting them to lead productive and healthy lives will have a positive economic impact on the Hayward community, as it addresses many of the factors that underlie poverty and a lack of economic opportunity. Moreover, the positive impact this program has on overall public safety contributes to a safe and thriving City which attracts residents and local businesses.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Enhance Community Safety and Quality of Life. Specifically, this item relates to Project Q17: Continue to provide family support programs through the Youth and Family Services Bureau.

NEXT STEPS

If the Council authorizes this action, staff will work to: 1) execute the agreement with AC Health to provide MAA services and continue providing essential mental health services to Hayward youth and families for FY26-27; 2) incorporate \$300,000 into the proposed budget for FY 2026-27 and appropriate up to an additional \$100,000 if additional services are provided; and 3) accept between \$300,000 and \$400,000 in reimbursement revenue.

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Recommended by: Bryan Matthews, Chief of Police

Approved by:



Jennifer Ott, City Manager