



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Allyson Griffith, Director, Neighborhood & Community Services (NCS)  
**COPY:** Community, Vitality, & Safety Committee (CVS)  
**PRESENTER:** Vicky McLaurin, Systems and Strategy Division Manager NCS, Dawn Couch, BERK Consulting  
**SUBJECT:** Mental Health and Substance Use Disorder (MHSUD) Funding Assessment and High Level Qualitative Finding  
**DATE:** April 22, 2024

**PRESENTATION TYPE:**  
Informational Briefing

**SUMMARY:**  
NCS and BERK Consulting staff will present the draft Mental Health and Substance Use Disorder (MHSUD) Funding Assessment which identifies the needs, services, and gaps in the provision of services, for individuals affected by mental health and/or substance use disorders in Tacoma.

**BACKGROUND:**  
In March 2012, the Tacoma City Council passed Ordinance 28057, authorizing a 0.1% sales tax (“one-tenth of one percent”) to support mental health treatment, chemical dependency treatment, therapeutic court(s), and housing for those in treatment services. All programs must have a component (i.e., constituting part of a larger whole) of mental health and/or substance use disorder to be eligible for this funding. “Moneys collected under this section must be used solely for the purposes of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services” (RCW 82.14.460). The original intent of this funding source was to reduce the high utilization of emergency services. The City funds programs that provide treatment, case management, bed nights and supports programs like the Co-Responders, who have designated mental health professionals to assist Tacoma residents who are experiencing behavioral health crisis and help them access treatment and resources that have a positive impact on their life. This assessment updates the 2012 Mental Health and Chemical Dependency Assessment and will be used to inform future funding recommendations.

**ISSUE:**  
BERK Consulting will provide information on their recently completed assessment of the mental health and substance use disorder system in Tacoma. The assessment set out to accomplish the following:

- Task 1 focused on Funding Data Aggregation and Analysis. BERK Consulting focused on aggregating and analyzing funds awarded to community partners through Tacoma’s local sales/use tax for Mental Health and Chemical Dependency Treatment. BERK Consulting developed a memo detailing the analysis and findings.



- Task 2 focused on the Development of High Level Qualitative Assessment Findings. BERK Consulting designed a program of primary data collection and community engagement to support the identified gaps in services. Additionally, they prepared a comparison and analysis of Pierce County’s Behavioral Health tax and how the City’s investment in mental health and substance use disorder aligns with Pierce County’s investment.

**ALTERNATIVES:**

This is an informational briefing only; no alternatives are being presented.

**FISCAL IMPACT:**

This is an informational briefing only; there is no fiscal impact.

**RECOMMENDATION:**

This is an informational briefing only, however, NCS provides the following information on the high level qualitative findings presented in the assessment:

The City’s MHSUD 0.1% sales tax (“one-tenth of one percent”) as a funding source is not sufficient enough to finance the entire MHSUD ecosystem, the City will continue to work with regional and state partners to ensure a comprehensive approach where possible. The 2025-26 Competitive Funding process will be released in June 2024 to support individuals with MHSUD challenges who frequently have needs that span many dimensions of well-being, including basic needs (food, housing, sanitation), behavioral health service needs, and social service supports designed to support long-term sustainability and success, as outlined in the NCS Systems and Strategy Issue Statement. In addition to the services the City will be soliciting in the competitive process, responses to gaps in the system, and how the City is addressing them, are below:

- **Section 1. Gaps in Tacoma’s System of MHSUD Services (Page 9 -10):**
- Engagement and outreach are underfunded and critical for reaching hard-to-serve individuals.
  - In 2023-24 the City invested \$639K in MHSUD contracted services to provides street outreach and services to Tacoma businesses negatively impacted by homelessness and to individuals experiencing homelessness. In 2025-26 the City will prioritize engagement and outreach as part of the competitive funding process, as shown in the Issue Statement.
- There are persistent barriers for accessing services (transportation barriers, eligibility assessments, poor hand-offs between systems)
  - The City negotiates with services provider to include client support in their budget allowing transportation cost as a part of their programming. The City will also be looking to prioritize programs that demonstrate coordination between providers.



- Underserved populations include youth, families, people not eligible for Medicaid, speakers of languages other than English, people with intellectual or development disabilities, undocumented or under documented people
  - All City of Tacoma residents are eligible for services under this funding. The City will increase our outreach to include agencies that may focus on servicing these populations particularly non-English and undocumented or under documented people.
  
- **Section 2. System Challenges Facing MHSUD Providers and those in need of MHSUD Services (Page 14 – 15)**
  - Maintaining sufficient staffing is the most common organizational challenge reported by providers.
    - In 2022, the City recognized the decline in availability of mental health professionals, the high demand for workers in behavioral health and a lack of certified behavioral health professionals to meet the growing needs and supported [E2SHB 1477](#), relating to the implementation of the national 988 system to enhance and expand behavioral health crisis response and suicide prevention services statewide. The City has also allowed programs with staffing challenges to negotiate a hiring or retention bonus to assist with recruitment.
  
  - More flexible funding is needed.
    - Since 2023, the City has allowed organizations to negotiate flexible funding and terms (upfront payments, Net 10 or pay immediately) to assist with cash flow. The City negotiates budgets that work for both the City and the provider and allows for changes to budgets as appropriate and necessary.
  
  - Need a better continuum of care with low barriers to entry. Currently the lack of coordination of care leads to fragmented and delayed diagnoses.
    - Previously, the City hosted MHSUD Collaboration meeting, these meeting were discontinued in 2018 due to feedback we received from the community feeling like the meetings were not valuable. Since 2023, the City has hosted quarterly provider meetings to share information about various services and provide technical assistance on City services. The City will be issuing a provider survey to understand both the experience of providers in the funding process as well as capture what topics may be most helpful to them in quarterly provider conversations. Based on the provider survey, the MHSUD Collaboration may restart in 2025.
  
- **Section 3. Tacoma’s MHSUD Funding Priorities and Process (Page 22- 23)**
  - Smaller organizations feel they are disadvantaged in the funding process.
    - Since 2023, the City has contracted with a capacity building provider to provide training to organizations operating and/or providing services in



the city of Tacoma, with a priority focus on Black, Indigenous, and People of Color (BIPOC), and newly funded organizations. In 2024, the Human Services Commission (HSC) will participate in the technical assistance meetings during the competitive funding process to inform applicants of how they determine funding recommendations. The HSC conducts oral presentations during the competitive funding process to ensure all applicants have equal opportunities to present their applications and answer questions of the raters. Agencies that may be strong in oral presentations, but do not have a grant writer or vice versa will have equal opportunity to present their program to the HSC both in the application submittal and oral presentations. Oral presentations reduce the barriers for agencies who do not have a grant writer by making the application process equitable for all participants.

- Some providers noted burdensome and misaligned reporting requirements.
  - We are continuously evaluating ways to remove barriers and streamline the application process. Since 2023, applications in the competitive process cannot exceed 5 pages, this process may change depending on the Notice of Funding Availability, and the City needs. The department is preparing an Issue Statement to ensure the City is investing in the highest priorities for the 2025-26 biennium.
  
- The City and County funding processes run in parallel and are not well-aligned or complementary.
  - The City and County Council have different priorities, and budget cycles. However, NCS Director and staff frequently meet with Pierce County staff to align our services. NCS staff serve as a non-voting member of the Pierce County Behavioral Health Advisory Board, Pierce County Coalition to End Homelessness, Comprehensive Plan to End Homelessness Advisory Implementation Board, Tacoma/ Lakewood/ Pierce County Continuum of Care Board, and bi-weekly Pierce County jurisdictional partnership check-in. The City recognizes the need for strong collaboration with the County and will continue to work towards better aligning our data requirements as well as our priority funding needs.
  
- Providers commonly report that their contracts with the City only cover part of the cost of administering the contract and delivering the contracted services.
  - Since 2023, during the competitive process, the City asks the applicants to specify the least amount of funding they can accept. If the funding recommendation is less than the amount, they are willing to accept, funding is not awarded.