



# COUNTY OF HUMBOLDT

For the meeting of: 7/9/2019

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File #: 19-814

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Consent

**SUBJECT:**

National Health Emergency (NHE) Phase II Opioid Crisis National Dislocated Worker Grant Agreement and Contract with Smart Business Resource Center for Fiscal Year 2019-20

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Authorize and direct the Board Chair, or designee, to sign contract agreement with SMART Business Resource Center (Attachment 1) to perform Dislocated Worker service activities in compliance with the terms and conditions set forth in NHE Phase II Opioid Crisis National Dislocated Worker grant in the amount of \$1,498,225; and
2. Direct the Clerk of the Board to return the signed original contract agreement with SMART Business Resource Center and two copies to the Workforce Development Board (WDB) Executive Director for submission as required by the State of California Employment Development Department.

**SOURCE OF FUNDING:**

National Health Emergency Funding from the Department of Labor, and State of California Employment Development Department.

**DISCUSSION:**

The County Administrative Office-Economic Development Division (Economic Development) receives annual non-competitive grants from the US Department of Labor which are allocated through the State of California Employment Development Department. These funds provide low-income adults, at-risk youth, and dislocated workers the opportunity to participate in training and/or educational programs to obtain employment. Funds are also used to cover costs associated with the development and implementation of local and regional plans, and to provide training for local workforce partners. Additionally, Economic Development receives a portion of both competitive and non-competitive grants to support administrative overhead.

The United States faces an ongoing health crisis due to widespread abuse of and addiction to

prescription opioid painkillers, as well as illicit opioids. According to the Centers for Disease Control (CDC) and Prevention, deaths from drug overdoses in the United States more than tripled from 1999 to 2015, with this increase driven by dependency and addiction to opioid painkillers, which are often prescribed to individuals suffering from chronic pain. For some, addiction to prescription opioids has led to abuse of heroin, an illegal opioid that in some circumstances can be cheaper and easier to obtain. In 2016, around 2.5 million Americans had a substance-use disorder involving either prescription painkillers or heroin. The CDC's preliminary estimate is that 72,000 people died of drug overdose deaths in the United States in 2017, which would be a record number. In addition to deaths, overdoses from both prescription and illicit drugs were responsible for increasing nonfatal emergency department and hospital admissions. In all, researchers have found that this crisis has cost the United States more than \$1 trillion since 2001, and it could have a negative impact of \$500 billion more over the next 3 years if conditions do not change.

The Trump Administration has made addressing this crisis a high priority, making significant investments to support treatment and recovery services, target availability of overdose reversing drugs, train first responders, and more. The Secretary of Health and Human Services (HHS), at the White House's direction, declared a national public health emergency in October 2017. Consistent with that declaration, in March 2018, the Employment and Training Association (ETA) issued the Training and Employment Guidance Letter (TEGL) No. 12-17, announcing a crisis-focused demonstration project, National Health Emergency (NHE) Demonstration Grants. The Employment Development Department awarded more than \$22 million to six state applicants under this NHE Demonstration Grant funding opportunity. These awards were announced on July 24, 2018. These grants allowed states to provide training to reintegrate eligible participants affected by the crisis, as well as to encourage individuals to enter professions that could provide relief to those affected by the crisis: mental healthcare, addiction treatment services, and pain management services. These demonstrations also allowed the ETA to determine the best approach to make a positive impact on the crisis by using its other Dislocated Worker Grant (DWG) funds.

In the second phase of its efforts to respond to the opioid crisis, the ETA now announced guidance for how states can apply for Disaster Recovery DWGs. This guidance is effective until The U.S. Department of Health and Human Services' declaration expires. Under the Workforce Innovation and Opportunity Act (WIOA), the Department of Labor (DOL) has discretion to award Disaster Recovery DWGs, which are grants aimed at reducing the workforce impacts of federally declared disasters through employment and training activities for dislocated workers and temporary employment opportunities assisting disaster-relief efforts. Disaster Recovery DWGs will create temporary employment opportunities aimed at alleviating humanitarian and other needs created by the opioid crisis. Grantees also may use these funds to provide services to reintegrate into the workforce eligible participants affected by the crisis and train individuals to work in mental health treatment, addiction treatment, and pain management. The Department of Labor expects that successful opioid Disaster Recovery DWG projects will accomplish the following:

- Facilitate community partnerships that are central to dealing with this complex public health crisis;
- Provide training that builds the skilled workforce in professions that could impact the causes and treatment of the opioid crisis: addiction treatment, mental health, and pain

management;

- Ensure the timely delivery of appropriate, necessary career, training, and support activities to dislocated workers (including displaced homemakers), individuals temporarily or permanently laid off due to the opioid crisis, long-term unemployed individuals, and self-employed individuals who are unemployed or significantly underemployed as a result of the opioid public health emergency-including individuals in these populations who have been impacted by opioid use, to promote successful reemployment; and
- Create temporary disaster-relief employment that addresses the unique impacts of the opioid crisis in affected communities.

In July 2014, the US Congress passed, and the President signed the Workforce Innovation and Opportunity Act (WIOA), as an amendment to the Workforce Investment Act of 1998. The WIOA requires the Humboldt County Workforce Development Board (HC-WDB), with the agreement of the chief elected officials, to designate or certify American Job Centers of California (AJCC) operators through a competitive process.

On Jan. 19, 2016, your Board approved a three-agency consortium to include College of the Redwoods (CR), Redwood Community Action Agency (RCAA) and Department of Health and Human Services, Employment Training Division (DHHS-ETD) to operate the AJCC. As of June 30, 2018, DHHS-ETD will no longer act as an operator. A Request for Proposals was released on June 11, 2018 in order to procure an AJCC operator to replace DHHS-ETD. Per WIOA law, only current AJCC partners are able to apply. One proposal was received from Smart Business Resource Center. The HC-WDB Executive Committee voted unanimously at their June 27, 2018 meeting to recommend to your Board to appoint Smart Business Resource Center as the third operator to the consortium.

The role of AJCC Consortium Operators includes coordinating the service delivery of required AJCC partners and service providers; ensuring implementation of partner responsibilities; contributing as agreed upon in the Memorandum of Understanding - Phases I and II; and reporting to the HC-WDB on operations, performance, and improvement recommendations. Operators may also be tasked with taking on additional responsibilities as directed by the HC-WDB; are responsible for implementing local policies established by the HC-WDB; and ensure adherence to all applicable federal and state guidelines.

Additionally, a Memorandum of Understanding (MOU) will be entered, upon Board designation, between the HC-WDB and AJCC Consortium Operators outlining roles and responsibilities.

Since the appointment of Smart Business Resource Center as the third AJCC partner, they have entered into a contract with the County to provide Adult and Dislocated Worker services. The NHE Phase II Opioid Crisis National Dislocated Worker Grant funding will supplement the services already being provided by Smart Business Resource Center. Furthermore, Smart Business Resource Center has the qualified and vetted staff to provide the services needed to complete this project.

#### FINANCIAL IMPACT:

The total amount of this grant award is \$1,655,872, and will be received by budget unit 1120-287 - Workforce Development Board. County of Humboldt administration costs for this grant is 9.5% of total award, or \$157,647. The total amount of the contract with SMART Business Resource center is to not exceed \$1,498,225. This revenue and its corresponding expenditures have already been accounted for in the fiscal year 2019-20 adopted budget.

The National Health Emergency funding comes in the form of a Disaster Relief grant. The Department of Labor funds all Disaster Relief grants incrementally to manage the budget across the entire nation. The delivery of future funds for this grant is contingent on overall grant performance of all grantees. The state is unable to request more funds from the Department of Labor, until all grantees have reached 70% completion of grant activities. Once the grant is 70% expended grantees must justify the need for additional funds with detailed description of what activities have been completed and what objectives remain to be met.

**STRATEGIC FRAMEWORK:**

This action supports the Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs

**OTHER AGENCY INVOLVEMENT:**

Smart Business Resource Center  
Waterfront Recovery Services  
Northern California Substance Abuse Council  
Humboldt Recovery Center

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could choose not to accept these funds. This alternative is not recommended because declining these funds would make services unavailable to several county residents.

**ATTACHMENTS:**

Attachment 1: State of California EDD NHE Opioid Crisis National Dislocated Worker Subgrant Agreement  
Attachment 2: Contract Agreement with SMART Business Resource Center

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: N/A  
Meeting of: N/A  
File No.: N/A