

## STAFF REPORT

**BOARD MEETING DATE:** May 27, 2025

**CATEGORY:** Consent Calendar 1

**SUBJECT:** Take the following actions: (1) Approve an agreement with Youth Violence Prevention Council of Shasta County, dba Youth Options Shasta, in the amount of \$1,000,000 for youth substance use education and prevention services; (2) approve an agreement with Shasta County Child Abuse Prevention Coordinating Council, dba Raising Shasta, in the amount of \$3,000,000 for youth substance use education and prevention services; (3) waive provisions which require advance payments be required to earn interest and apply interest to reduce the contract price as set in Administrative Policy 6-101, *Shasta County Contracts Manual*; and (4) approve a budget amendment which increases appropriations by \$100,000 in the Opioid Settlement Budget (BU 430) offset by use of fund balance.

**DEPARTMENT:** County Administrative Office

**SUPERVISORIAL DISTRICT #:** All

**DEPARTMENT CONTACT:** Erin Bertain, Deputy County Executive Officer, (530) 225-5561

**STAFF REPORT APPROVED BY:** David J. Rickert, County Executive Officer

<u>Vote Required?</u>	<u>General Fund Impact?</u>
4/5 Vote	No General Fund Impact

### RECOMMENDATION

Take the following actions: (1) Approve an agreement with Youth Violence Prevention Council of Shasta County, dba Youth Options Shasta, in the amount of \$250,000 annually for the period of June 1, 2025 through May 31, 2027, with an option for the Board to approve an additional two-year term, for a total of \$1,000,000, for youth substance use education and prevention services; (2) approve an agreement with Shasta County Child Abuse Prevention Coordinating Council, dba Raising Shasta, in the amount of \$1,750,000 for the period of June 1, 2025 through May 31, 2027, with an option for the Board to approve an additional two-year term for an additional \$1,250,000 for a total of \$3,000,000 for youth substance use education and prevention services; (3) waive provisions which require advance payments be required to earn interest and apply interest to reduce the contract price as set in Administrative Policy 6-101, *Shasta County Contracts Manual*; and (4) Approve a budget amendment which increases appropriations by \$100,000 in the Opioid Settlement Budget (BU 430) offset by use of fund balance.

### DISCUSSION

The Opioid Epidemic resulted in severe consequences for those addicted, their families and the safety of the community. The Manufacturers, Distributors, and Retailers contributed significantly to this epidemic and were ultimately named as defendants in lawsuits from many legal entities including Shasta County. Ultimately the lawsuits were consolidated into one lawsuit that included over 3,400 plaintiffs.

Shasta County has just over \$11.3 million from these settlements, including interest and is projected to receive a total of \$38.9 million paid in annual installments beginning in Fiscal Year 22/23 through FY 38/39. Additional settlements are anticipated to be initiated in the near future. The settlement agreements include specific areas in which funds can be spent. The allowable uses are included in Exhibit E to the agreements and attached to this staff report for reference. In addition, at least 50% of the Abatement Accounts Fund must be used in one or more of the High Impact Abatement Activities which include:

- The provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
- Creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;

- Addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
- Diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
- Interventions to prevent drug addiction in vulnerable youth.

On November 12, 2024, the Board held a special meeting to hear presentations from Community Organizations and County Departments for projects to be funded by Opioid Litigation Funding. Youth Options Shasta and Raising Shasta both presented projects to be considered. The Board voted to have Youth Options Shasta, Raising Shasta, Superintendent Clay Ross, and Amanda Faith form a group to address substance use prevention and education in youth. On March 18, these individuals presented a proposal as Community Opioid Response and Education (C.O.R.E.) which included program administration and services to be provided by Raising Shasta and services to be provided by Youth Options Shasta. The Board voted to move forward with two-year agreements, with an option for the Board to approve a two-year extension for a total of four years. The Board also voted to require bi-annual presentations with a status update and evaluation report in August and January. The agreements included for consideration reflect the direction of the Board. Both entities have requested advance payments to help facilitate program growth and cash flow. These advance payments will be deducted, in even amounts, from each invoice submitted throughout the year. Policy 6-101, Section 1.3.6 requires that advance payments over \$15,000 be deposited in an interest-bearing account and that any interest earned is to be used to reduce the contract price but allows for the Board to waive this requirement. Waiving this requirement is in the interest of efficiently providing services as it reduced the administrative burden on the vendors.

A separate budget unit was established for the Opioid Settlement dollars subsequent to the FY 2024-25 budget hearings and as a result there is no approved expenditure budget. The requested budget amendment will allow payments to the vendors from this newly established budget unit.

### **ALTERNATIVES**

The Board could decline to approve one or both contracts, require the vendors to accrue interest on the advanced funds, or decline to approve the budget amendment. Declining to approve the contracts would prevent services from being provided and declining the budget amendment would prevent the County from making payments on the contracts.

### **OTHER AGENCY INVOLVEMENT**

The County Administrative Office drafted the contracts and prepared the staff report. The Auditor-Controller has reviewed the agreements and associated budget amendment. Risk Management has approved the agreements. County Counsel has approved the agreements as to form.

### **FISCAL IMPACT**

There is no General Fund impact from these agreements as all costs are funded by Opioid Litigation Settlement dollars. The costs associated with this agreement will be included in future budgets.

### **ATTACHMENTS:**

- 1: Youth Options Shasta Agreement
- 2: Raising Shasta Agreement
- 3: Budget Amendment