



**Date:** January 15, 2014

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Kevin Dick, Director of Economic and Workforce Development  
**Subject:** Amendment to the Substance Abuse and Mental Health Services Administration Grant Project Ordinance #14534 (Revised)

### **Executive Summary**

This item amends the City of Durham Employment and Training 2013 – 2014 Grant Project Ordinance for Substance Abuse and Mental Health Services Administration (SAMHSA) Grant # 14534. Based upon notification from Alliance Behavioral Healthcare on September 19, 2013, that \$75,000.00 of funding from the aforementioned Grant Project Ordinance would not be available to honor two previously submitted contracts, the amendment reflects a decrease of \$75,000.00 in funding from Alliance Behavioral Healthcare for the BECOMING (Building Every Chance of Making It Now and Grown Up) employment program. This item will decrease the City of Durham Employment and Training 2013-2014 Grant Project Ordinance by \$75,000.00 from \$85,000.00 to \$10,000.00.

### **Recommendation**

Staff recommends that City Council authorize the City Manager to accept the amended FY13-14 Grant Project Ordinance in the amount of \$10,000.00, superseding Grant Project Ordinance #14534.

### **Background**

The Durham Center (now Alliance Behavioral Healthcare or Alliance) was the local area authority in Durham County for the coordination and provision of services for individuals with mental health, developmental disabilities and substance abuse barriers. In 2010, OEWD submitted a joint application with the Durham Center (as the lead agency) to the U.S. Substance Abuse and Mental Health Services Administration to provide coordinated employment and training services to transition age youth (ages 16-21) who have been identified as (1) having significant functional impairments, and/or (2) disconnected or at risk of becoming disconnected from services and supports. In 2011, OEWD received notification that the Durham Center was awarded the six-year SAMSHA grant in the amount of \$5.4 million dollars to implement the BECOMING program to build a comprehensive system of care for high risk youth ages 16 to 21 who have mental health conditions. The BECOMING Program was to operate under the auspices of OEWD for a period three years with a value not to exceed \$180,000.00.

### **Issues and Analysis**

As the sub-recipient and partner in this program, OEWD was to work with its network of local partners and JobLink Career Center staff to; support in the outreach and recruitment efforts of the program; make program referrals; leverage federal Workforce Investment Act (WIA) resources to provide case management and supportive services; and provide job placement

assistance for transition age youth ages 16-24 of the SAMHSA program. Youth participants were to have (and continue to have) opportunities to engage in various types of training that will help increase their marketability and support them in gaining employment in high-growth and high demand occupations upon their completion and/or fulfillment of program obligations.

On December 5, 2011, the City of Durham entered into a one-year contractual agreement to hire an employment program coordinator to implement the BECOMING program. The contract was the first of multiple contracts expected to total \$180,000.00 over a period of three years to sustain the program. Based upon an understanding that the three-year program would begin once the position was filled, and the fact that considerable planning was taking place even after the contract was executed by both parties, the department hired the employment program coordinator in July 2012. The Department also had the expectation based upon planning discussions with Alliance Behavioral Healthcare that unspent monies would be carried over into new grant years if necessary. On August 3, 2012, the City entered into another contractual agreement with Alliance for \$15,000.00 (three-month contract) to further implement the program. On May 10, 2013, the City entered into another agreement with Alliance for \$60,000 to further the BECOMING program. Finally, on December 2, 2013, the City of Durham and Alliance for Behavioral Healthcare entered into another contract to complete the funding obligation. Based upon a first in - first out (FIFO) method of accounting, the department billed against the first contract received in December 2011. Two bills were sent to Alliance totaling \$58,241.00 and paid under a contract other than the one that OEWD expected to have billed. Alliance Behavioral Healthcare made the department aware on September 19, 2013, (11 days before contract expiration) that only \$1,759.00 was remaining on contracts that had been executed prior to that date. During a meeting on December 9, 2013, Alliance stated they would not honor the previous two contracts for \$60,000 signed in December 2011 and \$15,000.00 signed in August 2012. This means that personnel expenses related to the BECOMING Employment Program Coordinator that had been unpaid to that point by the grant will need to be charged to a third-year contract that was approved by City Council on December 3, 2013, and will lessen the monies available to carry out activities through September 2014. Hence, the reduced GPO changing the amount from \$85,000 to \$10,000 is being presented for consideration. The change in the GPO budget \$75,000.00 represents the value of the two aforementioned contracts. In order to adjust programming with the loss of \$75,000 in available funding, OEWD will bring forth a recommendation to City Council that ends the contract on April 30, 2014, rather than the originally planned contract end date of September 30, 2014, in the item approved by City Council on December 2, 2013. The department is currently exploring options to sustain the employment program scope of work to focus on youth with substance abuse and mental health challenges through WIA funding.

### **Alternatives**

Council may choose to neither approve the amended SAMHSA FY13-14 Grant Project Ordinance nor authorize the contract with the Alliance Behavioral Healthcare to implement this joint training program.

If Council chooses to not adopt the SAMHSA Grant Project Ordinance, the Office of Economic and Workforce Development would not be in compliance with the City's process for de-obligating funding.

### **Financial Impact**

This item will decrease the City of Durham Employment and Training 2013-2014 Grant Project Ordinance for Substance Abuse and Mental Health Services Administration (SAMHSA) Grant by \$75,000.00 from \$85,000.00 to \$10,000.00.

**SDBE Summary**

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item.