

# P R E S S   R E L E A S E

FOR IMMEDIATE RELEASE

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## **HEALTH AGENCY TO SEEK CLOSURE OF OPPORTUNITY CENTER TO TRANSFER TO NEW PROVIDER**

SHASTA COUNTY – Due to the financial instability of the Opportunity Center (OC), Shasta County Health & Human Services Agency (HHSA) administrators plan to ask county leaders to close the job-training program for disabled adults. Relinquishing the OC would allow a state-funded regional agency to assign the program to a new provider.

HHSA will report on the OC's financial viability at the Board of Supervisors' Feb. 28 meeting and request closing the program by June 30.

Since August 2022, HHSA has been discussing the transfer of the Opportunity Center to a non-profit provider, the most common model of operation statewide. After closely examining the OC's lack of client referrals and increased costs, it is Shasta County's best financial option, HHSA Deputy Branch Director Julie Hope says. This fiscal year (2022-23), the OC's expenses are projected to exceed its revenue by approximately \$1.05 million.

"Regardless of how we got here, we are working together for a smooth transition, making sure to take care of staff and clients," she says.

Far Northern Regional Center is the state-funded agency that must approve (or vendorize) any non-profit organization interested in providing opportunities to adults with developmental disabilities in its nine-county region.

The Lincoln Training Center non-profit would be an excellent candidate, once vendorized, Hope says. She plans to ask county supervisors to consider leasing or donating the county's OC vehicles, equipment and possibly the building to the training center to position the OC for success.

In January, HHSA leaders requested a county general-fund loan from county supervisors to cover the OC's growing negative cash flow, Hope says. Continued loans are not feasible; they would draw general-fund money from other crucial county services such as the Sheriff's Office.

Multiple factors have led to the OC's current financial situation, Hope explains:

- Minimum wage increases since 2018 for all clients; to increase again in January 2024

- Continually rising staff salaries and benefits costs
- Continually rising overhead/administration costs
- Client benefits costs, which currently add \$4.29 per hour to the training stipends. These costs will increase as minimum wage increases
- Far Northern and the state Department of Developmental Services rates have not kept up with costs
- Number of referrals received decreased during the pandemic and did not recover
- Few clients want to work blue-collar jobs anymore
- Clients' concerns of earning too much income, which could impact their SSI/SSDI benefits
- Non-use of the OC Contract Worksheet allowed costs to creep up without gaining notice
- Overinflated revenue budget estimates
- Mismanagement, due to poor financial oversight
- Leaving clients in programs for too long (sometimes decades) created a culture of employment instead of a job-training/supportive-services program

“We want to be open and transparent about the severe impact minimum wage increases and the pandemic have had on this program,” Hope says. “In addition, prior management of the OC was severely lacking. The current administration is all new. Fresh eyes have taken a close look at how we got to this point and how we can correct it with care.”

A county staff report providing financial details and more information is included in the Board of Supervisors Feb. 28 agenda, found online at [shastacounty.gov](http://shastacounty.gov).

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