

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

1700 K STREET
 SACRAMENTO, CA 95811-4022
 TDD (916) 445-1942
 (916) 324-5523

**ADP BULLETIN**

Title Fiscal Year 2008-09 Governor's Budget (Preliminary) Allocation, 1.0		Issue Date: February 22, 2008 Expiration Date: N/A	Issue No. 08-03
Deputy Director Approval (Original Signed By) MARJORIE McKISSON Assistant Deputy Director Program Services Division-Treatment	Function: [] Information Management [] Quality Assurance [] Service Delivery [X] Fiscal [] Administration	Supersedes Bulletin/ADP Letter No. N/A	

PURPOSE

This bulletin transmits the Fiscal Year (FY) 2008-09 Governor's Budget (Preliminary) Allocation to counties for informational and planning purposes. The attached allocation of funds is contingent upon enactment of the FY 2008-09 Budget Act, federal appropriations, and executed State-County contracts. After the FY 2008-09 Budget is enacted, a final notice will be sent to reflect any adjustments.

This bulletin includes five exhibits: (A) Overview of Programs, Funding, and Allocation Methodologies, (B) Statewide Allocation Summary, (C) Substance Abuse Prevention and Treatment (SAPT) Block Grant Fund Exchange Information, (D) Funding Periods Chart, and (E) Individual County Summary.

DISCUSSION

On January 10, 2008, the Governor released the proposed budget for FY 2008-09 which contains reductions in General Fund programs, including alcohol and other drug services. The reductions are proposed to bring the State's chronic structural deficit under control with an across-the-board approach designed to protect essential services by spreading reductions as evenly as possible so no program is singled out for severe reductions. The Governor also declared a fiscal emergency and ordered a Special Legislative Session to address current year budget reductions. On February 16, 2008, the Governor signed the Special Session budget bills. These bills leave current year (FY 2007-08) alcohol and other drug services local assistance funding at the original Budget Act Allocation levels.



ADP strongly encourages counties to make every effort to retain existing residential and perinatal treatment programs when considering how to apportion the planned funding reductions discussed below and in Attachment A. While all treatment programs are difficult to restart after reducing capacity or closing, residential and perinatal treatment programs have initially high start-up costs and siting requirements, making them expensive and difficult to restart after closing.

The Governor's Budget Allocation of the Federal Fiscal Year (FFY) 2009 SAPT Block Grant funds is \$226.9 million. The Governor's Budget Allocation for FY 2008-09 includes \$102.4 million of State General Fund (SGF), of which \$76.1 million is for Drug Medi-Cal (DMC) services. Significant changes to the FY 2008-09 Governor's Budget Allocation compared to the FY 2007-08 Budget Act Allocation are:

Drug Medi-Cal

ADP budget authority for the DMC program contains \$72.0 million for Regular DMC and \$4.1 million for Perinatal DMC services. This amount reflects revised caseload estimates, a proposed reduction of DMC rates, and unrealized Conlan claims from DMC beneficiaries for out-of-pocket expenses from 90 days prior to application for benefits, to the time eligibility is determined.

As part of the Governor's Budget Balancing Reduction Plan, the developed DMC rates for FY 2008-09 are reduced 10 percent.

State General Fund Regular Discretionary (Non-Drug Medi-Cal)

For FY 2008-09, \$5.2 million is available, reflecting a reduction of \$579,000 compared to the previous year.

Perinatal State General Fund (Non-Drug Medi-Cal)

For FY 2008-09, \$15.3 million in funding is available, reflecting a reduction of \$1.7 million. For FY 2008-09, the Women's and Children's Residential Treatment Services programs will receive \$5.8 million in funding. This represents a reduction of \$641,000 from the FY 2007-08 Budget Act Allocation.

Special Projects/Media Campaigns

The Special Projects/Media Campaigns (in Alameda, Los Angeles and Modoc counties) that were funded at \$284,501 from the FFY 2008 SAPT Block Grant Award will no longer be allocated.

REFERENCES

- Senate Bill 1067 (Ducheny), Budget of 2008-09
- Assembly Bill 1770 (Laird), Budget of 2008-09

BACKGROUND

Not applicable.

QUESTIONS / MAINTENANCE

Questions concerning the bulletin and any of the exhibits should be directed to:

Bruce Clark
Fiscal Policy Unit Supervisor
Program and Fiscal Policy Branch
(916) 322-0497

Additional copies of this document and its exhibits may be requested through ADP's Resource Center by calling (800) 879-2772 and through ADP's Website at www.adp.ca.gov.

EXHIBITS

- [Overview of Programs, Funding, and Allocation Methodologies](#)
- [Statewide Allocation Summary](#)
- [SAPT Block Grant Fund Exchange Program Information](#)
- [Funding Periods Chart](#)
- Individual County Summary (County Administrators Only)

DISTRIBUTION

County Alcohol and Drug Program Administrators' Association of California
Director's Advisory Council
Strategic Local Government Services, LLC