

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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ADP BULLETIN

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PURPOSE

This Bulletin transmits funding information for alcohol and other drug (AOD) services for State Fiscal Year (FY) 2008-09. This bulletin includes five exhibits: (A) Overview of Program, Funding, and Allocation Methodologies, (B) Statewide Allocation Summary, (C) Substance Abuse Prevention and Treatment (SAPT) Block Grant Exchange Program, (D) Funding Periods Chart, and (E) Individual County Summary.

DISCUSSION

The California Department of Alcohol and Drug Programs (ADP) allocated a net increase to counties in the FY 2008-09 Budget Act compared to funding allocated in FY 2007-08. The net increase is primarily due to an increase in Drug Medi-Cal (DMC) funding of \$10 million resulting from higher caseload and reimbursement rate increases. Funding reductions resulting from State General Fund (SGF) Budget Balancing Reductions were applied to all of ADP's SGF-based programs except for DMC. Overall SAPT funding available for allocation is \$227.2 million; no major change from the FY 2007-08 Budget Act Allocation.

The three-year SAPT Block Grant Pilot Exchange Program (Exchange Program) is now a permanent program based on ADP's evaluation of the program effectiveness. The SAPT Discretionary, Perinatal, and Adolescent and Youth Treatment exchanged amounts will become part of each county's SAPT base allocation, effective with this FY 2008-09 allocation. The permanent Exchange Program provides small counties with fiscal flexibility to best meet the needs of their clients and communities. The program allows very small counties (populations under 40,000) to exchange SAPT categorical funds for equal amounts of SAPT Discretionary funds from more populous counties.

As first occurred with the FY 2007-08 Preliminary Allocation, only the SAPT Discretionary, SAPT Perinatal and SAPT Adolescent and Youth Treatment funds have



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been included in the Exchange Program. The SAPT HIV funds are no longer included in the Exchange Program because those funds are distributed on a needs-based allocation methodology. The methodology's needs-based indicators are updated each year and the funds redistributed each year to reflect the change in need. A minimum allocation of \$7,500 is set to ensure each county with an HIV need receives sufficient HIV funds to operate HIV services. Six counties have declined the HIV funds: Alpine, Calaveras, Colusa, Mariposa, Modoc, and Trinity. These counties must submit a letter to ADP within 60 days of the date of this Bulletin, indicating that they will meet the need for HIV services for AOD clients/participants through funding other than SAPT Block Grant Funds.

HIGHLIGHTS OF THE FY 2008-09 BUDGET ACT ALLOCATION

State General Fund

The total 2008-09 SGF allocation provides \$124.7 million in SGF funds, with \$98.4 million designated for DMC services. ADP has budget authority for \$93.7 million for Regular DMC and \$4.6 million for Perinatal DMC services. A portion of these funds is available for contract adjustments during the year. The FY 2008-09 Budget signed by Governor Schwarzenegger did not include FY 2008-09 DMC reimbursement rates in the Budget Balancing Reductions that occurred to other SGF-based programs. Approved DMC Rates for FY 2008-09 may be reviewed in ADP Bulletin 2008-09.

SAPT Block Grant

The Federal Fiscal Year (FFY) 2009 SAPT Allocation includes a permanent \$206,623 reduction to the SAPT Discretionary Base to backfill reductions to SAPT Perinatal funding of \$35,998 and \$170,625, which occurred in FFYs 2005 and 2006, respectively. The backfills first occurred in the FY 2005-06 allocation, but have now been made permanent and ongoing in an effort to assist in the retention of existing perinatal programs. While all treatment programs are difficult to restart after reducing capacity or closing, perinatal treatment programs have initially high start-up costs and siting requirements, making them expensive and difficult to start after closing.

Reporting of SAPT Block Grant expenditures is a federal requirement and is in the Negotiated Net Amount (NNA)/DMC County-State contract. All counties must report SAPT expenditures by FFY award and by program fund and submit Quarterly Federal Financial Management Reports (QFFMRs) no later than 60 days after the end of each quarter. The QFFMRs provide a critical source of current expenditure data.

REFERENCES

Assembly Bill 1781 (Chapter 268, Statutes of 2008)

QUESTIONS / MAINTENANCE

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

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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 http://www.adp.ca.gov/ADPLTRS/bulletin_letter.shtml.

EXHIBITS

- A. [Overview of Program, Funding, and Allocation Methodologies](#)
- B. [Statewide Allocation Summary](#)
- C. [SAPT Block Grant Exchange Program](#)
- D. [Funding Periods Chart](#)
- E. Individual County Summary (County Administrators Only)

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