

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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## ADP BULLETIN

Title State Fiscal Year 2009-10 Governor's Budget (Preliminary) Allocation, 1.0		Issue Date: April 1, 2009 Expiration Date: N/A	Issue No.  09 - 03
Deputy Director Approval  dave neilsen Deputy Director Program Services Division	Function: [ ] Information Management [ ] Quality Assurance [ ] Service Delivery [ X ] Fiscal [ ] Administration [ ] Other	Supersedes Bulletin/ADP Letter No.  N/A	

PURPOSE

This Bulletin transmits the Fiscal Year (FY) 2009-10 Governor's Budget (Preliminary) Allocation to counties for informational and planning purposes. This allocation of funds is contingent upon enactment of the FY 2009-10 Budget Act, federal appropriations, and executed State-County contracts. After the FY 2009-10 Budget is enacted, a final notice will be sent to reflect any adjustments.

This bulletin includes six exhibits: (A) Overview of Programs, Funding, and Allocation Methodologies; (B) Statewide Allocation Summary; (C) Substance Abuse Prevention and Treatment (SAPT) Block Grant Exchange Program; (D) Funding Periods for SAPT Block Grant; (E) Individual County Allocation Summary (for county administrators only); and, (F) Reduction and Planned Redistribution of SAPT Block Grant Funds Among Counties.

DISCUSSION

On January 9, 2009, the Governor released the proposed budget for FY 2009-10. On February 20, 2009, the Governor signed Senate Bill X3 1 (Ducheny), a product of the third extraordinary session of the 2009-10 legislative session. The Governor's budget continued to fund alcohol and other drug services at the same levels they were funded in the FY 2008-09 Budget Act, except for a net increase to the Drug Medi-Cal (DMC) program.

The Governor's Preliminary Budget Allocation Authority for the Federal Fiscal Year 2010 SAPT Block Grant funds is \$227.1 million. The Governor's Preliminary Budget Allocation authority for FY 2009-10 includes \$137.1 million of State General Funds (SGF), of which \$110.8 million is for DMC services. The Department of Alcohol and Drug Programs (ADP) budget authority for the DMC program contains \$106.9 million for regular DMC (an increase of \$13.2 million compared to the FY 2008-09 Budget Act authority) and \$3.9



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million for Perinatal DMC services (a decrease of \$0.8 million compared to the FY 2008-09 Budget Act authority). The DMC amounts reflect caseload estimate and proposed DMC rate changes.

### Allocation Reduction for Under-Spending

After a series of discussions with the County Alcohol and Drug Program Administrators Association of California, ADP has begun a process to reduce SAPT Block Grant funded allocations of counties which under spent these allocations by more than five percent in two successive years. ADP's authority for these actions is contained in Health and Safety Code Section 11817.1. ADP is proceeding with this approach to ensure that counties fully utilize allocated funds to provide actual services to clients in need, and to reduce the amount of Block Grant funds that annually must be returned to the United States Treasury because they were not spent on services during the expenditure time period.

A description of this allocation reduction process, along with an identification of the impacted SAPT-funded program and reduction amounts by county, is contained in Exhibit F. This preliminary allocation reflects these reductions. Counties with funding reductions will have until June 1, 2009, to submit a detailed plan to ADP describing proposed programmatic and/or fiscal changes to ensure that the county and its providers will expand services to clients so that the identified funding reduction is not necessary. Counties that either do not submit a plan by the deadline or those that submit a plan that does not identify sufficient changes to eliminate the under expenditure problem will have their funding reduced during the FY 2009-10 Budget Act Allocation and redistributed to counties without under-expenditure issues.

There will be a second statewide preliminary allocation this year. Counties eligible for and desiring to receive the additional SAPT funding displayed in Exhibit F (to be redistributed from the under spending counties) will have until June 1, 2009, to notify ADP of their interest in receiving a specific type of SAPT funding and to indicate they have the capacity to expand their services so that any additional funding they receive is fully spent. The second preliminary allocation will incorporate updated cost report data, information contained in the corrective plans, and interest in obtaining additional funding.

ADP will continue to use the Quarterly Federal Financial Management Report data to assess how counties are spending their SAPT funds during the year.

While only Block Grant-funded allocations are being included in this redistribution policy, ADP is also considering extending this policy to unspent SGF allocations in the future.

### REFERENCES

Senate Bill X1 1 (Ducheny), 2009-10 Budget

## BACKGROUND

Not applicable.

## QUESTIONS/MAINTENANCE

Questions concerning this 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](http://www.adp.ca.gov/ADPLTRS/bulletin_letter.shtml).

## EXHIBITS

- A. [Overview of Programs, Funding, and Allocation Methodologies](#)
- B. [Statewide Allocation Summary](#)
- C. [SAPT Block Grant Exchange Program](#)
- D. [Funding Periods for SAPT Block Grant](#)
- E. Individual County Allocation Summary (County Administrators Only)
- F. [Reduction and Planned Redistribution of SAPT Block Grant Funds Among Counties](#)

## DISTRIBUTION

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Strategic Local Government Services, LLC  
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