

**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 services for State Fiscal Year (FY) 2009-10. 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) Spending Periods for SAPT Block Grants, and (E) Individual County Allocation Summary.

**DISCUSSION**

The American Recovery and Reinvestment Act of 2009 increased the Federal Medicaid Assistance Percentage (FMAP) from 50 percent to 61.59 percent for the period of October 1, 2008 through December 31, 2010. The FMAP is the percentage that determines the Federal Financial Participation (FFP) in the Drug Medi-Cal (DMC) Program. For FY 2009-10, DMC will be funded 38.51 percent State General Fund (SGF) and 61.59 percent FFP. This change results in decreased SGF DMC funding with a corresponding increase in FFP DMC funding. Thus, the SGF decrease reflected in the FY 2009-10 Budget Act Allocation as compared to the FY 2008-09 Budget Act Allocation is offset by increased federal reimbursement authority which is not included in this allocation.

SAPT funding available for allocation increased due to HIV Set-Aside funds. These funds increased by \$43,258 on an ongoing basis starting with the FFY 2010 award, compared to funding allocated in FY 2008-09.

The SAPT Discretionary, Perinatal, and Adolescent and Youth Treatment funds were exchanged in accordance with the SAPT Exchange Program. This program provides small counties (with populations under 40,000) with fiscal flexibility to best meet the



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needs of their clients and communities. It does so by allowing these small counties to exchange SAPT categorical funds for equal amounts of SAPT Discretionary funds from more populous counties. Only the SAPT Discretionary, SAPT Perinatal, and SAPT Adolescent and Youth Treatment funds are included in the Exchange Program.

## **HIGHLIGHTS OF THE FY 2009-10 BUDGET ACT ALLOCATION**

### State General Fund

The total FY 2009-10 SGF allocation provides \$105.6 million in SGF funds, with \$79.3 million designated for DMC services. ADP has budget authority for \$77.1 million for Regular DMC and \$2.2 million for Perinatal DMC services.

The FY 2009-10 Budget signed by Governor Schwarzenegger included a ten percent reduction to the DMC reimbursement rates that the Department of Alcohol and Drug Programs (ADP) developed for FY 2009-10. Although identified as proposed, the approved DMC Rates for FY 2009-10 are identified in ADP Bulletin #09-06.

### SAPT Block Grant

As described in the FY 2009-10 Preliminary Allocation Bulletin #09-03, some counties will have reduced SAPT funds due to past under-spending of their allocations. The reduced funds will be redistributed to other counties that requested additional funding. This will increase their allocations.

This Budget Act allocation does not include those allocation reductions and re-distributions; ADP will reflect those changes in separate allocation revisions that will immediately follow this Budget Act allocation.

ADP has not yet received its SAPT Block Grant award for FFY 2010. This Budget Act allocation assumes that ADP will receive the same level of block grant funding in the FFY 2010 award as ADP received in the FFY 2009 award, with the exception of HIV Set-Aside funds.

- For FY 2009-10, HIV Set-Aside funds have increased by \$43,258 on an ongoing basis starting with the FFY 2010 award.
- Five counties have declined the HIV Set-Aside funds: Alpine, Calaveras, Colusa, Mariposa, 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. Exhibit A provides details on the letter.

Reporting of SAPT Block Grant expenditures is a federal requirement and is in the Negotiated Net Amount (NNA)/DMC County-State contract as Exhibit C, Article V, Item (A)(2). Counties must report SAPT expenditures by FFY award and 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 1 4X (Chapter 1, Statutes of 2009)  
Assembly Bill 4 4X (Chapter 4, Statutes of 2009)

## **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](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. [Spending Periods for SAPT Block Grants](#)
- E. Individual County Allocation Summary (County Administrators Only)

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