

**STATE OF CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY  
ARNOLD SCHWARZENEGGER, GOVERNOR**

**CALIFORNIA DEPARTMENT  
OF ALCOHOL AND DRUG PROGRAMS**

**HIGHLIGHTS OF THE  
GOVERNOR'S BUDGET  
FISCAL YEAR 2009-10**

**JANUARY 9, 2009**

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
**GOVERNOR'S BUDGET**  
**Fiscal Year 2009-10**  
**-HIGHLIGHTS-**

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**TOTAL BUDGET**

The Department of Alcohol and Drug Programs' (ADP) proposed budget for Fiscal Year (FY) 2009-10 is \$719.3 million. This represents a total increase of \$19.9 million [Exhibit D], as compared to the FY 2008-09 Budget Act Appropriation of \$699.4 million. Of the total \$719.3 million, \$671.3 million (93.3%) is for local governments and communities to provide treatment, recovery, and prevention services; and \$48.0 million (6.7%) is for State Support [Exhibit A].

ADP's proposed budget includes a \$311.5 million shift from GF to a new fund source generated by an increase in the alcohol excise taxes. The alcohol excise taxes will be raised by five cents a drink, which is projected to result in an increase of \$585 million annually. In addition to the \$311.5 million for ADP, this new fund source will support \$54 million in the Department of Social Services' budget and \$219.5 million in the Department of Corrections and Rehabilitation's budget for substance abuse services.

**POSITION SUMMARY**

The proposed FY 2009-10 Governor's Budget includes 355.7 positions, which represents a net increase of 7.5 positions due to 8.5 expiring limited-term positions offset by Budget Change Proposal (BCP) requests for 16 positions. The BCP requests consist of converting 3.0 limited-term positions to permanent in support of the Substance Abuse Offender Treatment Program, 8.0 new positions for conducting additional Drug Medi-Cal (DMC) Post-Service Post-Payment (PSPP) reviews, and the extension of 5.0 limited-term positions for two years to address the workload associated with DMC provider complaint investigations.

**GENERAL FUND**

ADP's proposed budget includes zero GF dollars as a result of the shift of \$311.5 million from the General Fund to the newly created Drug and Alcohol Prevention and Treatment Fund (DAPTF), which will be supported with an increase in the alcohol excise taxes.

**DRUG AND ALCOHOL PREVENTION AND TREATMENT FUND**

The proposed budget includes \$221.4 million (30.8% of the total budget) in DAPTF for ADP programs [Exhibit B]. Of the \$221.4 million total DAPTF budget, \$215.5 million is for Local Assistance and \$5.9 million is for State Support [Exhibit C].

The DAPTF budget as well as other budget changes are discussed in more detail below:

## **Parolee Services**

The proposed DAPTF budget includes \$33.9 million [Exhibit D] for Parolee Services which is passed through to the Department of Corrections and Rehabilitation.

## **Non-DMC Regular and Perinatal Services**

The proposed DAPTF budget includes \$5.4 million for Non-DMC Regular Discretionary Programs. Of the \$5.4 million, \$5.2 million is for Local Assistance and \$232,000 is for State Support [Exhibit C].

The proposed DAPTF budget also includes \$21.1 million for Local Assistance Non-DMC Perinatal Programs [Exhibit C]. Of the funds for ADP's Perinatal Programs, \$5.8 million is to fund existing residential perinatal treatment programs known as Women and Children's Residential Treatment Services.

## **Drug Court Partnership (DCP) Act Program**

The proposed DAPTF budget includes \$7.1 million for the DCP Act of 2002 in support of adult drug courts serving felons. Of this amount, \$6.8 million is for Local Assistance and \$266,000 is for State Support [Exhibit C].

## **Comprehensive Drug Court Implementation (CDCI) Act Program**

The proposed DAPTF budget includes \$16.2 million for CDCI in support of adult, juvenile, dependency, and family drug courts. Of the total budget of \$16.2 million, \$15.7 million is for Local Assistance and \$530,000 is for State Support [Exhibit C].

## **Dependency Drug Court (DDC) Program**

The proposed DAPTF budget includes \$4.5 million in support of DDC, which serves cases with a substance abuse charge against a parent. Of the total \$4.5 million budget, \$4.3 million is for Local Assistance and \$230,000 is for State Support.

## **Substance Abuse Offender Treatment Program (OTP)**

The proposed DAPTF budget includes \$18 million for OTP to improve treatment program outcomes for SACPA offenders. Of the \$18 million total budget for OTP, \$17.7 million is for Local Assistance and \$279,000 is for State Support.

## **SUBSTANCE ABUSE AND CRIME PREVENTION ACT (SACPA)**

The proposed budget continues to include \$90 million for SACPA, which serves eligible nonviolent drug offenders in lieu of incarceration. Of the total \$90.0 million, \$86.8 million is for Local Assistance and \$3.2 million is for State Support [Exhibit C]. These funds also represent a shift from GF to being funded from the increased alcohol excise tax.

## **DRUG MEDI-CAL (DMC) PROGRAM**

The DMC program provides medically necessary substance abuse treatment services for eligible Medi-Cal beneficiaries. Services include outpatient drug free, narcotic replacement therapy, day care rehabilitative, Naltrexone, and residential services for pregnant and parenting women.

Based upon the DMC Fall Estimates for FY 2009-10, the Local Assistance budget reflects \$110.8 million in DMC DAPTF (\$107 million Regular and \$3.8 million Perinatal) and \$102.1 million (\$98.3 million Regular and \$3.8 million Perinatal) in DMC federal financial participation (FFP) reimbursements from the Department of Health Care Services (DHCS) [Exhibit C]. Compared to the FY 2008-09 Budget Act, this represents a total increase of \$22.8 million due to projected caseload and rate changes.

The Federal Medi-Cal Assistance Percentage (FMAP) is the percentage used to determine the federal share of the Medi-Cal Program. For FY 2009-10, the FMAP continues to be 50 percent.

The proposed budget for State Support includes \$3.5 million in DAPTF and \$4.4 million in FFP reimbursement for DMC program support [Exhibit C]. The State Support budget also reflects an increase of \$903,000 in the Residential and Outpatient Program Licensing Fund associated with the BCP requesting support for the DMC PSPP reviews and other budget changes.

## **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**

This proposed budget includes \$1.7 million (\$787,000 DAPTF and \$920,000 DHCS reimbursements) in State Support for HIPAA compliance activities [Exhibit C].

## **PROBLEM GAMBLING PROGRAM**

The proposed budget continues to include \$8.4 million for problem gambling prevention and treatment activities derived from the Indian Gaming Special Distribution Fund (IGSDF) [Exhibit C]. Of the total \$8.4 million, \$4.2 million is for prevention activities and \$4.0 million is in support of treatment services.

The proposed budget continues to include \$210,000 to expand research and prevention services for problem and pathological gamblers. Of the \$210,000, \$150,000 will be derived from the collection of fees from licensed card rooms to be deposited into the Gambling Addiction Program Fund. The remaining \$60,000 will be reimbursement from the California State Lottery [Exhibit C]. This represents a decrease of \$90,000 that was received from the Lottery in FY 2008-09 on a one-time basis in support of gambling prevention activities.

## **FEDERAL FUNDS**

The proposed budget includes \$273.8 million in Federal Trust Funds, which represents approximately 38.1 percent of ADP's total budget [Exhibit B].

## **Substance Abuse Prevention and Treatment (SAPT) Block Grant**

The proposed budget continues to include \$260.7 million for the SAPT Block Grant [Exhibit C]. Of this \$260.7 million, \$2.0 million continues to be transferred to the Department of Health Care Services for SYNAR-related activities in compliance with the requirements established for the Sale of Tobacco to Minor Control Account. The remaining \$258.7 million SAPT Block Grant dollars consist of \$239.4 million for Local Assistance and \$19.3 million for State Support [Exhibit C]. This assumes a grant award funding level consistent with the FFY 2009 Federal Appropriation.

### **SAPT Maintenance of Effort (MOE) Requirement**

As a condition of receiving SAPT Block Grant funds, ADP must meet the MOE grant requirement, which requires ADP to maintain non-federal expenditures for substance abuse prevention and treatment services at a specific level. The MOE requirement is derived from a mathematical computation in which the current year's non-federal expenditures cannot be less than the average of those expenditures for the two preceding state fiscal years.

ADP's proposed budget includes \$329.2 million in non-federal expenditures, which is sufficient to meet the State's SAPT MOE requirement of \$308.2 million for FY 2009-10.

### **Substance Abuse Treatment and Testing Accountability (SATTA) Program**

The proposed budget continues to include \$8.6 million in SAPT Block Grant funds for the SATTA Program. The SATTA Program provides funding for drug testing for clients treated under the Substance Abuse and Crime Prevention Act of 2000 and can also be used for any other purpose consistent with federal SAPT Block Grant requirements.

### **Safe and Drug Free Schools and Communities (SDFSC) Grant**

The proposed budget includes \$7 million for the Safe and Drug Free Schools and Communities (SDFSC) Grant in support of reducing drug, alcohol, and tobacco use and violence through education and prevention activities. Of this amount, \$5.9 million is for Local Assistance and \$1.1 million is for State Support [Exhibit C].

### **Screening, Brief Intervention, Referral, and Treatment (SBIRT) Grant**

The proposed budget includes \$2.9 million for the SBIRT Grant. The SBIRT Program provides alcohol and other drug (AOD) screening, brief intervention, referral, and treatment and extends the State's current continuum of care for AOD clients. The budget includes \$2.8 million in Local Assistance, and \$77,000 in State Support [Exhibit C].

### **Access to Recovery (ATR) Grant**

The proposed budget continues to include \$4.8 million annually for the California Access to Recovery Effort (CARE) program. The CARE program provides youth treatment services in select counties. Of this \$4.8 million, \$3.9 million is for Local Assistance and \$933,000 is for State Support [Exhibit C].

### **MENTAL HEALTH SERVICES ACT (PROPOSITION 63)**

The proposed budget includes \$288,000 from the Mental Health Services Fund in support of the Mental Health Services Act (Proposition 63) to support activities associated with developing collaborative mental health and AOD services [Exhibits C & D]. This represents a total \$219,000 decrease for expiring contract funds and other budget changes.

### **RESIDENTIAL AND OUTPATIENT PROGRAM LICENSING FUND**

The proposed budget includes \$3.2 million as compared to \$1.9 million in FY 2008-09. The increase of \$1.3 million is a result of the following: 1) a shift of \$825,000 GF for existing licensing and certification activities, 2) a BCP request of \$893,000 for 8.0 new positions and the extension of 5.0 limited-term positions to June 30, 2011, and 3) a decrease of \$394,000 for expiring limited-term positions and miscellaneous budget adjustments.

### **Parolee Services Network**

The proposed budget continues to include \$11.2 million in reimbursements from the California Department of Corrections and Rehabilitation. Of the total \$11.2 million, \$10.7 million is for Local Assistance and \$495,000 is for State Support.

### **Welfare Reform – California Work Opportunity and Responsibility to Kids (CalWORKs)**

Substance abuse can limit or impair a CalWORKs participant's ability to make the transition from welfare to work, or retain long term employment. The proposed budget for Department of Social Services (DSS) includes \$52.077 million GF in FY 2008-09 and \$54.087 in DAPTF in FY 2009-10 for the provision of treatment and recovery services to CalWORKs recipients for whom substance abuse is a barrier to employment. The current year funding is an increase of \$8.517 million from the FY 2008-09 Appropriation, and the budget year funding is an increase of \$2.010 over November 2008-09, reflecting the most recent expenditure trends. The CalWORKs funds for substance abuse will continue to be specifically identified in DSS' county allocation.

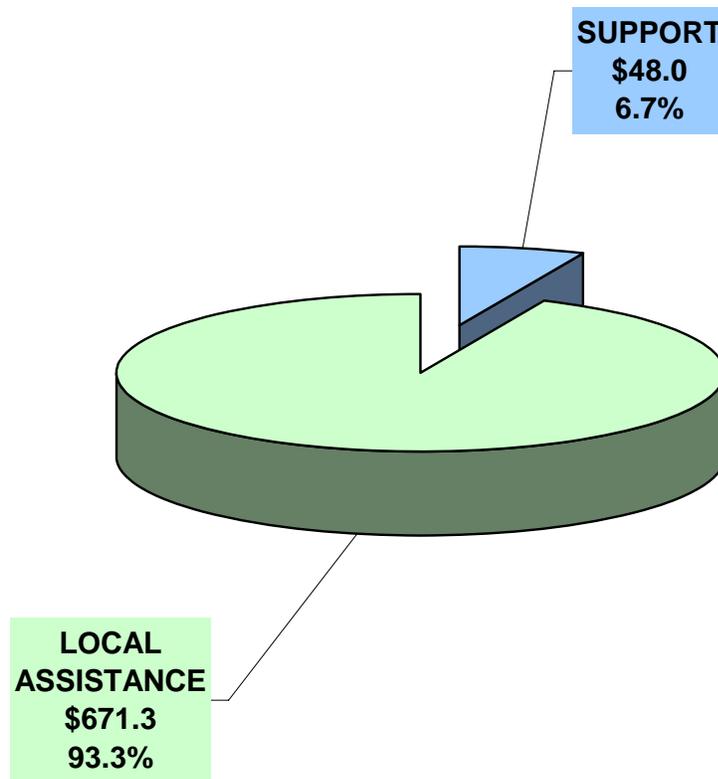
In addition to the allocation for Substance Abuse Services, counties receive an allocation for Mental Health Services for CalWORKs participants. These funds are provided for the treatment of mental or emotional difficulties that may limit or impair a CalWORKs participant's ability to make the transition from welfare to work or to retain employment. The proposed DSS budget includes \$66.797 million GF for CalWORKs Mental Health Services for FY 2008-09 and \$70.031 million GF for FY 2009-10. The current year funding is an increase of \$4.569 million from the FY 2008-09 Appropriation, and the budget year funding is an increase of \$3.234 over November 2008-09, reflecting the most recent expenditure trends.

**Exhibit A**

**Department of Alcohol and Drug Programs  
Budget Act  
Fiscal Year 2009-10**

**Budget by Category**  
(\$ In Millions)

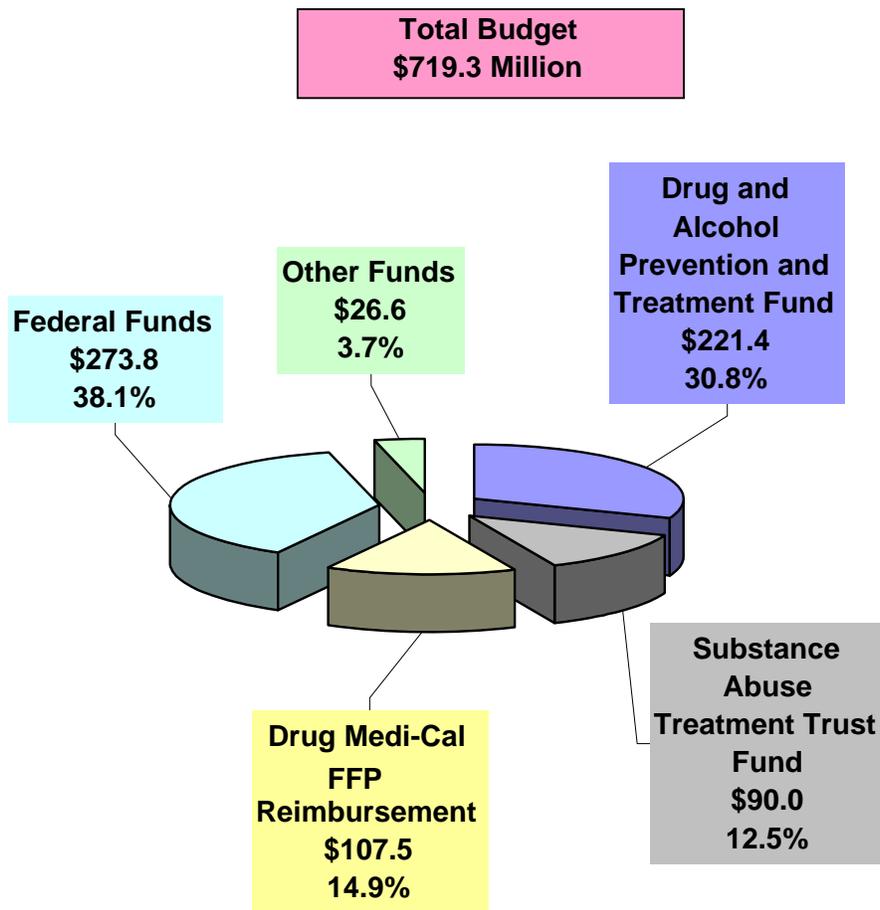
**Total Budget  
\$719.3 Million**



**Exhibit B**

**Department of Alcohol and Drug Programs  
Governor's Budget  
Fiscal Year 2009-10**

**Budget by Fund Source**  
(\$ In Millions)



\* "OTHER FUNDS" INCLUDES: DRIVING-UNDER-THE-INFLUENCE LICENSING TRUST FUND, NARCOTIC TREATMENT PROGRAM LICENSING TRUST FUND, AUDIT REPAYMENT TRUST FUND, INDIAN GAMING SPECIAL DISTRIBUTION FUND, MENTAL HEALTH SERVICES FUND, RESIDENTIAL OUTPATIENT PROGRAM LICENSING FUND, GAMBLING ADDICTION PROGRAM FUND, REIMBURSEMENTS FROM THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION AND THE LOTTERY COMMISSION, AND OTHER MISCELLANEOUS REIMBURSEMENT AUTHORITY.

**EXHIBIT C**  
**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
**FY 2009-10 GOVERNOR'S BUDGET**

(\$ IN THOUSANDS)

FUNDING SOURCE	CATEGORY		TOTAL BUDGETED EXPENDITURES	% of TOTAL EXPENDITURES
	SUPPORT	LOCAL ASSISTANCE		
<b>Drug and Alcohol Prevention and Treatment Fund</b>	<b>\$5,869</b>	<b>\$215,548</b>	<b>\$221,417</b>	<b>30.78%</b>
Non-Drug Medi-Cal Regular	\$232	\$5,189	\$5,421	0.75%
Non-Drug Medi-Cal Perinatal	\$0	\$21,111	\$21,111	2.93%
Drug Court Partnership Act	\$266	\$6,840	\$7,106	0.99%
Comprehensive Drug Court Implementation Act	\$530	\$15,691	\$16,221	2.26%
Dependency Drug Court	\$230	\$4,320	\$4,550	0.63%
Parolee Services	\$0	\$33,900	\$33,900	4.71%
Substance Abuse Offender Treatment Program	\$279	\$17,725	\$18,004	2.50%
Drug Medi-Cal Regular	\$3,340	\$106,906	\$110,246	15.33%
Drug Medi-Cal Perinatal	\$205	\$3,866	\$4,071	0.57%
HIPAA	\$787	\$0	\$787	0.11%
<b>Substance Abuse Treatment Trust Fund (Prop 36)</b>	<b>\$3,171</b>	<b>\$86,863</b>	<b>\$90,034</b>	<b>12.52%</b>
<b>Driving-Under-the-Influence Program Licensing Trust Fund</b>	<b>\$1,613</b>	<b>\$0</b>	<b>\$1,613</b>	<b>0.22%</b>
<b>Narcotic Treatment Program Licensing Trust Fund</b>	<b>\$1,367</b>	<b>\$0</b>	<b>\$1,367</b>	<b>0.19%</b>
<b>Indian Gaming Special Distribution Fund</b>	<b>\$4,241</b>	<b>\$4,000</b>	<b>\$8,241</b>	<b>1.15%</b>
<b>Audit Repayment Trust Fund</b>	<b>\$69</b>	<b>\$0</b>	<b>\$69</b>	<b>0.01%</b>
<b>Mental Health Services Fund (Prop 63)</b>	<b>\$288</b>	<b>\$0</b>	<b>\$288</b>	<b>0.04%</b>
<b>Gambling Addiction Program Fund</b>	<b>\$150</b>	<b>\$0</b>	<b>\$150</b>	<b>0.02%</b>
<b>Residential and Outpatient Program Licensing Fund</b>	<b>\$3,219</b>	<b>\$0</b>	<b>\$3,219</b>	<b>0.45%</b>
<b>Federal Trust Fund</b>	<b>\$21,823</b>	<b>\$251,970</b>	<b>\$273,793</b>	<b>38.07%</b>
Substance Abuse Block Grant	\$21,359	\$239,385	\$260,744	36.26%
Sale of Tobacco to Minors Control Account (SAPT)	-\$2,000	\$0	-\$2,000	-0.28%
Safe and Drug Free Schools & Communities Grant	\$1,129	\$5,874	\$7,003	0.97%
Uniform Data Systems	\$325	\$0	\$325	0.05%
Access to Recovery Grant	\$933	\$3,900	\$4,833	0.67%
SBIRT Grant	\$77	\$2,811	\$2,888	0.40%
State Epidemiological Outcomes Workgroup (SEOW)	\$0	\$0	\$0	0.00%
<b>Reimbursements</b>	<b>\$6,147</b>	<b>\$112,950</b>	<b>\$119,097</b>	<b>16.55%</b>
DHCS: Drug Medi-Cal Regular	\$4,183	\$98,277	\$102,460	14.24%
DHCS: Drug Medi-Cal Perinatal	\$205	\$3,866	\$4,071	0.56%
DHCS: Drug Medi-Cal HIPAA	\$920	\$0	\$920	0.13%
CDCR: Parolee Services Network	\$495	\$10,707	\$11,202	1.56%
Lottery Commission: Problem Gambling	\$60	\$0	\$60	0.01%
Other	\$284	\$100	\$384	0.05%
<b>TOTALS</b>	<b>\$47,957</b>	<b>\$671,331</b>	<b>\$719,288</b>	<b>100.00%</b>

**EXHIBIT D**  
**Department of Alcohol and Drug Programs**  
**Comparison**  
**FY 2008-09 Budget Act vs. FY 2009-10 Governor's Budget**

(\$ IN THOUSANDS)

FUNDING SOURCE	FY 2008-09 BUDGET ACT	FY 2009-10 GOVERNOR'S BUDGET	DIFFERENCE
<b>Drug and Alcohol Prevention and Treatment Fund (DAPTF)</b> <b>(General Fund in FY 2008-09)</b>	<b>\$209,938</b>	<b>\$221,417</b>	<b>\$11,479</b>
Non-Drug Medi-Cal Regular	\$6,378	\$5,421	-\$957
Non-Drug Medi-Cal Perinatal	\$21,111	\$21,111	\$0
Drug Court Partnership Act	\$7,104	\$7,106	\$2
Comprehensive Drug Court Implementation Act	\$16,214	\$16,221	\$7
Dependency Drug Court	\$4,550	\$4,550	\$0
Parolee Services	\$33,900	\$33,900	\$0
Substance Abuse Offender Treatment Program	\$18,023	\$18,004	-\$19
Drug Medi-Cal Regular (Caseload Estimates)	\$93,721	\$106,906	\$13,185
Drug Medi-Cal Perinatal (Caseload Estimates)	\$4,639	\$3,866	-\$773
Drug Medi-Cal State Support	\$3,515	\$3,545	\$30
HIPAA	\$783	\$787	\$4
<b>Substance Abuse Treatment Trust Fund (Prop 36)</b> <b>(Funded from DAPTF)</b>	<b>\$90,071</b>	<b>\$90,034</b>	<b>-\$37</b>
<b>Driving-Under-the-Influence Program Licensing Trust Fund</b>	<b>\$1,519</b>	<b>\$1,613</b>	<b>\$94</b>
<b>Narcotic Treatment Program Licensing Trust Fund</b>	<b>\$1,352</b>	<b>\$1,367</b>	<b>\$15</b>
<b>Indian Gaming Special Distribution Fund</b>	<b>\$8,281</b>	<b>\$8,241</b>	<b>-\$40</b>
<b>Audit Repayment Trust Fund</b>	<b>\$70</b>	<b>\$69</b>	<b>-\$1</b>
<b>Mental Health Services Fund (Prop 63)</b>	<b>\$507</b>	<b>\$288</b>	<b>-\$219</b>
<b>Gambling Addiction Program Fund</b>	<b>\$150</b>	<b>\$150</b>	<b>\$0</b>
<b>Residential and Outpatient Program Licensing Fund</b>	<b>\$1,865</b>	<b>\$3,219</b>	<b>\$1,354</b>
<b>Federal Trust Fund</b>	<b>\$277,644</b>	<b>\$273,793</b>	<b>-\$3,851</b>
Substance Abuse Block Grant	\$260,460	\$260,744	\$284
Sale of Tobacco to Minors Control Account (SAPT)	-\$2,000	-\$2,000	\$0
Safe and Drug Free Schools & Communities Grant	\$10,314	\$7,003	-\$3,311
Uniform Data Systems	\$321	\$325	\$4
Access to Recovery Grant	\$4,830	\$4,833	\$3
SBIRT Grant	\$3,519	\$2,888	-\$631
State Epidemiological Outcomes Workgroup (SEOW)	\$200	\$0	-\$200
<b>Reimbursements</b>	<b>\$107,997</b>	<b>\$119,097</b>	<b>\$11,100</b>
DHCS: Drug Medi-Cal Regular (Caseload Estimates)	\$87,091	\$98,277	\$11,186
DHCS: Drug Medi-Cal Perinatal (Caseload Estimates)	\$4,639	\$3,866	-\$773
DHCS: Drug Medi-Cal State Support	\$3,515	\$4,388	\$873
DHS: HIPAA	\$916	\$920	\$4
CDC: Parolee Services Network	\$11,184	\$11,202	\$18
Lottery	\$250	\$60	-\$190
Other	\$402	\$384	-\$18
<b>TOTALS</b>	<b>\$699,394</b>	<b>\$719,288</b>	<b>\$19,894</b>