DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
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DATE: November 21, 2003 ACLA Letter No. 03-09

TO: All County Lead Agencies (ACLA)

SUBJECT: SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000 (SACPA) – UNDERUTILIZED CAPACITY

REFERENCE: Health and Safety Code Section 11999.6: Distribution of Monies From Substance Abuse Treatment Trust Fund

This letter is to provide guidance regarding the issue of underutilized capacity for counties in the provision of Proposition 36 services. Specifically, this letter addresses Substance Abuse and Crime Prevention Act of 2000 (SACPA) funding of direct county operations needed to ensure availability of treatment capacity to projected SACPA clients during a ramp-up period. We acknowledge that circumstances exist in which SACPA expenditures, though not reflected in delivered client services, may still be recognized as allowable.

The allowability of costs associated with underutilized capacity will be individually assessed because of the uniqueness of each county.

Rolling out SACPA has presented challenges to ADP, counties and providers alike, including uncertainty about how much treatment capacity would be needed and when. In spite of this uncertainty, the standard mandated in SACPA for expenditure of Substance Abuse Treatment Trust Fund (SATTF) monies includes, in broad strokes, treatment, ancillary services and "miscellaneous costs made necessary by the provisions of this act …" SACPA audit findings must be supported by program standards found in law and regulations:

- The Act itself
- Senate Bill 223 (Burton, Chapter 721, Statutes of 2001), drug testing for SACPA clients

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- Title 9, Division 4, Chapter 2.5, California Code of Regulations (which include a cross-reference to Office of Management and Budget (OMB) Circular A-87 on "Cost Principles for State, Local, and Indian Tribal Governments." For clarification on specific provisions of OMB A-87, ADP recommends counties consult with their county counsel.)

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The following provide additional guidance:

- ADP Bulletin #02-17 on “SACPA Reimbursement Methodologies”
- ADP Bulletin #98-42 on “Fiscal/Audit Questions & Answers”
- All County Lead Agencies (ACLA) Letter #03-04 on “Allowable Court Costs”

In order to determine consistency with applicable laws, regulations, and circulars, ADP’s auditors will assess whether SACPA costs are reasonable, supportable, and documented. ADP expects that counties will expend SACPA funds prudently and properly, and we are eager to help you do so.

Thank you for your interest in moving forward in building a SACPA service system.
If you have any questions, please call your SACPA analyst or submit an e-mail inquiry to sacpa@adp.state.ca.us.

Sincerely,

[Original Signed By]

DEL SAYLES-OWEN
Deputy Director
Office of Criminal Justice Collaboration