Exhibit 2

SUMMARY OF FINAL RULES
ON CHARITABLE CHOCE
45 CFR PART 54
December 4, 2003

Section Number/Title	**Final Rule** (Effective October 30, 2003)
54.1 Scope	Applies to Federal funds provided for direct funding of substance abuse prevention and treatment services under the Substance Abuse Prevention and Treatment Block Grant.
54.2 Definitions	Defines applicable program, religious organization, program beneficiary, program participant, SAMHSA, SAMHSA Charitable Choice provisions, and direct funding. Direct funding or funds provided directly means funding that is provided to an organization directly by a governmental entity or intermediate organization. Direct funding does not funding which an organization receives as the result of the genuine and independent private choice of a beneficiary through a voucher, certificate, coupon, or other similar mechanism.
54.3 Nondiscrimination against religious organizations.	Religious organizations are eligible, on the same basis as any other organization, to participate in applicable programs, as long as their services are provided consistent with the Establishment Clause and the Free Exercise Claus of the First Amendment to the United States Constitution. Prohibits stated or local governments receiving Federal substance abuse funds from discriminating against an organization that is, or applies to be, a program participant on the basis of the organization's religious character or affiliation.
54.4 Religious Activities	Prohibits the use of funds for support of any inherently religious activities, such as worship, religious instruction, or proselytization. Religious activities must be offered separately, in time or location, from the programs or services for which the organization receives funds from the State or local government, and participation must be voluntary for program beneficiaries.
54.5 Religious Character and Independence	Participating religious programs retain their independence from Federal, State, and local governments and may continue to carry out its mission, including the definition, practice and expression of its religious beliefs. Prohibits religious organizations from expending Federal funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.

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54.6 Employment Practices	Receipt of Federal Block Grant funds does not affect the religious organization's exemption provided under 42 U.S.C. Section 2000e-1. Section 2000e-1 exempts religious organizations from the requirements governing Equal Employment Opportunities with respect to the employment of individuals of a particular religion to carry out work connected with the religious organization. Does not modify or affect any State law or regulation that relates to discrimination in employment.
54.7 Nondiscrimination Requirement	Prohibits discrimination against a program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.
54.8 Right to Services from an Alternative Provider	a. **General Requirements** - If the program beneficiary objects to the religious character of a program participant, the beneficiary shall have rights to notice, referral, and alternative services. b. **Notice** - The program beneficiary is provided notice of his or her right for services from an alternate provider. The notice must clearly articulate the program beneficiary's right to referral and to services that reasonably meet the requirements of timeliness, capacity, accessibility, and equivalency. c. **Referral to an Alternative Provider** - Requires the State to have a system in place to ensure that such referrals are made. The system shall ensure the following occurs: ❖ Within a reasonable time, the religious organization shall refer the beneficiary to an alternative provider. ❖ Religious organizations use lists of entities, in the geographical area that provides the services, that the State or local government makes available to it, which may include a utilizing a treatment locator system developed by SAMHSA. ❖ Requires referrals be made in a manner consistent with all applicable confidentiality laws, including, but not limited to 42 CFR Part 2 (Confidentiality of Alcohol and Drug Abuse Patient Records). ❖ Upon making a referral, requires the religious organization to notify the responsible unit of government of such referral.

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	○ The religious organization shall ensure that the program beneficiary makes contact with the alternative provider to which he or she is referred. d. **Provision and Funding of Alternative Services** - Requires the responsible state or local government to provide alternative services, and fund services from an alternative provider that is reasonable accessible to, and has the capacity to provide services to the individual.
54.9 Assurances and State Oversight of Charitable Choice Requirements	Requires applicants, in applying for Federal funds to certify that they will comply with all of the requirements of the SAMHSA Charitable Choice provisions and the implementing regulations.
54.10 Fiscal Accountability	Subjects religious organizations to the same regulations as other nongovernmental organizations to account, in accordance with generally accepted auditing and accounting principles, for the use of such funds. Requires religious organizations to segregate Federal funds from nonfederal funds. Only Federal funds are subject to audit by the government.
54.11 Effects on State and Local funds	If Federal funds are co-mingled with state or local funds, the requirements of this regulation apply to all the funds.
54.12 Treatment of Intermediate Organizations	Applies the Charitable Choice regulations to a nongovernmental organization, acting under an agreement with the state or local government, who selects other nongovernmental organizations to provide services.
54.13 Educational Requirements for Personnel in Drug Treatment Programs	Prohibits discrimination against an individual who received his or her training or education by a religious organization.