STATE OF CALIFORNIA-HEALTH AND HUMAN SERVICES AGENCY GRAY DAVIS, *Governor*
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
1700 K STREET
SACRAMENTO, CA 95814-4037
TDD (916) 445-1942
(916) 324-5523

ADP BULLETIN

Title

FISCAL YEAR 2001 – 02 BUDGET ACT ALLOCATION, 2.0

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Acting Assistant Deputy Director Approval

(signed by)

CARMEN DELGADO

Program Operations Division

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Supersedes Bulletin/ADP Letter No.

ADP – 01-03, dated 2/22/01

PURPOSE

This bulletin conveys information regarding funding for alcohol and other drug services for State Fiscal Year (FY) 2001-02. Included in this bulletin are: (1) a briefing on funding and program information; (2) funding allocation methodologies; (3) a statewide allocation summary; and (4) individual county allocation notices.

DISCUSSION

The Department of Alcohol and Drug Programs (the Department) is pleased to announce an overall increase in funds available for alcohol and other drug prevention and treatment services in California for FY 2001-02. The majority of these increases are targeted for the Drug Medi-Cal (DMC) caseload and an increase in the Substance Abuse Prevention and Treatment (SAPT) Block Grant.

HIGHLIGHTS OF THE FY 2001-02 BUDGET ACT

Drug Medi-Cal

The FY 2001-02 Budget provides increased funding for DMC services, appropriating approximately $49 million for regular DMC services and $2.7 million for perinatal DMC services. Of those amounts, approximately $42 million will be allocated for regular DMC services and $2 million for perinatal DMC services. The balance, approximately $7.6 million, will be held at the Department for adjustments as contracts are submitted and reviewed during the fiscal year.

Last year, the Legislature directed the Department to pursue approval for relapse prevention, case management services, and day care rehabilitative services for all DMC beneficiaries. Funds for these services were not appropriated this year.

State General Fund (SGF) Reductions

The FY 2001-02 appropriation for non-DMC perinatal services (Perinatal Ongoing SGF and the Women's and Children's Residential Treatment Services Program) was reduced by $1 million. The reduction is allocated proportionately to the non-minimum base allocation counties. Recognizing the difficulties in establishing residential capacity, counties are asked to give funding priority to residential services. If counties plan to reduce any perinatal residential service, the County must provide written justification to the Department. A separate letter will be sent to counties with fiscal details and a justification form. The spreadsheet reflects the net amount counties are allocated for Perinatal SGF non-DMC services.

Last year's SGF appropriations for the Adult Treatment Services Gap and the Youth Treatment Services were eliminated in the FY 2001-02 Budget.

Increase in SAPT Block Grant Funds and Changes in Set-Asides

California received an increase in SAPT Block Grant funds for Federal Fiscal Year (FFY) 2001. Although FFY 2001 began on October 1, 2000, due to late notice from the federal government regarding the increase, these funds were not approved by the Legislature to be allocated during FY 2000-01. The FY 2001-02 Budget allocation includes an increase of $2.4 million for the Prevention Set-Aside and
$594,000 for the HIV Set-Aside. These funds are being distributed to the counties under the Negotiated Net Amount portion of the combined county contract.

Congress has eliminated the requirement to expend 35 percent of SAPT Block Grant funds on alcohol-related services and 35 percent on drug-related services. This change can be implemented by the counties beginning in FY 2001-02 allocation.

IMPROVEMENTS IN THE SPREADSHEETS

Unexpended funds are no longer included in the spreadsheet. This simplification is a benefit of the new process of tracking funds by federal year grant awards.

To enable counties to better track and make the most efficient use of federal grants, the spreadsheet will show funds from each federal fiscal year in a separate column. The allocation amounts in each column may be identical, but the date the funds are available and the date by which they must be used will vary depending on the FFY award. Funds from the FFY 2001 award must be expended by June 30, 2002. Funds from the FFY 2002 award must be expended by June 30, 2003.

TECHNICAL CORRECTION

A technical correction has been made to the statewide allocation formula. The Department recently determined that Sutter and Yuba counties, which operate a combined mental health, drug and alcohol treatment services program, have been treated as a single entity in the statewide allocation formula since FY 1997-98. As a result, the base amount allocated to Sutter and Yuba counties was understated and the amount allocated to the other counties was overstated in FY 1997-98 and each subsequent fiscal year. The statewide allocation formula for this fiscal year has been corrected. In addition, the current year on-going funding amounts for Sutter and Yuba counties have been established at the levels they would have been had the two counties been treated as separate entities in past years. This resulted in a decrease in on-going amounts for all other counties.

REFERENCES

None

HISTORY

ADP Bulletin 01-03, dated 2/22/01

QUESTIONS/MAINTENANCE

Please direct questions concerning the statewide and individual county allocation notices to Hafida Habek, Fiscal Policy Analyst, Program and Fiscal Policy Branch, at (916) 327-6006. Additional copies of this document may be requested through the Resource Center at (800) 879-2772. The bulletin is also available on the Department's web page at http://www.adp.ca.gov.

EXHIBITS

1. FY 2001-02 Budget Act Allocation Funding and Program Overview
2. FY 2001-02 Budget Act Allocation Methodologies
3. FY 2001-02 Statewide Summary Sheet, Allocation Version 2.0
4. Individual County Allocation Notice[1]

DISTRIBUTION

County Alcohol and Drug Program

Administrators Wagerman Associates, Inc.

Director's Advisory Council

1 Only Bulletins sent to the County Alcohol and Drug Program Administrators include the Individual County Allocation Notice. Other interested persons can view a detailed statewide allocation summary on the Department's web page, www.adp.ca.gov.