State of California—Health and Human Services Agency
Department of Health Care Services

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

October 15, 2013 SUD PTRS #13-06

County Alcohol and Drug Program Administrators
Director's Advisory Council
Strategic Local Government Services, LLC

REVISED STATE FISCAL YEAR 2012-13 BUDGET ACT ALLOCATION v3.0

PURPOSE

This letter transmits the revised final State Fiscal Year (FY) 2012-13 Budget Act Allocation, version 3.0. It communicates the revised Substance Abuse Prevention and Treatment (SAPT) Block Grant (BG) allocations after applying the sequestration reduction to the Federal Fiscal Year (FFY) 2013 award, SAPT Discretionary, Prevention Set-Aside, and HIV Set-Aside funding sub-categories. The county spending deadline for the FFY 2013 SAPT BG funds is June 30, 2014. The sequestration reduction is the result of a federal procedure by which across-the-board spending cuts to the federal budget automatically went into effect when Congress does not agree on specific budget reductions that would reduce the deficit before a specified date.

DISCUSSION

FFY 2013 Sequestration Reduction

On May 30, 2013, the federal Substance Abuse and Mental Health Services Administration (SAMHSA) communicated the FFY 2013, SAPT BG sequestration reduction to the Department of Health Care Services (DHCS). The total reduction was $12,589,438. Given the elimination of the Department of Alcohol and Drug Programs on June 30, 2013, and the transition of staff and responsibilities to DHCS, DHCS experienced a delay in determining how this reduction should be distributed between the counties, technical assistance contracts and the Department. Due to the late federal notification and critical administrative functions DHCS has, with the counties concurrence, allocated the sequestration reduction to counties for FY 2012-13.

There will be reductions at the State level for FY 2013-14, allowing the State time to determine how best to absorb part of the $12,589,438 ongoing reduction, adjust to any

Deputy Director's Office, Mental Health & Substance Use Disorder Services
1501 Capitol Avenue, MS 4000, P.O. Box 997413
Sacramento, CA 95899-7413
Phone: (916) 440-7800 Fax (916) 440-7570
Internet Address: http://www.DHCS.ca.gov

further reductions as a result of federal budget decisions, and permit the State to allocate more funds to counties in FY 2013-14.

For FY 2012-13, the $12,589,438 total reduction was apportioned $9,384,322 to SAPT Discretionary, $2,517,888 to the Prevention Set-Aside, and $687,228 to the HIV Set-Aside funding categories.

In applying the county local assistance reductions, DHCS applied the standard reduction methodology which holds Minimum Base Allocation (MBA) counties harmless for the first five percent of the reduction.

Estimated SAPT BG Statewide MOE Requirement

The FFY 2013 SAPT sequestration reduction causes no change to the county share of the SAPT statewide Maintenance of Effort (MOE) requirement communicated in Exhibit F, of the FY 2012-13 Budget Act Allocation Bulletin #12-15, or to the county share of the SAPT Women Services spending requirement communicated in Exhibit G of the same bulletin.

The determination of whether the State met its SAPT statewide MOE and Women Services spending requirements is computed and reported annually to the Substance Abuse and Mental Health Services Administration (SAMHSA) in December. The computation includes expenditures of non-federal funds, currently the county Local Revenue Fund. The county share of the SAPT statewide MOE and Women Services spending requirements is tied to this annual computation, and is not tied to the sequestration reduction. The December 2012 SAPT MOE computation identified that the State met its SAPT BG MOE requirement; therefore, the county share of the MOE remains unchanged. The December 2013 computation will determine if there are any changes to the county share of the MOE requirement. The result will be communicated in a subsequent notice.

PSN Funding

The SAPT sequestration reduction causes no change to the PSN allocation.

REFERENCES

- Chapter 21, Statutes of 2012, Assembly Bill 1464 (Blumenfield) 2012-13 Budget Act
- Federal Public Law 112-25, Section 101, Budget Control Act of 2011 (August 2, 2011) authorizing the sequester reduction

BACKGROUND

Not applicable.

QUESTIONS / MAINTENANCE

Questions concerning this letter and its exhibits should be directed to:

Anthony Ortiz, Supervisor
Substance Use Disorders - Prevention, Treatment, and Recovery Services Division
Department of Health Care Services, MS 2628
P.O. Box 997413
Sacramento, CA 95899-7413
(916) 324-3348
Anthony.Ortiz@dhcs.ca.gov

Additional copies of this letter and the exhibits listed below may be downloaded from the DHCS website at: http://www.dhcs.ca.gov/formsandpubs/Pages/ADPBulletinsLtrs.aspx

EXHIBITS

A. Supplement to Fiscal Year 2012-13 Budget Act Allocation, Reduction Methodologies;
B. Statewide Allocation Summary;
C. SAPT BG Exchange Program; and
D. Individual County Allocation Summary (for county administrators only).

Sincerely,

Karen Baylor, Ph.D., LMFT
Deputy Director
Mental Health and Substance Use Disorder Services

cc: Dave Neilsen, Chief
SUD Prevention, Treatment and Recovery Services Division, MS 2628
Department of Health Care Services
P.O. Box 997413
Sacramento, CA 95899-7413