

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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**ADP BULLETIN**

Title: Funding of Sober Living Environments

Deputy Director Approval	Function:	Issue Date:	Issue No.
[Original Signed By]	<input type="checkbox"/> Information Management	11-21-05	
<i>Michael S. Cunningham</i>	<input type="checkbox"/> Quality Assurance	Expiration Date:	05-15
Deputy Director	<input type="checkbox"/> Service Delivery	None	
<i>PROGRAM SERVICES DIVISION</i>	<input checked="" type="checkbox"/> Fiscal	Supersedes Bulletin/ADP	
	<input type="checkbox"/> Administration	Letter No.	

PURPOSE

This bulletin provides a reminder and clarification regarding appropriate funding of sober living environments (SLE).

DISCUSSION

Recent audits have disclosed that there is some confusion over the appropriate use of funds for costs of sober living environments. It is important to clarify that funds provided by the Department of Alcohol and Drug Programs (ADP), with certain exceptions, are not to be used for SLEs. SLEs are not licensed residential treatment programs and do not provide treatment services.

One of the exceptions is the allowance within the Perinatal and Parolee Services programs to use State General Fund (SGF) dollars for "Transitional Living" and "Alcohol and Drug-Free Housing." For a further description of Transitional Living and Alcohol and Drug-Free Housing, refer to the budget and cost report service codes.

A second exception occurs in the Substance Abuse and Crime Prevention Act (SACPA) program, where clients who receive services from a licensed and/or certified drug treatment outpatient program may reside in an affiliated SACPA-funded SLE. Refer to Title 9, California Code of Regulations (CCR), Section 9530(b)(1), and ACLA Letter No. 05-06. Excluded from use in making housing purchases are SACPA drug testing monies (Substance Abuse Treatment and Testing Accountability program – SATT) because they are derived from the federal Substance Abuse Prevention and Treatment (SAPT) Block Grant.

SAPT Block Grant funds may not be expended for costs of operating SLEs. Except for the instances noted above, SGF that is counted toward maintenance of effort (MOE) for the SAPT Block Grant is not available for SLEs. SAPT funds are not to be used contrary to or outside the purpose of the grant. Title XIX, Part B, Subpart II, of the Public Health

Services (PHS) Act (42 USC 300x-21) authorizes a state to "...expend the grant only for the purpose of planning, carrying out, and evaluating activities to prevent and treat substance abuse..."(emphasis added).

ADP has recently received additional clarification through correspondence from the Federal Center for Substance Abuse Treatment (CSAT). CSAT points not only to Title XIX, but to the Resident Run Housing Program authorized by Title XIX, which is specifically addressed in Section 1925 of the PHS Act (42 USC 300x-25(a)(6)(C) and 45 CFR 96.129(a)(5)(iii)). These sections stipulate that the "...costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing." CSAT's communication stated, "**Substance Abuse Prevention and Treatment Block Grant funds cannot be expended for drug-free supportive housing.**"

Counties should be very clear in their contracts with residential providers who also operate SLEs that SAPT Block Grant funds and discretionary SGF are not provided for the related costs of those facilities. In compliance with the fiscal requirements of 45 CFR 96.30, counties and providers should ensure that such costs are clearly separated from residential treatment costs and funded only with county funds (not used for SGF match), client fees, and other unrestricted funds. Typical costs of SLEs that require separation and exclusion from reimbursement would include occupancy costs, such as rent and utilities; staff supervision, including benefits; food; purchase or depreciation of furniture and equipment; purchase of supplies; and allocated overhead costs of the provider organization.

REFERENCES

42 USC 300x-21

42 USC 300x-25(a)(6)(C)

45 CFR 96.30

45 CFR 96.129(a)(5)(iii)

Title 9, CCR, Section 9530(b)(1)

ACLA Letter No. 05-06

BACKGROUND

Not applicable.

QUESTIONS/MAINTENANCE

If you have questions regarding this bulletin, please contact your assigned county analyst in the Fiscal Management and Accountability Branch at (916) 323-2043. An additional copy of this document may be requested through ADP's Resource Center at (800) 879-2772. This bulletin is also available on ADP's Web page at www.adp.ca.gov.

EXHIBITS

None

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