

State Fiscal Year 2020-21  
Governor's Preliminary Budget Allocation  
Overview of Programs, Funding, and Allocation Methodologies

This Exhibit describes the Department of Health Care Services' (DHCS) allocation methodologies and programs for the State Fiscal Year (SFY) 2020-21. For complete information on the terms and conditions of all funds and programs, please refer to your county's Performance Contract and SABG SFY 2020-21 County Application.

#### FEDERAL TRUST FUNDS

The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) provides Federal Substance Abuse Prevention and Treatment Block Grant (SABG) funds to states. The block grant program number is 93.959 in the Catalog of Federal Domestic Assistance. While SAMHSA has not officially released the 2021 block grant award notice, DHCS presumes the 2021 SABG award will be the same or similar to the 2020 SABG award.

#### Substance Abuse Prevention and Treatment Block Grant Award

The SFY 2020-21 Budget Act Allocation includes funds from the 2021 SABG Award. SABG funds normally become available on the first of October, but in recent years, SAMHSA has delayed providing the notice of award. The preliminary allocation presumes the 2021 SABG Award will continue to be funded at the same or similar level as the 2020 SABG Award. The total amount of the 2021 award will be obligated and expended by June 30, 2021.

Effective January 2019, DHCS implemented new reporting and payment processes for which the counties will report non-cumulative expenses for each award through a Quarterly Federal Financial Management Report (QFFMR) invoice. (See [MHSUDS Information Notice 18-057.](#)) The County's Performance Contract and Applications will address the new requirements, which include payments based on actual expenditures, as well as changes to the expenditure period for SFY 2021-22. QFFMRs and supporting detail will be due 45 days after each SFY quarter. Note: Counties' SABG reimbursement is contingent on SAMHSA releasing 2021 funds to DHCS.

As a result of the implementation of this real-time, SABG expenditure reporting through QFFMR invoicing, DHCS is able to assess the actual quarterly expenditures of each county. The availability of this data has led DHCS to reevaluate the current methodology for calculating each county's annual SABG allocation, utilizing the reported expenditures to establish a baseline allocation beginning in SFY 2021-22.

SABG funds are allocated to counties to provide program funding for categorical areas of need. Only discretionary funds may be expended on programs supporting other areas of need identified by the SABG Set-Asides. Set-aside funds shall only be expended on those specific areas and cannot be used for other programs unless specified.

SFY 2020-21 SABG Discretionary – \$148,110,839

SABG Discretionary funds provide for needed substance use disorder treatment, prevention, and recovery services, including services to specific populations. Those populations include youth and pregnant and parenting women. In accordance with United States Code (U.S.C.), Title 42, Section 300x-21, SABG Discretionary funds may be spent on planning, carrying out, and evaluating activities to prevent and treat substance use disorders. For counties with populations less than 40,000, DHCS continues the SABG Exchange Program that allows them to exchange SABG Perinatal Set-Aside and SABG Adolescent and Youth Treatment (AYT) funds for SABG Discretionary funds. For a description of the SABG Exchange Program, please refer to Exhibit C, Part 1. In an effort to assist counties in spending down their allocation amounts for SFY 2020-21, each county's discretionary amount has been slightly reduced to allow for a corresponding increase to each county's Primary Prevention Set-Aside amount.

SFY 2020-21 Prevention Set-Aside – \$57,851,088

U.S.C. Title 42, Section 300x-22(a) requires the State to spend a minimum of 20 percent of the total SABG Award to California on primary prevention services. For SFY 2020-21, California is prioritizing prevention, which is defined as strategies, programs and services directed at individuals who have not been determined to require treatment for a substance use disorder. As a result, DHCS has increased each county's Primary Prevention Set-Aside amount to equal 25 percent of their total SFY 2020-21 allocation. DHCS has recently reevaluated county expenditures and allocations. The increase in county Primary Prevention Set-Aside from 20 percent to 25 percent is part of an effort to ensure that California meets federal requirements, particularly those concerning prevention spending. DHCS is not accepting requests to adjust SFY 2020-21 SABG Primary Prevention Set-Aside at this time.

A county's spending of their allocated primary prevention funds is integral to meeting federal SABG spending requirements and aligning with California's priorities. Counties must have an approved and active prevention plan that adheres to SAMHSA's Strategic Prevention Framework. The plan identifies priority areas and selected strategies, based on evidence where applicable, that will best address the priority areas and populations being served. Strategies may consist of both individual- and population-based services using one or more of the Center for Substance Abuse Prevention's six prevention strategies: Information Dissemination, Education, Alternatives, Problem Identification and Referral, Community-Based Process, and Environmental.

SFY 2020-21 Friday Night Live/Club Live – \$1,050,000

The Friday Night Live (FNL) program is a youth development program, aimed at high-school youth and designed to prevent alcohol and other drug use. As an extension of FNL, Club Live (CL) aims at middle school-aged students. Also included are FNL Kids, targeting 4th through 6th grade youth, and FNL Mentoring, which co-engages middle

and high school-aged students. The FNL/CL funds are combined into a single allocation and all four programs can be funded with FNL/CL funds, as well as additional SABG Primary Prevention Set-Aside or discretionary funds. DHCS will allocate \$1,050,000 in combined funding specifically for these programs. The individual county allocations are based on the SFY 2019-20 allocation level. Nine counties have elected not to participate in this program: Alpine, Imperial, Inyo, Kings, Madera, Merced, Modoc, Mono, and Siskiyou. Any unused budget authority will be held in reserve for use by the DHCS.

#### SFY 2020-21 Perinatal Set-Aside – \$17,056,843

Perinatal Set-Aside funds are used for women-specific services for treatment and recovery from alcohol and other substance use disorders, along with diverse supportive services for California women and their children. Perinatal programs, as part of the Perinatal Services Network, must meet the requirements set forth in the Perinatal Practice Guidelines (PPG) SFY 2018-19. Counties must use these funds to increase or maintain existing perinatal treatment capacity and programs. Counties may also use these funds to add new perinatal services or programs or change existing programs. See the [Perinatal Practice Guidelines](#).

Perinatal Set-Aside funding is a component of the SABG Exchange Program. DHCS is allocating SFY 2020-21 SABG Perinatal Set-Aside funds based on the SFY 2019-20 preliminary allocation level. For more information on how the Exchange Program affects a specific county's Perinatal Set-Aside funds allocation, please refer to Exhibit C, Part 1 of this Information Notice.

#### SFY 2020-21 Adolescent and Youth Treatment Program – \$7,334,583

SABG AYT funds provide comprehensive, age-appropriate, substance use disorder services to youth. The Youth Treatment Guidelines, revised in August 2002, are designed for counties to use in developing and implementing AYT programs funded by this allocation. Please see the [Youth Treatment Guidelines](#).

AYT funding is a component of the SABG Exchange Program. DHCS is allocating SFY 2020-21 SABG AYT funds based on the SFY 2019-20 preliminary allocation level. For more information on how the Exchange Program affects a specific county's AYT funds allocation, please refer to Exhibit C, Part 1 of this Information Notice.