

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

1700 K STREET  
 SACRAMENTO, CA 95814-4037  
 TDD (916) 445-1942  
 (916) 322-7012

**ADP BULLETIN**

## Title

Fiscal Year 2003-04 Governor's (Preliminary) Budget Allocation, 1.0

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**PURPOSE**

This bulletin transmits the Fiscal Year (FY) 2003-04 Governor's Preliminary Budget Allocation to counties for informational and planning purposes. The enclosed allocation of funds is contingent upon enactment of the FY 2003-04 Budget Act, federal appropriations, and executed state/county contracts. After the FY 2003-04 Budget is enacted, a final notice will be sent to reflect any adjustments. Incorporated in this bulletin are four exhibits: (1) FY 2003-04 Funding and Program Overview of Federal Trust Funds and Parolee Services Reimbursements, (2) FY 2003-04 Enhanced State and Local Realignment Funds, (3) FY 2003-04 Governor's Preliminary Budget Allocation, Statewide Detailed Worksheet, 1.0, and (4) an Individual County Allocation Notice.

The Governor's Budget proposes significant changes to the way the Department does business with the counties. The Governor's Budget proposes to realign various alcohol and other drug programs to counties and to establish a new revenue source to fund these programs. Details of the realignment are being developed; if necessary, we will amend the allocation when details are determined. The Department of Alcohol and Drug Programs (Department) will keep you informed through letters and bulletins as information is received and clarified. For FY 2003-04, allocations to each county will be based on the existing level of funding for each program proposed to be realigned.

**DISCUSSION**

The Governor's Budget for FY 2003-04 proposes to realign to counties the funding and programmatic responsibility for local alcohol and drug programs including: Drug Medi-Cal services, drug court programs, Substance Abuse and Crime Prevention Act, perinatal services, and other alcohol and drug programs. Under the Governor's proposed realignment, counties will be provided with an ongoing dedicated local revenue source to support the continuation of these programs. The goal of the

Governor's proposal is to provide greater flexibility in the use of these funds and the administration of these programs. The Department will continue to set overall policy for the delivery of alcohol and other drug abuse prevention, treatment and recovery services consistent with federal performance measures, and oversee federally funded programs and projects.

The proposed Enhanced State and Local Realignment Fund (Realignment Fund) would be comprised of revenues from three new (proposed) tax sources: (1) an increase in the tax on tobacco products; (2) an increase of one cent in the sales tax; and (3) an increase in the state income tax on higher-income wage earners. For FY 2003-04, the proposed revenue increases would be dedicated to supporting the costs of the realigned programs.

In order to receive federal funds through the Substance Abuse Prevention and Treatment (SAPT) Block Grant, the Department must meet a Maintenance of Effort (MOE) requirement. The MOE requirement is based on the average level of state expenditures for the two-year period preceding the fiscal year for which the State is applying for the SAPT Block Grant. Counties that wish to maintain their SAPT Block Grant funding will need to ensure the MOE requirement is met.

### **Realigned Funds**

To meet the Substance Abuse and Mental Health Services Administration's (SAMHSA) MOE requirement, the Department would distribute funds collected from the three proposed revenue sources to the counties. The process through which the Department would distribute these funds has not yet been determined. Page 3 of Exhibit 3 of this bulletin displays the funding levels the proposed revenues identified above would provide for the realigned programs.

### **Substance Abuse Treatment and Testing Accountability (SATTA) Program**

The Department will continue to allocate SAPT Block Grant funds for drug testing of Substance Abuse and Crime Prevention Act clients pursuant to the SATTA program, as enacted by SB 223 (Burton), Chapter 721, Statutes of 2001.

### **SUBSTANCE ABUSE AND CRIME PREVENTION ACT (SACPA) OF 2000**

County allocations for FY 2003-04 SACPA funding will be transmitted to county lead agencies separately. An All County Lead Agency letter will be issued by March 1, 2003.

### **IMPROVEMENTS TO THE SPREADSHEETS**

The spreadsheet for the Preliminary Allocation for FY 2003-04 is reformatted to display SAPT Block Grant funds, Parolee Services Network funds, and realigned program funding. This format will provide the Department greater flexibility to amend the allocation and update counties on realignment issues.

## **REFERENCES**

Assembly Bill 100 (Oropeza) 2003-04 Budget  
Senate Bill 53 (Chesbro) 2003-04 Budget

## **BACKGROUND**

Not applicable.

## **QUESTIONS/MAINTENANCE**

Questions concerning the statewide and individual county allocation notices should be directed to Ms. Barbara Norton, Program and Fiscal Policy Branch, at (916) 323-2019. Additional copies of this document and Exhibits 1, 2, and 3 may be requested through the Department's Resource Center by calling (800) 879-2772. This bulletin and the statewide detailed worksheet are also available through the Department's web site at [www.adp.ca.gov](http://www.adp.ca.gov).

## **EXHIBITS**

1. FY 2003-04 Funding and Program Overview - Federal Trust Funds and Parolee Services Reimbursements
2. FY 2003-04 Enhanced State and Local Realignment Funds
3. FY 2003-04 Governor's Preliminary Budget Allocation, Statewide Detailed Worksheet, 1.0
4. Individual County Allocation Notice (counties only)

## **DISTRIBUTION**

County Alcohol and Drug Program Administrators  
Wagerman Associates, Inc.  
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