

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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**ADP BULLETIN**

Title Alcohol and Other Drug Programs Funding Hierarchy

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MICHAEL S. CUNNINGHAM	[X] Fiscal	Letter No.	04-2
Program Services Division	[ ] Administration		

**PURPOSE**

This bulletin clarifies the requirements and restrictions on the expenditure of State and federal funds allocated by the Department of Alcohol and Drug Programs (ADP) for alcohol and other drug (AOD) treatment and prevention services. The attached exhibit provides, by program, a hierarchy of the order in which funding for AOD treatment and prevention services should be expended. ADP is releasing this bulletin as a supplement to ADP bulletin 04-2, titled "Prohibition Regarding Supplantation of Funds."

**DISCUSSION**

In order to maintain the current level of federal funding, California is required to expend a specific amount of State General Fund (SGF) on AOD services. The significance of this maintenance of effort (MOE) requirement is magnified due to SGF reductions in recent years. Counties are receiving less State funding than in past years and must maximize funding to meet prevention and treatment needs. To meet the State's MOE requirement, SGF funds allocated to provide services for specific populations must be expended before using Substance Abuse Prevention and Treatment (SAPT) Block Grant funds.

ADP would like to remind counties that the information included in this bulletin or its exhibits does not relieve counties of any monetary match requirements mandated by State or federal law. The Department cautions counties and providers that violating State and federal laws and regulations may jeopardize future AOD funding levels. Federal (SAPT Block Grant) law prohibits the supplantation of SGF with federal funds.

The attached exhibit provides a hierarchy for the expenditure of funding sources by program.

## REFERENCES

Title 42, United States Code, Sections 300x-21 through 300x-35  
Title 45, Code of Federal Regulations, Sections 96.121 through 96.137  
Title 9, California Code of Regulations, Sections 9500 through 9545  
Net Negotiated Amount Contract

## BACKGROUND

Not Applicable.

## QUESTIONS/MAINTENANCE

Questions regarding the Alcohol and Other Drug Programs Funding Hierarchy may be directed to Ms. Jackie Tinetti, Supervisor, Fiscal Policy Unit, Program and Fiscal Policy Section, Treatment Services Branch, Program Services Division, at (916) 324-3348.

This bulletin is also available online, at <http://www.adp.ca.gov>.

## EXHIBITS

Funding Hierarchy Chart

## DISTRIBUTION

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