

**Governor's Proposed Budget (Preliminary) Allocation
Overview of Programs, Funding, and Allocation Methodologies**

This informational overview provides funding amounts, describes changes in allocation methodologies, and lists programs and their terms and conditions. This Exhibit is provided for informational and planning purposes only.

All state and federal funds to be allocated are contingent upon final enactment of the Fiscal Year (FY) 2013-14 Budget Act and federal appropriations.

REIMBURSEMENTS

Parolee Services Network - \$11.5 million

The California Department of Corrections and Rehabilitation (CDCR) provides this funding for residential and non-residential substance use disorder treatment and recovery services for men and women paroled to the community from State prisons. These services are available in the counties of Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. These funds will be allocated at the FY 2012-13 historic level.

FEDERAL TRUST FUNDS

The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) provides the Federal Substance Abuse Prevention and Treatment Block Grant (SAPT BG) funds. This BG is program number 93.959 in the Catalog of Federal Domestic Assistance. The Federal Fiscal Year (FFY) 2014 BG Award number has not been released.

Substance Abuse Prevention and Treatment Block Grant Award

The FY 2013-14 Governor's Budget (Preliminary) Allocation includes funds from the FFY 2014 SAPT BG Award. SAPT funds from the FFY 2014 award will become available on October 1, 2013, and must be obligated and spent by June 30, 2015.

The Preliminary Allocation presumes the FFY 2014 SAPT BG will continue to be funded at the same level as the FFY 2013 SAPT BG award.

Categorical SAPT funds allocated to counties for specific programs are to be spent on those specific programs and cannot be used for other programs, unless specified.

SAPT Discretionary FFY 2014 Award - \$141.1 million

SAPT 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. SAPT Discretionary also funds other authorized activities such as program administration and evaluation.

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SAPT Discretionary is a component of the SAPT BG Exchange Program. FY 2013-14 funds will initially be allocated the funds at the FY 2012-13 level. The allocation will then be adjusted through the Exchange Program. For further information on how the Exchange Program affects a specific county's Discretionary allocation, please refer to Exhibit C.

Prevention Set-Aside FFY 2014 Award - \$47.2 million

Federal law requires the State to spend a minimum of twenty percent of the total SAPT BG on primary prevention services. Primary prevention is defined as strategies, programs and services directed at individuals who have not been determined to require treatment for a substance use disorder. A county's spending of its allocated SAPT Prevention funds is integral to meeting federal SAPT spending requirements.

With the SAPT Primary Prevention Set-Aside funding, counties conduct a local needs assessment to determine priority issues. Strategies are selected, based on evidence where applicable, that will best address the issues and populations being served. Strategies may consist of both individual- and population-based services that fall into one of the six strategies identified by the federal Center for Substance Abuse Prevention: 1) information dissemination, 2) education, 3) alternatives, 4) problem identification and referral, 5) community-based process and 6) environmental).

The FY 2013-14 funds will be allocated at the FY 2012-13 level. That will include the under-spending reductions and redistributions for FY 2009-10, FY 2010-11 and FY 2011-12, and will include the partial restoration of \$6,657 for Alpine County in FY 2011-12 for resuming the full expenditure of these funds. Also incorporated is the full restoration of the \$26,237 under-spending reduction received by Colusa County in FY 2011-12. The Colusa County funds were restored in FY 2012-13 for the resumption of full spending in all SAPT categories. The SAPT under-spending reductions began in FY 2009-10.

Friday Night Live/Club Live FFY 2014 Award - \$1.1 million

The Friday Night Live (FNL) program is a youth development program, aimed at high-school youth, designed to prevent alcohol and other drug use. As an extension of FNL, Club Live (CL) aims at middle school-aged students. FNL and CL are primary prevention programs that use SAPT Primary Prevention Set-Aside funds. These funds can only be used for FNL or CL program services.

The Department of Alcohol and Drug Programs (ADP) consolidated the FNL and CL funds beginning in FY 2010-11. Counties have discretion to fund each program as necessary to meet local needs.

In FY 2013-14, \$1,074,000 in combined funding will be allocated for these programs. The individual county allocations will be based on the FY 2012-13 historical allocation levels, with the addition of Mono County, a new participant.

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Five counties have elected not to participate in this program: Alpine, Inyo, Madera, Modoc, and Siskiyou. Funding remains available for the non-participating counties to establish FNL and/or CL programs. These non-participating counties should notify ADP by June 1, 2013, if they want to establish these programs. Otherwise, the unallocated funds will be used in support of other county prevention projects.

HIV Set-Aside – FFY 2014 Award \$12.5 million

The HIV Set-Aside funds programs that provide HIV early intervention services (EIS) to clients in substance use disorder treatment programs. Examples of permissible uses of these funds for HIV EIS services and activities are appropriate pre- and post-test counseling; infectious disease testing such as for HIV and Hepatitis C; HIV/AIDS education; screening to determine the appropriate therapeutic measures for preventing and treating the deterioration of the immune system as a result of an HIV infection; and outreach services for injection drug users who are not currently participating in a substance use disorder treatment program.

Federal law requires that a minimum and maximum set-aside of five percent of the total SAPT BG Award be spent on HIV EIS for substance use disorder clients in treatment programs. A county’s spending of its allocated SAPT HIV funds is integral to meeting federal spending requirements. For complete information on HIV Set-Aside expenditure and reporting requirements, please refer to ADP Bulletins #04-12, #12-01, and #12-05 located on ADP’s website at http://www.adp.ca.gov/ADPLTRS/bulletin_letter.shtml.

The HIV EIS allocation methodology shown below will be used to allocate funds. The California Department of Public Health, Office of AIDS, provided this updated methodology.

Weighting	Needs-Based Data Factors
75.0%	People Living with HIV and AIDS, excluding prison cases, diagnosed through December 31, 2010
15.0%	African American population (2010 U.S. Census)
5.0%	Hispanic population (2010 U.S. Census)
5.0%	People living below federal poverty level (2010 US Census)
100.0%	Total

The Office of AIDS updated the allocation methodology for FY 2012-13 to align it with the methodology used in national HIV prevention allocations. The updated allocation methodology uses a single needs-based factor of People Living With HIV and AIDS (PLWHA) to replace the following four proxy factors used in the previous methodology: 1) Newly Reported HIV Cases; 2) Living with AIDS cases (including prison population); 3) Male population with syphilis; and 4) male population with gonorrhea. The PLWHA data excludes prison cases.

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The Office of AIDS switched to name-based HIV reporting in 2006 and, prior to that, only AIDS cases were reported by name. Therefore, the Office of AIDS was not able to use the PLWHA data in the allocation formula until data was mature enough to accurately represent PLWHA by county.

To provide the smallest counties with sufficient funding to operate a viable program, each participating county will receive a minimum allocation of \$7,500 in HIV funds. These funds are not included in the SAPT BG Exchange Program.

Six counties have declined the HIV funds: Alpine, Calaveras, Colusa, Mariposa, Sierra, and Trinity.

Perinatal Set-Aside FFY 2014 Award - \$17.1 million

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 Services Network Guidelines 2009. 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. The guidelines are accessible on ADP's website at: http://www.adp.ca.gov/Perinatal/pdf/Guidelines_09.pdf.

SAPT Perinatal is a component of the SAPT BG Exchange Program. The FY 2013-14 Perinatal funds will initially be allocated at the FY 2012-13 historic level. The allocations will then be adjusted through the Exchange Program. For further information on how the Exchange Program affects a specific county's Perinatal Set-Aside allocation, please refer to Exhibit C.

Female Offender Treatment Program Services FFY 2014 Award - \$637,190

This program provides six months of community residential substance use disorder treatment for paroled women who complete the Forever Free program at the California Institution for Women. The four participating counties are Los Angeles, Orange, Riverside, and San Bernardino. Other women on parole who did not complete the Forever Free Program may participate on a case-by-case basis if the Female Offender Treatment Program underutilizes the funding.

These funds will be allocated at the FY 2012-13 level. The county funding levels were originally determined by CDCR.

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Adolescent and Youth Treatment Program FFY 2014 Award - \$7.3 million

SAPT Adolescent and Youth Treatment 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 youth treatment programs funded by this allocation. The Guidelines are available on the ADP's website at:

<http://www.adp.ca.gov/NNA/pdf/Document%20V%20-%20Youth%20Treatment%20Guidelines.pdf>.

Youth Treatment funding is a component of the SAPT BG Exchange Program. The FY 2013-14 Adolescent and Youth Treatment funds will initially be allocated at the FY 2012-13 historic level. That will include the under-spending reductions and redistributions for FY 2010-11 and FY 2011-12. The allocation will then be adjusted through the Exchange Program. For more information on how the Exchange Program affects a specific county's Adolescent and Youth Treatment funds allocation, please refer to Exhibit C.