



Promoting wellness and recovery

John R. Kasich, Governor • Tracy J. Plouck, Director • 30 E. Broad St. • Columbus, OH 43215 • (614) 466-2596 • mha.ohio.gov

To: Substance Abuse Prevention and Treatment Block Grant Recipients
From: Tracy J. Plouck, Director
Date: September 30, 2013
Re: SAPT block grant update

Due in large part to timing challenges of the federal government's process for awarding the Substance Abuse Prevention and Treatment (SAPT) block grant, the amount historically provided to the field is greater than the quarterly amount of cash we have on hand from the federal government to satisfy those estimates. This has resulted in lengthy periods when there is no federal subsidy available for boards and providers. (Recall, as an example, that the initial FFY 13 SAPT award from the federal government didn't arrive until February – nearly six months after the federal award period began. We anticipate the same thing happening in FFY 14.)

Formerly, ODADAS worked to mitigate the impact of the timing problems by moving around funds from other sources and supplying cash advances in emergency situations. And in FFY 13, ODADAS was able to cover the amount of the federal sequestration cut of 5%, an amount of approximately \$3.3 million, and did not pass it on to the field to keep the federal decision from directly impacting services. As we prepared to consolidate ODADAS and ODMH, we identified this cash alignment issue as a topic that we wanted to resolve over a period of time in order to restore predictability and sustainability for the field. We continue to work with stakeholders to design a new cash management plan that reduces the effect of the challenges the federal government continues to create for both the field and state.

Your allocation and grant estimates for the October-December quarter will be status quo relative to historical allocations. Please remember, however, that OhioMHAS has no ability to control the timing of federal funding receipts related to these estimated grant awards, and these estimates are subject to change based on any federal decisions related to a continued sequester. Any federal cutbacks resulting from sequester will impact both the field and state. It is my hope that at least in the short term, the federal reductions from the sequester will be made more manageable due to the additional \$47.5 million provided to the field through the FY 14-15 state budget bill.

The SAPT allocation estimates for the last two quarters of SFY 14 will be made known within the next 60 days. We continue to take your feedback into account as we consider the best way to manage this problem which affects boards, providers, and ultimately the individuals we serve. Our goal is to have as little impact on direct services as possible.