Compensating for Cash Flow Problems Created by the Federal Government in Substance Abuse Prevention and Treatment

- Last year, Ohio received $62.6 million in federal Substance Abuse Prevention Treatment (SAPT) grant funds that were allocated to county boards (63%), passed on to providers (31%), or used for grant administration (5%).

- In recent years, SAPT grant recipients have experienced significant cash flow problems because the funds the federal government is supposed to distribute in October are not actually distributed until the following February or March.[1]

- As a result of the federal delay, every year between October and March Ohio's SAPT providers will have difficulty making payroll, need to seek loans or ask their communities for funds, or cut services.

- The solution that was worked out in consultation with ADAMH boards and SAPT providers is to elongate the disbursement schedule to align the availability of federal cash with the timeframe in which it is actually distributed to grant recipients.

- **The same amount of federal grant funding will be distributed – there is no cut – but the amount will be spread out over six quarters instead of four.**

Table 1. Proposed SAPT Grant Allocations, in millions[3]

Grant Year	SFY 2014	SFY 2015	SFY 2016	SFY 2017	TOTAL
2013 Grant	$62.6				**$62.6**
2014 Grant		$41.7	$20.9		**$62.6**
2015 Grant			$41.7	$20.9	**$62.6**
2016 Grant				$41.7	**$62.6[2]**
TOTAL	**$62.6**	**$41.7**	**$62.6**	**$62.6**	

- In addition, the Mid-Biennium Review (MBR) includes $3 million for small SAPT providers for whom cash flow may be an issue during the transition period. The goal is to minimize any potential disruption of services for Ohioans.

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[1] The former Ohio Department of Alcohol and Drug Addiction Services would periodically "float" money to SAPT providers while waiting for the block grant from the federal government, but the department did not have the authority to use Ohio general revenue funds for that purpose and the practice has been discontinued.

[2] $20.9 amount in SFY 2018 not shown.

[3] Actual allocations may vary slightly depending on the federal grant award amount for the state of Ohio in future fiscal years.