

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Human Services
Division of Substance Abuse

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1.0 Summary: Division of Substance Abuse

The Division of Substance Abuse (DSA) is the State substance abuse authority. The Division administers state and federal funds for the treatment and prevention of substance abuse. It contracts with the State’s 13 local substance abuse authorities, which provide services either directly or through contract providers. The Division receives state and federal substance abuse funds and allocates them to local substance abuse authorities. A seven-member Board of Substance Abuse is the policy-making entity for the Division.

Summary

The Fiscal Analyst recommends a total FY 2003 budget for the Division of Substance Abuse totaling just under \$32 million, including \$10.6 million from the General Fund. The Analyst’s FY 2003 base General Fund budget is adjusted for FY 2002 supplemental reductions carried over into FY 2003 (\$360,700), reduction for ISF rate changes (\$800), market cost adjustment (plus \$8,600), and in increase of \$2,000 for the extra day in FY 2003.

The “Analyst’s FY 2003 Changes” includes additional reductions in the General Fund of \$42,200 for the incremental annualization of the FY 2002 administrative and across-the-board cuts.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	\$10,628,400	(\$42,200)	\$10,586,200
Federal Funds	20,354,600	(37,400)	20,317,200
Dedicated Credits Revenue	16,800	(1,100)	15,700
GFR - Intoxicated Driver Rehab	1,050,000		1,050,000
Total	\$32,049,800	(\$80,700)	\$31,969,100
Programs			
Administration	\$1,266,700	(\$80,700)	\$1,186,000
State Services	6,827,100		6,827,100
Local Services	22,906,000		22,906,000
Drivers Under the Influence	1,050,000		1,050,000
Total	\$32,049,800	(\$80,700)	\$31,969,100
FTE/Other			
Total FTE	20		20

2.0 Issues: Division of Substance Abuse

2.1 Federal Fund Increases above FY 2001

The Division has been awarded a federal State Incentive Cooperative Agreement (SICA) consisting of \$8.7 million over a three-year period from the federal Center for Substance Abuse Prevention. The grant has two specific goals: 1) To coordinate, leverage and redirect substance abuse prevention funding; and 2) To develop a comprehensive prevention strategy to fill gaps in community services, reduce youth drug abuse, and to implement prevention approaches based on sound, scientific research. The Division has also seen significant increases in the federal Substance Abuse Prevention and Treatment (SAPT) grant, which is expected to increase by \$1.8 million from the FY 2001 level. These funds are mostly passed through to local substance abuse authorities.

2.2 METH Abuse Treatment Funding

The Division is requesting \$500,000 from the General Fund for increased substance abuse treatment funds specifically aimed at women and the growing methamphetamine (METH) epidemic. The Analyst has not included any building block increases for FY 2003 due to funding restrictions.

2.3 Drug Courts and Drug Boards

These programs are reported as a separate line item of appropriation. The program funding is administered by both the Division of Substance Abuse and the Department's Executive Director's Office. The Division is requesting \$1 million from the General Fund to increase Drug Court services for FY 2003.

2.4 Substance Abuse Treatment for Early Release Parolees

Substance abuse is the most common reason individuals fail to comply with conditions of parole or probation. The Division estimates about 800 non-violent substance-abusing offenders will be released early from prison this year due to overcrowding. The Division is requesting additional state funds of \$1,225,000 to provide treatment to at least 400 parolees and probationers to significantly reduce this recidivism problem.

2.5 Legislative Intent Language

The 2001 Legislature approved the following intent language applicable to the Division of Substance Abuse:

*Use of health
insurance premium
savings*

“It is the intent of the Legislature that if Substitute HB 350 passes, all savings from health insurance premiums shall be used to provide services for clients of local health departments, mental health, aging services and substance abuse authorities.”

This legislation, which would have expanded the types of organizations eligible to participate in the State’s health insurance risk pools, did not pass.

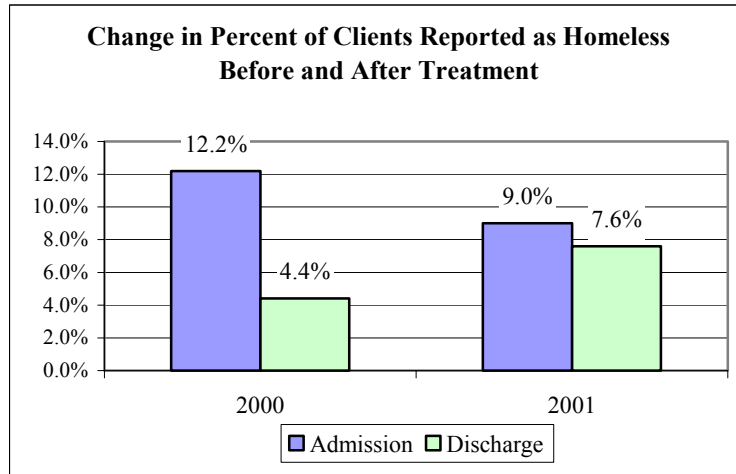
3.0 Programs: Division of Substance Abuse

Performance Measures

While the Division will report in more detail on performance and outcome measures, the Analyst has chosen several measures to highlight in this report. Performance measures used in the substance abuse field generally try to gauge lessening of dependency and improved quality of life.

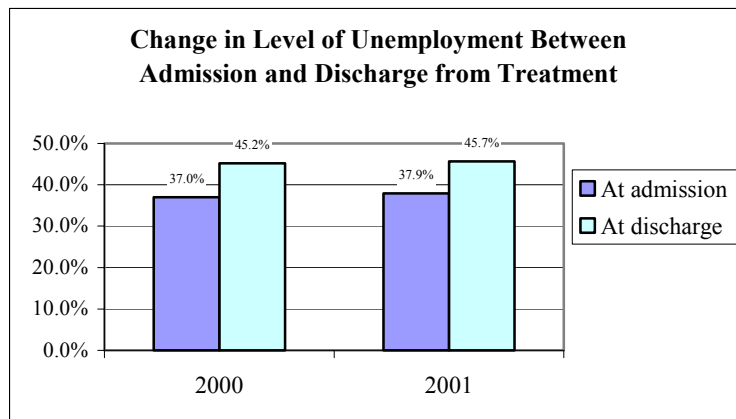
Clients in treatment improve their living status.

The first chart shows the living status of clients at time of admission and at time of discharge. In both 2000 and 2001 clients completing treatment are less likely to be homeless.



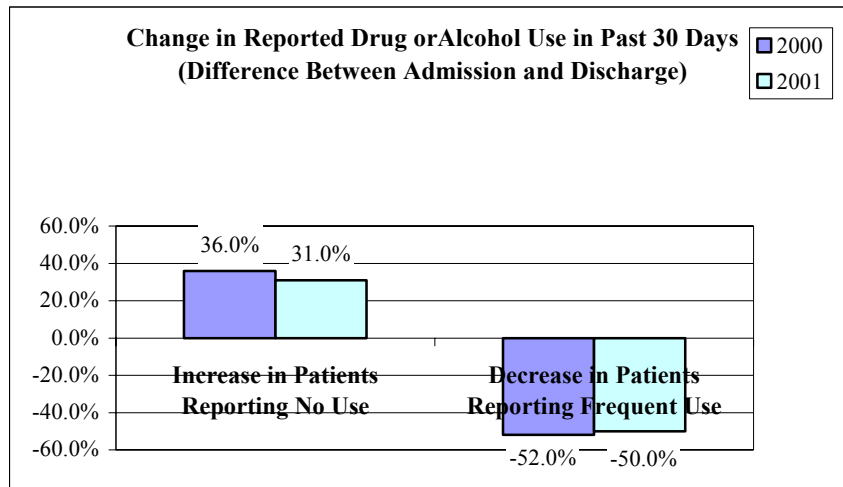
Clients receiving treatment improve their employment status.

The second chart depicts changes in employment status from when clients entered treatment and at discharge. The percentage of clients that were employed increased significantly compared to the percentage unemployed at time of admission.



Level of substance abuse reduced while in treatment.

The third chart shows reported decreases in incidence of clients' substance abuse 30 days prior to admission compared with 30 days prior to discharge. This includes all programs, not just resident treatment programs. It also includes individuals who do not complete treatment programs.



3.1-Administration

Recommendation

The Analyst recommends an appropriation of \$1.2 million (\$605,400 General Fund) for the Division of Substance Abuse Administration for FY 2003. The FY 2002 Estimated amounts include budget adjustments approved so far by the 2002 Legislature. The recommendation includes carry-over reductions from FY 2002 of \$272,500 (\$157,700 General Fund), and a net increase of \$2,400 (\$9,800 General Fund) for the ISF adjustments, market cost adjustments and the extra day. It also includes a reduction of \$80,700 (\$42,200 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$727,767	\$795,500	\$605,400	(\$190,100)
General Fund, One-time		(174,700)		174,700
Federal Funds	706,362	584,700	564,900	(19,800)
Dedicated Credits Revenue	14,625	16,400	15,700	(700)
Transfers-Other Agencies	54,727	8,600		(8,600)
Beginning Nonlapsing		6,000		(6,000)
Closing Nonlapsing	(5,967)			
Total	<u>\$1,497,514</u>	<u>\$1,236,500</u>	<u>\$1,186,000</u>	<u>(\$50,500)</u>
Expenditures				
Personal Services	\$1,015,242	\$911,900	\$883,800	(\$28,100)
In-State Travel	11,216	10,400	10,100	(300)
Out of State Travel	26,602	24,900	24,000	(900)
Current Expense	286,075	171,800	152,900	(18,900)
DP Current Expense	127,141	94,100	91,800	(2,300)
DP Capital Outlay	7,840			
Other Charges/Pass Thru	23,398	23,400	23,400	
Total	<u>\$1,497,514</u>	<u>\$1,236,500</u>	<u>\$1,186,000</u>	<u>(\$50,500)</u>
FTE/Other				
Total FTE	20	20	20	

Purpose

The State Office administers state and federal substance abuse programs. Local substance abuse authorities (LSAA) provide services. Services include education, prevention, and treatment as well as oversight of the LSAA's. The state office is responsible for data collection and reporting required by federal grant programs. It provides technical, research and fiscal assistance to the local substance abuse authorities. It is responsible for the establishment of abuse prevention programs in cooperation with the State Office of Education and other agencies. The State Office is also responsible for administration of the DUI program and the alcohol servers program.

3.2 State Services

Recommendation

The Analyst’s recommended FY 2003 budget for State Services totals \$6.8 million, which is mostly federal funds, except for \$576,200 from the General Fund. The only reduction in this budget is \$15,000 (General Fund) for a “Neighborhood Action Coalition” program.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$588,950	\$591,200	\$576,200	(\$15,000)
General Fund, One-time		(15,000)		15,000
Federal Funds	3,220,146	6,250,900	6,250,900	
Transfers-Other Agencies	27,161			
Total	\$3,836,257	\$6,827,100	\$6,827,100	\$0
Expenditures				
Personal Services	\$93,124	\$0	\$0	\$0
In-State Travel	179			
Out of State Travel	644			
Current Expense	186,731	29,600	44,600	15,000
Other Charges/Pass Thru	3,555,579	6,797,500	6,782,500	(15,000)
Total	\$3,836,257	\$6,827,100	\$6,827,100	\$0
FTE/Other				

Purpose

While most Division funds are passed through to local substance abuse authorities, the Division keeps some funds for statewide programs. By Board policy, the Division may retain up to 10 percent of these funds for substance abuse services described below:

- ▶ *Drug Free Schools and Communities:* A specific federal grant to local authorities to provide prevention and education programs for high-risk youth and other school aged youth.
- ▶ *State Office of Education:* The State Office of Education provides curriculum and training in drug abuse prevention for Utah’s schools.
- ▶ *Department of Corrections:* The Department of Corrections provides substance abuse treatment services at the Utah State Prison.
- ▶ *University of Utah:* The University of Utah provides counseling education, clinic services, evaluation and data analysis and operates the Utah School of Alcoholism and Other Drug Dependencies.
- ▶ *Federal Grants:* The Division has several federal grants including a Treatment Needs grant, TOPPS II which is a treatment outcomes measurement grants, two prevention grants studying risk and protective factors in the State, and a grant looking at drug and alcohol use among arrested persons. The Division was awarded in FY 2001 a three year \$2.9 million federal incentive grant (total \$8.7 million) for development of a comprehensive statewide strategy to coordinate, redirect, and leverage substance abuse prevention resources.

3.3 Local Services

Recommendation

The Fiscal Analyst recommends an FY 2003 budget for Local Services totaling \$22.9 million, including \$9.4 million from the General Fund, to be distributed to the local substance abuse authorities. The Legislature has reduced its FY 2002 budget by \$188,000, which also carries over to FY 2003.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$9,363,583	\$9,592,600	\$9,404,600	(\$188,000)
General Fund, One-time		(188,000)		188,000
Federal Funds	12,170,773	13,501,400	13,501,400	
Total	<u>\$21,534,356</u>	<u>\$22,906,000</u>	<u>\$22,906,000</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	\$21,534,356	\$22,906,000	\$22,906,000	\$0
Total	<u>\$21,534,356</u>	<u>\$22,906,000</u>	<u>\$22,906,000</u>	<u>\$0</u>
FTE/Other				

Purpose

County commissioners are designated as the local substance abuse authorities in the state. The counties may join together to provide or contract for these services, including prevention, intervention, and treatment. The substance abuse authorities are required to provide a minimum 20 percent match for funds received. There are currently 13 substance abuse centers in the State: Bear River, Weber, Davis, Salt Lake, Wasatch, Central Utah, Southwest, Four Corners, San Juan, Uintah, Summit, Utah and Tooele.

Meth Abuse Treatment Funding

The Division is requesting \$500,000 from the General Fund for increased substance abuse treatment funds specifically aimed at women and the growing methamphetamine (METH) epidemic. Estimates indicate there are 25,000 individuals in the State in need of METH treatment, with about half being women. The Division believes women should be given highest priority for services, especially those that are pregnant or have dependent children. Assuming most would be eligible for Medicaid, this \$500,000 would generate another \$684,000 in federal funds. Combined, these funds would serve an estimated 200 additional clients. In FY 2001, almost 1,000 women with dependent children received METH treatment services.

**Substance Abuse
Treatment for
Early Release
Probationers**

Substance abuse is the most common reason individuals fail to comply with conditions of parole or probation. Up to 70 percent of Utah's prison population is in need of substance abuse treatment. An estimated 75 percent of parolees ultimately violate the conditions of their release because of drugs or alcohol, and many will commit new crimes to support their addiction. The Division estimates about 800 non-violent substance-abusing offenders will be released early from prison this year due to overcrowding. The Division is requesting additional state funds of \$1,225,000 to provide treatment to at least 400 of these parolees and probationers to reduce this recidivism problem.

3.4 DUI Fines

Recommendation

The Division’s expenditures from this General Fund Restricted Account are limited to the lesser of the amount authorized by the Legislature or by the availability of funds. The Fiscal Analyst recommends the Legislature appropriate \$1,050,000 from this fund for FY 2003.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
GFR-Intoxicated Driver Rehab	\$950,000	\$1,050,000	\$1,050,000	\$0
Total	\$950,000	\$1,050,000	\$1,050,000	\$0
Expenditures				
Other Charges/Pass Thru	\$950,000	\$1,050,000	\$1,050,000	\$0
Total	\$950,000	\$1,050,000	\$1,050,000	\$0
FTE/Other				

Purpose

The Division oversees the Intoxicated Driver Rehabilitation Account. The Division receives 7.5 percent of the surcharges levied on persons convicted of a felony, class A, or B misdemeanor. These surcharges are appropriated to the Division and then distributed to the 13 local substance abuse authorities by formula to support education, intervention and treatment services for drivers convicted of driving under the influence. The formula is driven by overall population figures.

4.0 Additional Information: Division of Substance Abuse

4.1 Funding History

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$10,401,500	\$10,659,200	\$10,680,300	\$10,979,300	\$10,586,200
General Fund, One-time				(377,700)	
Federal Funds	12,008,495	15,102,684	16,097,281	20,337,000	20,317,200
Dedicated Credits Revenue	(4,948)	(15,157)	14,625	16,400	15,700
Federal Mineral Lease		0			
GFR - Intoxicated Driver Rehab	950,000	950,000	950,000	1,050,000	1,050,000
Transfers - Other Agencies	12,368		81,888	8,600	
Beginning Nonlapsing	8,229	12,373		6,000	
Closing Nonlapsing	(12,373)		(5,967)		
Lapsing Balance	(28,315)	(4,637)			
Total	\$23,334,956	\$26,704,463	\$27,818,127	\$32,019,600	\$31,969,100
Programs					
Administration	\$1,267,048	\$1,283,473	\$1,497,514	\$1,236,500	\$1,186,000
State Services	2,197,322	3,502,232	3,836,257	6,827,100	6,827,100
Local Services	18,948,901	20,968,758	21,534,356	22,906,000	22,906,000
Drivers Under the Influence	921,685	950,000	950,000	1,050,000	1,050,000
Total	\$23,334,956	\$26,704,463	\$27,818,127	\$32,019,600	\$31,969,100
Expenditures					
Personal Services	\$841,254	\$876,047	\$1,108,366	\$911,900	\$883,800
In-State Travel	10,966	10,986	11,395	10,400	10,100
Out of State Travel	17,665	23,273	27,246	24,900	24,000
Current Expense	298,375	271,914	472,806	201,400	197,500
DP Current Expense	126,977	145,188	127,141	94,100	91,800
DP Capital Outlay			7,840		
Other Charges/Pass Thru	22,039,719	25,377,055	26,063,333	30,776,900	30,761,900
Total	\$23,334,956	\$26,704,463	\$27,818,127	\$32,019,600	\$31,969,100
FTE/Other					
Total FTE	18	18	20	20	20

4.2-Federal Funds

Program	FY 2001 Actual	FY 2002 Authorized	FY 2003 Analyst
Drug Free Schools	\$1,293,998	\$526,800	\$526,800
State Matching Funds	0	0	0
Totals for this grant/contract	\$1,293,998	\$526,800	\$526,800
DHS Other Grants	\$1,345,199	\$4,668,300	\$4,408,500
State Matching Funds	0	0	0
Totals for this grant/contract	\$1,345,199	\$4,668,300	\$4,408,500
DHS SAPT Block Grant*	\$13,458,164	\$15,269,900	\$15,381,900
State Matching Funds	0	0	0
Totals for this grant/contract	\$13,458,164	\$15,269,900	\$15,381,900
<i>* No direct match required, except for "maintenance of effort."</i>			
Total Federal Funds	\$16,097,361	\$20,465,000	\$20,317,200
State Matching Funds	0	0	0
Total Funds	\$16,097,361	\$20,465,000	\$20,317,200