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# Governor's Proposed Alcohol and Drug Program Shift

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LEGISLATIVE ANALYST'S OFFICE

Presented to:

Joint Oversight Hearing of the Assembly and Senate Health Committees and  
Assembly and Senate Budget Subcommittees on Health and Human Services

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## Overview

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- Programs Administered by the Department.** The Department of Alcohol and Drug Programs (DADP) directs and coordinates the state's efforts to prevent or minimize the effects of alcohol-related problems, narcotic addiction, drug abuse, and gambling. The DADP administers programs in the following areas: (1) substance use prevention services, (2) substance use treatment and recovery services, (3) licensing of treatment facilities and programs, (4) criminal justice, and (5) problem gambling.
- Federal Funding.** In addition to state funds, the DADP administers federal funds, grants, and other funds that support a variety of programs, including nearly \$255 million in Federal Substance Abuse Prevention and Treatment (SAPT) block grant funds.
- Governor Proposes Elimination of DADP.** The Governor's budget plan would eliminate DADP and shift DADP programs and administrative functions to other departments. The administration has provided the following rationale for its proposal: (1) co-locating substance use disorder services with physical health programs administered by the Department of Health Care Services (DHCS) is a step toward integrating services to create a continuum of care, and (2) the transfer of the programs to other state departments will better align the programs' mission with that of the department receiving the new programs.
- Alcohol and Drug Program Shift May Be Beneficial.** Shift of these alcohol and drug programs may be beneficial to the delivery of services, but the Legislature should thoroughly examine the significant issues the Governor's proposal raises.
- Organization of Handout.** This handout provides information on:

  - Major alcohol and drug treatment programs, including federal, state, and county administrative roles in funding.
  - The Governor's DADP elimination proposal.
  - Key questions the Legislature should ask in evaluating the Governor's proposal.



## Certain DADP Programs and Funding Were Realigned in 2011

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- 2011 Realignment.** Full fiscal responsibility was shifted to the counties in 2011 for the programs listed below and they will be supported with local revenue funds which consist of sales tax and vehicle license fees.
  
- Drug Medi-Cal Program.** The Drug Medi-Cal Program provides five different modes of treatment services. Most Drug Medi-Cal services are delivered through county treatment systems, which often contract with community-based providers for the delivery of treatment services directly to clients. Under realignment, generally the counties and federal government share costs evenly for this benefit.
  
- Perinatal and Other Programs.** Under realignment, the counties provide funds for a variety of programs that include treatment services for pregnant women and mothers.
  
- County-Administered Drug Court Programs.** Drug court programs combine judicial monitoring with intensive treatment services over a period of about 18 months typically for nonviolent drug offenders. In general, these are court-administered programs that are funded with 2011 realignment funds.



## Governor Proposes to Shift Remaining Administrative Functions and Programs to Various Departments

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- Administrative Functions Shift to the Department of Health Care Services.** The new functions would be administered in a new Division of Mental Health and Substance Use Disorder within DHCS. Administrative functions connected with the following would shift to DHCS:

  - **Drug Medi-Cal.** The administrative support associated with Drug Medi-Cal.
  - **Federal Funds and Grants.** The administrative responsibility for the Substance Abuse Prevention and Treatment block grant and other grants.
  - **Drug Court and Criminal Justice.** The DHCS will provide technical assistance to Drug Courts and pass \$33.9 million in funds through to the Department of Corrections and Rehabilitation for parolee services.
  
- Three Programs and Counselor Certification Shift to the Department of Public Health (DPH).** The following programs and certification function will shift to DPH:

  - **Problem Gambling Program.** The Office of Problem Gambling is charged with developing statewide programs to address problem and pathological gambling issues.
  - **Narcotic Treatment Program Licensing.** The Narcotic Treatment Program licenses and monitors facilities that provide replacement narcotic therapy in an outpatient, medically supervised setting.
  - **Driving Under the Influence Program.** The Driving Under the Influence (DUI) Program licenses DUI alcohol and drug education and counseling programs.
  - **Counselor Certification.** The Counselor Certification Program registers and approves the certification of individuals to provide alcohol and drug counseling.



## Governor Proposes to Shift Remaining Administrative Functions and Programs to Various Departments *(Continued)*

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- Licensing Activities Shift to the Department of Social Services (DSS).*** The DSS will assume responsibility for licensing activities to ensure 24-hour residential non-medical facilities meet appropriate safety standards and safeguards for substance use disorder clients being served by them.



## Governor Proposes to Shift Remaining Administrative Functions and Programs to Various Departments (Continued)

From DADP	2012-13		To
	Personnel Years	Total Funds <sup>a</sup> (In Millions)	
Administrative responsibility for: (1) federal grants, (2) Drug Medi-Cal Program, (3) drug court technical assistance, and (4) parolee services programs	209.4	\$313.1	Department of Health Care Services
Problem Gambling Program, Driving Under the Influence Program, Narcotic Treatment Program, Counselor Certification	32.3	12.0	Department of Public Health
Licensing Activities	34.2	4.5	Department of Social Services

<sup>a</sup> Includes State Operations and Local Assistance.  
Note: Personnel years and total funds are displayed as shown in the Governor's budget proposal for the department receiving the program or function from the Department of Alcohol and Drug Programs (DADP).



The figure shows the personnel years and total funds (combined state operations and local assistance) that the Governor proposes to shift from DADP to the departments listed in the right-hand column of the figure.



## General Principles of When Government Reorganizations Make Sense

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- Reorganization Should Maintain or Improve Efficiency**
  - Eliminate overlapping or duplicative government functions.
  - Maximize existing resources through better departmental coordination and allocation of administrative functions.
  - Result in savings from eliminating duplicative government functions and achieving economies of scale.
  
- Reorganization Should Maintain or Improve Effectiveness**
  - Contribute toward the fulfillment of the mission of the department or entity that will assume responsibility for administration of program(s).
  - Result in the public receiving better government services.
  
- Reorganization Should Maintain or Improve Accountability**
  - Result in a government structure where the Legislature and the public can identify the person or entity responsible for management of a program and hold that person or entity accountable for achieving defined goals and objectives.
  - Clearly delineate the roles and responsibilities of each of the divisions within the new or expanded department or entity.
  
- Reorganization Should Be Based Upon a Policy Rationale**
  - Be consistent with an underlying policy rationale to address a problem or inefficiency that has been clearly identified.
  
- Reorganization Should Reflect Legislative Priorities**
  - Be consistent with priorities that the Legislature has set for a program or government function.



## Key Questions for the Legislature to Consider

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- Some key questions the Legislature may wish to consider in discussing the merits of eliminating DADP and shifting programs to other departments.
  - Will the reorganization result in savings from eliminating duplicative functions, achieving economies of scale, or better coordinating administrative functions? If not, what are the policy and/or fiscal rationale for shifting these programs?
  - How will the new functions be integrated into the broader functions of the transferee departments?
  - What is the transferee department's mission and is this transfer consistent with the fulfillment of that mission?
  - Are the transferee departments clear on their roles for implementing and overseeing their new programs?
  - What oversight mechanisms are in place to ensure the future accountability of the entity that will assume new responsibilities for administration of a program?
  - What policy rationale is there for making a transfer?
  - Does the transfer reflect legislative priorities?