



Department of Alcohol &  
Drug Addiction Services



Department of  
Mental Health

Orman Hall, ODADAS Director • John R. Kasich, Governor • Tracy J. Plouck, ODMH Director

TO: Addiction and Mental Health Community stakeholders  
FROM: Director Orman Hall, ODADAS  
Director Tracy Plouck, ODMH  
DATE: March 25, 2013  
RE: Sequestration – federal block grants

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As many of you are likely aware, the federal government has given guidance to federal agencies regarding their responsibilities for implementing the March 1, 2013 sequester cuts. While no final guidance or technical information has been provided to ODMH or ODADAS, we wanted to make you aware of anticipated cuts. Sequestration affects the major block grants that ODMH and ODADAS receive from the Substance Abuse and Mental Health Services Administration (SAMHSA).

According to the information the state has received so far, we are anticipating the following reductions:

- Mental Health block grant – 5% reduction in the amount of \$668,624
- Substance Abuse Prevention and Treatment (SAPT) block grant – 5% reduction in the amount of \$3,463,988
- Projects for Assistance in Transition from Homelessness (PATH) grant – 5% reduction in the amount of \$110,250

Our planned approach to managing these reductions is to address three quarters' worth in this current State Fiscal Year (which contains three of the federal quarters subject to sequestration) and one quarter of the reduction amounts in State Fiscal Year 14, which begins July 1, 2013.

**FY 13: 75% of reduction amounts listed above** – We have proposed that the state agencies will manage the reduction in the grants listed above for the balance of State Fiscal Year '13 (through June 30, 2013). This will result in the canceling of unobligated balances and planned spending for projects that have not been started, but also means no anticipated impact on current client services.

**SFY 14: 25% of reduction amounts listed above** – Since we have not finalized block grant planning for State Fiscal Year '14 (beginning July 1, 2013), we will be able to take sequestration reductions into account during our planning process with the field. In so doing, we know that we will need to account for at least one quarter's worth of federal cuts, as well as institute changes to the SAPT grant that puts payments back on a prospective cycle in order to bring added stability and avoid payment delays to the field.

We will convene a public meeting in late April to begin planning for State Fiscal Year '14. The goal will be to establish a common philosophy that transcends both SAPT and MH block grant planning approaches, as well as use a consistent process for stakeholder input. More information will be available in early April.

If you have any questions, please contact:

Dalon K. Myricks at [Dalon.myricks@mh.ohio.gov](mailto:Dalon.myricks@mh.ohio.gov) or

Rosalind Gatewood-Tye at [Rosalind.gatewood.tye@ada.ohio.gov](mailto:Rosalind.gatewood.tye@ada.ohio.gov).