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| to: | National Council Association Executives |
| from: | National Council Staff |
| subject: | Proposed Set-Aside for recovery services to the SABG Block Grant |
| date: | June 26, 2021 |

At the June 17th Public Policy Committee meeting we began a conversation regarding the proposal contained in the Biden-Harris Administration’s FY2022 proposed budget which would require states to spend at least 10 percent of their Substance Abuse Treatment and Prevention Block Grant (SABG) on recovery services. The notion of a new “set-aside” for recovery services is supported by a wide range of advocacy organizations and has garnered attention in Congress, where there is some discussion of amending of the authorizing statute for the SABG to make the aforementioned proposed set-aside permanent.

During the Public Policy Committee meeting we did not reach a definitive consensus, and it was suggested that further discussion should occur with and among the Association Executives, as you have the most direct interaction with Single State Agencies and State legislatures. While rumors indicate the chances of Congress amending the statute are slim, we do want to reach a consensus on our advocacy efforts around this potential change.

For background, the SABG already contains several requirements regarding how the monies must be spent:

**Funding Set-Asides and Other Requirements**

The authorizing legislation and implementing regulation for the SABG includes specific funding set-asides, including 20 percent for primary prevention, and five percent for early intervention service for HIV for designated states. The statute also includes performance requirements for the treatment of substance-using pregnant women and women with dependent children and provides states with the flexibility to expend a combination of federal and non-federal funds for women’s services. Additionally, there is a potential 40 percent penalty for a failure to comply with the requirements of the Synar Regulation if the state fails to enact and enforce laws prohibiting the sale or distribution of tobacco products to individuals under the age of 18.

**Proposal for Additional Mandatory Spending: 10 Percent Recovery Support Services Set-Aside**

The Biden-Harris Administration’s FY2022 budget proposal includes a new 10 percent set-aside for non-clinical recovery support services. The set-aside will require SABG grantees to allocate at least 10 percent of their SABG expenditures for recovery community organizations or peer recovery support services. Recovery support systems partner people in recovery from mental and substance use disorders, as well as their family members, with recovery services. These services may include recovery community centers, recovery homes, recovery schools, recovery industries, recovery ministries. These programs utilize individual, community, and system-level approaches to increase the four dimensions of recovery as defined by SAMHSA: health (access to quality health and SUD treatment); home (housing with needed supports); purpose (education, employment, and other pursuits); and community (peer, family and other social supports). States will use these funds to develop local recovery community support institutions, provide system navigation resources and supports, and to collaborate and coordinate with local private, public, non-profit, and faith community response efforts.

This proposed set-aside would build upon the more than two decades of practice-based research that began when SAMHSA awarded the first Recovery Community Services Program (1998) discretionary grants expand access to long-term recovery services – a necessary component to extend the continuum of care. There is the potential that thisproposed set-aside could increase access to recovery support services across the country and complement the existing efforts to respond to the ongoing opioid crisis that has accelerated during the COVID-19 pandemic.

**Your Opinion Sought**

We are cognizant of how differently substance use prevention, treatment and recovery services in different states are funded and welcome your expertise and feedback as to the impact that an additional set-aside would have on your states and members. While the Biden-Harris Administration’s FY2022 budget proposal includes a substantial increase [FY 2021 Enacted $1,858,079,000/FY 2022 Budget Request $3,508,079,000], there is no guarantee that the additional funding will be appropriated by Congress. It is also likely that if the proposed set-aside is included in this year’s appropriation package, it will continue in future years (we have seen this happen on to the MHBG for both First-Episode Psychosis and Crisis services).

There is no question that recovery services play an important role for many people in their recovery journey. The question to be decided is how much flexibility should be maintained when it comes to block grants? Would having 30 percent of the monies designated before arrival present difficulties for providers and state associations?