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HEALTH AND SAFETY CODE - HSC

DIVISION 10.8. SUBSTANCE ABUSE TREATMENT FUNDING [11999.4 - 11999.13] (*Division 10.8 added November 7, 2000, by initiative Proposition 36, Sec. 7.*)

[11999.4.](#) Establishment of the Substance Abuse Treatment Trust Fund

A special fund to be known as the "Substance Abuse Treatment Trust Fund" is created within the State Treasury and is continuously appropriated for carrying out the purposes of this division.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)

[11999.5.](#) Funding Appropriation

Upon passage of this act, \$60,000,000 shall be continuously appropriated from the General Fund to the Substance Abuse Treatment Trust Fund for the 2000–01 fiscal year. There is hereby continuously appropriated from the General Fund to the Substance Abuse Treatment Trust Fund an additional \$120,000,000 for the 2001–02 fiscal year, and an additional sum of \$120,000,000 for each such subsequent fiscal year concluding with the 2005–06 fiscal year. These funds shall be transferred to the Substance Abuse Treatment Trust Fund on July 1 of each of these specified fiscal years. Funds transferred to the Substance Abuse Treatment Trust Fund are not subject to annual appropriation by the Legislature and may be used without a time limit. Nothing in this section precludes additional appropriations by the Legislature to the Substance Abuse Treatment Trust Fund.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)

[11999.6.](#) Moneys deposited in the Substance Abuse Treatment Trust Fund shall be distributed annually by the Secretary of California Health and Human Services through the State Department of Health Care Services to counties to cover the costs of placing persons in and providing drug treatment programs under this act, and vocational training, family counseling, and literacy training under this act. Additional costs that may be reimbursed from the Substance Abuse Treatment Trust Fund include probation department costs, court monitoring costs, and any miscellaneous costs made necessary by the provisions of this act other than drug testing services of any kind. Incarceration costs cannot be reimbursed from the fund. Those moneys shall be allocated to counties through a fair and equitable distribution formula that includes, but is not limited to, per capita arrests for controlled substance possession violations and substance abuse treatment caseload, as determined by the department as necessary to carry out the purposes of this act. The department may reserve a portion of the fund to pay for direct contracts with drug treatment service providers in counties or areas in which the director of the department has determined that demand for drug treatment services is not adequately met by existing programs. However, nothing in this section shall be interpreted or construed to allow any entity to use funds from the Substance Abuse Treatment Trust Fund to supplant funds from any existing fund source or mechanism currently used to provide substance abuse treatment. In addition, funds from the Substance Abuse Treatment Trust Fund shall not be used to fund in any way the drug treatment courts established pursuant to Article 1 (commencing with Section 11970) or Article 2 (commencing with Section 11975) of Chapter 2 of Part 3 of Division 10.5, including drug treatment or probation supervision associated with those drug treatment courts.

(Amended by Stats. 2013, Ch. 22, Sec. 66. (AB 75) Effective June 27, 2013. Operative July 1, 2013, by Sec. 110 of Ch. 22. Note: This section was added on Nov. 7, 2000, by initiative Prop. 36.)

[11999.6.1.](#) (a) Notwithstanding any other provision of law, when the department allocates funds appropriated to the Substance Abuse Treatment Trust Fund, it shall withhold from any allocation to a county the amount of funds previously allocated to that county from the fund that are projected to remain unencumbered, up to the amount that would otherwise be allocated to that county. The department shall allow a county with unencumbered funds to retain a reserve of 5 percent of the amount allocated to that county for the most recent fiscal year in which the county received an allocation from the fund without a reduction pursuant to this subdivision.

(b) The department shall allocate 75 percent of the amount withheld pursuant to subdivision (a) in accordance with Section 11999.6 and any regulations adopted pursuant to that section, but taking into account any amount withheld pursuant to subdivision (a).

(c) The department shall reserve 25 percent of the amount withheld pursuant to subdivision (a) until all counties have submitted final actual expenditures for the most recent fiscal year. The department shall then allocate the funds reserved to adjust for actual rather than projected unencumbered funds, to the extent that the amount reserved is adequate to do so. Any balance of funds not reallocated pursuant to this subdivision shall be allocated in accordance with subdivision (e).

(d) If the department determines from actual expenditures that more funds should have been withheld from any county than were withheld pursuant to subdivision (a), it shall adjust any allocations pursuant to subdivision (e) accordingly, to the extent possible. If one or more counties fails to report actual expenditures in a timely manner, the department may, in its discretion, proceed with the available information, and may exclude any nonreporting county from any allocations pursuant to this section.

(e) If revenues, funds, or other receipts to the Substance Abuse Treatment Trust Fund are sufficient to create additional allocations to counties, through reconsideration of unencumbered funds, audit recoveries, or otherwise, the Director of Finance may authorize expenditures for the department in excess of the amount appropriated no earlier than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house and the Chairperson of the Joint Legislative Budget Committee, or at an earlier time that the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(f) The department may implement this section by All-County Lead Agency letters or other similar instructions, and need not comply with the rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(Added by Stats. 2006, Ch. 75, Sec. 23.1. Effective July 12, 2006.)

11999.7. Local Government Authority to Control Location of Drug Treatment Programs

Notwithstanding any other provision of law, no community drug treatment program may receive any funds from the Substance Abuse Treatment Trust Fund unless the program agrees to make its facilities subject to valid local government zoning ordinances and development agreements.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)

11999.8. Surplus Funds

Any funds remaining in the Substance Abuse Treatment Trust Fund at the end of a fiscal year may be utilized to pay for drug treatment programs to be carried out in the subsequent fiscal year.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)

11999.9. (a) The department shall conduct three two-year followup studies to evaluate the effectiveness and financial impact of the programs that are funded pursuant to the requirements of this act, and submit those studies to the Legislature no later than January 1, 2009, January 1, 2011, and January 1, 2013, respectively. The evaluation studies shall include, but not be limited to, a study of the implementation process, a review of lower incarcerations costs, reductions in crime, reduced prison and jail construction, reduced welfare costs, the adequacy of funds appropriated, and other impacts or issues the department can identify, in addition to all of the following:

(1) Criminal justice measures on rearrests, jail and prison days averted, and crime trends.

(2) A classification, in summary form, of rearrests as having occurred as a result of:

(A) A parole violation.

(B) A parole revocation.

(C) A probation violation.

(D) A probation revocation.

(3) A classification, in summary form, of the disposition of crimes committed in terms of whether the person was:

(A) Retained on probation.

(B) Sentenced to jail.

(C) Sentenced to prison.

(4) Treatment measures on completion rates and quality of life indicators, such as alcohol and drug used, employment, health, mental health, and family and social supports.

(5) A separate discussion of the information described in paragraphs (1) to (3), inclusive, for offenders whose primary drug of abuse was methamphetamine or who were arrested for possession or use of methamphetamine and, commencing with the report due on or before January 1, 2009, the report shall include a separate analysis of the costs and benefits of treatment specific to these methamphetamine offenders.

(b) In addition to studies to evaluate the effectiveness and financial impact of the programs that are funded pursuant to the requirements of this act, the department shall produce an annual report detailing the number and characteristics of participants served as a result of this act, and the related costs.

(Amended by Stats. 2006, Ch. 63, Sec. 3. Effective July 12, 2006. Note: This section was added on Nov. 7, 2000, by initiative Prop. 36.)

11999.10. The department shall allocate up to 0.5 percent of the fund's total moneys each year to fund the costs of the studies required in Section 11999.9 by a public or private university.

(Amended by Stats. 2006, Ch. 63, Sec. 4. Effective July 12, 2006. Note: This section was added on Nov. 7, 2000, by initiative Prop. 36.)

11999.11. County Reports

Counties shall submit a report annually to the department detailing the numbers and characteristics of clients-participants served as a result of funding provided by this act. The department shall promulgate a form which shall be used by the counties for the reporting of this information, as well as any other information that may be required by the department. The department shall establish a deadline by which the counties shall submit their reports.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)

11999.12. The department shall conduct periodic audits of the expenditures made by any county that is funded, in whole or in part, with funds provided by this act. Counties shall repay to the department any funds that are not spent in accordance with the requirements of this act. The department may require a corrective action by the county in the place of repayment, as determined by the department.

(Amended by Stats. 2006, Ch. 63, Sec. 5. Effective July 12, 2006. Note: This section was added on Nov. 7, 2000, by initiative Prop. 36.)

11999.13. Excess Funds

At the end of each fiscal year, a county may retain unspent funds received from the Substance Abuse Treatment Trust Fund and may spend those funds, if approved by the department, on drug programs that further the purposes of this act.

(Added November 7, 2000, by initiative Proposition 36, Sec. 7. Operative July 1, 2001, pursuant to Sec. 8 of Prop. 36.)