

EXECUTIVE SUMMARY

Unified Community Mental Health and Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUPTRS-BG) Application for FFY 2027 Funds

This document contains information regarding the required funding application which is submitted in even numbered years and consists of adjustments to planned expenditures for the second year of the originally submitted and approved two-year plan.

Kentucky's application for state fiscal years 2026-2027 was submitted on September 1, 2025, by the Kentucky Department for Behavioral Health, Intellectual and Developmental Disabilities (DBHDID), the state's designated authority for both mental health and substance use disorder prevention and treatment (in compliance with Public Law 102-321) and applies to funds that become available in federal fiscal years (FFYs) 2026 and 2027.

Block grant funds are awarded based on federal fiscal year funding cycles (October 1 – September 30) and are expended in two-year cycles. The commonwealth submits a bi-annual plan in odd-numbered years, based on each total award, and submits an annual abbreviated funding plan in even-numbered years. This abbreviated funding plan is due by September 1, 2026 for the planning period of October 1, 2026 – September 30, 2027.

Beginning October 1, 2026, the anticipated funding for the **Community Mental Health Services (CMHS) Block Grant is \$12,511,387**, an increase of \$44,003 from the current year. The anticipated funding for the **Substance Use Prevention, Treatment, and Recovery Services (SUPTRS) Block Grant is \$21,305,840**, an increase of \$20,981 from the current year. These amounts are based on the final allocations for FFY 2026.

Block grant funds can only be used to carry out the activities identified in Kentucky's approved plan; to evaluate programs under the plan; and to plan, administer, and educate partners regarding services and supports under the plan. The majority (approximately eighty-five percent) of the block grant funds are allocated to Kentucky's 14 community mental health centers, to provide a full array of mental health and substance use prevention and treatment services. Federal limitations on administrative costs (no more than five percent of the total award) and maintenance of effort requirements must be met. A portion of the state's mental health funding (determined by the Substance Abuse and Mental Health Services Administration (SAMHSA) in 1994) must be directed for children's services. Ten percent of the total mental health block grant funding must be spent for early interventions for early serious mental illness/first episode psychosis, and five percent of the total mental health block grant funding must be spent for crisis services. In addition, twenty percent of substance use block grant funding must be directed for primary prevention activities and a portion of the state's substance use block grant funding (set by SAMHSA in 1994) must be directed for treatment services for women's services (women with substance use issues who are pregnant and/or have dependent children).

The required block grant plans must address all activities and funding that build systems of care for individuals with behavioral health care needs, not only those supported by block grant funds. Therefore, the application for federal funds helps drive the development of stronger services and

supports utilizing all funding sources, including Medicaid, other federal grants, locally obtained funds, and state general fund appropriations for mental health and substance use disorder prevention and treatment, from the Kentucky General Assembly.

The federal agency also requires that the plan be presented for formal review by a designated panel of stakeholders, the Kentucky Behavioral Health Planning and Advisory Council, which provides BHDID with valuable input from constituents. Parents, family members, and adults and young adults with relevant behavioral health lived experience are represented on the council, and the department believes that the state's plan is stronger because of their involvement, insight, and feedback. In addition to the council meetings, a drafted abbreviated funding plan will be available via the DBHDID website and comments will be encouraged.

The funding plan is comprised of three sections, including:

- (I) State Information, Certification and Assurances;
- (II) Eight Planning Tables; and
- (III) Six Environmental Factors (Updated Narratives)