Analysis and Summary of Governor's FFY 27 Federal Block Grant Allocation Plans

Joint Hearing of Committees on Appropriations, Human Services, Public Health

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OFFICE OF FISCAL ANALYSIS

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INTRODUCTION
Pursuant to CGS Section 4-28b, the Governor has submitted for consideration proposed block grant allocation plans for the Community Mental Health Services Block Grant (CMHSBG), the Community Services Block Grant, the Maternal and Child Health Services Block Grant (MCHBG), the Preventive Health and Health Services Block Grant (PHHSBG), the Social Services Block Grant (SSBG), and the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUPTRSBG). The allocation plans take effect on October 1, 2026.

OVERVIEW
The proposed allocation plans are based on assumed federal grant awards (and estimated carry forward funding), as Congress has yet to finalize the FFY 27 appropriations for these programs. The allocation plans assume level base grant awards. A comparison of the proposed funding levels to the FFY 26 amounts is presented in the following table:

FFY 27 Percentage Change from FFY 26

Block Grant	Assumed Block Grant Award	Estimated Funds Carried Forward	Total Funds Available
CMHSBG	-	-12.6%	-3.2%
CSBG	-	-42.9%	-9.0%
MCHBG	-	-	-
PHHSBG	-	-	-
SSBG	-	-41.2%	-9.0%
SUPTRS	-	49.9%	6.3%

FEDERAL BUDGET ACTION
Final Congressional action has yet to be taken on FFY 27 appropriations for these grants.

CONTINGENCY PLAN
If funding is more or less than the amount assumed in each proposal, program funding and services may be adjusted. Per CGS Section 4-28b, any proposed transfer over $50,000 to or from any specific allocation or any transfer amount that is 10% of any specific allocation (whichever is less) must be submitted to the speaker and president pro tempore to be approved, modified or rejected by relevant committees.

MAJOR RECOMMENDED CHANGES
Major recommended changes are described for each block grant below, followed by historical expenditures and the proposed allocation for each program category. A table summarizing block grant objectives and allocation processes is located on page 10.

<u>Substance Use Prevention, Treatment, and Recovery Services Block Grant</u>

The SUPTRBG is administered by the Department of Mental Health and Addiction Services (DMHAS).

Community Treatment Services - The proposed FFY 27 funding level maintains current programming. FFY 26 expenditures are lower due to the timing of contract payments.

Recovery Support Services – The proposed increases reflect (1) lower FFY 26 costs due to the timing of contract payments for Case Management and Outreach, and (2) the annualization of Employment Services costs for statewide service expansion that began in FFY 26.

Prevention & Health Promotion –The proposed FFY 27 allocation maintains current programming and reflects typical spending levels. FFY 26 expenditures are lower than anticipated.

Substance Use Prevention, Treatment and Recovery Services Block Grant
FFY 27 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Community Treatment Services	**2,497,674**	**2,314,470**	**2,334,524**	**20,054**	**0.9%**
Outpatient	2,160,262	2,016,060	2,036,114	20,054	1.0%
Opioid Treatment Programs	337,412	298,410	298,410	-	0.0%
Residential Treatment	**2,296,853**	**2,305,283**	**2,305,283**	**-**	**0.0%**
Withdrawal Management	341,893	341,805	341,805	-	0.0%
Residential Care for Substance Use Disorder	1,954,960	1,963,478	1,963,478	-	0.0%
Recovery Support Services	**10,103,186**	**9,962,205**	**10,241,980**	**279,775**	**2.8%**
Case Management and Outreach	4,618,541	4,481,640	4,680,708	199,068	4.4%
Employment Services	549,703	531,595	612,302	80,707	15.2%
Ancillary Services/ Transportation	3,367,779	3,382,934	3,382,934	-	0.0%
Shelter	1,567,163	1,566,036	1,566,036	-	0.0%
Prevention & Health Promotion	**5,262,863**	**4,407,239**	**5,227,239**	**820,000**	**18.6%**
Primary Prevention	5,262,863	4,407,239	5,227,239	820,000	18.6%
TOTAL EXPENDITURES	**20,160,576**	**18,989,197**	**20,109,026**	**1,119,829**	**5.9%**
SOURCE OF FUNDS					
Block Grant	20,610,165	20,474,118	20,474,118	-	0.0%
Balance Forward From Previous Year	2,526,207	2,975,795	4,460,716	1,484,921	49.9%
TOTAL FUNDS AVAILABLE	**23,136,372**	**23,449,913**	**24,934,834**	**1,484,921**	**6.3%**

Community Mental Health Services Block Grant

The CMHSBG is administered by the Department of Mental Health and Addiction Services (DMHAS) and the Department of Children and[2] Families (DCF).

ADULT SERVICES: Services for adults are maintained and include several adjustments noted below. Carryforward funds may be used to support unanticipated block grant funding modifications.

Emergency Crisis – The allocation maintains programming. FFY 26 expenditures include FFY 25 costs due to the timing of certain contract payments.

Admin- RBHAOs – The proposed increase reflects the annualization of Regional Suicide Advisory Board contract costs that began in FFY 26.

CHILDREN'S SERVICES:

CT Community KidCare – The allocation maintains program costs and reflects the elimination of one-time funding for training development, which has been completed.

Early Serious Mental Illness (ESMI)/First Episode Psychosis (FEP) –FFY 26 expenditures are higher than the proposed FFY 27 allocation due to the timing of certain contract payments. Programming is maintained.

Outpatient Intensive – The proposed decrease reflects estimated FFY 27 costs after completing the training and implementation of a certain treatment model in FFY 26.

Community Mental Health Services Block Grant
FFY 27 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
PROGRAM: ADULT SERVICES					
Emergency Crisis	2,175,189	2,248,500	2,232,163	(16,337)	-0.7%
Outpatient Services/Intensive Outpatient	653,996	595,665	595,665	-	0.0%
Residential Services	1,296,292	1,174,972	1,174,972	-	0.0%
Social Rehabilitation	138,729	145,044	145,044	-	0.0%
Employment Services	485,394	499,206	499,206	-	0.0%
Case Management	473,821	820,162	820,162	-	0.0%
Family Education/ Training	118,817	129,618	129,618	-	0.0%
Consumer Peer Support in Community Mental Health Provider Setting	179,206	213,437	213,289	(148)	-0.1%
Parenting Support/Parental Rights	47,699	64,708	64,708	-	0.0%
Peer to Peer Employment Services	52,106	52,852	52,852	-	0.0%
Admin- Regional Behavioral Health Action Organizations	206,119	526,053	599,453	73,400	14.0%
Early Serious Mental Illness (ESMI)/ First Episode Psychosis (FEP) 10% Set-Aside	969,939	1,007,439	1,007,439	-	0.0%
SUBTOTAL ADULT EXPENDITURES	**6,797,307**	**7,477,656**	**7,534,571**	**56,915**	**0.8%**
PROGRAM: CHILDREN'S SERVICES					
Respite Care for Families	362,250	360,000	360,000	-	0.0%
FAVOR Family Peer Support Specialist	944,450	945,000	945,000	-	0.0%
Youth Suicide Prevention/Mental Health Promotion	101,077	212,500	212,500	-	0.0%
CT Community KidCare	50,058	105,000	80,000	(25,000)	-23.8%
Extended Day Treatment	19,979	37,500	37,500	-	0.0%
Early Serious Mental Illness (ESMI)/ First Episode Psychosis (FEP) 10% Set-Aside	435,677	349,074	309,427	(39,647)	-11.4%
Outpatient Services/Intensive Outpatient	307,118	283,000	170,500	(112,500)	-39.8%
Quality of Care	385,312	227,500	227,500	-	0.0%
Behavioral Health Outcomes	26,900	50,000	50,000	-	0.0%
Other Connecticut Community KidCare	8,107	25,000	25,000	-	0.0%
Emergency Crisis	801,834	675,000	675,000	-	0.0%
SUBTOTAL CHILDREN EXPENDITURES	**3,442,763**	**3,269,574**	**3,092,427**	**(177,147)**	**-5.4%**
TOTAL EXPENDITURES	**10,240,070**	**10,747,230**	**10,626,998**	**(120,232)**	**-1.1%**
SOURCE OF FUNDS					
Block Grant	10,331,224	10,314,217	10,314,217	-	0%
Balance Forward From Previous Year	3,340,791	3,431,945	2,998,932	(433,013)	-12.6%
TOTAL FUNDS AVAILABLE	**13,672,015**	**13,746,162**	**13,313,149**	**(433,013)**	**-3.2%**

Maternal and Child Health Services Block Grant

The MCHSBG is administered by the Department of Public Health (DPH).

> **Administrative Expenditures** – The change to the proposed allocation primarily reflects negotiated wage and benefit increases and a shift in administrative costs from the Children & Youth with Special Health Care Needs program to the Maternal and Child Health program.

Maternal and Child Health Services Block Grant
FFY 27 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Maternal & Child Health					
Perinatal Case Management	147,037	212,287	212,287	-	0.0%
Reproductive Health Services	16,092	16,092	16,092	-	0.0%
Information and Referral	201,690	201,690	201,690	-	0.0%
School Based Health Services	273,691	273,691	273,691	-	0.0%
Genetics	36,000	36,000	36,000	-	0.0%
Other	32,280	85,000	85,000	-	0.0%
Program Subtotal	706,790	824,760	824,760	-	0.0%
Administrative Expenditures	2,266,744	2,180,968	2,240,334	59,366	2.7%
MCH Total	**2,973,534**	**3,005,728**	**3,065,094**	**59,366**	**2.0%**
Children & Youth with Special Health Care Needs					
Medical Home Community Based Care Coordination Services	883,011	863,011	863,011	-	0.0%
Reproductive Health Services	2,405	2,405	2,405	-	0.0%
Genetics	4,000	4,000	4,000	-	0.0%
Information and Referral	41,310	41,310	41,310	-	0.0%
School Based Health Services	14,405	14,405	14,405	-	0.0%
Other	0	0	0	-	0.0%
Program Subtotal	945,131	925,131	925,131	-	0.0%
Administrative Expenditures	1,086,641	1,074,446	1,015,080	(59,366)	-5.5%
CYSHCN Total	**2,031,772**	**1,999,577**	**1,940,211**	**(59,366)**	**-3.0%**
TOTAL EXPENDITURES	**5,005,306**	**5,005,305**	**5,005,305**	**-**	**0.0%**
SOURCE OF FUNDS					
Block Grant[i]	5,005,306	5,005,306	5,005,306	**-**	0.0%
TOTAL FUNDS AVAILABLE	**5,005,306**	**5,005,306**	**5,005,306**	**-**	**0.0%**

[i]Block grant funds are available for expenditure over a two-year period. There are no carryover funds in the MCHSBG program.

Preventive Health and Health Services Block Grant

The PHHSBG is administered by the Department of Public Health (DPH).

FFY 26 block grant funding was decreased by $186,973 in May 2026. The allocation for the Asthma program category was reduced to reflect the termination of a contract that had not yet been executed, and the allocation for Local Health Departments was reduced to reflect the intent to shift three contracts related to tobacco use prevention and cessation programs to other available funding sources.

While FFY 27 funding levels remain the same as FFY 26, the proposed allocation plan shifts admin funding to support a salary increase for a position in the Office of Policy and Strategic Initiatives (OPSI).

As of April 2026, block grant funds are now available for expenditure in a one-year period, rather than a two-year period.

Preventive Health and Health Services Block Grant
FFY 27 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Administrative Support	160,624	192,377	172,315	(20,062)	-10.4%
Asthma	97,356	69,660	69,660	-	0.0%
Cancer Prevention	42,727	42,727	42,727	-	0.0%
Cardiovascular Disease Prevention	20,000	20,000	20,000	-	0.0%
Local Health Departments	1,021,349	830,319	830,319	-	0.0%
Rape Crisis Services	75,278	75,278	75,278	-	0.0%
Surveillance and Evaluation	316,228	316,228	316,228	-	0.0%
Youth Suicide Prevention	99,198	99,198	99,198	-	0.0%
Nutrition and Weight Status	14,587	14,587	14,587	-	0.0%
Office of Policy and Strategic Initiatives (OPSI)	736,481	736,481	756,543	20,062	2.7%
TOTAL EXPENDITURES	**2,583,829**	**2,396,855**	**2,396,855**	**-**	**0.0%**
SOURCE OF FUNDS					
Block Grant[ii]	2,583,829	2,396,855	2,396,855	-	**0.0%**
TOTAL FUNDS AVAILABLE	**2,583,829**	**2,396,855**	**2,396,855**	**-**	**0.0%**

[ii] Block grant funds are available for expenditure over a one-year period. There are no carryover funds.

Social Services Block Grant

The SSBG is administered by the Department of Social Services (DSS) in conjunction with the Departments of Housing (DOH), Aging and Disability Services (ADS), and DMHAS.

Family Planning – The proposed decrease reflects the elimination of temporary funding added via an amendment to the FFY 25 plan to help off-set the loss of other federal funding for family planning services. Other funding sources are now available to support this programming.

Increases under **Case Management, Independent & Transitional Living, and Other Services** reflect FFY 22 through FFY 27 cost-of-living-adjustments, supported by carryforward funds.

Social Services Block Grant
FFY 2 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Case Management Services	**2,840,494**	**2,640,494**	**2,782,887**	**142,393**	**5.4%**
DSS	2,413,440	2,413,440	2,555,833	142,393	5.9%
DMHAS	227,054	227,054	227,054	-	0.0%
DOH	200,000	-	-	-	0.0%
Counseling Services	**83,051**	**83,051**	**83,051**	**-**	**0.0%**
DMHAS	83,051	83,051	83,051	-	0.0%
Employment Services	**472,413**	**308,433**	**308,433**	**-**	**0.0%**
DSS	472,413	308,433	308,433	-	0.0%
Family Planning Services	**1,424,718**	**1,424,718**	**924,718**	**(500,000)**	**-35.1%**
DSS	1,424,718	1,424,718	924,718	(500,000)	-35.1%
Home-Based Services	**2,041,604**	**1,679,800**	**1,679,800**	**-**	**0.0%**
DSS	2,041,604	1,679,800	1,679,800	-	0.0%
Home Delivered Meals	**1,283,734**	**832,601**	**832,601**	**-**	**0.0%**
ADS	1,283,734	832,601	832,601	-	0.0%
Independent & Transitional Living Services	**6,982,216**	**7,711,056**	**8,152,292**	**441,236**	**5.7%**
DSS	75,000	75,000	75,000	-	0.0%
DOH	6,749,744	7,478,584	7,919,820	441,236	5.9%
DMHAS	157,472	157,472	157,472	-	0.0%

SSBG FFY 27 Allocation Plan (continued)

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Legal Services	**596,712**	**710,990**	**710,990**	**-**	**0.0%**
DSS	596,712	710,990	710,990	-	0.0%
Protective Services for Adults	**698,044**	**1,055,019**	**1,055,019**	**-**	**0.0%**
DSS	505,895	859,647	859,647	-	0.0%
ADS	192,149	195,372	195,372	-	0.0%
Substance Abuse Services	**1,332,365**	**1,332,365**	**1,332,365**	**-**	**0.0%**
DMHAS	1,332,365	1,332,365	1,332,365	-	0.0%
Other Services	**1,393,958**	**1,475,235**	**1,552,593**	**77,358**	**5.2%**
DSS	1,133,145	1,170,243	1,239,287	69,044	5.9%
DSS- Personal Services	260,813	304,992	313,306	8,314	2.7%
TOTAL EXPENDITURES	**19,149,309**	**19,253,762**	**19,414,749**	**160,987**	**0.8%**
SOURCE OF FUNDS					
Block Grant	17,225,500	17,255,724	17,255,724	-	0.0%
Balance Forward From Previous Year	6,777,734	4,853,925	2,855,887	(1,998,038)	-41.2%
TOTAL FUNDS AVAILABLE	**24,003,234**	**22,109,649**	**20,111,611**	**(1,998,038)**	**-9.0%**

Community Services Block Grant

The CSBG is administered by the Department of Social Services (DSS).

Grants to Eligible Entities – The proposed reduction reflects the use of General Funds (appropriated in the FY 27 Budget) rather than CSBG carryforward funding to support cost-of-living adjustments (COLAs).

Allocations for other program categories (State Agency Administration and Discretionary Programs) remain at FFY 26 levels.

Community Services Block Grant
FFY 27 Allocation Plan

Program Category	FFY 2025 Actual Expenditures $	FFY 2026 Estimated Expenditures $	FFY 2027 Proposed Expenditures $	$ Change 27 v. 26	% Change 27 v. 26
Grants to Eligible Entities					
ACCESS Agency, Inc.	757,498	757,498	672,583	(84,915)	-11.2%
Alliance for Community Empowerment (ACE)	564,462	1,325,148	1,177,019	(148,129)	-11.2%
Community Action Agency of New Haven, Inc. (CAANH)	1,227,619	1,227,619	1,090,019	(137,600)	-11.2%
Community Action Agency of Western Connecticut, Inc.(CAAWC)	936,661	972,419	863,315	(109,104)	-11.2%
Community Renewal Team of Greater Hartford, Inc. (CRT)	1,630,421	2,181,785	1,938,276	(243,509)	-11.2%
Human Resource Agency of New Britain, Inc. (HRANB)	663,786	663,786	589,765	(74,021)	-11.2%
New Opportunities, Inc. (NOI)	1,334,509	1,334,509	1,185,385	(149,124)	-11.2%
TEAM, Inc.	290,749	297,483	264,348	(33,135)	-11.1%
Thames Valley Council for Community Action,	562,883	657,978	584,745	(73,233)	-11.1%
Formula Allocations - Total	**7,968,588**	**9,418,225**	**8,365,455**	**(1,052,770)**	**-11.2%**
Discretionary Programs	**798,153**	**464,747**	**464,747**	**-**	**0.0%**
State Agency Administration	**343,289**	**464,747**	**464,747**	**-**	**0.0%**
TOTAL EXPENDITURES	**9,110,030**	**10,347,719**	**9,294,949**	**(1,052,770)**	**-10.2%**
SOURCE OF FUNDS					
Block Grant	9,235,789	9,294,949	9,294,949	-	0.0%
Balance Forward From Previous	2,326,233	2,451,992	1,399,222	(1,052,770)	-42.9%
TOTAL FUNDS AVAILABLE	**11,562,022**	**11,746,941**	**10,694,171**	**(1,052,770)**	**-9.0%**

FEDERAL BLOCK GRANTS DESCRIPTIVE SUMMARY

Block Grant	Lead Agency	Program Objective	Federal Allotment Process	State Allotment Process
Community Mental Health Services Block Grant (CMHSBG)	DMHAS/ DCF	Provide grants to support community mental health services for adults with a serious mental illness and for children with a serious emotional disturbance.	Based on the Population at Risk (relative risk of mental health problems in the state), Cost of Services Index (cost of providing related treatment services in the state), and the Fiscal Capacity Index (ability of state to pay for related services).	Adult Services - Based on a statewide advisory structure that includes the Regional Behavioral Health Action Organizations, and the Behavioral Health Planning Council. Children's Services - Based on input from the Children's Behavioral Health Advisory Committee, which serves as the Children's Mental Health Planning Council. MOE: states must maintain expenditures of at least the average of the two prior state fiscal years.
Community Services Block Grant (CSBG)	DSS	Provide grants to help ameliorate the causes of poverty, coordinate governmental and non-governmental programs, and provide services to low-income individuals and families (at or below 125% FPL), through community action agencies.	Based on the same share of funds that the state's local agencies received in 1981 under the Economic Opportunity Act of 1964.	New allocation formula as of 2024, which uses a combination of 1) a fixed amount per Community Action Agency (CAA); 2) the low-income population of a CAA catchment area; and 3) the overall population of the CAA catchment area.
Maternal and Child Health Services Block Grant (MCHBG)	DPH	Provide grants to support programs related to maternal and child health. Funds address reducing adverse perinatal outcomes, providing and ensuring access to care, reducing health disparities and health inequities, and other areas identified in the statewide needs assessment.	Based on the proportion of funds allocated to states that existed when the original eight categorical grants were consolidated in 1981. Amounts appropriated above the level of fiscal year 1983 funding are allocated to states in proportion to the number of low- income children in the state.	Based on various performance measures, with focus provided by the MCH Statewide Needs Assessment conducted every five years. The application must reflect that three dollars of state matching funds are provided for each four dollars in federal funding. The FFY 27 state match is estimated at $4,054,451 and the maintenance of effort requirement is $7,047,965.
Preventive Health and Health Services Block Grant (PHHSBG)	DPH	Provide grants to support the reduction of preventable morbidity and mortality, and the improvement of the health status of targeted populations.	Based on the amount of 1981 funds provided to the state for the original categorical health grants that were combined into the block grant. Additionally, a sex offense set-aside based on a state's population is required.	Based on the recommendations of the Preventive Health and Health Services Block Grant Advisory Committee. Supported programs include prevention of asthma, cancer, and cardiovascular disease, policy and environmental change strategies, emergency medical services, data surveillance, and other related services. The state's FFY 27 maintenance of effort requirement is estimated at $2,414,708.
Social Services Block Grant (SSBG)	DSS	Provide grants to encourage self- sufficiency and prevent and reduce dependency on public assistance for vulnerable individuals. Generally serves recipients with incomes at and below 150% FPL.	Based on state population data (Department of Commerce census data).	Based on the state's focus within the 29 federal service categories. FFY 27 funding will support 11 categories, including case management, family planning services, and independent & transitional living.
Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUPTRSBG)	DMHAS	Provide grants for alcohol and other drug abuse services, which include community treatment, residential and recovery support services, and prevention and health promotion services.	Based on the Population at Risk (relative risk of substance abuse problems in the state), Cost of Services Index (cost of providing related prevention and treatment services in the state), and the Fiscal Capacity Index (ability of state to pay for related services).	Based on surveys, needs assessments, analysis of DMHAS service data, and input from Connecticut-based advisory boards. MOE: states must maintain expenditures of at least the average of the two prior state fiscal years.