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DCTS Memo 2026-02

To: Subscribers of the DCTS Memo Email Distribution List

From: Gynger Steele, Administrator

## Community Mental Health Services Block Grant – Community Aids Formula Allocation and Reporting Requirements

### Summary

This memo outlines the reporting requirements for calendar year (CY) 2025 Community Mental Health Services Block Grant (CMHSBG) funds. It also outlines expenditure requirements for the use of CY 2027 CMHSBG funds. Counties must comply with the reporting requirements in the Program Participation System (PPS), including reporting client functional outcomes every six months through the Consumer Status Data Set (CSDS) in PPS.

The CY 2025 expenditures report/CY 2027 expenditures plan must be submitted through an online reporting form, the [Community Mental Health Services Block Grant Community Aids Allocation Report](#). Instructions on how to complete the online reporting form are included in this memo. **This report must be completed no later than May 15, 2026.** Counties also are required to report the number of people served using the CMHSBG Community Aids Formula Allocation.

This memo is distinct and separate from the annual community mental health allocation memo. Counties must comply with the reporting requirements outlined in both memos.

### Background

The Division of Care and Treatment Services (DCTS) is annually awarded a CMHSBG (Assistance Listing #93.958) from the Center for Mental Health Services (CMHS) within the Substance Abuse and Mental Health Services Administration (SAMHSA). DCTS, as required by [Wis. Stat. § 20.435\(7\)\(o\)](#) and [Wis Stat. § 46.40\(2m\)\(b\)](#), obligates up to \$2,513,400 of the CMHSBG to all counties within the state through a community aids formula allocation. The formula allocation is based on each county's population, Medicaid caseload, and per capita income.

### Reporting requirements

Each county's reported expenditures for CY 2025 and expenditures plan for CY 2027 are **due May 15, 2026**. The plan should follow the requirements described in this memo and be submitted through the [Community Mental Health Services Block Grant Community Aids Allocation Report](#).

### Community aids formula allocation reporting for 2025

The CMHSBG award carries reporting requirements on how the funding was spent. As a result, DCTS

requires counties to report how much of their formula allocation was spent and for what purpose. The online reporting form should be used to record county expenditures in the nine allowable expenditure categories and the associated outcomes for those expenditures.

### **Community aids formula allocation expenditures for 2026**

Counties must spend their community aids formula allocation for CY 2026 by December 31, 2026. The associated expenditure reports are due to the [Grant Enrollment, Application and Reporting System \(GEARS\)](#) within 90 days of the expenditure deadline. Please check your current expenditure level to ensure your county is on track to spend its allocation by December 31, 2026. If you have questions, email [dhswebmaildcts@dhs.wisconsin.gov](mailto:dhswebmaildcts@dhs.wisconsin.gov).

### **Community aids formula allocation amounts for 2027**

DCTS expects to receive \$15,131,855 in 2027 CMHSBG funds from CMHS, of which \$2,513,400 is tentatively allocated to county programs using the community aids formula. Because of potential for changes in federal funding, the final amount will not be determined until the federal budget is passed. See pages 4-5 for a listing of the projected allocation for each county.

### **Number of individuals served with CMHSBG dollars**

DCTS requires counties to provide a count of the number of individuals served by the Community Aids Formula Allocation. If numbers served are not known, counties should estimate the number served.

### **CMHSBG community aids expenditure requirements**

Federal and state requirements associated with the expenditure of the community aids formula allocation are described in detail on pages 6-11 of this memo.

Some of these requirements include:

- Funds must be used for activities associated with community mental health services.
- Funds must be used for services to adults with serious mental illness (SMI) or children with serious emotional disturbance (SED).

DCTS has identified nine program areas to which counties can apply these funds, including Community Support Programs (CSP), supported housing, jail diversion, crisis intervention, family and consumer peer support and self-help, services for children and adolescents with SED, programs for people with co-occurring mental illness and substance use challenges, community mental health data set development, and Comprehensive Community Services (CCS). The requirements associated with the expenditure of the community aids formula allocation may change upon federal approval of the CMHSBG FY 2026 requirements.

In addition to reporting CY 2025 expenditures, counties must use the online reporting form to submit a plan for the expenditure of their CY 2027 Community Aids Formula Allocation.

### **Priority for serving individuals who are homeless**

In 2005, DCTS added a priority to improve efforts to serve people who are homeless and have a SMI through either immediate action or priority placement on a waitlist. Counties are requested to prioritize the reporting of people who are homeless and have a SMI through PPS. The primary objective of prioritizing people who have an SMI and are homeless is to provide this population with better access to mainstream mental health services. CMHSBG funds can be dedicated to any of the priority program

areas to provide mainstream mental health services to people with a SMI who are homeless. PPS data will be used by DCTS to report on services provided to people who are homeless. All PPS data must be completed for all clients with a SMI who are homeless regardless of whether CMHSBG is used to fund their services.

Data describing individuals who are homeless should be recorded in PPS fields as follows:

- Code 80 indicating an individual is homeless should be recorded as a client characteristic.
- Code 1 for individuals who meet the Blue-Ribbon Commission (BRC) criteria for inclusion in the CSDS, indicating the individual lives on the street or in a shelter.

### **Care and treatment of individuals who interact with the criminal justice system**

Counties may use the CMHSBG Community Aids Allocation for community-based services for people with serious mental illness who interact with the criminal justice system. These services must be rendered by community-based providers going into jails. Questions about this guidance can be sent to [dhswebmaildcts@dhs.wisconsin.gov](mailto:dhswebmaildcts@dhs.wisconsin.gov).

### **Subrecipient monitoring requirement**

Counties that use their allocation to fund subrecipient agencies for services must implement fiscal monitoring and oversight to ensure the subrecipient is in compliance with [Public Law 102-321, Section 1911\(b\) and 1912\(b\)](#), as outlined on pages 6-11 of this memo.

### **Instructions for the online reporting form**

- Access the form, [Community Mental Health Services Block Grant Community Aids Allocation Report](#).
- Select “save and continue later” at the top of the screen if you wish to save your work and complete the form at a later time. You will then be prompted to enter your email. A unique link will be emailed to you. This link will allow you to return to the survey where you left off.
- Certify the accuracy of the information provided by answering the final question.
- Contact [hannah.foley@dhs.wisconsin.gov](mailto:hannah.foley@dhs.wisconsin.gov) with any questions or issues with the online reporting form.

After submitting the form, you will receive an email confirming the report was successfully completed. You will be provided with a copy of the data that was entered.

## **2026 CMHSBG requirements**

### **A. Client eligibility for services**

With respect to [Public Law 102-321, Section 1911\(b\) and 1912\(b\)](#), CMHS established final definitions for the target populations that would be served by funds from the CMHSBG. These definitions apply directly to those county programs using these funds. Funds may be used only to provide services to mental health clients who meet the following definitions. DHS is responsible for assuring CMHS that these funds are appropriately used.

#### **Definitions of children and adolescents with SED**

Serious emotional disturbance is defined as someone under the age of 18 having (within the past year) a diagnosable mental, behavioral, or emotional disorder that resulted in functional impairment

that substantially interferes with or limits the child’s role or functioning in family, school, or community activities.

**Definition of adults with an SMI**

Pursuant to Section 1912(c) of the Public Health Service Act, as amended by Public Law 102-321, “adults with a serious mental illness” are people age 18 and over who currently have, or at any time during the past year, had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified within DSM-5 or their ICD-10 [BS1] equivalent (and subsequent revisions) with the exception of DSM-5 codes, substance use disorders, and developmental disorders that are excluded unless they co-occur with another diagnosable serious mental illness that has resulted in functional impairment that substantially interferes with or limits one or more major life activities.

**B. Allowable services**

The purpose of these funds is to expand the county-operated or contracted system of community-based services for children with SED and adults with SMI. These funds must be used to initiate new programs, or significantly strengthen existing programs for these population categories, refer to [Public Law 102-321, Section 1916\(a\)](#).

**Program priority areas**

The community aids formula allocation funds are to be used to expand a number of services; specifically, the funds allocated to county programs may be used for the following program priority areas:

1. Certified CSP development and service delivery
2. Supported housing program development and service delivery
3. Initiatives to divert people from jails to mental health services
4. Development and expansion of mobile crisis intervention programs
5. Consumer peer support and self-help activities
6. Coordinated, comprehensive services for children with SED
7. Development of strategies and services for people with co-occurring mental health and substance use disorders
8. Mental health outcome data system improvement
9. Certified CCS program development and service delivery

The following section defines allowable uses of the funds for each of the nine priority areas and presents information on how funds may be used. Use of the funds in these priority areas should be reported through PPS as a service. Each of the descriptions of the program priority areas below are followed by its associated Standard Program Category (SPC) code, which counties should use when recording data in PPS.

**1. Certified CSP development and service delivery**

Funds may be used only by certified CSP for the following activities:

- Hire additional staff to serve people on waiting lists.
- Address clients’ vocational needs by hiring vocational counselors.
- Address clients’ substance uses issues by hiring additional staff with that expertise.
- Provide parenting skills training and other specialized services to CSP clients who are

parents.

- Assist CSP-eligible adolescents who are in transition from children’s services to adult services.
- Send staff to training or hire trainers to work with staff.
- Use money for client emergencies, such as medications, vocational incentive money, etc.
- Purchase necessary equipment to enhance programming.

Services delivered with these funds should be reported using the following SPC code in PPS:

**509 Community support**

**2. Supported housing program development and service delivery**

Funds are to be used to increase the mental health agency’s staff resources and knowledge to help people with SMI choose, obtain, and keep normal housing. **Note:** These funds may be used to assist mental health clients who are homeless and in need of services in the county. The funds may also be used to increase the mental health agency’s capacity to identify the housing needs of clients; develop overall housing plans; and educate landlords, public housing authorities, housing planners, and developers about the housing needs of clients. The housing on which the efforts are targeted needs to be based on the choice of consumers, have a regular landlord/tenant lease, and be integrated with housing/apartments for people without disabilities. Clients must also have the opportunity to choose their roommates/housemates. These funds may not be used for the purchase of land or buildings, payment of a mortgage, or payment of rent for a client. Funds may be used to:

- Conduct or hire consultants to conduct consumer housing preference studies.
- Hire a housing coordinator to address clients’ housing needs with other housing providers, including landlords.
- Send staff to training regarding housing issues or hire trainers to teach staff to understand housing and support service issues.
- Hire housing staff that provide day-to-day support to clients to choose, acquire, and keep housing of their choice.
- Provide community-based residential facility (CBRF) services.

Services delivered with these funds should be reported using the following SPC codes in PPS:

**106 Housing/energy assistance**

**506 CBRF**

**3. Initiatives to divert people from jails to mental health services**

Expand or develop capacity at mental health agencies to identify, build relationships with, and divert and support people with serious mental illness or children and adolescents with serious emotional disturbances from jails, when appropriate. Funds may be used to:

- Hire jail liaison staff.
- Purchase training and consultation to develop jail linkages.
- Purchase necessary equipment to enhance programming.

No standard program categories are available to record this program priority area in PPS.

**4. Development and expansion of mobile crisis intervention programs**

Develop or expand the ability of mental health staff to provide mobile crisis intervention and resolution services 24 hours a day/seven days a week. Innovative efforts to develop alternatives to hospitalization are also eligible for these funds. Funds may be used to:

- Hire staff to provide mobile crisis intervention and resolution services.
- Purchase training or send staff to training regarding crisis intervention and resolution techniques.
- Purchase necessary equipment to enhance programming.
- Develop community-based crisis resolution programs like community crisis beds.
- Pay for respite services.
- Fund a consumer-operated support telephone line.
- Fund a consumer-operated crisis alternative.

Services delivered with these funds should be reported using the following SPC codes in PPS:

**501.00 Initial crisis intervention - hours**

**501.10 Initial crisis intervention - days**

**501.20 Crisis follow-up - hours**

#### **5. Consumer peer support and self-help activities**

Organizations that focus on providing self-help, peer-to-peer support, or peer support to families of adults with SMI or children/adolescents with SED, clients, and individuals that previously received services. Funds may be used to:

- Pay rent and pay operating expenses for an office and a meeting place.
- Pay expenses related to publishing a newsletter.
- Hire a staff person, preferably a consumer or family member, to set up meetings and perform administrative duties.
- Develop peer support and self-help programs, including clubhouses, drop-in centers, supported telephone lines, crisis alternatives, housing referral and support, employment referral, etc.
- Reimburse members' mileage to help them attend meetings, pay for babysitters, etc.
- Pay expenses to assist members in attending meetings and conferences, including conferences out of state.
- Hire consumers or family members to provide assistance to other clients and family members in working with the mental health system during a crisis, when there is a complaint, etc.

Services delivered with these funds should be reported using the following SPC codes in PPS:

**507.90 Peer support/recovery coach**

#### **6. Coordinated, comprehensive services for children with SED**

Develop and/or expand the mental health agency's capacity to provide comprehensive and coordinated services for children and adolescents with SED. Funds may be used to:

- Hire a service coordinator with the qualifications specified under [Wis. Stat. § 46.56](#), an individual who is qualified by specialized training and clinical experience with children with SED and their families.
- Create a pool of funds to provide flexible services to maintain children and youth in their homes or the community.

- Hire a children’s specialist (master’s degree with 3,000 hours) for the Wis. Stat. Ch. 51 system who can team with a second worker to provide in-home therapy services.
- Identify gaps in the service array and fund missing services.
- Hire a child mental health therapist to assist CSP-eligible adolescents in transition from children’s services to adult services.

Services delivered with these funds should be reported using the following SPC codes in PPS:

- 103      Respite care**
- 604      Case management**
- 501.00 Initial crisis intervention - hours**
- 501.10 Initial crisis intervention - days**
- 501.20 Crisis follow up - hours**
- 507      Counseling/therapeutic resources**
- 704      Day treatment - medical**
- 510.10 Comprehensive Community Services (CCS) - hours**

**7. Development of strategies and services for people with co-occurring mental health and substance use disorders**

The purpose of this priority area is to develop innovative strategies and approaches for providing integrated community services for people with SMI who have substance use challenges. The proposed system for these individuals must incorporate and integrate mental health and substance use treatment. Funds may be used to:

- Add or provide specialized training/certification to staff of the agency’s CSP.
- Develop a case management program.
- Develop a new community treatment and support program for people with dual diagnosis.

Services delivered with these funds should be reported using the following SPC codes in PPS:

- 507      Counseling/therapeutic resources**
- 509      Community Support Program**
- 510.10 Comprehensive Community Services - hours**
- 604      Case management**

**8. Mental health outcome data system improvement**

The purpose of this program initiative is to promote the development of client, program, and outcome mental health data to enhance knowledge about those being served, and to provide for the future planning of services and resources for those with SMI or SED. Funds may be used to:

- Attend regional or statewide training on goals of mental health data-set development.
- Develop innovative, county-based pilot projects for mental health data collection.
- Purchase capital equipment, specifically computer equipment and software, in order to utilize a state-developed mental health data set.
- Hire or contract for computer personnel in order to integrate a state-developed data set with a local system and transfer data gained to state-based system.

No standard program categories are necessary to record for this program priority area in PPS.

**9. Certified CCS program development and service delivery**

Funds may be used only by certified CCS counties for the following activities:

- Hire additional staff to serve people on waiting lists.
- Address clients' vocational needs by hiring vocational counselors.
- Address clients' substance use issues by hiring additional staff with that expertise.
- Provide parenting skills training and other specialized services to CCS clients who are parents.
- Assist eligible adolescents who are in transition from children's services to adult services.
- Send staff to training or hire trainers to work with staff.
- Purchase necessary equipment to enhance programming.

Services delivered with these funds should be reported using the following SPC code in PPS:

**510.10 Comprehensive Community Services - hours**

**C. Restrictions on funds**

The Allowable Cost Manual states that capital equipment requests that exceed \$5,000 require a waiver from DCTS. All items that exceed \$5,000 should be justified in the appropriate section of the online reporting form. This section requires that a request for capital equipment be tied to the goals of the proposal.

Agencies may not expend the CMHSBG to:

- Provide inpatient services or services in a community-based residential facility.
- Make cash payments to intended recipients of health services.
- Purchase or improve land; purchase, construct, or permanently improve a building or other facility; pay down payments or mortgage for property; or purchase major medical equipment.
- Satisfy any requirement for the expenditure of nonfederal funds as a condition for the receipt of federal funds, that is, medical assistance match for CSP, CCS, or case management services.
- Provide financial assistance to any entity other than a public or nonprofit private entity.
- Supplant existing funding for services for children with SED or adults with SMI.
- Purchase, prescribe, or provide marijuana or treatment using cannabis.

**CMHSBG Community Aids Formula Allocation - CY 2027**

Adams County Department of Community Programs	\$8,555
Ashland County Human Services Department	\$9,580
Barron County Human Services Department	\$20,066
Bayfield County Department of Community Programs	\$7,354
Brown County Department of Human Services	\$98,340
Buffalo County Department of Health and Human Services	\$7,803
Burnett County Department of Health and Human Services	\$7,248
Calumet County Department of Human Services	\$12,388
Chippewa County Department of Human Services	\$27,037
Clark County Community Services	\$16,032
Columbia County Human Services Department	\$16,818
Crawford County Human Services Department	\$7,939
Dane County Department of Human Services	\$160,098
Dodge County Human Services and Health Department	\$31,007
Door County Department of Community Programs	\$7,665
Douglas County Department of Human Services	\$25,572
Dunn County Department of Human Services	\$18,754
Eau Claire County Department of Human Services	\$51,569
Florence County Human Services Department	\$3,434
Fond du Lac County Department of Community Programs	\$37,307
Forest County Human Services Department	\$5,386
Grant-Iowa Unified Board	\$30,080
Green County Human Services Department	\$11,554
Green Lake County Dept. Of Health and Human Services Department	\$6,805
Iron County Department of Human Services	\$3,621
Jackson County Department of Health and Human Services	\$8,922
Jefferson County Human Services Department	\$26,128
Juneau County Department of Human Services	\$10,820
Kenosha County Department of Human Services	\$72,813
Kewaunee County Department of Human Services	\$7,486
La Crosse County Human Services Department	\$56,779
Lafayette County Human Services Department	\$7,785
North Central Community Services Program (Langlade/Lincoln/Marathon)	\$71,892
Manitowoc County Human Services Department	\$35,127
Marinette County Health and Human Services Department	\$18,732
Marquette County Unified Services Board	\$6,423
Menominee County Department of Human Services Department	\$5,752
Milwaukee County Department of Human Services	\$685,914
Monroe County Department of Human Services	\$18,307
Oconto County Department of Human Services	\$13,353

Oneida County Human Services Department	\$11,796
Outagamie County Department of Human Services	\$64,126
Ozaukee County Department of Community Programs	\$25,233
Pepin County Department of Human Services	\$4,795
Pierce County Department of Human Services	\$13,239
Polk County Human Services Department	\$17,164
Portage County Health and Human Services Department	\$25,490
Price County Human Services Department	\$8,029
Racine County Human Services Department	\$100,488
Richland County Health and Human Services Department	\$9,465
Rock County Human Services Department	\$73,312
Rusk County Health and Human Services Department	\$9,661
St Croix County Health and Human Services Department	\$17,529
Sauk County Department of Human Services	\$17,541
Sawyer County Health and Human Services Department	\$8,146
Shawano Department of Community Programs	\$16,604
Sheboygan County Health and Human Services Department	\$51,197
Taylor County Human Services Department	\$9,043
Trempealeau County Unified Board	\$15,769
Vernon County Department of Human Services	\$12,392
Vilas County Human Services Department	\$7,434
Walworth County Dept. Of Health and Human Services	\$22,005
Washburn County Human Services Department	\$8,386
Washington County Human Services Department	\$37,470
Waukesha County Department of Health and Human Services	\$109,469
Waupaca County Department of Human Services	\$20,786
Waushara County Department of Community Programs	\$10,433
Winnebago County Department of Community Programs	\$68,961
Wood County Unified Services	\$39,193
 TOTAL	 \$2,513,400

Email questions or concerns about this memo to [dhswebmaildcts@dhs.wisconsin.gov](mailto:dhswebmaildcts@dhs.wisconsin.gov).