



Substance Abuse and Mental Health
Services Administration

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NOTIFICATION LETTER TO RECIPIENT FOR TERMINATION OF FEDERAL AWARD FOR NON-ALIGNMENT WITH SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA) PRIORITIES

Funding for the referenced award is hereby terminated pursuant to 2 C.F.R. § 200.340(a)(4). This letter constitutes a notice of termination, effective January 13, 2026.

Pursuant to the terms of the award and 2 C.F.R. § 200.340(a)(4), SAMHSA may terminate a federal award, "to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities."

SAMHSA's current priorities, <https://www.samhsa.gov/about/strategic-priorities>, include focusing agency resources on promoting innovative programs and interventions that address the rising rates of mental illness and substance abuse conditions, overdose, and suicide and their connections to chronic diseases, homelessness, and other challenges our Nation's communities face. A key component of this effort is innovations in grant making – developing grants tailored to states and communities that provide services and supports to effect immediate and positive health changes in the people and communities we serve; and to measure our success. As a result, SAMHSA is adjusting its discretionary award portfolio, which includes terminating some of its awards, in order to better prioritize agency resources towards the above-mentioned priorities.

Although in its discretion SAMHSA may suspend (rather than immediately terminate) an award to allow the recipient an opportunity to take appropriate corrective action before SAMHSA makes a termination decision, after review and consideration, no corrective action is possible here since no corrective action could align the award with current agency priorities.

Costs resulting from financial obligations incurred after termination are not allowable other than in accordance with 2 CFR § 200.472 or as may be provided in further instruction from the agency. Nothing in this notice excuses either SAMHSA or you from complying with the closeout obligations imposed by 2 C.F.R. §§ 200.344-200.345. Consistent with 2 C.F.R. 200.344, you will have 120 days from the effective date of termination to liquidate all financial obligations incurred prior to termination of this award.

Christopher D. Carroll
Principal Deputy Assistant Secretary