

**State Fiscal Year (SFY) 2026-27  
Substance Use Prevention, Treatment, and Recovery Services Block Grant  
(SUBG) Preliminary Allocation**

**Overview of Programs, Funding, and Allocation Methodologies**

This Exhibit describes the Department of Health Care Services (DHCS) allocation methodologies and programs for SFY 2026-27. For complete information on the terms and conditions of all funds and programs, please refer to your county's Performance Contract and SFY 2026-27 SUBG County Application.

**Federal Trust Funds**

The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), provides federal SUBG funds to states. The block grant program number is 93.959 in the Catalog of Federal Domestic Assistance.

**SUBG Award**

The SFY 2026-27 Budget Act Allocation includes funds from the Federal Fiscal Year 2026 SUBG Award. Payments to counties are based on actual expenditures and reimbursement of incurred costs. SUBG Invoices and supporting details are due 45 days after each SFY quarter.

SUBG funds are allocated to counties to support program activities for specific areas of need. Only Discretionary funds may be expended on programs supporting other areas of need identified under the SUBG Set-Asides. Set-Aside funds shall be expended solely for their designated purposes and cannot be used for other programs unless authorized.

A. Preliminary SFY 2026-27 SUBG Discretionary – \$148,113,846

SUBG Discretionary funds provide flexibility to support needed substance use disorder (SUD) treatment, prevention, and recovery services. These services may include targeted efforts for specific populations such as youth and pregnant and parenting women.

In accordance with the United States Code (U.S.C.), Title 42, Section 300x-22, SUBG Discretionary funds may be used to plan, implement, and evaluate activities to prevent and treat SUD. For counties with populations of less than 40,000 residents, DHCS continues the SUBG Exchange Program, which allows eligible counties to exchange SUBG Perinatal and Adolescent and Youth Treatment (AYT) Set-Asides funds for SUBG Discretionary funds. For more information on the SUBG Exchange Program, please refer to Exhibit C.

To assist counties in spending down their allocation amounts for SFY 2026-27, each county's Discretionary allocation has been slightly reduced to increase each county's Primary Prevention Set-Aside amount.

**B. Preliminary SFY 2026-27 Prevention Set-Aside – \$57,848,095**

U.S.C. Title 42, Section 300x-22(a) requires the State to spend a minimum of 20 percent of its total SUBG Award on primary prevention services. For SFY 2026-27, California continues to prioritize prevention, defined as strategies, programs, and services directed at individuals who have not been determined to require treatment for SUD. As a result, DHCS continues to allocate each county's Primary Prevention Set-Aside amount to equal 25 percent of their total allocation for SFY 2026-27. The increase in county Primary Prevention Set-Aside from 20 percent to 25 percent of the total award is part of an effort to ensure that California meets federal requirements, particularly those concerning prevention spending. DHCS will not accept requests to adjust the SFY 2026-27 SUBG Primary Prevention Set-Aside.

A county's spending of its allocated primary prevention funds is integral to meeting federal SUBG spending requirements and aligning with California's priorities. Counties must utilize SAMHSA's Strategic Prevention Framework in their local decision-making, prioritizing high-need areas and populations based on data and evidence, where applicable, and selecting strategies that best address the high-need areas and populations being served. Strategies may consist of individual- and population-based services using one or more of the Center for Substance Abuse Prevention's six prevention strategies: Information dissemination, education, alternatives, problem identification and referral, community-based processes, and environmental.

**C. Preliminary SFY 2026-27 Perinatal Set-Aside – \$17,057,843**

Perinatal set-aside funds are used for women-specific services for treatment and recovery from alcohol and other SUD, along with diverse, supportive services for California women and their children. Perinatal programs, as part of the Perinatal Services Network, must meet the requirements outlined in the Perinatal Practice Guidelines (PPG). Counties must use these funds to increase or maintain existing perinatal treatment capacity and programs. Counties may also use these funds to add new perinatal services or programs or change existing programs. See the [Perinatal Practice Guidelines](#).

Perinatal Set-Aside funding is a component of the SUBG Exchange Program. DHCS is allocating SFY 2026-27 SUBG Perinatal Set-Aside funds based on the previous SFY's final allocation level. For more information on how the Exchange Program affects a specific county's Perinatal Set-Aside, please refer to Exhibit C of this Information Notice.

D. Preliminary SFY 2026-27 Adolescent and Youth Treatment Program – \$7,334,583

SUBG Adolescent Youth Treatment (AYT) funds provide youth with comprehensive, age-appropriate SUD services. The Adolescent Substance Use Disorder Best Practices Guide, revised in October 2020, is designed for counties to use in developing and implementing AYT programs funded by this allocation. Please see the [Adolescent Best Practices Guide](#).

AYT funding is a component of the SUBG Exchange Program. DHCS is allocating SFY 2026-27 SUBG AYT funds based on the previous SFY's final allocation level. For more information on how the Exchange Program affects a specific county's AYT Set-Aside, please refer to Exhibit C of this Information Notice.