

May 8, 2024

Behavioral Health Information Notice No: 24-017

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Allocation of Funding for Substance Use Prevention, Treatment, and Recovery Services, State Fiscal Year 2024-25 and 2025-26 Preliminary Allocations

PURPOSE: This Information Notice (IN) transmits the State Fiscal Year (SFY) 2024-25 and 2025-26 Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) Preliminary Allocations to County Behavioral Health Program Directors and County Drug and Alcohol Administrators for informational and planning purposes

REFERENCE: Health & Safety Code §11814

BACKGROUND:

This IN includes three exhibits:

- (A) Overview of Programs, Funding, and Allocation Methodologies
Exhibit A describes the allocation methodologies and the permitted uses of the SUBG funds administered by the Community Services Division in the Department of Health Care Services (DHCS).
- (B) Statewide Preliminary Allocation Summary of SUBG Funds
Exhibit B displays the SUBG total statewide allocations from DHCS for substance use disorder prevention and treatment service programs.

(C) SUBG Exchange Program

Exhibit C, Part 1, describes the SUBG Exchange Program, which allows small counties (fewer than 40,000 residents) to exchange SUBG Perinatal and SUBG Adolescent and Youth Treatment allocations for SUBG Discretionary funds. Exhibit C, Part 2, shows the SUBG Table of Exchanges.

DISCUSSION:

The total preliminary SUBG allocation to counties will be \$230,354,367 for SFY 2024-25 and \$230,354,367 for SFY 2025-26. These proposed allocations of funds are contingent upon enactment of the SFY 2024-25 and 2025-26 Budget Act and federal appropriations. Should any adjustments be made after enactment of the SFY 2024-25 or 2025-26 Budget Act, a revised IN will be issued to reflect allocation revisions.

Due to the shift from advance payments to SUBG payments in arrears, counties will no longer be able to determine expenditures from a specific Federal Fiscal Year (FFY) and are expected to track spending by SFY during the SUBG period of performance. For SFY 2024-25, counties will be responsible for administering the allocations provided in their SFY 2024-25 SUBG County Applications from July 1, 2024, through June 30, 2025. For SFY 2025-26, counties will be responsible for administering the allocations provided in their SFY 2025-26 SUBG County Applications from July 1, 2025, through June 30, 2026.

Changes/Additions – Syringe Services Program (SSP)

Beginning in Quarter 2 of SFY 2024-25, DHCS will allow counties to use up to forty percent of their total SFY Discretionary Fund allocation for SSPs. Counties applying to utilize SUBG funding for a SSP must adhere to federal policies, restrictions, and requirements. Counties must not exceed this forty percent funding limitation.

Instead of a traditional set-aside, DHCS has established an annual SSP allowance for each county (refer to Exhibit B – Statewide Preliminary Allocation Summary of SUBG Funds). Counties may use their Discretionary SUBG funds for SSP activities up to the predetermined allowance amount. Any expenditure for SSP services will reduce the county's Discretionary Fund allocation accordingly.

DHCS will provide counties with new services codes for SSP upon release of the SUBG second quarter invoice and general ledger for SFY 2024-25. Counties must use the SSP service code to record all such expenditures in their quarterly invoices. The SSP service code must also be used in the SUD Cost Reporting System for final settlement of county SUBG expenditures.

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For more information, please refer to Enclosure 5 of the SFY 2024-25 and 2025-26 biennial SUBG county applications.

Invoicing and Payment

DHCS will notify counties from which FFY awards their SUBG Invoices have been reimbursed for cost reporting. DHCS will email SUBG Invoice templates to county fiscal contacts before the start of SFY 2024-25 and 2025-26. The SUBG Invoice contains a workbook titled "DHCS USE ONLY," indicating from which FFY award the invoice was paid. Counties will receive copies of the completed SUBG Invoice form following payment.

The due dates for SFY 2024-25 SUBG Invoices will be as follows:

- SFY2024-25 Q1 (07/1/2024 – 09/30/2024): 11/15/2024
- SFY2024-25 Q2 (10/1/2024 – 12/31/2024): 2/18/2025
- SFY2024-25 Q3 (01/1/2025 – 03/31/2025): 5/15/2025
- SFY2024-25 Q4 (04/1/2025 – 06/30/2025): 8/15/2025

The due dates for SFY 2025-26 SUBG Invoices will be as follows:

- SFY2025-26 Q1 (07/1/2025 – 09/30/2025): 11/17/2025
- SFY2025-26 Q2 (10/1/2025 – 12/31/2025): 2/17/2026
- SFY2025-26 Q3 (01/1/2026 – 03/31/2026): 5/15/2026
- SFY2025-26 Q4 (04/1/2026 – 06/30/2026): 8/17/2026

Additional copies of this IN and associated Exhibits can be downloaded from the DHCS website. Questions concerning this IN and its Exhibits should be directed to SUBG@dhcs.ca.gov.

Sincerely,

Original signed by

Marlies Perez, Chief
Community Services Division

Enclosures