

**State Fiscal Year (SFY) 2024-25 and 2025-26
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 the SFY 2024-25 and 2025-26. For complete information on the terms and conditions of all funds and programs, please refer to your county's Performance Contract and SFY 2024-25 and 2025-26 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 2024-25 and 2025-26 Budget Act Allocation includes funds from the SFY 2025 2026 SUBG Award will continue to be funded at the same or similar level as the SFY 2023 SUBG Award.

Counties must report non-cumulative expenses for each award through a SUBG Invoice (formerly the Quarterly Federal Financial Management Reports - see [MHSUDS Information Notice 18-057](#)). 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 provide program funding for categorical areas of need. Only Discretionary funds may be expended on programs supporting other areas of need identified by the SUBG Set-Asides. Set-Aside funds shall only be expended on those specific areas and cannot be used for other programs unless specified.

Preliminary SFY 2024-25 SUBG Discretionary – \$148,113,846

Preliminary SFY 2025-26 SUBG Discretionary – \$148,113,846

SUBG Discretionary funds provide for needed substance use disorder (SUD) treatment, prevention, and recovery services, including services to specific populations. Those

populations include youth and pregnant and parenting women. Per the United States Code (U.S.C.), Title 42, Section 300x-22, SUBG Discretionary funds may be spent on planning, carrying out, and evaluating activities to prevent and treat SUD. For counties with populations of less than 40,000 residents, DHCS continues the SUBG Exchange Program that allows them to exchange SUBG Perinatal Set-Aside and SUBG Adolescent and Youth Treatment (AYT) funds for SUBG Discretionary funds. For a description of the SUBG Exchange Program, please refer to Exhibit C, Part 1. To assist counties in spending down their allocation amounts for SFY 2024-25 and 2025-26, each county's Discretionary amount has been slightly reduced to increase each county's Primary Prevention Set-Aside amount.

Preliminary SFY 2024-25 Prevention Set-Aside – \$57,848,095

Preliminary SFY 2025-26 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 2024-25 and 2025-26, 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 each SFY in 2024-25 and 2025-26. 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 is not accepting requests to adjust the SFY 2024-25 or 2025-26 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.

Preliminary SFY 2024-25 Perinatal Set-Aside – \$17,057,843

Preliminary SFY 2025-26 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 2024-25 and 2025-26 SUBG Perinatal Set-Aside funds based on the SFY 2021-22 final allocation level. For more information on how the Exchange Program affects a specific county's Perinatal Set-Aside, please refer to Exhibit C, Part 1 of this Information Notice.

Preliminary SFY 2024-25 Adolescent and Youth Treatment Program – \$7,334,583

Preliminary SFY 2025-26 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 2024-25 and 2025-26 SUBG AYT funds based on the SFY 2021-22 final allocation level. For more information on how the Exchange Program affects a specific county's AYT Set-Aside, please refer to Exhibit C, Part 1 of this Information Notice.

Preliminary SFY 2024-25 Syringe Services Program (SSP) Allowance - \$59,245,538

Preliminary SFY 2025-26 SSP Allowance - \$59,245,538

Beginning in Quarter 3 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 third 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.

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