

**State Fiscal Year (SFY) 2024-25 and 2025-26
Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG)
Exchange Program**

Background

The SUBG Exchange Program was created to allow for flexibility in SUBG spending for counties with a population of less than 40,000 residents. These smaller counties lack sufficient populations and ongoing demand for specialized treatment services under the Perinatal and Adolescent/Youth Treatment (AYT) Set-Asides. By allowing the exchange of Perinatal and AYT funds for Discretionary funds, small counties can best respond to treatment needs and diminish the possibility that they will need to return unexpended SUBG funds. Counties participating in the Exchange Program are expected to utilize the increase of Discretionary funds to treat substance use disorder clients, including Perinatal and AYT clients, to the extent they have such clients. Counties providing perinatal services must meet the requirements outlined in the [Perinatal Practice Guidelines](#). The [Adolescent Best Practices Guide](#) is designed for counties to use in developing and implementing AYT programs.

SUBG Exchange Program for SFY 2024-25 and 2025-26

For SFY 2024-25 and 2025-26, the SUBG Exchange Program amounts for Perinatal and AYT equal the SFY 2021-22 amounts. Thirteen California counties qualify for the SFY 2024-25 and 2025-26 SUBG Perinatal and AYT Set-Aside Exchange Program. The Perinatal and AYT Set-Asides are proportionately distributed to the remaining 45 counties, while that amount reduces their Discretionary amounts. For a summary of the exchange amounts, see Exhibit C, Part 2, “State Fiscal Year 2024-25 and 2025-26, SUBG Exchange Program Summary of Exchanges.”

Counties interested in initiating or discontinuing participation in the SUBG Exchange Program must notify DHCS by email at SUBG@dhcs.ca.gov by May 31, 2024.