

November 26, 2025

Honorable Scott D. Wiener, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Honorable Anna M. Caballero, Chair  
Senate Appropriations Committee

Honorable Buffy Wicks, Chair  
Assembly Appropriations Committee

### **Section 28.00—Department of Health Care Services**

Pursuant to the provisions of Section 28.00, Budget Act of 2025, the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the Department of Health Care Services (DHCS) for the purpose of increasing local assistance expenditure authority in Item 4260-115-0890 by \$20,043,000 for Program 3960050—Other Care Services. The increase is needed to expend the California 988 Suicide and Crisis Lifeline grant awarded by the federal Substance Abuse and Mental Health Services Administration.

DHCS received official notification of the availability of additional, unanticipated funds on September 29, 2025 and notified Finance within 45 days of this date.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended to address behavioral health crisis through the 988 network, specifically to expand the crisis response workforce, support the growing 988 demand, and enhance public awareness – particularly among high-risk populations. These funds will also support individuals' connections with services such as mobile crisis outreach and crisis stabilization services.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- Due to the September 29, 2026 federal expenditure deadline, the need exists to adjust the expenditure authority in the current fiscal year. Otherwise, the department could be at risk of not fully expending the federal funds.

Finance concurs with the necessity of this change to the approved budget. Finance respectfully requests an expedited review of the submission and a waiver of the 30-day waiting requirement.

If you have any questions or need additional information regarding this matter, please call Natalie Griswold, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:



ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Dawn Addis, Chair, Assembly Budget Subcommittee No. 1  
Honorable Akilah Weber Pierson, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Honorable Heath Flora, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Kim Johnson, Secretary, California Health and Human Services Agency  
Corrin Buchanan, Undersecretary, California Health and Human Services Agency  
Samantha Lui, Deputy Secretary, California Health and Human Services Agency  
Brent Houser, Assistant Secretary, California Health and Human Services Agency  
Michelle Baass, Director, Department of Health Care Services  
Erika Sperbeck, Chief Deputy Director, Department of Health Care Services  
Lindy Harrington, Assistant State Medicaid Director, Department of Health Care  
Services  
Lori Walker, Deputy Director & Chief Financial Officer, Department of Health Care  
Services  
Paula Wilhelm, Deputy Director of Behavioral Health, Department of Health Care  
Services

STATE OF CALIFORNIA  
**BUDGET REVISION**

STD. 26 (REV. 1/2025)


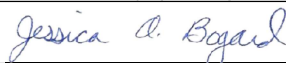
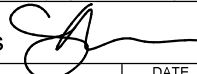
SEE SAM SECTION 6500, ET SEQ. FOR INSTRUCTIONS

DEPARTMENT NAME	FUND	DOCUMENT NUMBER
4260 Department of Health Care Services	Federal Trust Fund	BR 4260-5
		FISCAL YEAR
		2025-26

SOURCE OF FUNDS	AMOUNTS AVAILABLE	INCREASE (+) OR DECREASE (-)	
		REVISION REQUESTED	REVISION APPROVED (DEPT. OF FINANCE USE ONLY)
<b><u>APPROPRIATION</u></b> (List adjustments in detail): Item 4260-115-0890, Budget Act of 2025, Chapter 4, Statutes of 2025 BR 4260-1, Section 8.50 and Section 28.00, Budget Act of 2025 BR 4260-2, Section 8.50 and Section 28.00, Budget Act of 2025 BR 4260-5, Section 8.50 and Section 28.00, Budget Act of 2025	133,027,000 3,709,000 3,670,000	20,043,000	
<b>TOTAL</b> (Must equal the NET APPROPRIATIONS TOTAL below)	140,406,000	20,043,000	
<b><u>UNSCHEDULED APPROPRIATIONS:</u></b> <b><u>LIST OF PROGRAMS, CATEGORIES OR PROJECTS</u></b> <b><u>IN SCHEDULED APPROPRIATION:</u></b> (1) 3960050 - Other Care Services	140,406,000	20,043,000	
<b>NET APPROPRIATION TOTAL</b>	140,406,000	20,043,000	

**PURPOSE OF REVISION** (List in detail, including workload, fiscal history on capitol outlay, and cross-reference supporting and related documents.)

To schedule item; technical adjustment authorized under Control Section 8.50 and Section 28.00, Budget Act of 2025.

REQUESTED BY		RECOMMENDED BY (Department)		APPROVED BY (Dept. of Finance)	
NAME		NAME		NAME	
Julie Kawaye		Jessica Bogard		Sabrina Adams	
TITLE	DATE	TITLE	DATE	TITLE	DATE
SSMII		Division Chief	10/22/2025	Staff Finance Budget Analyst	11/6/2025

*Please report dollars in thousands.*

<b>DEPARTMENT</b> Department of Health Care Services	<b>ITEM NO./ FISCAL YEAR</b> 4260-115-0890 /2025-26	<b>NOTIFICATION LETTER TO LEGISLATURE:</b> <input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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**PROGRAM TITLE PER GOVERNOR'S BUDGET:**

3960050 Other Care Services

<b>FUNDING (SPECIFY FUND)</b>	<b>CURRENTLY BUDGETED</b>	<b>REQUESTED CHANGE (+) OR (-)</b>	<b>TOTAL</b>
Federal Trust Fund 4260-115-8090	140,406	+20,043	160,449

(Check appropriate boxes)

- ☒ The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- ☒ The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- ☒ Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- ☒ The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- ☒ This application is provided to Finance within 45-days of official notice of receipt of funds.
- ☐ Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- ☒ A copy of the official notice of fund availability is attached to this application.
- ☒ One-time expenditure.
- ☐ Ongoing commitment from this source (if checked, explain under Program Proposal).
- ☐ Matching funds required (if checked, explain under Program Proposal).
- ☐ Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

**PART A: For what purpose will the funds be expended?**

This control section 28.00 requests to increase authority for Fiscal Year (FY) 2025-26 for item appropriation 4260-115-0890 for local assistance for implmeneting and administering the California 988 Suicide and Crisis Lifeline grant awarded by the Substance Abuse and Mental health Services Administration (SAMHSA).

The 988 grant funds will be used to address behavioral health crisis through the 988 network, specifically to expand the crisis response workforce, support the growing 988 demand, and enhance public awareness – particularly among high-risk populations. The funding will also support ongoing connections with individuals' post-contact, and support connections with services such as mobile crisis outreach and crisis stabilization services.

**PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:**

The funds are needed in FY 2025-26 to support the continued growth and improvement of the California 988 network. This network provides essential crisis services to individuals at high risk of suicide, operating 24 hours a day, 7 days a week, 365 days a year. Services include suicide risk screenings and assessments, de-escalation, and connecting individuals to appropriate community resources, including mobile crisis and crisis stabilization services.

Delaying this funding until FY 2026-27 would undermine the intended use of these federal funds. A delay would hinder the State's ability to fully develop the 988 program and would result in unspent funds being returned to SAMHSA, as well as potentially lead to the unnecessary loss of life.

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**PROGRAM PROPOSAL** (Attach additional information as necessary)

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**TITLE:****CALIFORNIA 988 SUICIDE AND CRISIS  
LIFELINE****STATUTORY AUTHORITY:** (state, federal, as appropriate)Section 520E-3&520A of PHS Act (42 USC 290bb-36c &  
290bb-32)**DESCRIPTION:**

California's priority for this grant is to enhance the 988 programs in California by expanding the workforce and maximizing call, chat, and text responses; thereby increasing access to the crisis care system in the State of California, and improving outcomes for high-risk populations.

DHCS has the following goals for this grant:

- 1) Recruit, hire, and train behavioral health workforce to staff California's 988 Crisis Centers to increase the capacity to respond, intervene, and provide follow-up to individuals experiencing a behavioral health crisis.
- 2) Enhance coordination among 988 Crisis Centers, 911, and mobile crisis services across California; and
- 3) Implement a comprehensive 988 communication strategy, informed by enhanced statewide data collection.

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**JUSTIFICATION:**

DHCS is requesting a waiver of the 30-day notice requirement, as California is experiencing significant growth in 988 contact volume and urgently needs additional funding to support 988 Crisis Center operations and meet increasing demand. Based on current projections for growth in 988 calls, chats, and texts (collectively referred to as "contacts"), and corresponding staffing level recommendations for 988 Crisis Centers, DHCS anticipates a funding shortfall in FY 2025–26 without the requested support.

From May 2024 through April 2025, California averaged over 52,000 988 contacts per month—a 57 percent increase from the 33,101 contacts received at the time of implementation in July 2022.

In addition to this natural growth, DHCS expects a substantial increase in 988 contacts due to national media campaigns and a recently launched statewide campaign by DHCS. Further growth is anticipated as 988 becomes more integrated into the behavioral health crisis care continuum and as 911–988 interoperability improves, making it easier to transfer callers from 911 to 988. The expansion of chat and text services is also expected to contribute to this increase.

This grant opportunity will help strengthen the 988 network across all 58 counties by funding efforts to coordinate behavioral health services, promote project sustainability, and raise awareness of behavioral health crisis resources in California. These grant funds will support critical functions and activities necessary for the successful deployment and administration of the California 988 network.

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**SUBMITTED BY:****BUDGET OFFICER:***Jessica A. Bogard***DATE:**

10/22/2025

**APPROVED BY DEPARTMENT OF FINANCE:****DATE SUBMITTED TO LEGISLATURE:**

11/26/2025

**DIRECTOR:****DATE:***Erika Sperbeck for MS 10.28.25***PPBA:***Natalie Griswold***DATE:**11/6/2025

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