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October 28, 2026

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In a letter dated October 23, 2026, you notified the Joint Legislative Budget Committee (JLBC) pursuant to Control Section 28.00 in the *2026-27 Budget Act* of a request from the Department of Health Care Services (DHCS) to increase its expenditure authority in Item 4260-115-0890 by $19,523,000 and Item 4260-001-0890 by $673,000. According to your letter, 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 (SAMHSA). You also requested JLBC waive the remainder of the 30-day review period.

The 988 grant funds will be used to expand workforce and support further development and improvement of California's crisis care response system. Based on the growth of 988 contacts, DHCS projects a shortage of funding needed to support the anticipated 988 contact volume in 2026-27. The additional federal funds will help mitigate the shortage.

The U.S. Department of Health and Human Services has put strict spending deadlines on the grant by requiring "recipients to draw down funds within the first 30 days of the period performance to indicate acceptance of the award." According to DHCS, if California fails to draw down the funds within the 30-day period, SAMHSA could withdraw the award.

I have reviewed the notification letter and concur with the request. In addition, I approve your request to waive the remainder of the 30-day review period in order to meet the deadline set by the federal government.

Sincerely,

John Laird

John Laird
Chair

cc: Members of the Joint Legislative Budget Committee

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