STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	**Business Unit Number**	**Department**
FY 2026-27	4260	Health Care Services

Hyperion Budget Request Name	**Relevant Program or Subprogram**
4260-267-BCP-2026-MR	3960050

Budget Request Title
Narcotic Treatment Program and Driving Under the Influence Program Licensing Trust Fund Authority

Budget Request Summary
The Department of Health Care Services, Licensing and Certification Division, requests expenditure authority of $1,000,000 from the Narcotic Treatment Program (NTP) Licensing Trust Fund (LTF) and $1,000,000 from the Driving Under the Influence (DUI) program LTF in 2026-27 and ongoing to support existing licensing and compliance monitoring activities of NTP and DUI programs.

Requires Legislation (submit required legislation with the BCP)	**Code Section(s) to be Added/Amended/Repealed**
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	**Department CIO**	**Date**

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. **Approval Date:**

Project Approval Document: **Total Project Cost:**

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	**Date**	**Reviewed By**	**Date**
Raheem Muhammad-Terrell	5/14/2026	Lindy Harrington	5/14/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Michelle Baass	5/14/2026	Brent Houser for Kim Johnson, CalHHS Secretary	5/14/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	**Date submitted to the Legislature**
Nick Mills	5/14/2026

A. Problem Statement

The Department of Health Care Services (DHCS), Licensing and Certification Division (LCD), requests expenditure authority of $1,000,000 from the Narcotic Treatment Program (NTP) Licensing Trust Fund (LTF) and $1,000,000 from the Driving Under the Influence (DUI) program LTF in 2026-27 and ongoing to support existing licensing and compliance monitoring activities of NTP and DUI programs.

This request builds off the NTP LTF Budget Change Proposal (BCP), 4260-063-BCP-2024-GB, which included an increase of $500,000 NTP LTF expenditure authority in 2024-25 and ongoing to address increased expenses, such as travel, staff salaries, and other administrative costs in the NTP program. DHCS has not requested an augmentation in the DUI LTF since 2022-23.

DHCS is responsible for licensing and compliance monitoring of California's NTP and DUI programs to fulfill statutory and regulatory requirements. NTPs provide medication-assisted treatment in conjunction with care planning, behavioral therapies, and medical services for individuals diagnosed with an opioid use disorder. DUI programs provide substance use disorder assessments, educational resources, and counseling services to individuals mandated by a court or the Department of Motor Vehicles to complete DUI program requirements.

Workload History

NTP Workload Measure	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Exception Requests	5,817	7,595	11,099	10,382	11,480
Relocation Applications	412	430	243	4	2
Mid-Level Applications	23	57	32	215	100
Renewal Applications	175	177	186	183	184
On-site Compliance Visits	175	177	186	178	174
Death Reports	230	222	71	58	59
Complaint Investigations	30	22	36	18	47
DUI Workload Measure	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Review of Virtual Service Protocols	N/A	N/A	N/A	N/A	187
Fee Increase Requests	0* Covid-19	36	224	32	36
Initial Applications	6	2	2	6	5
Bi-Annual Renewal Apps	71	149	83	131	74
Provisional License Visit	N/A	N/A	N/A	N/A	5
Bi-Annual On-site Compliance Visits	89	151	77	122	69
Complaint Investigations	16	27	20	21	24
Program Closures	19	13	9	10	15

B. Justification

Increased expenditure authority for both the NTP and DUI program LTFs is needed because federal Substance Use Prevention, Treatment, and Recovery Services Block Grant funds that were temporarily used to fund 11 NTP and 12 DUI positions are no longer available.

NTP LTF

$1,000,000 NTP LTF in FY 2026-27 and ongoing

Projected labor costs and expenses for DHCS NTP oversight for 2025-26 are estimated to be $2,559,454.37. The current NTP LTF annual appropriation is only $2,491,000. The requested increase of $1,000,000 in annual expenditure authority is needed to fully cover these annual, ongoing costs.

Health and Safety Code (HSC) Section 11839.9(c) states that if funds remain in the NTP LTF after appropriation by the Legislature and allocation for costs associated with narcotic treatment licensure, a percentage of the excess funds shall be annually rebated to the licensees. The increased NTP LTF expenditure authority requested in this BCP will allow collected fees to be appropriately used to support DHCS NTP workload and staffing.

DUI LTF
$1,000,000 DUI program LTF in FY 2026-27 and ongoing

To fund 100 percent of DHCS DUI staff and oversight activities using the DUI program LTF, projected labor and costs and expenses for 2025-26 are estimated to be $1,798,118.67. The DUI program LTF's current appropriation is $1,460,000. An annual increase of $1,000,000 DUI program LTF expenditure authority will enable DHCS to cover DUI staffing oversight expenses including travel, staff salary and benefits.

Approval of this proposal will provide DHCS with expenditure authority to carry out the Department's required workload and business operational needs for oversight of NTP and DUI programs.

C. Departmentwide and Statewide Considerations

An increase in expenditure authority is needed to utilize the available fee revenue and avoid potential General Fund impacts.

LCD does not project needing to increase DUI program or NTP licensure fees to support this proposal in 2026-27 but will evaluate the potential need for a fee increase in future years.

D. Outcomes and Accountability

Approval of this proposal will allow DHCS to carry out the Department's required workload and business operational needs for oversight of NTP and DUI programs. The Department's NTP and DUI program workload includes licensure, oversight, compliance and policy development associated with NTPs and DUI programs. This workload includes processing of licensure applications and renewals; onsite facility inspections; complaint investigations; ongoing monitoring of federal and state laws that must be applied to NTPs and DUI programs in California; and development of policy guidance and technical assistance for providers. The proposal will sustain DHCS's ability to effectively monitor the quality of care participants receive and help maximize the benefits of treatment provided by NTP and DUI programs for Californians receiving substance use services.

Projected Outcomes

NTP Workload Measure	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
New Initial Application Reviews and Processing	44	20	11	13	15	18
Policy Development, Behavioral Health Information Notices, Frequently Asked Questions (FAQs), Letters, Updates from Federal Laws	3	3	3	3	3	3
Protocol Amendments	218	225	232	498	246	253
Capacity Changes	42	44	46	48	50	53
DUI Workload Measure	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
New Initial Application Reviews and Processing	7	10	10	10	10	10
Policy Development, Behavioral Health Information Notices, FAQs, Letters, Updates from Federal Laws	3	5	5	3	3	3
Protocol Amendments	187	120	187	120	80	120

E. Implementation Plan

If the proposal is adopted, LCD will withdraw additional funds from the NTP LTF, 4260-001-0243, and the DUI program LTF, 4260-001-0139, as described above

Additionally, DHCS will continue to monitor the DUI LTF and NTP LTF to determine if fee increases are needed in future fiscal years.

F. Supplemental Information

Attachment A: Fiscal Detail Sheet

G. BCP Fiscal Detail Sheet

BCP Title: Narcotic Treatment Program and Driving Under the Influence Program Licensing Trust Fund Authority

BR Name: 4260-267-BCP-2026-MR

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Salaries and Wages Earnings - Permanent	0	1,160	1,160	1,160	1,160	1,160
Total Salaries and Wages	**$0**	**$1,160**	**$1,160**	**$1,160**	**$1,160**	**$1,160**
Total Staff Benefits	0	584	584	584	584	584
Total Personal Services	**$0**	**$1,744**	**$1,744**	**$1,744**	**$1,744**	**$1,744**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	46	46	46	46	46
5302 - Printing	0	28	28	28	28	28
5304 - Communications	0	28	28	28	28	28
5322 - Training	0	14	14	14	14	14
5324 - Facilities Operation	0	126	126	126	126	126
5344 - Consolidated Data Centers	0	14	14	14	14	14
Total Operating Expenses and Equipment	**$0**	**$256**	**$256**	**$256**	**$256**	**$256**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0139 - Driving Under-the-Influence Program Licensing Trust Fund	0	1,000	1,000	1,000	1,000	1,000
State Operations - 0243 - Narcotic Treatment Program Licensing Trust Fund	0	1,000	1,000	1,000	1,000	1,000
Total State Operations Expenditures	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**
Total All Funds	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
3960050 - Other Care Services	0	2,000	2,000	2,000	2,000	2,000
Total All Programs	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**

Personal Services Details

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150350 - Health Insurance	0	278	278	278	278	278
5150600 - Retirement - General	0	306	306	306	306	306
Total Staff Benefits	**$0**	**$584**	**$584**	**$584**	**$584**	**$584**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$584**	**$584**	**$584**	**$584**	**$584**