



**Governor's Budget Highlights  
Fiscal Year 2016-17**

**California Department of Public Health**

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State of California**

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## CALIFORNIA DEPARTMENT OF PUBLIC HEALTH PROGRAM OVERVIEW

The mission of the California Department of Public Health (Public Health), a nationally-accredited public health department, is to optimize the health and well-being of the people in California, primarily through population-based programs, strategies, and initiatives.

Public Health’s goals are to work towards health equity and the reduction of health disparities; decrease preventable disease, disability, injury, and premature death; promote social and physical environments that support good health for all; prepare for, respond to, and recover from emerging public health threats and emergencies; improve the quality of the workforce and workplace; and promote and maintain an efficient and effective organization. Public Health is working toward these goals through its programmatic and operational support activities, and in collaboration with local health departments and other organizations throughout the State.

The Department is comprised of six Centers, which are: (1) the Center for Chronic Disease Prevention and Health Promotion, (2) the Center for Infectious Diseases, (3) the Center for Family Health, (4) the Center for Environmental Health, (5) the Center for Health Care Quality, and (6) the Center for Health Statistics and Informatics. In addition, the Department has the Emergency Preparedness Office, the Office of Public Affairs, the Office of Health Equity, the Office of Quality Performance and Accreditation, and the Administration Division.

### GENERAL BUDGET OVERVIEW

Public Health’s budget supports activities and services that reinforce the State’s commitment to the health and well-being of all Californians. For Fiscal Year (FY) 2016-17, the Governor’s Budget provides \$2.967 billion for the support of Public Health programs and services, a decrease of 4.63 percent from the 2015 Budget Act. Of the amount approved, \$796 million is for State Operations, \$2.168 billion is for Local Assistance and \$3.8 million is for Capital Outlay. The budget affirms Public Health’s commitment to address the public health needs of Californians.

#### Total Department Budget

Dollars in thousands

Governor’s Budget Fund Source	2015-16 Enacted Budget*	2015-16 Revised Budget	2016-17 Proposed (Governor’s Budget)	% Change from 2015-16 Enacted Budget
<b>General Fund</b>	\$131,593	\$129,886	\$133,969	1.81%
<b>Federal Fund</b>	\$1,767,969	\$1,755,820	\$1,685,024	-4.69%
<b>Special Funds &amp; Reimbursements</b>	\$1,211,973	\$1,090,276	\$1,148,356	-5.25%
<b>Total Funds</b>	<b>\$3,111,547</b>	<b>\$2,975,982</b>	<b>\$2,967,349</b>	<b>-4.63%</b>

\*2016-17 Governor’s Budget 3-YR Expenditures and Positions display totals do not include \$3.8 million General Fund for Capital Outlay. \*Numbers may not add or match to other statements due to rounding of budget detail.

The charts below and the narrative that follows describe the specific budget adjustments.

### State Operations

Dollars in thousands

<b>State Operations by Program</b>					
<b>Governor's Budget Program Title</b>	<b>Program</b>	<b>2015-16 Enacted Budget*</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>	<b>% Change from 2015-16 Enacted Budget</b>
Public Health Emergency Preparedness	4040	\$41,470	\$41,644	\$21,787	-47.46%
Public and Environmental Health	4045	\$509,899	\$519,056	\$497,183	-2.49%
Licensing & Certification	4050	\$260,219	\$264,501	\$276,944	6.43%
Administration	9900100	\$35,980	\$38,898	\$43,568	21.09%
Distributed Administration	9900200	-\$35,980	-\$38,898	-\$43,568	21.09%
<b>Total State Operations</b>		<b>\$811,588</b>	<b>\$825,201</b>	<b>\$795,914</b>	<b>-1.93%</b>

<b>State Operations by Fund Source</b>				
<b>Governor's Budget Fund Source</b>	<b>2015-16 Enacted Budget*</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>	<b>% Change from 2015-16 Enacted Budget</b>
General Fund	\$86,443	\$84,209	\$84,968	-1.71%
Federal Fund	\$289,013	\$298,302	\$272,671	-5.65%
Special Funds & Reimbursements	\$436,132	\$442,690	\$438,275	0.49%
<b>Total State Operations</b>	<b>\$811,588</b>	<b>\$825,201</b>	<b>\$795,914</b>	<b>-1.93%</b>

\*Numbers may not add or match to other statements due to rounding of budget detail.

## Local Assistance

Dollars in thousands

<b>Local Assistance by Program</b>					
<b>Governor's Budget Program Title</b>	<b>Program</b>	<b>2015-16 Enacted Budget*</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>	<b>% Change from 2015-16 Enacted Budget</b>
Public Health Emergency Preparedness	4040	\$72,314	\$72,314	\$50,519	-30.14%
Public and Environmental Health	4045	\$2,227,626	\$2,077,933	\$2,116,499	-4.99%
Licensing & Certification	4050	\$0	\$0	\$618	N/A
<b>Total Local Assistance</b>		<b>\$2,299,940</b>	<b>\$2,150,247</b>	<b>\$2,167,636</b>	<b>-5.75%</b>

<b>Local Assistance by Fund Source</b>				
<b>Governor's Budget Fund Source</b>	<b>2015-16 Enacted Budget*</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>	<b>% Change from 2015-16 Enacted Budget</b>
General Fund	\$45,143	\$45,143	\$45,202	0.13%
Federal Fund	\$1,478,956	\$1,457,518	\$1,412,353	-4.50%
Special Funds & Reimbursements	\$775,841	\$647,586	\$710,081	-8.48%
<b>Total Local Assistance</b>	<b>\$2,299,940</b>	<b>\$2,150,247</b>	<b>\$2,167,636</b>	<b>-5.75%</b>

\*Numbers may not add or match to other statements due to rounding of budget detail.

## Capital Outlay

Dollars in thousands

<b>Capital Outlay by Fund Source</b>			
<b>Governor's Budget Fund Source</b>	<b>2015-16 Enacted Budget</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>
General Fund	\$4,333	\$534	\$3,799
<b>Total Capital Outlay</b>	<b>\$4,333</b>	<b>\$534</b>	<b>\$3,799</b>

<b>Capital Outlay by Program</b>				
<b>Governor's Budget Program Title</b>	<b>Program</b>	<b>2015-16 Enacted Budget</b>	<b>2015-16 Revised Budget</b>	<b>2016-17 Proposed (Governor's Budget)</b>
Capital Outlay	4060	\$4,333	\$534	\$3,799
<b>Total Capital Outlay</b>		<b>\$4,333</b>	<b>\$534</b>	<b>\$3,799</b>

## **PROGRAMMATIC ADJUSTMENTS**

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2015 Budget Act. The major changes include Budget Change Proposals and November Estimates.

References to “GF” refer to the General Fund, “OF” refers to Other Funds including Special Funds, Federal Funds, and Reimbursements; and “TF” represents Total Funds (All funding is shown in whole dollars, not thousands).

### **I. Public Health Emergency Preparedness Program**

This program coordinates preparedness and response activities for all public health emergencies, including natural disasters, acts of terrorism, and pandemic diseases. The program plans and supports surge capacity in the medical care and public health systems to meet needs during emergencies. The program also administers federal and state funds that support the Department’s emergency preparedness activities. There are no major budget adjustments.

### **II. Center for Chronic Disease Prevention and Health Promotion**

This Center works to prevent and control chronic diseases such as cancer, cardiovascular diseases, asthma, adverse pregnancy outcomes, and diabetes; to reduce the prevalence of obesity; to reduce tobacco use; to provide training programs for the public health workforce; to prevent and control injuries, violence, deaths, and diseases related to behavioral, environmental, and occupational factors; to promote and support safe and healthy environments in all communities and workplaces; and to prevent and treat problem gambling. This Center includes Chronic Disease and Injury Control, Environmental and Occupational Disease Control, and the Office of Problem Gambling. Major budget adjustments include:

#### **2015-16 Budget Adjustments**

##### **Active Transportation Program**

4.5 Positions

\$611,000 TF

\$611,000 OF

The Governor’s Budget reflects an administrative establishment of 4.5 positions and \$611,000 in reimbursement authority to implement the Active Transportation Safety Program to promote active transportation throughout California.

#### **2016-17 Budget Adjustments**

##### **Active Transportation Program**

4.5 Positions

\$733,000 TF

\$733,000 OF

The Governor’s Budget reflects an increase of 4.5 permanent positions and \$733,000 in reimbursement authority to implement the Active Transportation Safety Program to promote active transportation throughout California.

## **Protecting Children from the Damaging Effects of Lead Exposure**

7.0 Positions  
\$8,200,000 TF  
\$8,200,000 OF

The Governor's Budget reflects an increase of 7.0 permanent positions and \$8.2 million dollars in expenditure authority from the Childhood Lead Poisoning Prevention Fund (0080). The additional resources will allow the department to extend services to children who have been exposed to lead, defined by a lower blood lead level by the Centers for Disease Control and Prevention.

## **California Environmental Contaminant Biomonitoring Program**

2.0 Positions  
\$350,000 TF  
\$350,000 OF

The Governor's Budget reflects the conversion of 2.0 limited-term positions to permanent positions and \$350,000 in expenditure authority for FYs 2016-17 and 2017-18 from the Toxic Substances Control Account (Fund 0557) to fund Biomonitoring efforts aimed at detecting and measuring emerging chemical threats to California. The current limited-term positions and their funding are due to expire on June 30, 2016.

## **Proposition 99 Health Education Account**

\$4,194,000 TF  
\$4,194,000 OF

The Governor's Budget projects an increase of \$4,194,000 in the Proposition 99 Health Education Account (Fund 0231) as a result of updated Proposition 99 revenue projections. The Budget includes an increase to State Operations appropriations for State Administration of \$200,000, Media Campaign of \$1,916,000, Competitive Grants (Support and Local Assistance) of \$250,000, Evaluation of \$410,000, and an increase to Local Assistance appropriations for Local Lead Agencies of \$1,418,000. The funds will be used for statewide and community education and media efforts aimed at preventing and reducing tobacco use, and to conduct surveillance and evaluation that assess the impact of the California Tobacco Control Program.

## **Proposition 99 Research Account**

\$970,000 TF  
\$970,000 OF

The Governor's Budget projects an increase of \$970,000 in Proposition 99 Research Account (Fund 0234) for State Operations. This includes a \$873,000 increase to Chronic Disease Surveillance and Research Branch and a \$97,000 increase to the Environmental Health Investigations Branch. The funds will be used to continue improving cancer data production and quality assurance through automation, and conducting community-based research activities related to exposure and health effects from electronic cigarettes.

## **Proposition 99 Unallocated Account**

\$822,000 TF  
\$822,000 OF

The Governor's Budget projects an increase of \$822,000 in Proposition 99 Unallocated Account (Fund 0236) for State Operations in the Environmental Health Investigations Branch. The funds will be used for advancing current plans for health equity and environmental justice projects and conducting asthma research and education.

### **III. Center for Infectious Diseases**

This Center works to prevent and control infectious diseases such as HIV/AIDS, viral hepatitis, influenza and other vaccine preventable illnesses, tuberculosis, emerging infections, vector-borne disease, sexually transmitted diseases, infant botulism, and foodborne illnesses. This Center includes Communicable Disease Control, the Office of AIDS, the Office of Binational Border Health, and the Office of Refugee Health. Major budget adjustments include:

#### **2015-16 Budget Adjustments**

##### **ADAP Drug Assistance Program (ADAP) November Estimate**

-\$79,400,000 TF  
-\$79,400,000 OF

The November Estimate projects a current year net decrease in ADAP funding authority of \$79.4 million compared to the 2015 Budget Act. This includes an increase of \$28.2 million in Federal Funds (0890), a decrease of \$90.3 million in ADAP Rebate Fund (3080), and a decrease of \$17.3 million in Safety Net Care Pool (SNCP) reimbursement funds. SNCP reimbursement funds are no longer available to ADAP due to the expiration of the Medi-Cal 1115 waiver on October 31, 2015. The decrease in ADAP expenditures is largely due to clients being able to access public and private health insurance coverage through the implementation of the Affordable Care Act.

#### **2016-17 Budget Adjustments**

##### **ADAP November Estimate**

-\$66,391,000 TF  
-\$66,391,000 OF

The November Estimate projects a budget year net decrease in ADAP funding authority of \$66.4 million compared to the 2015 Budget Act. This includes a decrease of \$16 million in Federal Funds (0890), a decrease of \$32.2 million in ADAP Rebate Fund (3080), and a decrease of \$18.2 million Safety Net Care Pool reimbursements. The decrease in ADAP expenditures is largely due to clients being able to access public and private health insurance coverage through the implementation of the Affordable Care Act.

## **Timely Outbreak Detection and Disease Prevention**

14.0 Positions  
\$1,617,000 TF  
\$1,617,000 GF

The Governor's Budget reflects an increase of 14.0 permanent positions and General Fund expenditure authority of \$1.6 million in FY 2016-17 and \$2.1 million in FYs 2017-18 and 2018-19 to address the emerging public health challenge presented by foodborne disease outbreaks, emerging and re-emerging infectious diseases, antimicrobial resistance, and implementing new technologies to improve the timeliness and completeness of outbreak detection in the state.

## **Increase Access to Human Immunodeficiency Virus (HIV) Pre-Exposure Prophylaxis (PrEP)**

5.0 Positions  
\$3,500,000 TF  
\$3,500,000 OF

The Governor's Budget reflects an increase of 5.0 permanent positions and Federal Fund expenditure authority of \$2.6 million in FY 2015-16 and \$3.5 million from FY 2016-17 through 2017-18 to implement a federal Centers for Disease Control and Prevention (CDC) grant that will address reducing HIV infection among men who have sex with men and transgender persons through PrEP demonstration projects in the high HIV prevalent local health jurisdictions of San Diego, Orange, Alameda, and Riverside.

## **Capital Outlay**

### **Richmond: Viral Rickettsial Disease Laboratory Enhanced Upgrade**

\$3,799,000 TF  
\$3,799,000 GF

The Governor's Budget reflects a re-appropriation of \$3.8 million from a Capital Outlay Project approved in Fiscal Year 2015-16 to upgrade the Bio-Safety Level 3 (BSL-3) certified Viral and Rickettsial Disease Laboratory. The Construction Phase of the laboratory upgrade was delayed. The upgrades are needed to ensure Public Health is able to prepare for, identify, and respond to deadly emerging viral diseases. The upgrades will also ensure Public Health retains its BSL-3 Certification from the federal Center for Disease Control and Prevention and the National Institutes of Health.

## **IV. Center for Family Health**

This Center works to improve health outcomes and reduce disparities in access to health care for low-income families, including women of reproductive age, pregnant and breastfeeding women, and infants, children, and adolescents and their families. This Center is comprised of the Genetic Disease Screening Program (GDSP), the Maternal, Child, and Adolescent Health Program (MCAH), and the Women, Infants, and Children Special Supplemental Nutrition Program (WIC). Major budget adjustments include:

**2015-16 Budget Adjustments**  
**GDSP November Estimate**

-\$4,570,000 TF  
-\$4,570,000 OF

The November Estimate projects an expenditure decrease of \$4.6 million in the Genetic Disease Testing Fund (0203). The reduction is the result of caseload changes in the current year in the Prenatal Screening Program, which results in savings in the Case Management and Coordination Services and prenatal diagnostic center areas.

**WIC November Estimate**

-\$67,044,000 TF  
-\$67,044,000 OF

The November Estimate projects an expenditure decrease of \$67 million, which includes a reduction of \$50.9 million in Federal Funds (0890) and a reduction of \$16 million in WIC Manufacturer Rebate Fund (3023). The reduction is due to lower than projected participation levels and cost containment efforts.

**2016-17 Budget Adjustments**  
**GDSP November Estimate**

\$364,000 TF  
\$364,000 OF

The November Estimate projects an expenditure increase of \$364,000 in the Genetic Disease Testing Fund (0203). This projected increase in expenditures is due to increased spending in the Newborn Screening Program to test for Adrenoleukodystrophy (ALD) as required by Chapter 565, Statutes of 2014 (AB 1559).

**WIC November Estimate**

-\$52,810,000 TF  
-\$52,810,000 OF

The November Estimate projects an expenditure decrease of \$52.8 million, which includes a reduction of \$32.1 million in Federal Funds (0890) and a reduction of \$20.7 million in WIC Manufacturer Rebate Fund (3023). However, when compared to the revised estimates for Budget Act FY 2015-16, there is an increase of \$7 million. The increase is due to an anticipated increase in participation levels based on birth rate projections from the Department of Finance's Demographic Research Unit.

**eWIC Electronic Benefit Transfer and Management Information System Project**

-3.0 Positions  
\$5,776,000 TF  
\$5,776,000 OF

The Governor's Budget reflects a redirection of 3.0 permanent positions to the Office of Systems Integration and an increase of \$5.8 million in Federal Fund expenditure authority to support the conversion of WIC from paper checks to an Electronic Benefits Transfer system, and the replacement of the WIC Management Information System.

**California Personal Responsibility Education Program (CA PREP)**

5.0 Positions  
\$6,400,000 TF  
\$6,400,000 OF

The Governor's Budget reflects the conversion of 5.0 limited term positions to permanent positions and an additional \$6.4 million in Federal Fund expenditure authority to continue the California Personal Responsibility Education Program, which is designed to reduce adolescent births and sexually transmitted infection through evidence-based sexual health education. The current limited-term positions and their funding are due to expire on June 30, 2016

**Increasing the Enrollment of Children in WIC**

4.0 Positions  
\$513,000 TF  
\$513,000 OF

The Governor's Budget reflects an increase of 4.0 permanent positions and \$513,000 Federal Fund (0890) expenditure authority to enhance WIC's outreach activities and improve data sharing with the California Department of Social Services' CalFresh Program in order to increase child enrollment in both programs.

**V. Center for Health Statistics and Informatics**

This Center works to improve public health by developing data systems and facilitating the collection, validation, analysis, and dissemination of health and demographic information on the California population. This Center includes Vital Records and Public Health Informatics.

**State Agencies: Collection of Data: Race or Ethnic Origin Chapter 433, Statutes of 2015 (AB 532)**

\$236,000 TF  
\$236,000 OF

The Governor's Budget reflects an increase of \$236,000 expenditure authority in the Health Statistics Special Fund (0099) to implement AB 532. AB 532 creates a new mandate for Public Health to tabulate race and ethnicity data in reports

provided to other state departments, which will allow public health programs and other state programs to more accurately identify disparities of multi-race or multi-ethnic individuals and measure the effectiveness of programs to address them.

**End of Life Option Act Chapter 1, Statutes of 2015, Second Extraordinary Session (AB X2-15)**

2.0 Positions  
\$323,000 TF  
\$323,000 OF

The Governor's Budget reflects an increase of 2.0 permanent positions and \$323,000 expenditure authority in the Health Statistics Special Fund (0099) to implement AB X2-15. AB X2-15 creates a legal means by which a terminally ill individual, competent to make decisions and diagnosed with less than six months to live, may request and receive a prescription for aid-in-dying medication. This funding will enable Public Health to create a secure database to implement and administer the program and provide staffing for the confidential program management and reporting duties required.

**Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act Chapter 565, Statutes of 2015 (AB 959)**

\$125,000 TF  
\$125,000 OF

The Governor's Budget reflects an increase of one-time expenditure authority of \$125,000 in the Health Statistics Special Fund (0099) to modify existing birth and fetal death registration systems, and meets the new mandate to collect voluntary self-identification information pertaining to sexual orientation and gender identity, as specified in AB 959.

**VI. Center for Environmental Health**

This Center works to protect and improve the health of all California residents by ensuring the safety of food, drugs, and medical devices; conducting environmental management programs; and overseeing the use of radiation through investigation, inspection, laboratory testing, and regulatory activities. This Center includes Environmental Management, Drinking Water and Radiation Laboratory, and Food, Drug, and Radiation Safety. Major budget adjustments include:

**2015-16 Budget Adjustments**

**Medical Marijuana Chapter 688, Statutes of 2015 (AB 243), Chapter 689, Statutes of 2015 (AB 266), and Chapter 719, Statutes of 2015 (SB 643) - Reimbursements**

6.0 Positions  
\$457,000 TF  
\$457,000 OF

The Governor's Budget reflects an increase of 6.0 positions and expenditure authority of \$457,000 Reimbursements to begin to establish the Office of Medical Cannabis, in order to implement the mandates of the new Medical Marijuana

Regulation and Safety Act. The Office will be responsible for the development of the statewide standards, regulations, and licensing procedures to license medical cannabis manufacturers, and register and license testing laboratories in order to regulate the testing and manufacturing of medical cannabis and medical cannabis products in California.

**2016-17 Budget Adjustments**

**Medical Marijuana Chapter 688, Statutes of 2015 (AB 243), Chapter 689, Statutes of 2015 (AB 266), and Chapter 719, Statutes of 2015 (SB 643) (AB 243, AB 266, and SB 643)**

14.0 Positions  
\$3,438,000 TF  
\$3,438,000 OF

The Governor's Budget reflects an increase of 14.0 permanent positions and expenditure authority of \$3.4 million in the Medical Marijuana Regulation and Safety Act Fund (3288) to establish the Office of Medical Cannabis Licensing in order to implement the mandates of the new Medical Marijuana Regulation and Safety Act. The Office will be responsible for the development of the statewide standards, regulations, and licensing procedures to license medical cannabis manufacturers, and register and license testing laboratories in order to regulate the testing and manufacturing of medical cannabis and medical cannabis products in California.

**VII. Center for Health Care Quality**

This Center regulates the quality of care in approximately 7,500 public and private health facilities, clinics, and agencies throughout the state; licenses Nursing Home Administrators, and certifies Nurse Assistants, Home Health Aides, and Hemodialysis Technicians. Major budget adjustments include:

**2016-17 Budget Adjustments**

**Timely Investigations for Caregivers**

20.0 Positions  
\$2,495,000 TF  
\$2,495,000 OF

The Governor's Budget reflects a conversion of 18.0 limited-term positions to permanent positions and \$2.5 million expenditure authority in the State Department of Public Health Licensing and Certification Program Fund (3098) to supplement existing investigators and focus on completing timely investigations of complaints. This proposal also includes 2.0 permanent positions for the Office of Legal Services to provide the Center for Health Care Quality with house counsel and litigation support during investigations and criminal convictions, and to represent the Department at administrative appeal hearings.

## **Licensing and Certification: Program Quality Improvement Projects**

\$2,000,000 TF  
\$2,000,000 OF

The Governor's Budget reflects an increase of expenditure authority of \$2 million in the Internal Departmental Quality Improvement Account - Special Deposit Fund (0942-222) to continue the implementation of quality improvement projects recommended by Hubbert Systems Consulting's "Initial Assessment & Gap Analysis Report and Remediation Recommendations" for the Licensing and Certification Program. This will be carried out through the execution of two contracts; one contract will support the redesign of the Central Applications Unit, and the other will support the redesign of the Health Facilities Consumer Information System.