



**May Revision Highlights  
Fiscal Year 2011-12**

**California Department of Public Health**

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Governor  
State of California**

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Secretary  
California Health and Human Services Agency**

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## CALIFORNIA DEPARTMENT OF PUBLIC HEALTH PROGRAM OVERVIEW

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

The CDPH's goals are to achieve health equities and eliminate health disparities; eliminate 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. The CDPH 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.

CDPH comprises five Public Health Centers as well as Health Information and Strategic Planning, Emergency Preparedness Office, Administration, and External Affairs.

### GENERAL BUDGET OVERVIEW

The CDPH budget supports activities and services that reinforce the State's commitment to the health and well-being of all Californians. For Fiscal Year (FY) 2011-12, the May Revise Budget provides \$3.518 billion for the support of CDPH programs and services, an increase of 3.22% from the 2010-11 Enacted Budget in October, 2010. This increase is largely due to Federal Funding increases in the Women, Infants and Children program and Health Care Reform funding opportunities. Of the amount approved, \$660.5 million is for State Operations and \$2.858 billion is for Local Assistance. The budget affirms CDPH's commitment to address the public health needs of Californians.

#### Total CDPH Budget

\*Dollars in thousands

Governor's Budget Fund Source	2010-11 Enacted Budget	2011-12 Proposed Governor's Budget	2011-12 May Revise	% Change from 2010-11 Enacted Budget
General Fund	273,605	314,906	226,161	-17.34%
Federal Funds	1,781,622	1,936,985	1,956,482	9.81%
Special Funds & Reimbursements	1,353,378	1,282,655	1,335,617	-1.31%
<b>Total Funds</b>	<b>3,408,605</b>	<b>3,534,546</b>	<b>3,518,260</b>	<b>3.22%</b>

*Note: the amounts that are quoted do not include all non-Budget Act appropriations.*

The charts below and the narrative that follows describe the specific budget adjustments. Note that the amounts quoted do not include all non-Budget Act appropriations and other minor adjustments.

**State Operations**

\*Dollars in thousands

State Operations by Program *					
Governor's Budget Program Title	Program	2010-11 Enacted Budget	2011-12 Proposed Governor's Budget	2011-12 May Revise	% Change from 2010-11 Enacted Budget
Public Health Emergency Preparedness	10	41,036	47,091	46,585	13.52%
Public and Environmental Health	20	425,590	422,723	427,037	0.34%
Licensing & Certification	30	189,194	187,492	186,913	-1.21%
Department Administration	40.01	26,177	27,655	27,655	5.65%
Distributed Administration	40.02	-26,177	-27,655	-27,655	5.65%
<b>Total State Operations</b>		<b>655,820</b>	<b>657,306</b>	<b>660,535</b>	<b>0.72%</b>

State Operations by Fund Source *					
Governor's Budget Fund Source		2010-11 Enacted Budget	2011-12 Proposed Governor's Budget	2011-12 May Revise	% Change from 2010-11 Enacted Budget
General Fund		95,866	94,330	87,635	-8.59%
Federal Funds		240,676	246,975	258,207	7.28%
Special Funds & Reimbursements		319,278	316,001	314,693	-1.44%
<b>Total State Operations</b>		<b>655,820</b>	<b>657,306</b>	<b>660,535</b>	<b>0.72%</b>

## Local Assistance

\*Dollars in thousands

<b>Local Assistance by Program*</b>					
<b>Governor's Budget Program Title</b>	<b>Program</b>	<b>2010-11 Enacted Budget</b>	<b>2011-12 Proposed Governor's Budget</b>	<b>2011-12 May Revise</b>	<b>% Change from 2010-11 Enacted Budget</b>
Public Health Emergency Preparedness	10	63,579	62,483	63,755	0.28%
Public and Environmental Health	20	2,689,206	2,814,757	2,793,970	3.90%
<b>Total Local Assistance</b>		<b>2,752,785</b>	<b>2,877,240</b>	<b>2,857,725</b>	<b>3.81%</b>

<b>Local Assistance by Fund Source*</b>					
<b>Governor's Budget Fund Source</b>		<b>2010-11 Enacted Budget</b>	<b>2011-12 Proposed Governor's Budget</b>	<b>2011-12 May Revise</b>	<b>% Change from 2010-11 Enacted Budget</b>
General Fund		177,739	220,576	138,526	-22.06%
Federal Fund		1,540,946	1,690,010	1,698,275	10.21%
Special Funds & Reimbursements		1,034,100	966,654	1,020,924	-1.27%
<b>Total Local Assistance</b>		<b>2,752,785</b>	<b>2,877,240</b>	<b>2,857,725</b>	<b>3.81%</b>

## PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the introduction of the 2011-12 Governor's Budget. The major changes include Spring Finance Letters, May Revise Letters, May Estimates, and Section Letters.

References to "GF" are 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 total dollars, not thousands.)

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

The Public Health Emergency Preparedness program coordinates preparedness and response activities across CDPH for all public health emergencies, including natural disasters, acts of terrorism, and pandemic diseases. The program plans and supports surge capacity in medical care and public health systems to meet needs during emergencies. The program administers federal and state funds that support CDPH's emergency preparedness activities. Major budget adjustments include:

#### **2010-11 Budget Adjustments**

##### ***General Fund Savings: Health Care Surge Capacity Assets***

-\$1,832,000 TF  
-\$1,832,000 GF

The May Revise reflects a savings of \$1,832,000 GF in Local Assistance from 2006-07 appropriation for Health Care Surge Capacity funds. These funds are re-appropriated in FY 2011-12 to cover storage costs for Health Care Surge Assets through June 30, 2013.

#### **2011-12 Budget Adjustments**

##### ***Maintenance of Health Care Surge Capacity Assets***

\$1,272,000 TF  
\$1,272,000 GF

The May Revise reflects a re-appropriation of unspent GF Local Assistance authority in the amount of \$1,832,000 (\$1,272,000 in 2011-12 and \$560,000 in 2012-13) through June 30, 2013 to cover the storage costs for assets, such as antivirals, N95 respirators, and ventilators purchased in 2007 to strengthen California's health care surge capacity. This funding supports the storage, maintenance, and transportation costs associated with transitioning CDPH's healthcare surge stockpile and the Emergency Medical Services Authority's mobile field hospitals to public and private organizations. Current funding for the storage, maintenance and vendor management of stockpiled medical assets expires on June 30, 2011.

**General Fund Savings: Reduction in Health Care Surge Standby Costs**

-2.0 Positions -\$506,000 TF  
-\$506,000 GF

The May Revise reflects a Conference Committee action to reduce 2.0 positions and \$506,000 related to health care surge capacity activities that were augmented as part of a 2006-07 package. This funding should have been deleted earlier in the Governor's budget. It is now being deleted as part of the May Revise.

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

The Center for Chronic Disease Prevention and Health Promotion comprises the Division of Chronic Disease and Injury Control and the Division of Environmental and Occupational Disease Control. The Center addresses the prevention and control of chronic disease and injury through a focus on the social and environmental determinants of health and health inequities. The Center's programs encompass disease and injury surveillance, tobacco control, nutrition and physical activity, diabetes, cancer, cardiovascular diseases, asthma, obesity, injuries and violence prevention, and, occupational and environmental disease control. Major budget adjustments include:

**2011-12 Budget Adjustments**

***Increase to Proposition 99 Revenue***

The May Revise reflects an increase in both State Operations and Local Assistance authority to programs within the Center for Chronic Disease Prevention and Health Promotion due to increasing Proposition 99 revenues. Following are the specific breakdown of the revenue adjustments as they impact various programs:

- ***Environmental Health Investigations Branch***

\$6,000 TF  
\$6,000 OF

The May Revise reflects an increase in State Operations authority in the Proposition 99, Research Account. EHIB will analyze dust samples collected at fire stations for the Firefighters Occupational Exposure study. The samples will be analyzed for the presence of carcinogenic chemicals in the firefighting environment. These chemicals would put firefighters at an increased risk for cancers that may be of environmental causation.

- **California Tobacco Control Program**

\$173,000 TF  
\$173,000 OF

The May Revise reflects an increase in Local Assistance authority in the Proposition 99, Health Education Account. The California Tobacco Control Program (CTCP) will increase the purchase of media in rural and smaller markets. The number of people who see the advertisements and the frequency will be increased by the additional purchase of advertising. One of the most immediate impacts of the budget increase will be experienced by the California Smokers' Helpline, as the funds will be used for the promotion of its smoking cessation services. This will help stabilize the number of calls to the Helpline, as media is a key driver of calls to the Helpline and increase the number of quit attempts.

- **Cancer Surveillance and Research Branch**

\$50,000 TF  
\$50,000 OF

The May Revise reflects an increase in State Operations authority in the Proposition 99, Research Account. The Cancer Surveillance and Research Branch will design and conduct initial testing for a planned project, entitled "Integrating Medical Informatics Systems to Expand Cancer Surveillance and Research." The overall goal of this project is to ultimately implement a new approach to cancer data collection that will provide more detailed, high-quality data on persons diagnosed with cancer in a faster, more cost-effective manner.

***Transfer of Funds from the Breast Cancer Fund***

The May Revise reflects a one-time transfer of a \$4.4 million reserve from the Breast Cancer Fund (BCF) to the Breast Cancer Research Account (BCRA) and the Breast Cancer Control Account (BCCA).

***Decrease in State Operations Breast Cancer Research Account authority***

-\$86,000 TF  
-\$86,000 OF

The May Revise reflects a one-time reduction of \$86,000 in expenditure authority for the Breast Cancer Research Account. This request is due to declining cigarette and tobacco tax revenues and will allow the fund to result in a sufficient fund balance in FY 2011-12. This reduction will delay CSRB's planned purchase for a replacement computer server and security hardware for one year.

***Every Woman Counts May 2011 Estimate***

- \$7,145,000 TF  
- \$9,358,000 GF  
\$2,213,000 OF

The May Revise reflects a net savings of \$7.1 million in Local Assistance funding for the Every Woman Counts (EWC) Program in FY 2011-12. This is the product of GF savings of \$9.4 million and a one-time \$2.2 million increase for the Breast Cancer Control Account. The EWC Program savings are a result of Medi-Cal reductions and associated breast cancer screening and diagnostic services costs.

***Childhood Lead Poisoning Prevention Fund Transfer to the General Fund***

The May Revise reflects a transfer of \$9.1 million to repay the General Fund for support provided to the Childhood Lead Poisoning Prevention Program in FY 1996-97.

**III. Center for Infectious Diseases**

The Center for Infectious Diseases comprises the Division of Communicable Disease Control and the Office of AIDS. The Center oversees the investigation, prevention, and control of infectious diseases and the assessment, prevention, and interruption of the transmission of HIV and the provision of services to HIV-infected Californians. Major budget adjustments include:

**2010-11 Budget Adjustments**

***AIDS Drug Assistance Program May 2010 Estimate***

- \$17,305,000 TF  
- \$17,034,000 GF  
- \$271,000 OF

The May Revise reflects a net reduction of \$17.3 million in Local Assistance funding for the AIDS Drug Assistance Program (ADAP). This includes a decrease of \$17.0 million in GF, an increase in Ryan White Local Assistance funds of \$1.7 million offset by a reduction to the ADAP Rebate Fund of \$2.0 million. The Ryan White increase represents carryover from the 2009 federal budget period and must be spent in FY 2010-11.

**2011-12 Budget Adjustments**

***Increase in Ryan White HIV/AIDS Program Local Assistance Authority***

\$555,000 TF  
\$555,000 OF

The May Revise reflects a budget year increase in Ryan White Local Assistance expenditure authority for the Federal Trust Fund for HIV services for Sonoma County. The direct funding the county receives from the Health Services Resources Administration is being redirected to the state grant award administered by the Office of AIDS because the county no longer qualifies for this funding. The Ryan White Part A HIV Grant enables Californians living with HIV/AIDS to utilize many life-saving services including outpatient and ambulatory health services, case management services, and early intervention services.

***Federal Health Care Reform: Building and Strengthening Epidemiology, Laboratory and Health Information Systems Capacity in Two Regions of California***

\$1,160,000 TF  
\$1,160,000 OF

The May Revise reflects a budget year increase of \$1.2 million Federal Fund authority for State Operations for the Division of Communicable Disease Control. The grant includes federal funding from the Patient Protection and Affordable Care Act and will focus on epidemiology and laboratory enhancement to improve detection, investigation and response to foodborne and emerging infectious diseases in two regions of California—Central Valley and San Francisco Bay Area.

***Federal Health Care Reform: Expanded HIV Testing for Disproportionately Affected Populations***

\$3,753,000 TF  
\$3,753,000 OF

The May Revise reflects a budget year increase of \$3.8 million in Federal Fund authority for State Operations and Local Assistance for the Office of AIDS. The grant award includes funding from the Patient Protection and Affordable Care Act. This funding will support expanded HIV testing services for disproportionately affected populations in local health jurisdictions. The Office of AIDS has identified 18 local health jurisdictions across California that will be eligible to receive this funding. Los Angeles and San Francisco receive direct funding from CDC for this initiative.

**Conference Committee Actions for ADAP**

\$12,808,000 TF  
-\$60,192,000 GF  
\$73,000,000 OF

The May Revise reflects a budget year net increase in Local Assistance ADAP funding of \$12.8 million. This is the result of a GF increase of \$16.8 million for the elimination of share-of-cost, a GF decrease of \$4.0 million for PBM contract savings, an increase in Federal Ryan White Funding of \$3.0 million with a corresponding decrease in GF, and an increase in Federal Safety Net Care Pool Funding of \$70.0 million with a corresponding decrease in GF.

**AIDS Drug Assistance Program May 2011 Estimate**

-\$20,156,000 TF  
-\$21,040,000 GF  
\$884,000 OF

The May Revise reflects a budget year net decrease in Local Assistance ADAP funding of \$20.2 million. This is the result of a GF decrease of \$21.0 million, an ADAP Rebate Fund decrease of \$3.2 million and an increase in reimbursement of \$4.1 million. The decrease in ADAP funding is a result of savings from an expanded CARE/HIPP program, full insurance coverage for PCIP clients, and cost reductions from a new PBM contract.

**Restoration of General Fund for Immunizations**

\$7,300,000 TF  
\$7,300,000 GF

The May Revise reflects a budget year increase in GF Local Assistance of \$7.3 million to restore funding for the purchase of vaccine that was eliminated in the Budget Act of 2010. The funding will decrease the risk of contracting life-threatening vaccine-preventable illnesses for up to 700,000 seniors, pregnant women and others who would be at much higher risk of illness and death without influenza vaccine being available from local health departments during the influenza season.

**General Fund Savings: Valley Fever Contract**

-\$1,000,000 TF  
-\$1,000,000 GF

The May Revise reflects a Conference Committee action to eliminate \$1.0 million GF support for the Valley Fever vaccine project. The State has funded this project intermittently when GF resources have permitted. However, it is not a core State responsibility and the funds are being cut due to the fiscal emergency. Various foundations have provided funds for this project and appear to be continuing support for the development of the vaccine.

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

The Center for Family Health is comprised of the Genetic Disease Screening Program (GDSP); Maternal, Child and Adolescent Health (MCAH) Program; Office of Family Planning (OFP) and the Women, Infants and Children (WIC) Supplemental Nutrition Program. Major budget adjustments include:

##### **2010-11 Budget Adjustments**

###### ***Women, Infants and Children (WIC) Program May 2010 Estimate***

\$2,000,000 TF

\$2,000,000 OF

The May Revise reflects an increase of \$2.0 million in WIC rebate revenues and expenditures due to a higher rate of infant formula redemption by WIC participants.

##### **2011-12 Budget Adjustments**

###### ***Increase State Operations Expenditure Authority for Women, Infants and Children (WIC) Program***

\$7,642,000 TF

\$7,642,000 OF

The May Revise reflects an increase in State Operations budget authority for the Women, Infants and Children (WIC) Program. This increase will allow CDPH to accept and spend all Federal Funds available for the WIC Program, meet federal requirements and to serve the maximum number of participants by providing the necessary support to Local Agencies. The additional authority will be used to fund increases to several Interagency Agreements that are critical for WIC operations. The remaining authority will cover two additional grant awards from the U.S. Department of Agriculture (USDA); a Special Project Grant received for a study of toddler behaviors and earmarked funds for Electronic Benefits Transfer (EBT) planning.

###### ***Elimination of Community Challenge Grants for Office of Family Planning Reimbursement Contract***

-\$20,000,000 TF

-\$20,000,000 OF

The May Revise reflects a Conference Committee action to eliminate the Community Challenge Grants. A total of \$20.0 million in reimbursement expenditure authority was eliminated (\$19.0 million from Local Assistance and \$1.0 million from State Operations).

**General Fund Savings: Redirection of Maternal and Child Health Title V Funds**

\$1,666,000 TF  
\$1,666,000 OF

The May Revise reflects a Conference Committee action for one-time redirection of \$1.7 million federal Maternal and Child Health (MCH) Title V grant funds which are to be used to backfill for GF in support of the California Children’s Services (CCS) Program within the Department of Health Care Services. The \$1.7 million of MCH Title V grant funding is the available balance for next State Fiscal Year.

**V. Health Information and Strategic Planning**

Health Information and Strategic Planning disburses and monitors funds to counties for specified health services; and coordinates and oversees the collection, management, and dissemination of public health and vital records data. Major budget adjustments include:

**2011-12 Budget Adjustments**

***Medical Marijuana Program Loan Repayment Extension Request***

The May Revise reflects an extension of the date for a loan repayment for the Medical Marijuana Program (MMP). The MMP has not received the projected revenue for FY 2010-11 as stated in the Governor’s Budget. Therefore, insufficient funds exist within MMP to repay the remaining \$1.0 million loan due to the Health Statistics Special Fund (HSSF) in FY 2011-12. CDPH proposes Budget Act 2011 language to extend the loan repayment to June 30, 2014, from June 30, 2012, which will allow MMP to collect enough revenue to successfully repay the loan and maintain current program operations.

***General Fund Savings: California Health Information Survey***

\$0 TF  
-\$672,000 GF  
+\$672,000 OF

The May Revise reflects a Conference Committee action of a net zero adjustment to the California Health Information Survey (CHIS). CHIS General Fund, State Operations, appropriation was reduced by \$672,000 but CHIS received a corresponding increase in Proposition 99, Unallocated Account, appropriation of \$672,000. The CHIS provides statistically reliable estimates of important health conditions and health-related behaviors in most counties in California. Backfilling the GF reduction means CHIS will continue to provide information on the health of California’s adults and provide population-based health-related information on children and adolescents in the state.

**General Fund Savings: County Health Services**

-12.3 Positions

-\$2,167,000 TF

-\$965,000 GF

-\$1,202,000 OF

The May Revise reflects a Conference Committee action to reduce 12.3 authorized State positions and \$2,167,000 State Operations authority for the County Health Services. 7.3 positions and \$1.2 million of the total reduction was funded by the Proposition 99, Unallocated Account. 5.0 positions and \$965,000 of the total reduction was funded by GF. Through the years, a number of the functions administered by the County Health Services have been eliminated. In order to reconcile this diminishment, funding and position authority is reduced. The Proposition 99 reduction will benefit the Department of Health Care Services as a GF savings backfill.

**VI. Center for Environmental Health**

The Center for Environmental Health comprises the Division of Food, Drug and Radiation Safety and the Division of Drinking Water and Environmental Management. The Center administers programs that protect the public from unsafe drinking water; regulate the generation, handling, and disposal of medical waste; oversees the disposal of low-level radioactive waste; and protects and manages food, drug, medical device, and radiation sources. Major budget adjustments include:

**2011-12 Budget Adjustments**

**General Fund Savings: Unexpended Local Assistance in the Environmental Management Program**

-\$32,000 TF

-\$32,000 GF

The May Revise reflects a Conference Committee action to eliminate \$32,000 in GF Local Assistance funds within the Environmental Management Program. These funds are uncommitted and unexpended and therefore are being removed from the appropriation.

**VII. Center for Health Care Quality**

The Center for Health Care Quality comprises Licensing and Certification (L&C) and Laboratory Field Services (LFS). The Center regulates the quality of care in public and private health facilities, clinics, and agencies; licenses nursing home administrators; certifies home health aides, certified nurse assistants, and other direct care staff; and licenses and inspects laboratory facilities and licenses laboratory personnel. Major budget adjustments include:

**2011-12 Budget Adjustments**

***National Background Check Program***

\$1,721,000 TF  
\$1,721,000 OF

The May Revise reflects an increase in Federal Fund expenditure authority for the Licensing and Certification (L&C) Program. Funding is from the Patient Protection and Affordable Care Act. The CDPH is responsible for the oversight of Certified Nurse Assistants, Home Health Aides, direct care staff working in Intermediate Care Facilities and Adult Day Health Care Centers, as well as the owners, administrators and fiscal officers of Home Health Agencies, and Nursing Home Administrators (NHAs). Currently, with the exception of NHAs, the only database that is reviewed prior to criminal record clearance for direct patient access employees, under purview of the CDPH, is the California Department of Justice criminal history database. This grant will allow the L&C Program to implement additional criminal record searches through various federal and state registries including the FBI, the National Sex Offender Registry, and the Medi-Cal Ineligible and Suspended list. L&C will work collaboratively with California Department of Social Services (CDSS) via an interagency agreement to implement this program.

***L&C Program May 2011 Estimate***

7.0 Positions

\$252,000 TF  
\$252,000 OF

The May Revise Estimate reflects a request of 7.0 positions and associated State Operations expenditure authority in the amount of \$252,000 (\$234,000 L&C Special Fund and \$18,000 Reimbursements) for the L&C Estimate as compared to the November Estimate.

***General Fund Savings: Licensing and Certification of State Facilities***

-\$2,325,000 TF  
-\$2,325,000 GF

The May Revise reflects a Conference Committee action for GF reduction of \$2.3 million in the State Operations appropriation for licensing and certification activities for the State health facilities. All necessary and required functions will still be completed.

***General Fund Savings: Laboratory Field Services Division***

-\$227,000 TF  
-\$227,000 GF

The May Revise reflects a Conference Committee action for GF reduction of \$227,000 in the State Operations funding provided to Laboratory Field Services. This reduction will not affect any service or activity.

**VIII. CDPH Department-Wide Savings**

***General Fund Savings: Reduction in State Travel, Overhead, and Costs***

- \$1,000,000 TF

- \$1,000,000 GF

The May Revise reflects a Conference Committee action to reduce GF of \$1.0 million within the CDPH by reducing State travel, reducing overhead, deferring purchases and reducing operating and equipment costs across the Center for Chronic Disease Prevention and Health Promotion, Center for Environmental Health, Center for Infectious Diseases, State Laboratories, and the Director's Office. This decrease in expenditures will be done without affecting any local assistance services or service-oriented contracts.