



**Governor's Budget Highlights
Fiscal Year 2017-18**

California Department of Public Health

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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 core activities are:

- Protecting the public from communicable diseases.
- Protecting the public from unhealthy and unsafe environments.
- Preventing disease, disability, and premature death; and reducing or eliminating health disparities.
- Preparing for and responding to public health emergencies.
- Producing and disseminating data to evaluate population health status, inform people, institutions and communities; and to guide public health strategies, programs, and actions.
- Promoting healthy lifestyles for individuals and families in their communities and workplaces.
- Providing access to quality, population-based health services.

The Department is comprised of six Centers, which are: the Center for Chronic Disease Prevention and Health Promotion, the Center for Infectious Diseases, the Center for Family Health, the Center for Environmental Health, the Center for Health Care Quality, and 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, the Office of State Public Health Laboratory, 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) 2017-18, the Governor's Budget provides \$3.3 billion for the support of Public Health programs and services, an increase of 9.9 percent from the 2016 Budget Act. Of the amount approved, \$894 million is for State Operations and \$2.4 billion is for Local Assistance. The budget affirms the Department's commitment to address the public health needs of Californians.

Total Department Budget

Dollars in thousands*

Fund Source	2016-17 Enacted Budget	2016-17 Revised Budget	2017-18 Proposed (Governor's Budget)	% Change from 2016-17 Enacted Budget
General Fund**	\$151,211	\$152,010	\$132,221	-12.6%
Federal Funds	\$1,714,868	\$1,696,107	\$1,727,858	0.8%
Special Funds & Reimbursements	\$1,138,638	\$1,169,250	\$1,442,748	26.7%
Total Funds	\$3,004,717	\$3,017,367	\$3,302,827	9.9%

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

** 2017-18 3-YR Expenditures and Positions display totals in the Governor's Budget Galley do not include \$3.8 million General Fund for Capital Outlay in 2016-17.

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

State Operations

Dollars in thousands*

State Operations by Program					
Program Title	Program	2016-17 Enacted Budget	2016-17 Revised Budget	2017-18 Proposed (Governor's Budget)	% Change from 2016-17 Enacted Budget
Public Health Emergency Preparedness	4040	\$25,649	\$26,007	\$40,667	58.6%
Public and Environmental Health	4045	\$503,867	\$508,289	\$576,798	14.5%
Licensing & Certification Administration	4050	\$279,073	\$275,810	\$276,129	-1.1%
Administration	9900100	\$43,568	\$44,407	\$44,406	1.9%
Distributed Administration	9900200	-\$43,568	-\$44,407	-\$44,406	1.9%
Total State Operations		\$808,588	\$810,106	\$893,594	10.5%

State Operations by Fund Source				
Fund Source	2016-17 Enacted Budget	2016-17 Revised Budget	2017-18 Proposed (Governor's Budget)	% Change from 2016-17 Enacted Budget
General Fund	\$87,430	\$88,229	\$87,019	-0.5%
Federal Fund	\$276,530	\$287,309	\$314,288	13.7%
Special Funds & Reimbursements	\$444,628	\$434,568	\$492,287	10.7%
Total State Operations	\$808,588	\$810,106	\$893,594	10.5%

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

Local Assistance

Dollars in thousands*

Local Assistance by Program					
Program Title	Program	2016-17 Enacted Budget	2016-17 Revised Budget	2017-18 Proposed (Governor's Budget)	% Change from 2016-17 Enacted Budget
Public Health Emergency Preparedness	4040	\$61,859	\$61,859	\$61,859	0.0%
Public and Environmental Health	4045	\$2,129,853	\$2,140,985	\$2,346,756	10.2%
Licensing and Certification	4050	\$618	\$618	\$618	0.0%
Total Local Assistance		\$2,192,330	\$2,203,462	\$2,409,233	9.9%

Local Assistance by Fund Source				
Fund Source	2016-17 Enacted Budget	2016-17 Revised Budget	2017-18 Proposed (Governor's Budget)	% Change from 2016-17 Enacted Budget
General Fund	\$59,982	\$59,982	\$45,202	-24.6%
Federal Fund	\$1,438,338	\$1,408,798	\$1,413,570	-1.7%
Special Funds & Reimbursements	\$694,010	\$734,682	\$950,461	37.0%
Total Local Assistance	\$2,192,330	\$2,203,462	\$2,409,233	9.9%

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

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2016 Budget Act. The major changes include Budget Change Proposals and November Estimates.

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.

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 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. A major budget adjustment includes:

2017-18 Budget Adjustments **Public Health Emergency Preparedness**

88.3 Positions
\$11,752,000 TF
\$11,752,000 OF

The Governor’s Budget reflects an increase of 88.3 permanent positions and \$11.8 million in Federal Trust Fund (Fund 0890) expenditure authority in State Operations. This increase will support the permanent establishment of 76.8 limited-term positions, which were established as four-year limited-term positions to match the federal grant cycle and are set to expire on June 30, 2017; and the conversion of 11.5 contract positions to state positions.

II. Center for Chronic Disease Prevention and Health Promotion

This Center works to prevent and control chronic diseases such as cancer, cardiovascular diseases, asthma, and diabetes; to reduce the prevalence of obesity; to reduce tobacco use; to reduce adverse pregnancy outcomes; 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 communities and workplaces; and to prevent and treat problem gambling. This Center includes the Division of Chronic Disease and Injury Control, the Division of Environmental and Occupational Disease Control, and the Office of Problem Gambling. Major budget adjustments include:

**Childhood Lead Poisoning Prevention Information Technology Project
Approval Life Cycle**

1.0 Position
\$480,000 TF
\$480,000 OF

The Governor's Budget reflects an increase of 1.0 permanent position and \$480,000 in Childhood Lead Poisoning Prevention Fund (Fund 0080) expenditure authority in State Operations. This increase will provide funding to conduct a Project Approval Life Cycle for a new Surveillance, Health, Intervention, and Environmental Lead Database to support electronic laboratory reporting of blood lead tests, management of lead-exposed children, and assessment of sources of lead exposure.

Tobacco Tax Initiative (Proposition 56) Allocation

57.0 Positions
\$223,455,000 TF
\$223,455,000 OF

The Governor's Budget reflects an increase of 57.0 permanent positions and \$223.5 million in State Dental Program Account (Fund 3307), Tobacco Law Enforcement Account (Fund 3308), and Tobacco Prevention and Control Programs Account (Fund 3309) expenditure authority. This increase includes the following: 11.0 positions and \$37.5 million in Fund 3307 to create a comprehensive public health infrastructure to support oral health education, prevention, and treatment of dental disease; 20.0 positions and \$7.5 million in Fund 3308 to increase Stop Tobacco Access to Kids Enforcement compliance checks, establish a local assistance grant program and statewide training and education program for local law enforcement agencies; and 26.0 positions and \$178.5 million in Fund 3309 to support prevention and reduction efforts including media, competitive grants, local lead agencies, evaluation, and program administration.

Proposition 99 Health Education Account

-\$8,013,000 TF
-\$8,013,000 OF

The Governor's Budget projects a decrease of \$8.0 million in Proposition 99 Health Education Account (Fund 0231) as a result of updated Proposition 99 revenue projections. These decreases include \$4.4 million for Media Campaign, \$581,000 for Competitive Grants (Support and Local Assistance), \$1.1 million for Evaluation, and \$1.9 million for Local Lead Agencies.

Proposition 99 Research Account

- \$1,141,000 TF
- \$1,141,000 OF

The Governor's Budget reflects a decrease of \$1.1 million in Proposition 99 Research Account (Fund 0234) as a result of updated Proposition 99 revenue projections. These decreases include \$150,000 for State Administration and \$991,000 for external contracts.

Proposition 99 Unallocated Account

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

The Governor's Budget reflects a decrease of \$66,000 in Proposition 99 Unallocated Account Fund (Fund 0236) as a result of updated Proposition 99 revenue projections. This includes a \$66,000 decrease for State Administration.

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 the Division of Communicable Disease Control, the Office of AIDS, the Office of Binational Border Health, and the Office of Refugee Health. Major budget adjustments include:

2016-17 Budget Adjustments

AIDS Drug Assistance Program (ADAP) November 2016 Estimate

\$29,458,000 TF
\$29,458,000 OF

The Governor's Budget reflects a net increase of \$29.5 million in ADAP expenditure authority in Local Assistance. This includes an increase of \$34.6 million in the ADAP Rebate Fund (Fund 3080) and a decrease of \$5.1 million in the Federal Trust Fund (Fund 0890). The increase in expenditures is mainly due to growth in medication-only clients and continuing increases in medication prices.

2017-18 Budget Adjustments

ADAP November 2016 Estimate

\$49,178,000 TF
\$49,178,000 OF

The Governor's Budget reflects a net increase of \$49.2 million in ADAP expenditure authority in Local Assistance. This includes an increase of \$58.6 million in the ADAP Rebate Fund (Fund 3080) and a decrease of \$9.5 million in the Federal Trust Fund (Fund 0890). The overall number of clients receiving ADAP services will continue to increase each year at rates similar to pre-

Affordable Care Act implementation due to persons becoming newly infected with HIV. Additionally, medication prices increase annually; however, there is an estimated decrease in medication only clients due to the proposed implementation of ADAP case management services.

Ryan White Program Compliance with Standards, Quality, and Timeliness Mandates

7.0 Positions
\$1,239,000 TF
\$1,239,000 OF

The Governor’s Budget reflects an increase of 7.0 permanent positions and \$1.2 million in expenditure authority in State Operations. This increase includes \$740,000 from the Federal Trust Fund (Fund 0890) and \$499,000 from the ADAP Rebate Fund (Fund 3080) to address Health Resources and Services Administration 2016 site visit findings and improve client health outcomes and reduce health disparities by implementing of Standards of Care, enhancing the Clinical Quality Management Program, and providing ADAP Case Management Services.

IV. Center for Family Health

The Center for Family Health focuses on improving health and birth outcomes and reducing health disparities for families, including women of reproductive age, pregnant and breastfeeding women, infants, children, and adolescents. This Center includes 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:

2016-17 Budget Adjustments

Women, Infants, and Children Program November 2016 Estimate

-\$34,086,000 TF
-\$34,086,000 OF

The Governor’s Budget reflects a decrease of \$34.1 million in WIC expenditure authority in Local Assistance. This includes a decrease of \$40.4 million in the Federal Trust Fund (Fund 0890) and an increase of \$6.3 million in the WIC Manufacturer Rebate Fund (Fund 3023). This change is due to lower than projected participation levels and a 2.9 percent manufacturer wholesale price increase for infant formula.

2017-18 Budget Adjustments

Women, Infants, and Children Program November 2016 Estimate

-\$18,872,000 TF

-\$18,872,000 OF

The Governor's Budget reflects a net decrease of \$18.9 million in WIC expenditure authority. This includes a decrease of \$18.2 million in Local Assistance in the Federal Trust Fund (Fund 0890), and a decrease of \$673,000 in the WIC Manufacturer Rebate Fund (Fund 3023).

Genetic Disease Screening Program November 2016 Estimate

\$2,166,000 TF

\$2,166,000 OF

The Governor's Budget reflects an increase of \$2.2 million in the Genetic Disease Testing Fund (Fund 0203) expenditure authority for Local Assistance due to increased caseload in both the Prenatal Screening Program and Newborn Screening Program.

Newborn Screening Program (SB 1095)

1.0 Position

\$2,689,000 TF

\$2,689,000 OF

The Governor's Budget reflects an increase of 1.0 permanent position and a net increase of \$2.7 million in Genetic Disease Testing Fund (Fund 0203) expenditure authority. This increase includes a one-time request of \$2.3 million in Local Assistance and \$139,000 in ongoing State Operations to expand statewide screening of newborns to include screening for any disease that is detectable in blood samples within two years of the disease being adopted by the federal Recommended Uniform Screening Panel. This increase also includes a one-time increase of \$300,000 in State Operations expenditure authority and a one-time transfer of \$330,000 from Local Assistance to State Operations for the purchase of mass spectrometry equipment.

V. Center for Health Statistics and Informatics

This Center works to improve the public's health by developing data systems and facilitating the collection, validation, analysis, and dissemination of health information and demographic information on the California population. This Center includes Vital Records, Public Health Policy and Research, and Public Health Informatics. Major budget adjustments include:

Improved Access to Vital Statistics Data

\$75,000 TF
\$75,000 OF

The Governor's Budget reflects an increase of \$75,000 in Health Statistics Special Fund (Fund 0099) expenditure authority in State Operations. This increase is to replace the California Vital Statistics Query (CA-VSQ) system to provide privacy and increased access and availability of timely data for online vital statistics custom queries for the public, policy makers, state departments, and the media.

Demographic Data Collection of Asian, Native Hawaiian, and Pacific Islander Populations (AB 1726)

2.5 Positions
\$326,000 TF
\$326,000 OF

The Governor's Budget reflects an increase of 2.5 permanent positions and \$326,000 in expenditure authority in State Operations. This increase includes \$244,000 from the Health Statistics Special Fund (Fund 0099) and \$82,000 from the Childhood Lead Poisoning Prevention Fund (Fund 0080) to fulfill the new mandate to collect demographic data on ancestry or ethnic origin of persons as specified in Assembly Bill (AB) 1726.

Certified Copies of Marriage, Birth, and Death Certificates: Electronic Application (AB 2636)

2.0 Positions
\$257,000 TF
\$257,000 OF

The Governor's Budget reflects an increase of 2.0 permanent positions and \$257,000 in Health Statistics Special Fund (Fund 0099) expenditure authority in State Operations. This increase will fund activities to meet the mandated workload to implement the acceptance of electronic acknowledgements when requests for certified copies of birth, death, or marriage records are made electronically as specified in AB 2636.

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, medical devices, and manufactured cannabis products; conducting underage tobacco enforcement; conducting environmental management programs; and overseeing the use of radiation through investigation, inspection, laboratory testing, and regulatory activities. This Center includes the Division of Food, Drug, and Cannabis Safety and the Division of Radiation Safety and Environmental Management. Major budget adjustments include:

Office of Medical Cannabis Safety: Licensing Information Technology Project

-3.0 Positions
\$1,034,000 TF
\$1,034,000 OF

The Governor's Budget reflects a decrease of 3.0 permanent positions and net increase of \$1.0 million in Medical Marijuana Regulation and Safety Act Fund (Fund 3288) expenditure authority in State Operations. This includes the redirection of 3.0 positions and \$410,000 to the Bureau of Medical Cannabis Regulation (Bureau), consistent with the previous transfer of licensing responsibility of testing laboratories to the Bureau, and an increase of \$1.4 million to support the design and configuration of an information technology application for the licensing of medical cannabis manufacturers.

Youth Tobacco Enforcement Staffing

9.0 Positions
\$1,130,000 TF
\$1,130,000 OF

The Governor's Budget reflects an increase of 9.0 permanent positions and \$1.1 million in reimbursement authority (Fund 0995) in State Operations. This increase will provide resources for the Department to meet the contractual agreements of the U.S. Food and Drug Administration Tobacco Enforcement contract to conduct tobacco retailer inspections.

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; and oversees the prevention, surveillance and reporting of healthcare-associated infections in California's general acute care hospitals. Major budget adjustments include:

2017-18 Budget Adjustments

Center for Health Care Quality November 2016 Estimate

-\$4,675,000 TF
-\$4,675,000 OF

The Governor's Budget reflects a net decrease of \$4.7 million reimbursement authority (Fund 0995) in State Operations. This includes a decrease of \$6.8 million in reimbursement authority (Fund 0995), which was offset by other technical baseline increases. The decrease in reimbursement authority is largely due to amended contracts with the Department of Health Care Services.

Preventing Healthcare-Associated Infections in Facilities

6.0 Positions
\$991,000 TF
\$991,000 OF

The Governor's Budget reflects an increase of 6.0 permanent positions and \$991,000 in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will support an increase in public education, track strategic performance measures, and support the Healthcare-Associated Infections Advisory Committee.

Licensing & Certification: Performance Measurement and Quality Improvement

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

The Governor's Budget reflects an increase of \$2.0 million Special Deposit Fund - Internal Departmental Quality Improvement Account (Fund 0942-222) expenditure authority in State Operations. This increase will support the execution of quality improvement projects and contracts.

Licensing & Certification: Los Angeles County Contract

\$1,100,000 TF
\$1,100,000 OF

The Governor's Budget reflects an increase of \$1.1 million in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will fund the Los Angeles County contract for union-negotiated salary increases of 3 percent effective October 2016, and two 2 percent salary increases effective October 2017 and April 2018. With the additional resources requested in this proposal, Los Angeles County will be able to fill all contractually authorized positions.