



**Governor's Budget Highlights
Fiscal Year 2015-16**

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 (CDPH), 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 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. 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 Public Health 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 Information. In addition, the Department has the Emergency Preparedness Office, Office of Public Affairs, Office of Health Equity, Office of Quality Performance and Accreditation, and 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) 2015-16, the Governor’s Budget provides \$3.110 billion for the support of Public Health programs and services, an increase of 3 percent from the 2014 Budget Act. Of the amount approved, \$801 million is for State Operations, \$2.308 billion is for Local Assistance and \$4.3 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	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor’s Budget)	% Change from 2014-15 Enacted Budget
General Fund	118,121	119,639	124,393	5.31%
Federal Funds	1,722,538	1,742,541	1,750,166	1.60%
Special Funds & Reimbursements	1,178,230	1,106,174	1,239,329	5.19%
Total Funds	3,018,889	2,968,354	3,113,888	3.15%

*2015-16 Governor’s Budget 3-YR Expenditures and Positions display totals do not include the \$4.33 million General Fund for Capital Outlay.

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

State Operations

Dollars in thousands

State Operations by Program					
Governor's Budget Program Title	Program	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)	% Change from 2014-15 Enacted Budget
Public Health Emergency Preparedness	4040	36,874	37,464	37,611	2.00%
Public and Environmental Health	4045	445,215	463,510	508,356	14.18%
Licensing & Certification	4050	207,997	222,694	254,901	22.54%
Administration	9900100	28,125	34,742	35,979	27.93%
Distributed Administration	9900200	-28,125	-34,743	-35,980	-27.93%
Total State Operations		690,086	723,667	800,867	16.05%

State Operations by Fund Source				
Governor's Budget Fund Source	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)	% Change from 2014-15 Enacted Budget
General Fund	79,362	80,880	81,301	2.44%
Federal Fund	254,459	279,504	284,160	11.67%
Special Funds & Reimbursements	356,266	363,283	435,406	22.21
Total State Operations	690,087	723,667	800,867	16.05%

Local Assistance

Dollars in thousands

Local Assistance by Program					
Governor's Budget Program Title	Program	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)	% Change from 2014-15 Enacted Budget
Public Health Emergency Preparedness	4040	60,724	60,724	60,724	0.00%
Public and Environmental Health	4045	2,268,078	2,183,963	2,247,964	-0.89%
Total Local Assistance		2,328,802	2,244,687	2,308,688	-0.86%

Local Assistance by Fund Source				
Governor's Budget Fund Source	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)	% Change from 2014-15 Enacted Budget
General Fund	38,759	38,759	38,759	0.00%
Federal Fund	1,468,079	1,463,037	1,466,006	-0.14%
Special Funds & Reimbursements	821,964	742,891	803,923	-2.19%
Total Local Assistance	2,328,802	2,244,687	2,308,688	-0.86%

Capital Outlay

Dollars in thousands

Capital Outlay by Fund Source			
Governor's Budget Fund Source	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)
General Fund	0	0	4,333
Total Capital Outlay	0	0	4,333

Capital Outlay by Program				
Governor's Budget Program Title	Program	2014-15 Enacted Budget	2014-15 Revised Budget	2015-16 Proposed (Governor's Budget)
Public and Environmental Health	4045	0	0	4,333
Total Capital Outlay		0	0	4,333

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2014 Budget Act. The major changes include Budget Change Proposals, November 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.

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 (CCDPHP)

This program 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 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 program 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

California Gambling Education and Treatment Services

2.0 Positions
\$5,000,000 TF
\$5,000,000 OF

The Governor’s Budget reflects an increase of 2.0 permanent positions and \$5 million in expenditure authority. Of the \$5 million total, \$1 million is for State Operations and \$4 million for Local Assistance. This appropriation will provide ongoing funding for the California Gambling Education and Treatment Services (Fund 0367) program, which is currently a limited term regional pilot project.

Biomonitoring California

6.0 Positions
\$900,000 TF
\$900,000 OF

The Governor's Budget reflects an increase of 6.0 two-year limited-term positions and \$900,000 annually in expenditure authority for FY 2015-16. \$775,000 from the Toxic Substances Control Account and \$125,000 from the Birth Defects Monitoring Fund to fund Biomonitoring efforts aimed at detecting and measuring emerging chemical threats to California.

Proposition 99 Health Education Account

\$8,243,000 TF
\$8,243,000 OF

The Governor's Budget projects an \$8.24 million increase in the Proposition (Prop) 99 Health Education Account (Fund 0231) as a result of updated Prop 99 revenue projections and lower than originally projected prior year Prop 99 actual expenditures. The Budget includes an increase to State Operations appropriations for State Administration of \$264,000, Media Campaign of \$3.1 million, Competitive Grants (Support and Local Assistance) of \$1.6 million, Evaluation of \$711,000, and Local Lead Agencies of \$2.6 million. 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

\$677,000 TF
\$677,000 OF

The Governor's Budget projects an increase of \$677,000 in Prop 99 Research Account (Fund 0234) for state operations. This includes a \$577,000 increase to the Chronic Disease Surveillance and Research Branch and a \$100,000 increase to the Environmental Health Investigations Branch. The funds will be used to increase cancer data timeliness and completeness, improve data production and quality assurance through automation, and develop program evaluation plans, in addition to conducting public health activities and outreach to communities impacted by environmental exposures.

III. Center for Infectious Diseases

This program 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 program includes Communicable Disease Control, the Office of AIDS, Office of Bi-national Border Health and Office of Refugee Health. Major budget adjustments include:

2014-15 Budget Adjustments

AIDS Drug Assistance Program (ADAP) November Estimate

-\$55,169,000 TF
-\$55,169,000 OF

The November Estimate reflects a current year net decrease in ADAP funding authority of \$55.2 million compared to the 2014 Budget Act. This comprises an increase of \$23.4 million of the Federal Trust Fund mainly due to additional Ryan White Part B ADAP Supplemental funds and ADAP Emergency Relief (ERF) Funds, a decrease of \$31.1 million in the ADAP Rebate Fund (Fund 3080), and a decrease of \$47.4 million in Safety Net Care Pool Reimbursement Funds due to ADAP's requirement to spend mandatory rebate funds prior to spending Federal Funds. In spite of the overall budget decrease in the current year, the revised budget does not contain any reduction to services due to a larger number of clients enrolling in Covered California and Medi-Cal Expansion during FY 2013-14 than was initially estimated, leading to reduced expenditures for ADAP in FY 2014-15.

2015-16 Budget Adjustments

ADAP November Estimate

-\$25,073,000 TF
-\$25,073,000 OF

The November Estimate reflects a budget year net decrease in ADAP funding authority of \$25.1 million compared to the 2014 Budget Act. This comprises an increase of \$342,000 in Federal Trust Fund, an increase of \$10.0 million in the Special Fund, and a decrease of \$35.5 million in Safety Net Care Pool Reimbursement Funds. These reimbursement funds are not expected to be available for ADAP after the current Medi-Cal 1115 Waiver expires on October 31, 2015. Therefore, the amount of federal Safety Net Care Pool Reimbursement Funds available in FY 2015-16 for ADAP is \$18.2 million (a \$35.5 million

decrease when compared to the 2014 Budget Act). In spite of this decrease in Safety Net Care Pool Reimbursement Funds, the proposed budget does not contain any reduction to services because ADAP will use rebate funds available in FY 2015-16.

ADAP Eligibility Verification

5.0 Positions
\$536,000 TF
\$536,000 OF

The Governor’s Budget reflects an increase of 5.0 permanent positions and \$536,000 in ADAP Rebate Fund (Fund 3080) expenditure authority to manage the substantial increase in client eligibility verification workload within ADAP. To be in compliance with the federal Health Resources and Services Administration client eligibility verification requirements, these positions are needed to perform a secondary review of eligibility documentation for all ADAP client eligibility files instead of a small sample of client file documents currently being reviewed by ADAP staff at ADAP enrollment sites. This will ensure program integrity by preventing potential fraud and abuse of the system.

Infant Botulism Treatment and Prevention Program

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

The Governor’s Budget reflects a one-time increase of \$2 million for the Infant Botulism Treatment and Prevention Program to address the increasing manufacturing costs due to the collection of blood plasma from out-of-state donors.

Capital Outlay

Richmond: Viral Rickettsial Disease Laboratory Enhanced Upgrade

\$4,333,000 TF
\$4,333,000 GF

The Governor’s Budget reflects a \$4.3 million increase in General Fund authority to fund a construction project for the Viral and Rickettsial Diseases Laboratory in Richmond, CA to meet current guidelines for Bio-safety Level 3 laboratory requirements. An operational BSL-3 laboratory is needed to be able to identify viruses for the important public health mission preparing for and responding to deadly emerging viral diseases.

IV. Center for Family Health

This program 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 program 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:

2014-15 Budget Adjustments

Genetic Disease Screening Program (GDSP) November Estimate

-\$145,173 TF

-\$145,173 OF

The November Estimate reflects a current year net decrease of \$145,173 expenditure authority in the Genetic Disease Testing Fund (Fund 0203). This represents an increase of \$561,000 in State Operations expenditure authority and a decrease of \$706,173 in Local Assistance expenditure authority. The decrease is largely the result of caseload fluctuations. GDSP projects realizing savings in the Prenatal Screening Program, which can be attributed to decreasing costs to provide diagnostic services. However, Newborn Screening Program costs are projected to increase due to higher caseload and a slightly greater average cost to provide services.

WIC November Estimate

-\$30,041,000 TF

-\$30,041,000 OF

The November Estimate reflects a current year decrease in Federal Funds of \$30 million or 2.8 percent compared to 2014 Budget Act due to lower than projected participation levels and implementation of federally imposed cost containment strategies which include revised peer groups and reimbursement rates for authorized stores resulting in a reduction of overall food cost.

2015-16 Budget Adjustments

Genetic Disease Screening Program (GDSP) November Estimate

\$550,000 TF

\$550,000 OF

The November Estimate reflects a budget year net increase of \$550,000 in expenditure authority in the Genetic Disease Testing Fund (Fund 0203). This represents an increase of \$541,000 in State Operations and an increase of \$9,000 in Local Assistance due to slightly higher caseloads and higher average costs. The Estimate also includes technology upgrades necessary to implement screening for Adrenoleukodystrophy as required by Assembly Bill 1559 (Chapter 565, Statute of 2014) as identified below.

WIC November Estimate

\$1,308,000 TF

\$1,308,000 OF

The November Estimate reflects an increase in food expenditures in Federal Funds of \$1 million or 0.1 percent compared to the 2014 Budget Act. This increase is due to an anticipated increase in participation. The November Estimate projects food expenditures in FY 2015-16 will total \$1.1 billion, which is an increase of \$1 million or 0.1 percent compared to the 2014 Budget Act. Federal food costs are projected to be \$833 million, with Rebate Fund food costs projected at \$242 million.

MCAH California Home Visiting Program

11.0 Positions

\$697,000 TF

\$697,000 OF

The Governor's Budget reflects a continuation of 11.0, three-year limited-term positions and \$697,000 in extended spending authority in FY 2015-16 for the California Home Visiting Program. These positions are funded from the federal Health Resources and Services Administration (HRSA), Maternal, Infant and Early Childhood Home Visiting (MIECHV) Program grant.

AB 1559 – Expanding California’s Newborn Screening Program

1.0 Position
\$1,975,000 TF
\$1,975,000 OF

The Governor’s Budget reflects a budget year increase of approximately \$2 million (\$150,000 in State Operations and \$1.8 million in Local Assistance authority) and 1.0 permanent position. The increase is due to technology upgrades necessary to implement screening for Adrenoleukodystrophy as required by Assembly Bill 1559 (Chapter 565, Statutes of 2014).

V. Center for Health Statistics and Informatics

This program works to improve public health by developing data systems and facilitating the collection, validation, analysis, and dissemination of health information. This program includes Vital Records and Public Health Informatics. There are no major budget adjustments.

VI. Center for Environmental Health

This program 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 program currently includes Environmental Management, Drinking Water and Radiation Laboratory and Food, Drug, and Radiation Safety. Major budget adjustments include:

2015-16 Budget Adjustments

Food Safety Inspection

6.0 Positions
\$804,000 TF
\$804,000 OF

The Governor’s Budget reflects an increase of 6.0 permanent Environmental Scientist positions in the Food and Drug Branch and \$804,000 from the Food Safety Fund (Fund 0177) to carry out statutorily mandated responsibilities to inspect food processors and distributors. Public Health will utilize registration fee revenues collected specifically for this purpose to fund the activities.

Food Safety Stipulated Judgment Appropriation

4.0 Positions
\$716,000 TF
\$716,000 OF

The Governor's Budget reflects an increase of 4.0, five-year limited-term positions and \$716,000 in expenditure authority from the Food Safety Fund (Fund 0177) to implement the food safety transportation enforcement activities as a result of the Sysco Corporation stipulated judgment. Public Health will also be requesting budget trailer bill language to amend Health and Safety Code Section 110050 to authorize the deposit into the Food Safety Fund of awards to the department pursuant to court orders or settlements for food safety related activities.

United States (U.S.) Food and Drug Administration (FDA) Tobacco Retail Inspection Contract

9.0 Positions
\$1,078,000 TF
\$1,078,000 OF

The Governor's Budget reflects an increase of 9.0 limited-term positions and \$1.1 million in additional reimbursement authority coinciding with the remainder of the three-year FDA contract for its Stop Tobacco Access to Kids Enforcement (STAKE) Unit. The U.S. Food and Drug Administration (FDA) has augmented the contract with Public Health, which requires the Department to perform inspections of 20 percent of all 37,000 licensed tobacco retailers in the State. This proposal requests no additional state funding.

AB 333 – Medical Waste

3.0 Positions
\$333,000 TF
\$333,000 OF

The Governor's Budget reflects an increase in Medical Waste Management Fund (Fund 0074) authority of \$333,000 in State Operations and 3.0, two-year limited-term positions authority from the Medical Waste Management Fund to implement the mandated provisions specified in Assembly Bill (AB) 333 (Chapter 564, Statutes of 2014). The Department's workload to implement AB 333 falls into three categories: (1) conduct stakeholder meetings and develop the legislative report (2) develop guidance documents, conduct trainings, and update industry, and (3) conduct inspections as needed. These actions would ensure public health protection for the proper transportation and disposal of medical waste.

SB 1395 – Public Beaches: Inspection for Contaminants

1.0 Position
\$384,000 TF
\$384,000 GF

The Governor's Budget reflects a budget year increase in General Fund authority of \$384,000 and 1.0, three-year limited-term position to evaluate a new beach water quality test and develop guidelines and training materials for local governments as required in Senate Bill (SB) 1395 (Chapter 928, Statutes of 2014). SB 1395 authorizes Public Health to allow local health officers to use a department-approved rapid testing method as the single test for microbiological contamination in all or part of a local jurisdiction. While the testing method would result in a more rapid result, the testing is site-specific. The Department will need to validate test methods and draft guidelines for performance and acceptance of the site-specific testing.

VII. Center for Health Care Quality

This program 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:

2014-15 Budget Adjustments

Licensing and Certification (L&C) Program November Estimate

L&C's anticipated expenditures are \$194.7 million, which is unchanged from the 2014 Budget Act. Because of a change in how L&C receives certain funds from Centers for Medicare and Medicaid Services (CMS), L&C will decrease \$8.4 million in reimbursements, but receive \$9.6 million more in Federal Funds. L&C will now receive CMS funds directly rather than through a cost reimbursement contract with Department of Health Care Services. As a result of this change and the corresponding change in federal contribution increasing, L&C projects to spend \$1.2 million less in the State Department of Public Health Licensing and Certification Program Fund (Fund 3098).

2015-16 Budget Adjustments

L&C Program November Estimate

L&C reviewed its annual Estimate process and made revisions to better estimate workload and resource needs. As a result of these revisions, the Estimate documents reflect a need for increased L&C funding authority and staff to complete mandated workload and address open complaints and investigations from prior years.

The November Estimate projects L&C will require an additional 237.0 positions for mandated workload. L&C projects expenditures will be \$225 million, which is \$30.3 million more than budgeted for FY 2014-15. There is an increase of \$9.6 million in Federal Fund, an increase of \$28.5 million in L&C Special Fund (Fund 3098), a decrease of \$8.4 million in Reimbursements and an increase of \$2 million in the Internal Departmental Quality Improvement Account (Fund 0942). Additional information is outlined in the BCP's below.

Licensing and Certification Workload

237.0 Positions
\$19,764,000 TF
\$19,764,000 OF

The Governor's Budget reflects an increase in expenditure authority of \$19.8 million in FY 2015-16 for 173.0 permanent positions and 64.0 two-year limited-term positions, for a total of 237 positions and an increase in expenditure authority of \$30.4 million in FY 2016-17 to fully fund these positions from the L&C Special Fund (Fund 3098).

Los Angeles County Contract Increased Funding

\$9,500,000 TF
\$9,500,000 OF

The Governor's Budget reflects an increase in expenditure authority of \$9.5 million from the L&C Special Fund (Fund 3098) to augment the Los Angeles County (LAC) contract to perform licensing and certification activities in LAC. This increase includes \$2.6 million to fund the current contract positions at current LAC salary rates and includes \$6.9 million to fund 32 additional LAC positions to enable the County to address Tier 1 and Tier 2 federal workload, long-term care complaints and entity reported incidents and investigate aging long-term care complaints and entity reported incidents.

Los Angeles County Monitoring and Quality Improvement

3.0 Positions
\$378,000 TF
\$378,000 OF

The Governor’s Budget reflects an increase in expenditure authority of \$378,000 in FY 2015-16 from the L&C Special Fund (Fund 3098) and 3.0 positions to provide on-site oversight, perform workload management, training, and quality improvement activities to improve the efficiency and effectiveness of the Los Angeles County contract, licensing, and certification activities. In order to begin the on-site oversight immediately, the Department will administratively establish 3.0 positions in FY 2014-15

Licensing and Certification Program Quality Improvement Projects

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

The Governor’s Budget reflects an increase in expenditure authority of \$2 million in FY 2015-16 from the Internal Departmental Quality Improvement Account (Fund 0942) to implement quality improvement projects recommended by Hubbert Systems Consulting’s “Initial Assessment & Gap Analysis Report and Remediation Recommendations” for the Licensing and Certification Program.