



**Governor's Budget Highlights
Fiscal Year 2018-19**

California Department of Public Health

**Edmund G. Brown Jr.
Governor
State of California**

**Diana S. Dooley
Secretary
California Health and Human Services Agency**

**Karen L. Smith, MD, MPH
Director and State Public Health Officer**

January 10, 2018

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.

Public Health 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, Public Health 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) 2018-19, the Governor's Budget provides \$3.2 billion for the support of Public Health programs and services, a decrease of 1.0 percent from the 2017 Budget Act. Of the amount approved, \$989.9 million is for State Operations and \$2.2 billion is for Local Assistance. The budget affirms Public Health's commitment to address the public health needs of Californians.

Total Department Budget

Dollars in thousands*

Fund Source	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
General Fund**	\$135,537	\$148,300	\$137,923	1.8%
Federal Funds	\$1,594,078	\$1,566,944	\$1,589,349	-0.3%
Special Funds & Reimbursements	\$1,491,464	\$1,476,642	\$1,462,221	-2.0%
Total Funds	\$3,221,079	\$3,191,886	\$3,189,493	-1.0%

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

**2018-19 3-YR Expenditures and Positions display totals do not include the \$4.866 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					
Program Title	Program	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
Public Health Emergency Preparedness	4040	\$31,278	\$32,006	\$31,975	2.2%
Public and Environmental Health	4045	\$680,153	\$663,775	\$666,179	-2.1%
Licensing & Certification	4050	\$277,606	\$286,475	\$291,786	5.1%
Administration	9900100	\$44,724	\$47,663	\$47,710	6.7%
Distributed Administration	9900200	-\$44,724	-\$47,663	-\$47,710	6.7%
Total State Operations		\$989,037	\$982,256	\$989,940	0.1%

State Operations by Fund Source				
Fund Source	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
General Fund	\$90,335	\$94,011	\$91,352	1.1%
Federal Fund	\$305,702	\$313,027	\$316,814	3.6%
Special Funds & Reimbursements	\$593,000	\$575,218	\$581,774	-1.9%
Total State Operations	\$989,037	\$982,256	\$989,940	0.1%

*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	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
Public Health Emergency Preparedness	4040	\$61,859	\$61,859	\$64,055	3.6%
Public and Environmental Health	4045	\$2,169,565	\$2,147,153	\$2,134,880	-1.6%
Licensing and Certification	4050	\$618	\$618	\$618	0.0%
Total Local Assistance		\$2,232,042	\$2,209,630	\$2,199,553	-1.5%

Local Assistance by Fund Source				
Fund Source	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
General Fund	\$45,202	\$54,289	\$46,571	3.0%
Federal Fund	\$1,288,376	\$1,253,917	\$1,272,535	-1.2%
Special Funds & Reimbursements	\$898,464	\$901,424	\$880,447	-2.0%
Total Local Assistance	\$2,232,042	\$2,209,630	\$2,199,553	-1.5%

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

Capital Outlay

Dollars in thousands*

Capital Outlay by Program					
Program Title	Program	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
Capital Outlay	4060	\$0	\$0	\$4,866	100.0%
Total Capital Outlay		\$0	\$0	\$4,866	100.0%

Capital Outlay by Fund Source				
Governor's Budget Fund Source	2017-18 Enacted Budget	2017-18 Revised Budget	2018-19 Proposed (Governor's Budget)	% Change from 2017-18 Enacted Budget
General Fund	\$0	\$0	\$4,866	100.0%
Total General Fund	\$0	\$0	\$4,866	100.0%

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2017 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 Public Health’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, and diabetes; to reduce the prevalence of obesity; to reduce tobacco use; to improve oral health through prevention, education, and community efforts; 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:

Alzheimer’s Disease Program Grant Awards

\$3,219,000 TF
\$3,115,000 GF
\$104,000 OF

The Governor’s Budget reflects a net increase of \$3.22 million for the Alzheimer’s Disease Program (ADP). The increase of \$3.1 million from the General Fund (Fund 0001) in Local Assistance will provide continued support to further research in the latest trends and developments of Alzheimer’s disease. The net increase of \$104,000 from the Alzheimer’s Disease Research Fund (Fund 0823) will fund the inadvertent overallocation of ADP grants awarded in 2016. This is a result of a decrease of \$138,000 in State Operations and a one-time increase of \$242,000 in Local Assistance.

Breast Cancer Research Account

\$1,006,000 TF
\$1,006,000 OF

The Governor's Budget reflects an increase of \$1.0 million in Breast Cancer Research Account (Fund 0007) expenditure authority in State Operations. This increase will support improvements to the California Cancer Registry by developing standards that will support scientific assessments throughout the state.

Expanded Lead Testing for California Children (AB) 1316

2.0 Positions
\$276,000 TF
\$276,000 OF

The Governor's Budget reflects an increase of 2.0 permanent positions and \$276,000 in Childhood Lead Poisoning Prevention Fund (Fund 0080) expenditure authority in State Operations. This increase will support development of new regulations, and data analysis and reporting of the additional blood lead tests annually, as required by AB 1316 (Quirk, Chapter 507, Statutes of 2017).

Tobacco Prevention Control Account

-\$18,956,000 TF
-\$18,956,000 OF

The Governor's Budget reflects a decrease of \$19 million in the Tobacco Prevention Control Account (Fund 3322) as a result of updated Proposition 56 revenue projections. These decreases include \$5.5 million in Media Placement, \$3.9 million in Evaluation Programs, \$4.2 million in Competitive Grants, and \$5.4 million in Local Lead Agencies.

Proposition 99 Health Education Account

-\$5,735,000 TF
-\$5,735,000 OF

The Governor's Budget reflects a decrease of \$5.7 million in Proposition 99 Health Education Account (Fund 0231) as a result of updated Proposition 99 revenue projections. These decreases include \$2.0 million for Media Campaign, \$1.0 million for Competitive Grants (Local Assistance), \$885,000 for Evaluation, and \$1.9 million for Local Lead Agencies.

Proposition 99 Research Account

\$1,626,000 TF
\$1,626,000 OF

The Governor's Budget reflects an increase of \$1.6 million in Proposition 99 Research Account (Fund 0234) as a result of updated Proposition 99 revenue projections. To more properly align funding with activities, this includes a decrease of \$2.8 million in State Administration and an increase of \$4.4 million in External Contracts.

Proposition 99 Unallocated Account

\$393,000 TF
\$393,000 OF

The Governor's Budget reflects an increase of \$393,000 in Proposition 99 Unallocated Account (Fund 0236) as a result of updated Proposition 99 revenue projections. The increases include \$208,000 for State Administration, \$106,000 for the California Health Interview Survey, and \$79,000 for External Contracts.

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, Office of AIDS, Office of Binational Border Health, and Office of Refugee Health. Major budget adjustments include:

2017-18 Budget Adjustments

AIDS Drug Assistance Program (ADAP) November Estimate

\$2,420,000 TF
\$2,420,000 OF

The Governor's Budget reflects an increase of \$2.4 million in the ADAP Rebate Fund (Fund 3080) expenditure authority in Local Assistance. The increase in expenditures is mainly due to one-time system enhancements to the department's Insurance Benefits Manager and Medical Benefits Manager (IBM/MBM) platform to implement the Pre-Exposure Prophylaxis Assistance Program (PrEP-AP) and to accommodate the expansion of the Office of AIDS-Health Insurance Premium Payment benefits to individuals with employer based insurance and Medicare Part D, in addition to other eligibility enhancements to streamline insurance data transfers and medical out-of-pocket costs claims submission.

2018-19 Budget Adjustments
ADAP November Estimate

\$42,706,000 TF
\$42,706,000 OF

The Governor's Budget reflects an increase of \$42.7 million in ADAP expenditure authority in Local Assistance. This includes an increase of \$21.7 million in the ADAP Rebate Fund (Fund 3080) and an increase of \$21.0 million in the Federal Trust Fund (Fund 0890). The increase is mainly due to an increase in medication expenditures per client per month and overall caseload.

AIDS Drug Assistance Program Eligibility and Enrollment

15.0 Positions
\$2,700,000 TF
\$2,700,000 OF

The Governor's Budget reflects an increase of 15.0 permanent positions and \$2.7 million ADAP Rebate Fund (Fund 3080) expenditure authority in State Operations. This increase will support additional workload related to managing ADAP eligibility and enrollment services.

Capital Outlay

Richmond: Viral Rickettsial Disease Laboratory Enhanced Upgrade

\$4,866,000 TF
\$4,866,000 GF

The Governor's Budget reflects an increase of \$4.9 million in General Fund (Fund 0001) expenditure authority for Capital Outlay. This increase will fund a construction project for the Viral and Rickettsial Diseases Laboratory on the Richmond Campus to meet current guidelines for Bio-Safety Level (BSL) 3 laboratory requirements. This upgrade is vital to ensure the department can identify viruses for the important public health mission preparing for and responding to deadly emerging viral diseases. The 2015 Budget Act appropriated \$4.3 million for this project, but due to increased construction costs that funding was not utilized for this upgrade and will be reverted.

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:

2017-18 Budget Adjustments

Women, Infants, and Children (WIC) Program November Estimate

-\$42,676,000 TF

-\$42,676,000 OF

The Governor's Budget reflects a decrease of \$42.7 million in WIC Local Assistance expenditures. This includes a decrease of \$39.3 million in the Federal Trust Fund (Fund 0890) and a decrease of \$3.4 million in the WIC Manufacturer Rebate Fund (Fund 3023). Although the most recent Consumer Price Index rate projects an increase in food costs for 2017-18, the drop in projected participation levels still result in an overall decrease in food expenditures.

2018-19 Budget Adjustments

WIC Program November Estimate

-\$55,152,000 TF

-\$55,152,000 OF

The Governor's Budget reflects a decrease of \$55.2 million in WIC expenditure authority in Local Assistance. This includes a decrease of \$49.3 million in the Federal Trust Fund (Fund 0890) and a decrease of \$5.9 million in the WIC Manufacturer Rebate Fund (Fund 3023). This decrease is due to a drop in participation.

Genetic Disease Screening Program November Estimate

\$1,041,000 TF

\$1,041,000 OF

The Governor's Budget reflects a net increase of \$1.04 million in the Genetic Disease Testing Fund (Fund 0203) expenditure authority for Local Assistance. This net increase includes an increase of \$1.5 million for the additional disease screening activities for Pompe disease and mucopolysaccharidosis type I (MPS 1) and the permanent shift of \$460,000 from Local Assistance to State Operations to perform Second-Tier testing for metabolic disorders.

Infant and Early Childhood Home Visiting Program

11.0 Positions
\$903,000 TF
\$903,000 OF

The Governor's Budget reflects an increase of 11.0 permanent positions and \$903,000 in Federal Trust Fund (Fund 0890) expenditure authority in State Operations. This increase will support the permanent establishment of 11.0 limited-term positions, which were established as three-year limited-term positions and set to expire on January 31, 2019.

New Genetic Disorders (SB 1095) and 2nd Tier Testing

18.0 Positions
\$2,690,000 TF
\$2,690,000 OF

The Governor's Budget reflects an increase 18.0 positions and \$2.7 million in Genetic Disease Testing Fund (Fund 0203) expenditure authority in State Operations. This increase includes \$2.23 million and 15.0 positions to comply with Health and Safety Code Section 125001(d) that requires Public Health to expand statewide screening of newborns to include screening of any disease that is detectable in blood samples within two years of the disease being adopted by the federal Recommended Uniform Screening Panel. Also included is \$460,000 and 3.0 positions to perform Second-Tier testing for metabolic disorders.

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. A major budget adjustment includes:

Birth Certificate Processing Increase for Real ID Act Compliance

\$796,000 TF
\$796,000 OF

The Governor's Budget reflects an increase of \$796,000 in Health Statistics Special Fund (Fund 0099) expenditure authority in State Operations. This increase will support the increased demand for birth certificate requests due to the Real ID Act (federally compliant driver's license/identification card).

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. A major budget adjustment includes:

Public Beaches: Inspection for Contaminants (SB 1395)

\$354,000 TF
\$354,000 GF

The Governor’s Budget reflects an increase of \$354,000 in General Fund (Fund 0001) expenditure authority in State Operations. This increase will enable Public Health to finalize the implementation of mandated provisions of Senate Bill 1395 (Block, Chapter 928, Statutes of 2014), which requires the development of guidelines for approving the use of new rapid test methods at specific beaches so that they can be accepted as alternatives to the current conventional slower culture methods used for closing and opening public beaches.

VII. Center for Health Care Quality

This Center regulates the quality of care in approximately 10,000 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. A major budget adjustment includes:

Licensing and Certification: Los Angeles County Contract Extension

\$1,900,000 TF
\$1,900,000 OF

The Governor’s Budget reflects an increase of \$1.9 million in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will augment the Los Angeles County contract to fully fund a one-year extension of the existing contract for 2018-19, accounting for updated indirect cost rate, employee benefits rate, personnel costs, and lease costs.