

# FUTURE OF PUBLIC HEALTH FUNDING

## Reference Guide



Fiscal Year 2023-24

This document is intended to serve as a reference guide for the Future of Public Health (FoPH) funding & will be updated on a monthly basis. The latest version will be available on the [LHJ SharePoint](#). Any example activities provided in this document are non-exhaustive and for reference purposes only. Inquiries received by CDPH, as well as any applicable updates, will be incorporated into this document.

Please note – ~~strikethrough in red denotes a deletion~~, *blue italics denote an addition*

## SCOPE & PURPOSE

The California Budget Act of 2022 provides \$300 million state general fund ongoing to California Department of Public Health (CDPH) starting in 2022-23 to support the public health infrastructure at the state and local levels. Of the \$300 million annual investment (also known as Future of Public Health (FoPH) funding), \$99.6 million is dedicated for state operations while \$200.4 million is annually allocated to 61 local health jurisdictions (LHJs) for local assistance. Future increase of the funding would require legislative action.

### Purpose of Funding

The Future of Public Health (FoPH) initiative aims at transforming and modernizing California to be able to handle public health threats. The COVID-19 pandemic highlighted the critical role of public health systems, but also their understaffing, inadequate information technology (IT) systems, and lab capacity. Therefore, California has adopted a modified foundational public health framework addressing six (6) key service areas:

- Workforce Development, Recruitment, and Training
- Emergency Preparedness and Response
- IT, Data Science, and Informatics
- Communications, Public Education, Engagement, and Behavior Change
- Community Partnerships
- Community Health Improvement

### Funding Allocation

As outlined in the statute, of the \$200.4 million allocated for local assistance, each Local Health Jurisdiction will receive a base funding amount of \$350,000 per year. The remaining balance of the appropriation will be provided to LHJs proportionally as follows:

- 1) 50% based on 2019, or most recent, population data,
- 2) 25% based on 2019, or most recent, poverty data, and
- 3) 25% based on 2019, or most recent, the share of the population that is Black/African-American/ Latinx/or Native Hawaiian/Pacific Islander.

Details on the calculation of allocation amounts are outlined in the Attachment 1 – Local Allocations Table. Future increase of the funding or changes in allocation would require legislative action.

## Funding Period for Local Assistance

FoPH provides ongoing state funding for CDPH and LHJs.

- Funding period for the 2022-23 fiscal year is July 1, 2022 – June 30, 2023.
  - Funds allocated for this period are available for encumbrance or expenditure until 06/30/2024 (funding for subsequent fiscal years must be spent within the year allocated);
  - LHJs may spend funds as early as July 01, 2022 while required documents (Workplan & spend plan) are pending for submission and approval.
- *Funding period for the 2023-24 fiscal year is July 1, 2023 – June 30, 2024.*
  - *Funds allocated for this period are available for encumbrance or expenditure until 06/30/2024.*

## Funded Activities

The FoPH funding offers a unique opportunity to strengthen and expand local public health workforce, particularly to fill staffing gaps identified during the COVID-19 pandemic. As CDPH recognizes that community needs, challenges, and infrastructure are different for each LHJ, the intent of the FoPH funding is to be used flexibly in ways that are appropriate for each local context and reflect the needs of each local health jurisdiction.

As required by statute, at least 70 percent of the funding must be spent on expanding permanent public health workforce:

- Each LHJ must dedicate at least 70 percent of funding to support recruitment of new permanent city or county staff, including benefits and training;
- Remaining funds, not to exceed 30%, may be used for equipment, supplies, and other administrative purposes (such as facility space, furnishings, travel, and similar activities);
- The funding should not replace existing public health resources. It may be used to supplement, but not to supplant all other specific local city and/or county fundings (including, but not limited to, local realignment and local general fund resources utilized for LHJ purposes & excluding federal funds in this determination); and
- Starting in FY 2023-24, Local Public Health ~~Workplans~~ **Plans** (FoPH Work Plans and Spend Plans) must be submitted by December 30, 2023, and by July 1<sup>st</sup> every three years thereafter.
  - ~~Submission instructions/details (including templates/required documents & submission timeline) will be communicated to LHJs with advance notice.~~
  - *A funding memo for FY 23-24, FY 24-25, and FY 25-26 was issued on June 30, 2023. This funding memo along with templates for the Workplan and Spend Plan are available on the LHJ SharePoint. Although statute outlines that Workplans must be submitted by December 30, 2023, the due date has been adjusted to better align with the state fiscal year and to allow time for review and approval; therefore, Local Public Health Workplans and Spend Plans are due to CDPH by July 31, 2023. LHJs may request an extension for the submission of the Workplan and Spend Plan if more time is needed.*
- In addition, LHJs that do not have a completed community health needs assessment, community health improvement plan or strategic plan, shall commence coordination and planning activities no later than October 1, 2022. *Statute requires that the Local Public Health Workplans be guided by a community health needs assessment (CHA), community health improvement plan (CHIP) or strategic plan. In the case that an LHJ does not have a completed CHA/CHIP/Strategic Plan, the LHJ may use any other resources available to inform the completion of the Local Public Health Workplan.*

LHJ may direct a portion of their funds to another LHJ in support of regional capacity. The LHJ should submit a letter of support written by the LHJ which these funds are redirected to. The letter of support must include a description of the regional capacity the funds will support. The letter of support should be included as an additional attachment to the submission package due by *July 31, 2023*. ~~September 15, 2022.~~

## SUBMISSION REQUIREMENT



*\*\* If a due date falls on a weekend or state holiday, the due date is extended to the next business day \*\**

### 1. Acknowledgement of Allocation Letter

#### 1.1. Who can sign the Acknowledgement of Allocation Letter?

The acknowledge form can be signed by any individual(s) in your jurisdiction designated to review and sign these types of forms.

### 2. Certification form

#### 2.1. Who can sign the Certification form?

The Certification form can be signed by any individual(s) in your jurisdiction designated to review and sign these types of forms.

#### 2.2. Where can LHJs locate the agreement number?

*The agreement number for FY 2023-24 is the same as the agreement number from the FY 2022-23 allocation letter. If you need assistance locating your agreement number, you can e-mail [FoPHfunding@cdph.ca.gov](mailto:FoPHfunding@cdph.ca.gov).*

~~The allocation letter constitutes the agreement notice for the FY 2022-23 allocation. The agreement number is referenced on the Allocation Letter as the award number (FoPH-xxx).~~

## 3. Workplan

### Minimum Requirements

#### **3.1. What are the minimum requirements for the Workplan?**

The workplan should address the following requirements:

- Description of how LHJ will achieve 24/7 health officer coverage
- Description of how LHJ will meet community health assessment (CHA), community health improvement plan (CHIP), and/or local strategic plan goals
- Description of how funds will be used to meet local equity goals
- Description of how LHJ will become or sustain capacity as a learning organization
- Commitment to LHO & Health Director participation in RPHO's regular meetings.

#### **3.2. What is the expectation for 24/7 health officer coverage? Is LHJ required to have a full-time health officer position?**

CDPH acknowledges that there are different ways, especially for small and rural LHJs, to ensure there is a health officer available for response to emergencies at all times. For instance, LHJs may appoint a deputy health officer and/or designate an individual to serve as interim officer to provide backup coverage. Some LHJs have also established regional agreements which neighboring health officers agree to provide backup coverage as needed. LHJs are required to describe how 24/7 health officer coverage will be achieved in the Workplan.

#### **3.3. What is the expectation for health officer & health director participation in regional public health office (RPHO) meetings?**

As the RPHO is currently being stood up, details on meeting cadence have not been set. While it is preferred that both HO and HD participate in those meetings, it is acceptable if there is an agreement between LHJ representatives to coordinate attendance and share information discussed during meetings.

#### **3.4. What is a learning organization?**

The focus should be on performance improvement, which could be any performance framework such as Lean, Six Sigma, Plan-Do-Study-Act (PDSA), etc. In general, LHJ should look to improve the services that are offered and/or operational processes as well.

One lesson learned during health emergencies is that CDPH must be agile, adaptive, and responsive to the increasingly complex and emerging public health challenges facing California and its diverse communities. CDPH is embarking on a journey to transform into a learning organization promoting a culture of trust, humility, respect, innovation, learning, and continuous improvement. Striving to “become the best at getting better,” CDPH has adopted Lean – an established, real-world tested framework for organizational learning and improvement based on three pillars:

- Respect for people,
- Continuous improvement, and
- Scientific thinking and problem-solving

### Staffing Plan

~~The staffing plan allows for LHJs to project the number of planned hires using FoPH funds. LHJs are being asked to provide details on types of positions and projected numbers of each position in the Staffing Plan section of the Workplan.~~

**3.5. Can this funding be used for cross-cutting positions that work across different areas of an integrated Health & Human Services agency (i.e. part time in PH and part time in BH and Social Services)?**

The FoPH funding may be used to cover the portion of staff time that support local public health department's activities.

**3.6. If LHJs have a position that doesn't fit in any of the categories, which one should be selected?**

If position doesn't fit into any category (including "Other Administrative Functions" or "Strategic Alignment"), please contact CDPH for further assistance. There are positions that are administrative and/or cut across multiple areas, such as strategic alignment.

**3.7. If the CHA/CHIP and/or local strategic plan identifies other priority areas of focus that are different from what are originally listed in the Workplan, can LHJs revise Workplan to indicate transfer of positions between programs (COVID, STDs, etc.)?**

CDPH encourages LHJs to consider hiring individuals for broader public health functions rather than just disease-specific activities. For example, instead of hiring disease investigators or epidemiologists for COVID-19 only, CDPH recommends LHJs incorporate flexibility to use the staff for other emerging diseases.

### Workplan Objectives

**3.8. How many objectives can LHJs include in the Workplan?**

LHJs may include up to 20 objectives (no minimum amount):

- Objectives should be SMART (Specific, Measurable, Achievable, Relevant, Timely).
- Steps are listed on how LHJ's will meet objectives.
- There is an evaluation plan on how LHJ's will measure progress on objectives.
- Each objective should have at least one issue area and one strategy area.
- Each objective has an expected completion date.

## 4. Spend Plan

**4.1. Could indirect costs be included in the 70% of allocated funds for staffing?**

Indirect costs including benefits and training for staff can be included in the 70% portion of funds dedicated to support recruitment of permanent city or county staff. Indirect costs should not exceed CDPH's approved rate. Indirect costs like those for consultants or other contracts, should be included in the remaining 30% of the funding.

**4.2. What would happen if an LHJ is not able to spend the 70% of funds dedicated for recruitment as it might take longer to fill positions in the first year?**

Funds allocated for this period are available for encumbrance or expenditure until 06/30/2024. If LHJ is not able to spend the 70% of funds dedicated for staffing within this fiscal year, remaining funds can be carried over to the 2023-24 fiscal year to expend on staffing.

**4.3. What are the guidelines for carryover of 2022-23 allocations?**

*The funding period for the 2022-23 state fiscal year was July 1, 2022 – June 30, 2023. The funds allocated for this period are available for encumbrance or expenditure until June 30, 2024. An LHJ may elect to carryover part or all of the unspent funds remaining after the end of the 2022-23 state fiscal year. If an LHJ wishes to carryover 2022-23 unspent funds, please send an e-mail to [FoPHfunding@cdphca.gov](mailto:FoPHfunding@cdphca.gov) indicating the amount that the LHJ wishes to carryover. Please note that carryover of unspent funds must be used for pre-approved Spend Plan activities and must follow the*

*70/30 split. (If an LHJ is using 2022-23 funding for development of a Community Health Assessment (CHA)/Community Health Improvement Plan (CHIP))*

#### **4.4. Should we include our carryover amount in our 2023-24 Spend Plan?**

*No, 2022-23 carryover funds should be tracked separately than 2023-24 funds.*

## **5. Allowable & Unallowable Spending Activities**

The intent of the FoPH funding is to be used flexibly in ways that are appropriate for each local context and reflect the needs of each local health jurisdiction. The lists of allowable & unallowable spending activities provided below are non-exhaustive and for reference purposes only. For additional clarification, please submit inquiries to the FoPH funding mailbox ([FoPHfunding@cdph.ca.gov](mailto:FoPHfunding@cdph.ca.gov)).

### **5.1. What are required and allowable activities for this funding?**

All activities should aim to strengthen local public health infrastructure and to expand permanent public health workforce. As required by statute, at least 70 percent of the funding must be spent on expanding permanent public health workforce:

- Each LHJ must dedicate at least 70 percent of funding to support recruitment of new permanent LHJ staff supporting public health activities;
- Remaining funds, not to exceed 30%, may be used for equipment, supplies, and other administrative purposes (such as facility space, furnishing, travel, and similar activities); and
- Services to support the development of the CHA, CHIP, and local public health plans (please note – during 2022-23 fiscal year, LHJs may deviate from the 70%-30% split requirement to contract for services supporting the development of public health plans)

Examples include (but not limited to):

- Recruitment of new permanent local public health staff (at least 70% of the funds)
  - Establishing new permanent positions;
  - Transitioning limited-term or contracted positions previously funded through federal funding (Workforce Development (WFD), Epidemiology and Lab Capacity for Prevention and Control of Emerging Infectious Diseases (ELC), etc.) into permanent positions (please note – LHJs do not need to exhaust these funds before transitioning);
  - Increasing time base for part-time permanent positions;
  - Partially funding existing permanent positions funded by other limited-term or special funding as long as all funding requirements (including non-supplantation) are met (for instance, funding a position with 50% Medical Administrative Activities and 50% FoPH);
  - Indirect costs including benefits and training (please note – indirect cost should not exceed CDPH's approved rate);
  - Hiring package including recruitment bonuses, stipends, and other recruitment incentives such as relocation assistance or license certification fees (please note – public health nurse certification fees are waived for three years under the Budget Act of 2022).
- Infrastructure and administrative purposes:
  - Contracted workforce (including university-affiliated residency programs);
  - Administrative costs (e.g., supplies, contracts, and other costs supporting public health activities);
  - Equipment (e.g., purchase or upgrade of computer, phone, electronic health record(s), etc.);
  - Work-related travels (please note – cost should not exceed [CDPH/CalHR per diem rates](#) for reimbursement).



## 5.2. What are the year 1 (2022-2023 fiscal year) funding flexibilities?

Note: The funding flexibilities described below will require an official revision request that must be reviewed by CDPH before it is implemented. In addition, the Year 1 funding flexibilities budget revision process supersedes what's outlined in section 6.4 for budget revisions. Year 1 funding flexibilities are also subject to the non-supplantation requirement.

To submit a request, send an e-mail to the FoPH funding inbox ([FoPHfunding@cdph.ca.gov](mailto:FoPHfunding@cdph.ca.gov)) with the subject line—"Year One Flexibilities Request".

- LHJs may request to revise a portion of their year one (FY 2022-2023) budget currently approved to establish new permanent positions (the 70% portion) and use funds for:
  - Current permanent county staff who support a broader public health function or response who otherwise wouldn't be funded due to unanticipated budget shortfalls, funding allowability limitations such as those related to redirected staff due to public health emergencies, or funding sources have been exhausted.
  - This will be approved if documentation is provided to CDPH and if the following three criteria are met:
    1. LHJ demonstrates an established path and documented progress towards the creation and filling of the new permanent positions identified in their spend plan.
      - LHJ must submit written documentation of one or more of the following: Board of Supervisor requests or other county approval processes have been submitted, positions have been posted and/or recruitment has begun.
    2. LHJ has exhausted all other budgeted funds (e.g., grants or allocated local funds) to meet the identified public health function and the use of FoPH funds in this way will enable the LHJ to continue supporting the creation of the newly established permanent positions.
      - LHJ must submit written justification and fiscal documentation of the above.
      - LHJ acknowledges that this revision option is only available for the 2022-2023 funds, including those that may rollover to year two. Subsequent budget year funds must be used in accordance to previously outlined criteria. LHJ must submit a written and signed acknowledgement with the revision request.

## 5.3. Is there a deadline to submit a year 1 funding flexibilities request?

Year 1 funding flexibilities request must be submitted by June 1<sup>st</sup>, 2023.

## 5.2. What training activities are allowable for this funding?

Training costs associated with hiring permanent staff, the hiring package, and ongoing staff training can be included in the 70% portion of your jurisdiction's allocation. CDPH recommends that LHJs prioritize at least 70% of the funding for recruitment and hiring permanent staff; however, the cost of ongoing training for permanent staff can be included in the 70% if the non-supplantation requirement is being met (e.g., the cost of the training was not already funded by existing public health resources or county/city realignment or general funding).

## 5.3. What activities are unallowable activities for this funding?

The funding should not replace existing public health resources. It may be used to supplement, but not to supplant, all other specific local city and/or county fundings (including local realignment and local general fund resources utilized for LHJ purposes & excluding federal funds in this determination).

- Funds may not be used to cover personnel, services, and expenses currently paid for by local general fund sources.

- Funds may not be used to cover for staff retention activities (such as retention bonus) as the intent of the FoPH is to expand public health staffing capacity (please note – Cost of Living Adjustment (COLA) may be included for new permanent positions as normal salary increase or civil service merit increase; but cannot be used as a standalone spending activity).
- Funds may not be used to pay for the cost of certifications or licenses of permanent staff unless the cost is included as part of the hiring package for a new permanent position being established. The cost of certifications or licenses is not considered training for this funding source.

~~**5.3. The allocation letter indicates that CDPH will assess spending in January 2023. What is the purpose of this assessment?**~~

~~The assessment is considered as an opportunity for CDPH to identify any area of challenges and barriers at the local level and to provide LHJs technical assistance as needed.~~

**5.4. What are the guidelines for out-of-state travel?**

CDPH recommends that LHJ's follow the following guidelines:

- Travel expenses are to be part of the 30% of an LHJ's allocation
- Lodging expenses for out of state travel should follow the CDPH/CalHR per diem guidelines.
  - There is no need to submit any additional documentation for approval for out-of-state travel.
  - When possible, lodging rates should be below or at the negotiated conference rate up to a maximum of \$250 per night.
  - The LHJ must keep supporting documentation on file for five years and documentation should be readily available upon request from CDPH.

## 6. Invoicing & Reimbursement

**6.1. How will funding be disbursed?**

CDPH will reimburse your Agency upon receipt of invoice.

- To support the commencement of local infrastructure-building activities, CDPH *issued* will issue an advance payment for 25% of the LHJ's total allocation for the 2022-23 fiscal year.
- Once 25% advance payment is fully expended, CDPH will issue reimbursement upon receipt of invoices.
- *CDPH will not be providing advanced payments for the 2023-24 allocation.*

Invoice(s) should be completed using the provided template (see Attachment 5 – Invoice of the allocation package) and submitted to the Future of Public Health funding mailbox (FoPHfunding@cdph.ca.gov).

~~**6.2. What is the process of receiving the advance payment for 25% of the total allocation?**~~

~~CDPH completed issuing advance payments to all jurisdictions on 09/14/2022 (except LHJs who declined the advance payment). If your jurisdiction has not received the advance payment for 25% of the total allocation, please email the FoPH mailbox ([FoPHfunding@cdph.ca.gov](mailto:FoPHfunding@cdph.ca.gov)) for assistance.~~

**6.2. Are LHJs required to pay back interest accrued on distributed FoPH funding's advance payment?**

No.

**6.3. How do LHJs submit budget revisions\*?**

~~Note: The guidelines for Year 1 flexibilities outlined in Section 5.2 supersede these guidelines. If you are submitting a budget revision as a result of the Year 1 flexibilities, then it must be submitted for approval regardless of the revision amount.~~



- Budget revisions totaling more than 25% of an LHJ's allocation must be submitted for approval. Requests for budget revisions should be submitted to the Future of Public Health funding mailbox ([FoPHfunding@cdph.ca.gov](mailto:FoPHfunding@cdph.ca.gov)) and should include the subject line "Budget Revision Request". The submission should include a summary outlining the proposed changes.
- There is no need to request approval for changes to personnel or for revisions totaling 25% or less of an LHJ's allocation. If such revisions are made, the LHJ should report changes at the next available reporting opportunity (i.e., expenditure report, quarterly progress report). Reporting of changes can include a description of how the LHJ will use funds for a different purpose (e.g., moving funds from salaries to training or equipment to travel).

All budget revisions regardless of whether they require prior approval or not must follow the 70/30 percent split as outlined in statute. In addition, all revisions should be reconciled by the end of the fiscal year and reflected in an updated spend plan submitted with the year-end invoice or progress report. If the changes in the spend plan materially impact the Workplan, an updated Workplan should also be submitted. Updates on the Workplan and spend plan should be in red font.

Please note that LHJs can **roll carryover** unspent funds from the first fiscal year (July 1, 2022, through June 30, 2023) to the subsequent fiscal year (July 1, 2023 – June 30, 2024). **Roll Carryover** of unspent funds only applies to the first-year allocation.

\*Any changes to the above budget revision process will be communicated at least 30 days in advance.

#### **6.4. Are food and beverages allowable expenses under this funding source?**

Yes, food and beverages are allowable expenses under the 30% portion of an LHJ's allocation for department-wide trainings.

## **7. Other Requirements**

### **7.1. What if an LHJ does not have a completed CHA, CHIP, or strategic plan?**

If a CHA/CHIP and/or strategic plan has not been completed, the LHJ shall commence coordination and planning activities by no later than October 1, 2022.

### **7.2. What are other requirements for LHJs receiving FoPH funding?**

LHJs receiving FoPH funding must annually present updates to the board of supervisors or city council (as applicable) on the state of the jurisdiction's public health. The presentation shall identify:

- LHJ's most prevalent current causes of morbidity and mortality;
- LHJ's cases of morbidity and mortality with the most rapid three-year growth rate; and
- Health disparities

The LHJ presentation must also provide an update on the progress of addressing the issues through the strategies and programs identified in the LHJ's triennial public health plan and identify policy recommendations for addressing these issues.

### **7.3. Is there a set due date or timeframe for the LHJ presentation to the board of supervisors or city council (as applicable)?**

LHJs shall present to the board of supervisors or city council on an annual basis. Statute does not specify a timeframe or due date for these presentations; therefore, the timeframe/date can be individually decided upon by each LHJ.