



Date: January 22, 2024

To: The Honorable Assembly Member Jesse Gabriel
Chair, Assembly Budget Committee

The Honorable Senator Nancy Skinner
Chair, Senate Budget & Fiscal Review Committee

From: Michelle Gibbons, Executive Director
County Health Executives Association of California

Re: January Budget Proposal Overview Hearings

The County Health Executives Association of California (CHEAC), representing local health departments throughout the state, writes to provide input on key proposals included in the Governor's budget:

Sustain Public Health Workforce & Infrastructure Investments. CHEAC applauds Governor Newsom for maintaining investments in governmental public health workforce and infrastructure and training and development programs secured through the leadership and prioritization of the Legislature. This includes \$200 million ongoing General Fund for local health departments and the Public Health Equity & Readiness Opportunity (Public HERO) Initiative established in the 2022 Budget Act.

With these investments, California local health departments have begun to rebuild their decimated workforce and infrastructure to ensure the health protection and promotion of their communities. Since enactment of the funding, California's 61 local health departments have added over 1,300 positions to support critical public health functions, including but not limited to areas such as communicable disease control, emergency preparedness and response, health equity, epidemiology, and data analysis. Maintaining this investment in local governmental public health is essential to keeping our diverse communities and residents safe and healthy from existing and emerging public health threats.

CHEAC respectfully requests that the Legislature sustain these investments.

Delay the California Children's Services (CCS) Monitoring and Oversight Initiative and Adequately Fund County CCS Programs. California local health departments administer the CCS Program on behalf of DHCS serving the state's most medically complex and vulnerable children and youth. The CCS Program has experienced significant budgetary and fiscal challenges over the past decade, including but not limited to insufficient funding allocations, cumbersome fiscal processes, and a flawed funding methodology that does not reflect actual CCS caseload figures.

Pursuant to the 2021 Budget Act, DHCS has developed the CCS Compliance, Monitoring, and Oversight Initiative to establish, implement, and evaluate statewide performance, quality, and reporting standards for county administration of the CCS Program. A memorandum of understanding between DHCS and local CCS programs outlining monitoring and oversight

activities is anticipated to take effect July 1, 2024. The Governor's January Budget proposes reallocating \$20.7 million of the \$33.9 million CHDP budget to counties to support the CCS Monitoring & Oversight Initiative.

Of note, CHEAC was not engaged in the development of the Administration's CCS Monitoring & Oversight funding methodology, and we are not clear how the Administration reached this proposed funding amount. Local health departments express concerns about the adequacy of funding to ensure compliance with forthcoming requirements as part of this new initiative.

Moreover, due to long-standing budgetary and fiscal challenges with the CCS program referenced above, local CCS programs are already constrained from operating at optimal capacity. In addition, in Whole Child Model Counties where Kaiser is now operating, CCS programs are operating with two separate workstreams, thereby increasing county administrative responsibilities without additional funding. Layering on a new initiative to the program poses significant risk to program operations and service quality to vulnerable children and youth, especially as fiscal penalties may be imposed in future years.

CHEAC urges the Legislature to delay the upcoming effective date of the CCS Monitoring & Oversight Initiative until after an appropriate budget methodology for the local administration of the CCS program has been determined in partnership with county CCS programs and implemented by DHCS. CHEAC stands ready to partner with the Legislature and Administration on determining a more appropriate budget methodology.

Tobacco Tax Funding (Propositions 99 & 56). Tax revenues from cigarette and tobacco products, enacted by voters through Proposition 99 and Proposition 56, provide vital resources to support activities related to educating about, preventing, and treating dental disease, including those caused by the use of tobacco products. Revenues from these taxes support the State Oral Health Program at the California Department of Public Health (CDPH), as well as Local Oral Health Program (LOHP) across California's local health departments.

The Governor's January Budget proposes a decrease to the Proposition 56 State Dental Program Account while increasing certain other tobacco-related accounts. CHEAC expresses concerns with the proposed decrease to the State Dental Program Account that supports LOHPs and the important local work of oral health education, prevention, and linkage to care.

CHEAC looks forward to working with CDPH and the Department of Finance to understand this proposed decrease, and we urge the Legislature to maintain sustainable and ongoing support for this critical work.

Should you have any questions about the above items, please contact CHEAC Executive Director Michelle Gibbons at mgibbons@cheac.org or 916-327-7540. Thank you.

cc: Honorable Members, Senate Budget & Fiscal Review Committee
Honorable Members, Assembly Budget Committee
Joe Stephenshaw, Director, California Department of Finance
Mark Ghaly, Secretary, California Health and Human Services Agency
Tomás Aragón, Director and State Public Health Officer, California Department of Public Health
Michelle Baass, Director, California Department of Health Care Services

Richard Figueroa, Office of Governor Gavin Newsom
Angela Pontes, Office of Governor Gavin Newsom
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