



March 8, 2024

The Honorable Caroline Menjivar
Chair, Senate Budget & Fiscal Review Subcommittee No. 3 on Health & Human Services
1021 O Street, Suite 6720
Sacramento, CA 95814

**RE: CDPH Budget: State Dental Program General Fund Backfill – CONCERNS
Set for Hearing March 14, 2024 – Sen. Budget & Fiscal Review Subcommittee No. 3**

Dear Senator Menjivar,

The County Health Executives Association of California (CHEAC), representing local health departments throughout the state, writes to respectfully express concerns regarding the statutorily required state General Fund backfill for the Proposition 56 State Dental Program Account.

The State Dental Program exists for the purpose and goal of educating about, preventing, and treating dental disease, including dental diseases caused by use of cigarettes and other tobacco products. Importantly, the State Dental Program funds 60 local oral health programs housed within local health departments and partnering entities statewide.

As tobacco consumption continues to decline, Proposition 56 revenues are similarly expected to decline over time. To address this declining funding source and ensure sufficient resources for the state dental program, the following provision was added to Revenue & Taxation Code as part of the 2021 Budget Act (AB 133 (Chapter 143, Statutes of 2021)):

30130.59. Notwithstanding Section 13340 of the Government Code, if the board, pursuant to subdivision (h) of Section 30130.57, reduces the allocation to the State Department of Public Health state dental program due to a reduction in revenues, there is hereby continuously appropriated from the state General Fund an amount equivalent to the required reduction so that the total funding for the state dental program is maintained at thirty million dollars (\$30,000,000) annually.

The Governor's proposed budget for FY 2024-25 does not propose a General Fund investment as a backfill to Proposition 56 revenues to reach \$30 million annual revenues, leaving the total anticipated revenues for the State Dental Program Account at \$19.88 million in FY 2024-25. Of note, this is short of the statutorily required \$30 million annual revenue amount by approximately \$10.12 million.

CHEAC respectfully expresses concerns with the lack of General Fund backfill provided to the State Dental Program Account to ensure the account receives \$30 million in revenues on an

annual, ongoing basis.

California's local health departments remain committed to promoting and improving the oral health of residents throughout the state. However, this work must be sufficiently funded at the statutorily required amount of \$30 million annually.

Should you have any questions, please contact me at mgibbons@cheac.org or 916-327-7540. Thank you.

Respectfully,

As signed by

Michelle Gibbons
Executive Director

cc: Honorable Members, Senate Budget & Fiscal Review Subcommittee No. 3
Scott Ogus, Deputy Staff Director, Senate Budget & Fiscal Review Subcommittee No. 3
Elisa Wynne, Staff Director, Senate Budget & Fiscal Review Subcommittee No. 3
Kirk Feely, Fiscal Director, Senate Republican Caucus
Anthony Archie, Consultant, Senate Republican Caucus
Joe Stephenshaw, Director, California Department of Finance
Mark Ghaly, Secretary, California Health and Human Services Agency
Tomás Aragón, Director, California Department of Public Health
Richard Figueroa, Office of Governor Gavin Newsom
Angela Pontes, Office of Governor Gavin Newsom