



**Governor's Budget Highlights
Fiscal Year 2019-20**

California Department of Public Health

**Gavin Newsom
Governor
State of California**

**Michael Wilkening
Secretary
California Health and Human Services Agency**

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

January 10, 2019

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 Healthy Communities, 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 the State Public Health Laboratory Director, 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 2019-20, the Governor's Budget provides \$3.22 billion for the support of Public Health programs and services, an increase of 0.4 percent from the 2018 Budget Act. Of the amount approved, \$1.07 billion is for State Operations and \$2.15 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	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
General Fund**	\$169,723	\$182,146	\$183,686	8.2%
Federal Funds	\$1,543,068	\$1,540,352	\$1,490,075	-3.4%
Special Funds & Reimbursements	\$1,492,661	\$1,459,329	\$1,544,261	3.5%
Total Funds	\$3,205,452	\$3,181,827	\$3,218,022	0.4%

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

**2019-20 3-YR Expenditures and Positions display totals in the Governor's Budget Galley do not include the \$4.866 million General Fund for Capital Outlay in 2018-19.

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	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
Public Health Emergency Preparedness	4040	\$31,975	\$35,776	\$32,418	1.4%
Public and Environmental Health	4045	\$697,239	\$693,834	\$708,559	1.6%
Licensing & Certification Administration	4050	\$295,155	\$304,660	\$324,953	10.1%
Administration	9900100	\$47,710	\$50,731	\$50,734	6.3%
Distributed Administration	9900200	-\$47,710	-\$50,731	-\$50,734	6.3%
Total State Operations		\$1,024,369	\$1,034,270	\$1,065,930	4.1%

State Operations by Fund Source				
Fund Source	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
General Fund	\$96,571	\$103,299	\$97,215	0.7%
Federal Fund	\$316,514	\$330,452	\$310,716	-1.8%
Special Funds & Reimbursements	\$611,284	\$600,519	\$657,999	7.6%
Total State Operations	\$1,024,369	\$1,034,270	\$1,065,930	4.1%

*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	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
Public Health Emergency Preparedness	4040	\$64,055	\$64,588	\$64,055	0.0%
Public and Environmental Health	4045	\$2,116,410	\$2,076,292	\$2,086,191	-1.4%
Licensing and Certification	4050	\$618	\$1,811	\$1,846	198.7%
Total Local Assistance		\$2,181,083	\$2,142,691	\$2,152,092	-1.3%

Local Assistance by Fund Source				
Fund Source	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
General Fund	\$73,152	\$73,981	\$86,471	18.2%
Federal Fund	\$1,226,554	\$1,209,900	\$1,179,359	-3.8%
Special Funds & Reimbursements	\$881,377	\$858,810	\$886,262	0.6%
Total Local Assistance	\$2,181,083	\$2,142,691	\$2,152,092	-1.3%

*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	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
Capital Outlay	4060	\$4,866	\$4,866	\$0	-100%
Total Capital Outlay		\$4,866	\$4,866	\$0	-100%

Capital Outlay by Fund Source				
Governor's Budget	2018-19 Enacted Budget	2018-19 Revised Budget	2019-20 Governor's Budget	% Change from 2018-19 Enacted Budget
General Fund	\$4,866	\$4,866	\$0	-100%
Total General Fund	\$4,866	\$4,866	\$0	-100%

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2018 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 Healthy Communities

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 California Tobacco Control Branch, Childhood Lead Poisoning Prevention Branch, Chronic Disease Control Branch, Chronic Disease Surveillance and Research Branch, Environmental Health Laboratory Branch, Environmental Health Investigations Branch, Nutrition Education and Obesity Prevention Branch, Occupational Health Branch, Safe and Active Communities Branch, Office of Problem Gambling, and Office of Oral Health. Major budget adjustments include:

Gambling Disorder Training and Education Services

3.0 Positions
\$0 TF
\$0 OF

The Governor’s Budget reflects an increase of 3 positions to consolidate contracted services by moving the gambling disorder training and education program in-house. These positions will be funded by redirecting resources from an external contract that is ending.

Oral Health Program Additional Positions

7.0 Positions
\$0 TF
\$0 OF

The Governor’s Budget reflects an increase of 7 positions for the Oral Health Program to support the efforts of Local Health Jurisdictions and the California Oral Health Plan 2018-2028. These positions will be funded by State Dental Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) (Fund 3307) existing authority.

Childhood Lead Poisoning Prevention Program Reporting (SB 1097 and SB 1041)

6.0 Positions
\$769,000 TF
\$769,000 OF

The Governor’s Budget reflects an increase of 6 positions and \$769,000 in Childhood Lead Poisoning Prevention Fund (Fund 0080) expenditure authority in State Operations. This increase will support specified data collection and review, manual data entry, analysis and reporting, as required by Senate Bill (SB) 1097 (Chapter 691, Statutes of 2018) and SB 1041 (Chapter 690, Statutes of 2018).

Childhood Lead Poisoning Prevention Program Information Technology Project Implementation

8.0 Positions
\$8,005,000 TF
\$8,005,000 OF

The Governor’s Budget reflects an increase of 8 positions and \$8 million in Childhood Lead Poisoning Prevention Fund (Fund 0080) expenditure authority in State Operations. This increase will support the development and implementation of the Surveillance, Health, Intervention, and Environmental Lead Database (SHIELD) Information Technology (IT) Project.

Alzheimer’s Disease Program Grant Awards and Governor’s Task Force on Brain Health

2.0 Positions
\$3,000,000 TF
\$3,000,000 GF

The Governor’s Budget reflects an increase of 2 positions and \$3,000,000 in General Fund expenditure authority. This increase includes \$2.7 million for Local Assistance and \$300,000 for State Operations to support research grants that focus on women and communities of color, and for the creation and implementation of the Governor’s Task Force on Brain Health.

Proposition 99 Health Education Account

\$13,231,000 TF
\$13,231,000 OF

The Governor's Budget reflects an increase of \$13.2 million in the Proposition 99 Health Education Account (Fund 0231) as a result of updated Proposition 99 revenue projections. This increase includes \$477,000 for State Administration, \$3.2 million for Media Campaign, \$6.2 million for Evaluation, and \$3.4 million for Competitive Grants (\$478,000 in State Operations and \$2.9 million in Local Assistance).

Proposition 99 Research Account

\$1,114,000 TF
\$1,114,000 OF

The Governor's Budget reflects an increase of \$1.1 million in the Proposition 99 Research Account (Fund 0234) as a result of updated Proposition 99 revenue projections. This increase includes \$187,000 for State Administration and \$927,000 for External Contracts.

Proposition 99 Unallocated Account

\$1,061,000 TF
\$1,061,000 OF

The Governor's Budget reflects an increase of \$1.1 million in the Proposition 99 Unallocated Account (Fund 0236) as a result of updated Proposition 99 revenue projections. This increase includes \$404,000 for State Administration, \$206,000 for the California Health Interview Survey, and \$451,000 for External Contracts.

Proposition 56 State Dental Program Account

-\$2,500,000 TF
-\$2,500,000 OF

The Governor's Budget reflects a decrease of \$2,500,000 in State Dental Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) (Fund 3307) expenditure authority in Local Assistance as a result of updated Proposition 56 revenue projections. This decrease will result in a reduction in assistance to Local Health Jurisdictions and the Children's Dental Disease Prevention Program.

Breast Cancer Research Account

\$81,000 TF
\$81,000 OF

The Governor's Budget reflects an increase of \$81,000 in Breast Cancer Research Account (Fund 0007) expenditure authority in State Operations. This increase will support improvements to the California Cancer Registry, by improving the collection and use of genetic biomarker data, and enhancing geospatial tools to enable targeting of breast cancer resources statewide.

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:

2018-19 Budget Adjustments

AIDS Drug Assistance Program (ADAP) November Estimate

-\$26,198,000 TF
-\$26,198,000 OF

The Governor's Budget reflects a decrease of \$26.2 million in ADAP expenditure authority in Local Assistance. This includes a decrease of \$22.9 million in the ADAP Rebate Fund (Fund 3080) and a decrease \$3.3 million in the Federal Trust Fund (Fund 0890). The decrease in expenditures is mainly due to a decrease in projected medication expenditures and less than expected funding from the 2018 Ryan White Part B Supplemental grant.

2019-20 Budget Adjustments

ADAP November Estimate

\$15,713,000 TF
\$15,713,000 OF

The Governor's Budget reflects an increase of \$15.7 million in ADAP expenditure authority in Local Assistance. This includes an increase of \$13 million in the ADAP Rebate Fund (Fund 3080) and an increase of \$2.7 million in the Federal Trust Fund (Fund 0890). The increase is mainly due to an increase in projected medication and insurance premium expenditures.

AIDS Drug Assistance Eligibility and Enrollment System

\$3,261,000 TF
\$3,261,000 OF

The Governor's Budget reflects an increase of \$3.3 million in ADAP Rebate Fund (Fund 3080) expenditure authority in State Operations. This increase will support the interim ADAP Enrollment System (AES). By the end of 2019-20, the ADAP Project Approval Lifecycle is expected to be completed, making the interim AES the permanent IT solution.

Infant Botulism Treatment and Prevention Program Compliance Costs for BabyBig Orphan Drug

\$7,833,000 TF
\$7,833,000 OF

The Governor's Budget reflects an increase of \$7.8 million in the Infant Botulism Treatment and Prevention Fund (Fund 0272) expenditure authority in State Operations. This increase will support production, post-production regulatory compliance activities, and distribution costs for the next lot of BabyBIG®, the drug used for treatment of infant botulism.

Sexually Transmitted Diseases Prevention

\$2,000,000 TF
\$2,000,000 GF

The Governor's Budget reflects an increase of \$2,000,000 in General Fund expenditure authority in Local Assistance. This increase will support subvention funding to local health jurisdictions for the prevention of sexually transmitted diseases.

IV. Center for Family Health

This Center 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 (WIC) Division. Major budget adjustments include:

2018-19 Budget Adjustments

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

-\$15,454,000 TF

-\$15,454,000 OF

The Governor's Budget reflects a decrease of \$15.5 million in WIC expenditure authority in Local Assistance. This includes a decrease of \$14.8 million in the Federal Trust Fund (Fund 0890) and a decrease of \$700,000 in the WIC Manufacturer Rebate Fund (Fund 3023). Although the most recent Consumer Price Index rate projects an increase in food costs for 2018-19, the drop in projected participation levels still results in an overall decrease in food expenditures.

2019-20 Budget Adjustments

WIC Program November Estimate

-\$42,088,000 TF

-\$42,088,000 OF

The Governor's Budget reflects a decrease of \$42.1 million in WIC expenditure authority in Local Assistance. This includes a decrease of \$27.2 million in the Federal Trust Fund (Fund 0890) and a decrease of \$14.8 million in the WIC Manufacturer Rebate Fund (Fund 3023). This decrease is due to a drop in participation.

Genetic Disease Screening Program November Estimate

\$2,924,000 TF

\$2,924,000 OF

The Governor's Budget reflects an increase of \$2.9 million in the Genetic Disease Testing Fund (Fund 0203) expenditure authority in Local Assistance. This increase is due to the changing methodology for estimating caseload, specimens, and service rates for prenatal and newborn screening.

Newborn Screening Program Implementation of Spinal Muscular Atrophy Screening

8.0 Positions

\$4,307,000 TF

\$4,307,000 OF

The Governor's Budget reflects an increase of 8 positions and \$4.3 million in Genetic Disease Testing Fund (Fund 0203) expenditure authority. This increase includes \$3.4 million in Local Assistance and \$907,000 in State Operations for 8 phased-in positions (5.8 positions 2019-20 and 8 positions in 2020-21 and thereafter) to comply with Health and Safety Code section 125001(d), which requires screening for Spinal Muscular Atrophy.

Maternal, Child and Adolescent Health: Medi-Cal Oversight Activities

5.0 Positions
\$656,000 TF
\$328,000 GF
\$328,000 OF

The Governor's Budget reflects an increase of 5 positions and \$656,000 in expenditure authority in State Operations. This increase includes \$328,000 in General Fund (Fund 0001) and \$328,000 in Reimbursements (Fund 0995) to implement required administrative oversight and contractual disbursement of Title XIX (Medicaid) funding to support activities of Local Health Jurisdictions.

California Home Visiting Program Expansion

13.0 Positions
\$23,000,000 TF
\$23,000,000 GF

The Governor's Budget reflects an increase of 13 positions and \$23,000,000 in General Fund expenditure authority. This increase includes \$21 million for Local Assistance and \$2 million for State Operations to expand the California Home Visiting Program, in coordination with the Departments of Social Services and Health Care Services. This program expansion will focus on young, low-income mothers and provide a wider range of home visiting models based on varying family needs.

Black Infant Health Program Expansion

4.0 Positions
\$7,500,000 TF
\$7,500,000 GF

The Governor's Budget reflects an increase of 4 positions and \$7,500,000 in General Fund expenditure authority. This increase includes \$7 million for Local Assistance and \$500,000 for State Operations to expand the Black Infant Health Program to improve African-American infant and maternal health.

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:

Improving Vital Records Interoperability and Data Quality

3.0 Positions
\$1,223,000 TF
\$1,223,000 OF

The Governor's Budget reflects an increase of 3 positions and \$1,223,000 in Health Statistics Special Fund (Fund 0099) expenditure authority in State Operations. This increase will support necessary operating systems upgrades to improve continuity of California Integrated Vital Records registration, database and reporting functionality, and timeliness of vital records data delivery to stakeholders.

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; overseeing the use of radiation and radioactive materials; regulating the handling and disposal of medical waste; and conducting other environmental management programs. This Center includes the Division of Food, Drug, and Cannabis Safety, and the Division of Radiation Safety and Environmental Management. Major budget adjustments includes:

Increased Drinking Water Laboratory Services

4.0 Positions
\$837,000 TF
\$837,000 OF

The Governor's Budget reflects an increase of 4 positions and \$837,000 in Reimbursements (Fund 0995) in State Operations. This increase will support the additional activities requested by the State Water Resources Control Board under an expansion of its contract with Public Health to provide drinking water analytical services. These services include implementing the National Environmental Laboratory Accreditation Conference Institute (NELAP) standards, and resources to investigate and develop new analytical methods for contaminants of emerging concern.

Proposition 56 Tobacco Law Enforcement Account

-\$1,000,000 TF
-\$1,000,000 OF

The Governor's Budget reflects a decrease of \$1,000,000 in Department of Public Health Subaccount, Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) (Fund 3318) expenditure authority in Local Assistance as a result of updated Proposition 56 revenue projections. This decrease will result in a reduction in the local assistance grant program that provides local law enforcement agencies funding for training and enforcement of state and local tobacco laws.

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. Major budget adjustments include:

Licensing and Certification: Los Angeles County Contract

\$17,158,000 TF
\$17,158,000 OF

The Governor's Budget reflects an increase of \$17.2 million in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This will fund the increase in costs associated with the first year of a renewed three-year contract with the Los Angeles County Department of Public Health (LAC) that will begin the transition of 100 percent of the licensing and certification survey and complaint workload in Los Angeles County to LAC, and implement a pay-for-performance contract model.

Online and Distance-Learning Nurse Assistant Training Programs (AB 2850)

9.0 Positions
\$1,243,000 TF
\$1,243,000 OF

The Governor's Budget reflects an increase of 9 positions and \$1.2 million in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will support statutory oversight for online and distance learning nurse assistant training programs in skilled nursing facilities, intermediate care facilities, educational institutions, and local agencies, as required by Assembly Bill (AB) 2850 (Chapter 769, Statutes of 2018).

Licensing and Certification: Creation of a Centralized Program Flex Unit

6.0 Positions
\$973,000 TF
\$973,000 OF

The Governor's Budget reflects an increase of 6 positions and \$973,000 in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will establish a Centralized Program Flexibility Unit to improve consistency and efficiency of the regulatory flexibility approval review process for health facilities.

Licensing and Certification: Increased Information Technology Customer Support

6.0 positions
\$911,000 TF
\$911,000 OF

The Governor's Budget reflects an increase of 6 positions and \$911,000 in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will support the increased demand for IT support services and facilitate electronic survey processing.

Timelines for Hospital Licensing Applications (AB 2798)

21.0 positions
\$3,386,000 TF
\$3,386,000 OF

The Governor's Budget reflects an increase of 21 positions and \$3.4 million in State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase will support the mandated workload related to the hospital licensing application processing timelines established by AB 2798 (Chapter 922, Statutes of 2018).