



**Assembly Bill 97
(Chapter 14, Statutes of 2017)
as amended by
Senate Bill 108
(Chapter 54, Statutes of 2017)
Budget Act Highlights
Fiscal Year 2017-18**

California Department of Public Health

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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.

The Department 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, the Department 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 Fiscal Year (FY) 2017-18, the Budget Act provides \$3.2 billion for the support of Public Health programs and services, an increase of 7.2 percent from the 2016 Budget Act. Of the amount approved, \$989 million is for State Operations and \$2.2 billion is for Local Assistance. The budget affirms the Department's commitment to address the public health needs of Californians.

Total Department Budget

Dollars in thousands*

Fund Source	2016-17 Enacted Budget	2017-18 Governor's Budget	2017-18 Enacted Budget	% Change from 2016-17 Enacted Budget
General Fund**	\$151,211	\$132,221	\$135,537	-10.4%
Federal Funds	\$1,714,868	\$1,727,858	\$1,594,078	-7.0%
Special Funds & Reimbursements	\$1,138,638	\$1,442,748	\$1,491,464	31.0%
Total Funds	\$3,004,717	\$3,302,827	\$3,221,079	7.2%

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

** 2017-18 3-YR Expenditures and Positions display totals in the - Budget Act Galley do not include \$3.8 million General Fund for Capital Outlay in 2016-17.

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	2016-17 Enacted Budget	2017-18 Governor's Budget	2017-18 Enacted Budget	% Change from 2016-17 Enacted
Public Health Emergency Preparedness	4040	\$25,649	\$40,667	\$31,278	21.9%
Public and Environmental Health	4045	\$503,867	\$576,798	\$680,153	35.0%
Licensing & Certification	4050	\$279,073	\$276,129	\$277,606	-0.5%
Administration	9900100	\$43,568	\$44,406	\$44,724	2.7%
Distributed Administration	9900200	-\$43,568	-\$44,406	-\$44,724	2.7%
Total State Operations		\$808,588	\$893,594	\$989,037	22.3%

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

State Operations by Fund Source				
Fund Source	2016-17 Enacted Budget	2017-18 Governor's Budget	2017-18 Enacted Budget	% Change from 2016-17 Enacted Budget
General Fund	\$87,430	\$87,019	\$90,335	3.3%
Federal Fund	\$276,530	\$314,288	\$305,702	10.5%
Special Funds & Reimbursements	\$444,628	\$492,287	\$593,000	33.4%
Total State Operations	\$808,588	\$893,594	\$989,037	22.3%

*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	2016-17 Enacted Budget	2017-18 Governor's Budget	2017-18 Enacted Budget	% Change from 2016-17 Enacted Budget
Public Health Emergency Preparedness	4040	\$61,859	\$61,859	\$61,859	0.0%
Public and Environmental Health	4045	\$2,129,853	\$2,346,756	\$2,169,565	1.9%
Licensing and Certification	4050	\$618	\$618	\$618	0.0%
Total Local Assistance		\$2,192,330	\$2,409,233	\$2,232,042	1.8%

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

Local Assistance by Fund Source				
Fund Source	2016-17 Enacted Budget	2017-18 Governor's Budget	2017-18 Enacted Budget	% Change from 2016-17 Enacted Budget
General Fund	\$59,982	\$45,202	\$45,202	-24.6%
Federal Fund	\$1,438,338	\$1,413,570	\$1,288,376	-10.4%
Special Funds & Reimbursements	\$694,010	\$950,461	\$898,464	29.5%
Total Local Assistance	\$2,192,330	\$2,409,233	\$2,232,042	1.8%

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

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the release of the 2017-18 Governor's Budget. The major changes include the May Revision Letter, Estimates, and Legislative augmentations.

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 the Department's emergency preparedness activities. A major budget adjustment includes:

Emergency Preparedness Technical Correction

-76.8 Positions
-\$9,441,000 TF
-\$9,441,000 OF

The Budget Act reflects a decrease of 76.8 positions and \$9.4 million in Federal Trust Fund (Fund 0890) expenditure authority in State Operations. This technical adjustment is necessary to remove limited-term positions and associated dollars that expire June 30, 2017. Resources, including the reauthorization of permanent positions, to support these activities are included in the Budget Act.

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 reduce adverse pregnancy outcomes; 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:

Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) Technical Adjustment – Oral Health Program

\$0 TF
\$0 OF

The Budget Act reflects a net zero change in California State Dental Program Account (Fund 3307) expenditure authority. The net zero change in Fund 3307

includes an increase of \$13.1 million in State Operations funding and a decrease of \$13.1 million in Local Assistance funding. This shift between State Operations and Local Assistance is necessary to accurately fund the activities within the Oral Health Program.

**Healthcare, Research and Prevention Tobacco Tax Act of 2016
(Proposition 56) Technical Adjustment – Tobacco Control Branch**

\$0 TF
\$0 OF

The Budget Act reflects a net zero change in Tobacco Prevention and Control Program Account (Fund 3309) expenditure authority. The net zero change in Fund 3309 includes a \$73.8 million increase in State Operations funding and \$73.8 million decrease in Local Assistance funding. This shift between State Operations and Local Assistance is necessary to better align the expenditure authority with the distribution already established for Proposition 99 funds.

**Healthcare, Research and Prevention Tobacco Tax Act of 2016
(Proposition 56) - Tobacco Prevention and Control Program Account**

\$2,668,000 TF
\$2,668,000 OF

The Budget Act reflects an increase of \$2.7 million in the Proposition 56 Tobacco Prevention and Control Program Account (Fund 3309) as a result of updated Proposition 56 revenue projections. This increase includes \$1.4 million for media campaigns and \$1.3 million for competitive grants (Local Assistance).

Parkinson’s Disease Registry

\$1,700,000 TF
\$1,700,000 GF

The Budget Act reflects an increase of \$1.7 million in General Fund (Fund 0001) expenditure authority in State Operations. This increase will provide funding to support the Richard Paul Hemann Parkinson’s Disease Registry.

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

AIDS Drug Assistance Program (ADAP) May Estimate

\$9,467,000 TF
\$9,467,000 OF

The Budget Act reflects a net increase of \$9.5 million in ADAP expenditure authority. This includes an increase of \$15.5 million in the ADAP Rebate Fund (Fund 3080) and a decrease of \$6.0 million in the Federal Trust Fund (Fund 0890). This increase in expenditure authority is largely due to fewer clients transitioning from medication-only services to private insurance associated with the proposed implementation of ADAP case management services. This increase in Fund 3080 expenditures is partly offset by \$4.0 million in savings due to Covered California maintaining its current three-month open enrollment period. The decrease in Federal Funds is due to a shift in expenditures in the 2017 ADAP Earmark award from FY 2017-18 to FY 2016-17.

Augment Allocation to ADAP Enrollment Workers

\$4,000,000 TF
\$4,000,000 OF

The Budget Act reflects a one-time increase of \$4.0 million in ADAP Rebate Fund (Fund 3080) expenditure authority in Local Assistance. The \$4.0 million in savings noted in the preceding paragraph will be used to fund the augmentation. The ADAP network of enrollment workers are experiencing an increased workload due to a transfer in ADAP program contractors and enrolling new clients into the Pre-Exposure Prophylaxis (PrEP) Assistance Program.

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:

GDSP May Estimate

-\$5,125,000 TF
-\$5,125,000 OF

The Budget Act reflects a decrease of \$5.1 million in Genetic Disease Testing Fund (Fund 0203) expenditure authority in Local Assistance. This projected decrease in expenditure authority is due to the decrease in the projected caseload.

WIC Program May Estimate

-\$98,895,000 TF
-\$98,895,000 OF

The Budget Act reflects a net decrease of \$98.9 million in WIC expenditure authority in Local Assistance. This includes a decrease of \$119.2 million in the Federal Trust Fund (Fund 0890) and an increase of \$20.3 million in the WIC Manufacturer Rebate Fund (Fund 3023). This decrease is due to a decrease in participation for current year, lower projected food costs based on the Consumer Price Index rates, and revised future birth rate projections. The increase in the WIC Manufacturer Rebate Fund and an offsetting decrease of the same amount to the Federal Trust Fund is due to a new contract that will begin August 1, 2017, which will increase the rebate dollars received per can of infant formula.

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:

Medical Marijuana Identification Card Program

\$250,000 TF
\$250,000 OF

The Budget Act reflects an increase of \$250,000 in Cannabis Control Fund (Fund 3288) expenditure authority in State Operations. This increase will ensure continued funding to support the Medical Marijuana Identification Card Program.

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. Major budget adjustments include:

Adult Use of Marijuana Act (Proposition 64)

50.0 Positions
\$9,279,000 TF
\$9,279,000 OF

The Budget Act reflects an increase of 50.0 permanent positions and \$9.3 million in Cannabis Control Fund (Fund 3288) expenditure authority in State Operations, and Budget Bill Language to authorize another 20.0 permanent positions and up to \$2.3 million to support those positions. This increase will enable the Office of Manufactured Cannabis Safety to implement the licensing and regulatory mandates of Proposition 64 including California Environmental Quality Act requirements.

Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) Technical Adjustment – Food and Drug Branch

\$0 TF
\$0 OF

The Budget Act reflects a net zero change in Tobacco Law Enforcement Account (Fund 3308) expenditure authority. The net zero change in Fund 3308 includes a \$2.9 million increase in State Operations funding and a \$2.9 million decrease in Local Assistance funding. This shift between State Operations and Local Assistance is necessary to accurately fund the activities within the Youth Tobacco Enforcement Program.

VII. Center for Health Care Quality

This Center regulates the quality of care in approximately 7,500 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:

Skilled Nursing Facilities Minimum Standards Increase

\$224,000 TF
\$224,000 OF

The Budget Act reflects a one-time increase of \$224,000 in the State Department of Public Health Licensing and Certification Program Fund (Fund 3098) expenditure authority in State Operations. This increase is for resources needed to adopt emergency regulations to implement this new standard and create waivers for skilled nursing facilities which may have difficulties meeting increased minimum direct care service hours per patient day, by July 1, 2018.