



February 1, 2021

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Section 28.00—Epidemiology and Laboratory Capacity (ELC) Enhancing Detection through Coronavirus Response and Relief Supplemental Funds

Pursuant to the provisions of Section 28.00, 2020 Budget Act, the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the Department of Public Health for the purpose of a fiscal year 2020-21 budget adjustment for the Public and Environmental Health Program to support local health jurisdictions' COVID-19 pandemic response.

The Department of Public Health received official notification of the availability of additional, unanticipated federal funds on January 7, 2021 and notified Finance within 45 days of this date.

Subdivision (b) of this section authorizes the Director of Finance to authorize the augmentation of expenditure equal to the amount of any additional, unanticipated funds received by the state from the federal government. The federal ELC Enhancing Detection funds provide the state with \$1.7 billion to support testing, contact tracing, vaccination, surveillance, containment and mitigation through the federal Centers for Disease Control and Prevention (CDC). ELC funding was previously provided to the state in the summer of 2020, however this funding is notably different in that the CDC has explicitly permitted its use for vaccination activities. Collectively, these funds will provide local public health departments with additional resources to mitigate the spread of the virus and reduce the number of hospitalizations related to COVID-19. These funds intend to build upon prior efforts funded through the initial allocation of ELC funds.

These funds were not accounted for in the Budget Act, and the Department of Finance seeks to make the following augmentations to Budget Act items. The federal support will be added to the items below as reimbursements which increases the Department's spending authority without creating an impact to the General Fund.

- \$1,187,498,000 to Item 4265-111-0001 for the Department of Public Health—these funds will be provided to local governments and used to further six strategies: (1) enhance laboratory, surveillance, informatics and other workforce capacity; (2) strengthen laboratory testing; (3) advance electronic data exchange at public health laboratories; (4) improve public health surveillance and reporting of electronic health data; (5) use laboratory data to enhance investigation, response and prevention ; and (6) coordinate and engage with partners. Recently released federal guidelines include vaccination operations as an eligible use of these funds.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for COVID-19 pandemic response which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year because of ongoing COVID-19 pandemic response.

We concur with the necessity of this change to the approved budget, and request a waiver of the 30-day review period from the above date to provide local health departments with sufficient funds to continue emergency response efforts.

If you have any questions or need additional information regarding this matter, please call Jack Zwald, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:



ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Alex Khan, Chief Consultant, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Mark Ghaly, Secretary, California Health and Human Services Agency
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary of Program and Fiscal Affairs, California Health and Human Services Agency
Julie Souliere, Assistant Secretary, California Health and Human Services Agency
Tomás J. Aragón, State Public Health Officer, Director of California Department of Public Health
Brandon Nunes, Chief Deputy Director of Operations, California Department of Public Health
Susan Fanelli, Chief Deputy Director of Policy and Programs, California Department of Public Health



California Department of Public Health
M E M O R A N D U M

DATE: January 29, 2021

TO: Ryan Miller
Assistant Program Budget Manager
Department of Finance
915 L Street, Ninth Floor

VIA: Mark Ghaly
Attention: Julie Souliere
Assistant Secretary
California Health and Human Services Agency
1600 Ninth Street, Room 460

FROM: Brandon Nunes
Chief Deputy Director of Operations
Department of Public Health
1615 Capitol Avenue, Suite 73.720

SUBJECT: Fiscal Year 2020-21 Control Section 28.00 and Budget Revision for the California Department of Public Health

The California Department of Public Health (CDPH) respectfully requests approval of a Fiscal Year (FY) 2020-21 budget adjustment for the Public and Environmental Health Program.

Section 28.00 – Budget Act 2020

4265-111-0001 Local Assistance

(2) 4045 – Public and Environmental Health	\$1,187,498,000
(3) Reimbursements to 4045-Public and Environmental Health	<u>-\$1,187,498,000</u>
Total	\$0

The California Department of Public Health (CDPH) through Heluna Health as its designated bona fide agent received approximately \$1.7 billion through the Epidemiology and Laboratory Capacity (ELC) grant as part Coronavirus Response and Relief Supplemental Appropriations Act of 2021. CDPH plans to allocate 70% or approximately \$1.2 billion of this funding to local health jurisdictions (LHJ).

As with previous ELC Enhancing Detection funding which provided support for COVID-19 activities, the activities proposed for use of these funds aim to build upon and leverage the investments of the past months, with a key goal of allocating resources that support the

Ryan Miller

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public health workforce, laboratory testing, epidemiological surveillance, contact tracing, and expanding key partnerships. All these increased activities must be done with a specific lens on addressing the needs of those most at risk for exposure to the disease and/or severe outcomes. Specifically, the funding is proposed to support the following six (6) strategies:

1. Enhance Laboratory, Surveillance, Informatics and other Workforce Capacity;
2. Strengthen Laboratory Testing;
3. Advance Electronic Data Exchange at Public Health Laboratories;
4. Improve Public Health Surveillance and Reporting of Electronic Health Data;
5. Use Laboratory Data to Enhance Investigation, Response and Prevention (Contact Tracing); and
6. Coordinate and Engage with Partners.

Collectively, the proposed activities build upon current investments and better prepare California to address COVID-19 and allow the state to prioritize and target resources to those most vulnerable to the impacts of the disease.

If you have any questions or require further information regarding this request, please contact Jovan Montantes, Budget Officer, at (916) 552-8380 or via email at Jovan.Montantes@cdph.ca.gov.

Attachments

cc: on following page

cc: Susan Fanelli
Chief Deputy Director, Policy and Programs
California Department of Public Health

1615 Capitol Avenue, Suite 73.720
Sacramento, CA 95814

Phuong La
Deputy Director
Administration Division
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Sacramento, CA 95814

Katherine Clark, Chief
Financial Management Branch
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Jovan Montantes, Budget Officer
Budget Section
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Eric Lau, Chief
Reporting Accounting Section
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Inessa Gotishan, Chief
Operations Accounting Section
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Sacramento, CA 95814

Please report dollars in thousands.

DEPARTMENT	ITEM NO./ FISCAL YEAR	NOTIFICATION LETTER TO LEGISLATURE:
Department of Public Health	2020-21	<input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE

PROGRAM TITLE PER GOVERNOR'S BUDGET:

Public & Environmental Health

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
4265-611-0995	435,910	+1,187,498	1,623,408

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

This funding to local health jurisdictions may be used to support the public health workforce, laboratory testing, epidemiological surveillance, contact tracing, and expanding key partnerships.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

The California Department of Public Health (CDPH) through Heluna Health as its designated bona fide agent received approximately \$1.7 billion. CDPH plans to allocate 70% or approximately \$1.2 billion of this funding to local health jurisdictions. As with previous ELC Enhancing Detection funding which provided support for COVID-19 activities.

PROGRAM PROPOSAL (Attach additional information as necessary)

TITLE:
**EPIDEMIOLOGY AND LABORATORY
CAPACITY (ELC)**

STATUTORY AUTHORITY: (state, federal, as appropriate)
Federal




DESCRIPTION:

The funding is proposed to support the following six (6) strategies:

1. Enhance Laboratory, Surveillance, Informatics and other Workforce Capacity;
 2. Strengthen Laboratory Testing;
 3. Advance Electronic Data Exchange at Public Health Laboratories;
 4. Improve Public Health Surveillance and Reporting of Electronic Health Data;
 5. Use Laboratory Data to Enhance Investigation, Response and Prevention (Contact Tracing); and
 6. Coordinate and Engage with Partners.
-

JUSTIFICATION:

These additional resources, per the "Coronavirus Response and Relief Supplemental Appropriations Act of 2021", are provided to "prevent, prepare for, and respond to coronavirus" by supporting testing, case investigation and contact tracing, surveillance, containment, and mitigation. These activities are time sensitive, and require the immediate execution in the current fiscal year.

SUBMITTED BY:		APPROVED BY DEPARTMENT OF FINANCE:	
BUDGET OFFICER: 	DATE: 1/28/2021	DATE SUBMITTED TO LEGISLATURE:	2/1/2021
DIRECTOR: 	DATE: 1/29/2021	PPBA: 	DATE: 1/29/2021

BUDGET REVISION

STD. 26 (REV. 9-94)

Print Form Reset Form

SEE SAM SECTION 6230, ET SEQ. FOR INSTRUCTIONS--to fill out form online, click in Department Name field.

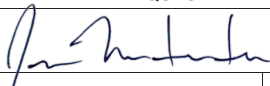
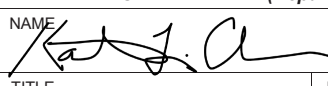
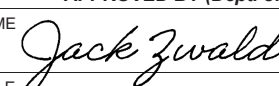
DEPARTMENT NAME	FUND	DOCUMENT NUMBER
4265 - California Department of Public Health	General Fund (0001)	BR-21
		FISCAL YEAR
		2020-21

SOURCE OF FUNDS	AMOUNTS AVAILABLE	INCREASE (+) OR DECREASE (-)	
		REVISION REQUESTED	REVISION APPROVED (DEPT. OF FINANCE USE ONLY)
APPROPRIATION (List adjustments in detail):			
4265-111-0001, Chapter 6, Statutes of 2020, (Budget Act 2020) Budget Revision-08	99,971,000 0		
TOTAL (Must equal the NET APPROPRIATIONS TOTAL below)	99,971,000		
UNSCHEDULED APPROPRIATIONS:			
LIST OF PROGRAMS, CATEGORIES OR PROJECTS IN SCHEDULED APPROPRIATION:			
1) 4040-Public Health Emergency Preparedness	4,960,000		
2) 4045-Public and Environmental Health Budget Revision-08	244,921,000 286,000,000	1,187,498,000	
3) Reimbursements to 4045-Public and Environmental Health Budget Revision-08	-149,910,000 -286,000,000	-1,187,498,000	
NET APPROPRIATION TOTAL	99,971,000		

PURPOSE OF REVISION (List in detail, including workload, fiscal history on capital outlay, and cross-reference supporting and related documents.)

California Department of Public Health(CDPH) received \$1.7 billion through the "Coronavirus Response and Relief Supplemental Appropriations Act of 2021" for local assistance and state operations in order to respond to the COVID-19 pandemic. Pursuant to Control Section 28.00 of the Budget Act of 2020, CDPH requests a \$1.2 billion adjustment to local assistance to support a broad range of COVID-19 related activities.

(for additional space, see reverse)

REQUESTED BY		RECOMMENDED BY (Department)		APPROVED BY (Dept. of Finance)	
NAME	DATE	NAME	DATE	NAME	DATE
	1/28/2021		1/28/21		1/29/2021
Budget Officer		Fin Mgmt Branch Chief		Principal Program Budget Analyst	

BUDGET REVISION¹

SEE SAM SECTION 6230, ET SEQ. FOR INSTRUCTIONS

BUDGET ALLOTMENT TITLES	AMOUNTS AVAILABLE	INCREASE (+) OR DECREASE (-)	
		REQUESTED	APPROVED <small>(DEPT. OF FINANCE USE ONLY)</small>
TOTALS			

UNALLOTTED BALANCES:

PERSONAL SERVICES

OPERATING EXPENSES AND EQUIPMENT

PURPOSE OF REVISION (Con'td):

Local Health Jurisdiction (LHJ) Funding Distribution For the ELC Grant

Funding Formula: Population, Poverty and Race/Ethnicity

Description of funding formula: Each California LHJ, excluding Los Angeles, Long Beach, and Pasadena, is awarded a base of \$1,000,000. The balance of funds are distributed based on the proportion each LHJ contributes to the 2019 population (50% of allocation), the proportion each LHJ contributes to the 2019 population in poverty (25% of allocation), and the proportion each LHJ contributes to the population that is Black/African American, Latinx, or Native Hawaiian/Pacific Islander (25% of allocation). Population and race/ethnicity data are from the Department of Finance, and population in poverty are calculated using 2019 Census Estimates.

LHJ	Total	LHJ	Total
Alameda HD ¹	54,086,796	Orange	115,488,386
Alpine	1,039,587	Pasadena ²	-
Amador	2,239,091	Placer	12,177,694
Berkeley	5,805,600	Plumas	1,599,671
Butte	9,107,329	Riverside	101,417,767
Calaveras	2,396,622	Sacramento	59,781,149
Colusa	1,941,647	San Benito	3,472,678
Contra Costa	39,451,315	San Bernardino	98,066,203
Del Norte	2,108,128	San Diego	123,774,567
El Dorado	6,503,584	San Francisco	28,952,934
Fresno	50,590,289	San Joaquin	32,682,786
Glenn	2,190,179	San Luis Obispo	10,711,455
Humboldt	6,114,292	San Mateo	25,313,712
Imperial	11,470,855	Santa Barbara	19,162,899
Inyo	1,631,761	Santa Clara	62,183,150
Kern	45,144,117	Santa Cruz	11,079,439
Kings	8,389,941	Shasta	6,975,884
Lake	3,493,388	Sierra	1,102,958
Lassen	2,130,829	Siskiyou	2,578,510
Long Beach ²	-	Solano	16,415,577
Los Angeles HD ²	-	Sonoma	17,813,262
Madera	8,738,220	Stanislaus	24,639,154
Marin	8,585,474	Sutter	4,861,952
Mariposa	1,599,662	Tehama	3,506,043
Mendocino	4,433,407	Trinity	1,517,396
Merced	14,952,065	Tulare	25,547,375
Modoc	1,361,816	Tuolumne	2,685,618
Mono	1,463,197	Ventura	32,125,196
Monterey	20,479,442	Yolo	10,468,641
Napa	5,870,118	Yuba	4,115,803
Nevada	3,960,818		

Total Allocation:	1,187,497,429
Minimum Allocation:	1,039,587
Maximum Allocation:	123,774,567

1 - Alameda Health Department (HD) excludes City of Berkeley

2 - Los Angeles, including Cities of Pasadena and Long Beach, was excluded as they were separately funded by the ELC grant.