Spending Plan for Public Health Infrastructure Investment

I. Purpose

This memo outlines the California Department of Public Health's (CDPH) objective to transform public health in the state into a modernized public health system with the goal of protecting and improving the health of all Californians. The spending plan includes $300 million General Fund with encumbrance or expenditure authority until June 30, 2024 and is comprised of $200.4 million in local assistance to support local health jurisdictions (LHJs), and $99.6 million in state operations with authority for 404.0 positions in 2022-23.

II. Vision

Consistent with the goals and strategies in the [CalHHS Guiding Principles and Strategic Priorities](), CDPH envisions *a Healthy California for All* where every individual belongs to a strong and thriving community. This approach is person centered, equity focused, and data driven. CDPH envisions a strong local public health infrastructure in all communities built upon partnerships fostered with key stakeholders across a multitude of sectors to address health disparities and social determinants of health, such that we foster the conditions in which everyone can be healthy regardless of race, ethnicity, gender identity, sexual orientation, geography, or income level.

With a focus on equity, CDPH must address the full range of factors that influence a person's overall health and well-being. Education, safe environments, housing, transportation, economic development, access to healthy foods and health care — these are the major social determinants of health, comprising the conditions in which people are born, live, work, and age that CDPH must be able to address in order to achieve population health improvement.

Driven by delivery and payment policy changes, our health care system is transforming from one focused on episodic, nonintegrated care toward one that is value-based and would benefit from collaboration with allied community efforts. To improve the health and well-being of all people in California, we must also address factors *outside* of health care. Doing so means we must build on past successes and work across sectors to achieve population health improvement.

III. Background

The COVID-19 pandemic is the largest and most pervasive public health emergency in recent California history. Throughout the past twenty-two months, CDPH and LHJs have had to simultaneously maintain core responsibilities and engage in an emergency response at a scale never experienced before. While California's COVID-19 response has been successful across several measures, it has also exposed new challenges and brought several existing issues to the forefront, including but not limited to: health equity concerns with racial/ethnic and socio-geographic disparities in cases, hospitalizations, and deaths; maintenance of regular operations when more than 1,500 local and state staff

were redirected for COVID-19 response; implementation of testing, contact tracing, and vaccine infrastructure with insufficient historical investment for current needs; and the difficulty of using outdated, under-resourced and decentralized current IT systems and capabilities, which at times hampered the ability of state and local governments to manage the volume and dynamics of dealing with a pandemic caused by a novel virus.

These challenges are particularly pressing, given increases in the number and severity of different types of emergencies, communicable disease outbreaks, and rising rates of chronic health conditions in an aging population; the public health infrastructure is eroding and threatening the public's health. This is coupled with the fact that in the last decade, funding for public health departments has dropped nationally by 16 percent and public health departments have lost a quarter of their workforce over the same period. [1]

The COVID-19 pandemic in California emphasized the need for adequate investment in public health and exposed significant gaps in the ability of CDPH and LHJs to respond to the needs of Californians rapidly and sustainably. In response to evident gaps in the existing public health infrastructure, the 2021 Budget Act signaled a commitment from the Administration and Legislature to invest in its fortification by including $3 million General Fund to support a public health infrastructure study to assess essential public health infrastructure needs and $300 million ongoing General Fund to fund these activities beginning in 2022-23. This culminated in the rapid formation of a Future of Public Health (FoPH) workgroup comprised of stakeholders, local partners, and leadership from CPDH and CalHHS who worked collaboratively to identify key investments in a set of core public health functions that are cross-cutting and underpin the work of state and local public health departments, that if successful, could help make significant strides in achieving the overarching vision of population health improvement.

The following sections identify the state operations and local assistance spending plans for the $300 million General Fund in public health infrastructure investments beginning in 2022-23.

IV. State Operations Spending Plan

To modernize the state's public health infrastructure and transition to a resilient system rather than one dependent on intermittent short-term funding for various public health emergencies, California's public health infrastructure requires significant, long-term investment in the six foundational governmental public health service areas developed by the FoPH workgroup and described below.

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[1] Learning the lessons of COVID-19, experts testify resources still inadequate to fight pandemics; Homeland Preparedness News; Accessed August 13, 2021

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State Operations Spending Plan: FY22-23 Amounts and Positions

	2022-23	
Foundational Governmental Public Health Services	**BY (YR 1)**	**FTE (YR 1)**
Foundational Service 1: Workforce Development, Recruitment, and Training	$57,923,183	270
Foundational Service 2: Emergency Preparedness and Response	$27,608,449	77
Foundational Service 3: IT, Data Science, and Informatics	$548,105	3
Foundational Service 4: Communications, Public Education, Engagement, and Behavior Change	$4,500,858	26
Foundational Service 5: Community Partnerships	$2,908,000	5
Foundational Service 6: Community Health Improvement	$6,149,405	23
State Operations Total	**$99,638,000**	**404**

Foundational Governmental Public Health Service 1—Workforce

CDPH's plan under Workforce includes 270 positions and $58 million to increase staffing capacity and to attract, develop, and retain a diverse, multi-disciplinary public health workforce. To respond effectively to the next set of public health challenges, California's state and local governmental public health system will need to be able to:

- Attract a diverse and talented workforce that has the relevant skills and experiences, and that reflects the communities they serve, to bolster capacity at the state and local level;
- Create opportunities to grow and develop its current and future employees into leaders
- Implement a robust and agile talent model to make sure the workforce is able to adapt to the state's changing public health needs, from data science, technology and disease surveillance to marketing and communications; and
- Promote creativity, flexibility, and innovation for an effective and inclusive working environment and culture

Achieving this workforce vision would require the following initiatives:

1. Standing up a **multi-channel, proactive, and digitally-enabled recruitment and hiring function,** including offering competitive salaries, to attract top talent that reflects the diversity of California's population;
2. Creating a **simplified, aligned job classification system within CDPH** that can be utilized as a model for LHJs;
3. Undertaking a **holistic organizational culture transformation at CDPH** and at the individual LHJ level to promote inclusiveness and support employees (e.g., developmental support, career pathways, sufficient staffing), incentivizing them to stay and grow into leadership (using both salary and non-salary levers);

4. Building a **culture of growth and learning via a well-structured, up-to-date, and highly accessible training program**;
5. Establishing a **comprehensive competency-based performance** management system to define necessary competencies across public health roles, assess gaps in skillsets, and track competency development along career progression pathways; and
6. Standing up an **operational planning function** to develop staffing benchmarks, make sure minimum recommended staffing standards are met across prioritized roles for CDPH and LHJs, and support agile, strategic workforce deployment based on indicated needs (e.g., surge deployment, resource sharing).
7. Establishing an **Office of Policy & Planning** to conduct strategic planning to address current and emerging threats to public health; be accountable for the effective and efficient use of funds, establishing clear and quantified performance targets, and ensuring actions are aligned with strategic priorities and increased equity.

Foundational Governmental Public Health Service 2—Emergency, Preparedness and Response

Emergency, Preparedness and Response includes 77 positions and $27.6 million for a scalable and sustainable structure that can rapidly identify hazards and deploy resources to mitigate and contain public health threats.

CDPH's Emergency Preparedness Office (EPO) oversees and carries out overall statewide planning for public health disasters and emergencies, distributing and monitoring funding for disaster planning at the local level, developing and maintaining a standard public health and medical emergency management system for local and state entities, and planning for the receipt, storage and distribution of equipment, pharmaceuticals, and other commodities from the strategic national stockpile. Public health emergencies are unlikely to diminish in the foreseeable future, and CDPH must have adequate staffing and capacity to provide leadership and support to local health departments and healthcare facilities.

The following four initiatives were developed around preparedness, response and recovery for public health and medical emergencies and disasters.

1. Develop a **24/7 Intelligence Hub**: Being able to identify and deliver emergency responses hinges on a strong, proactive surveillance network with real-time information. The development of a 24/7 intelligence hub would drive this shift;
2. Support for **Regular Refreshes of Planning, Training and Exercises**: Builds a dedicated core team of planning, training, exercise, and evaluation staff to support regular cycles of planning, training, and exercise refreshes to make sure that these functions continue even during response periods;

3. Develop a **Regional Resourcing Model:** Additional region-based support is needed to help coordinate efforts for preparedness and response across Mutual Aid Regions. EPO would add additional capacity to support regional coordination to include Regional Disaster Medical Health Specialists (RDMHS) with a public health focus (to collaborate during responses with their Emergency Management Services RDMHS counterpart); and
4. Develop a **Dedicated Recovery Unit:** Multi-disciplinary recovery is a crucial yet often overlooked component of emergency preparedness and response. In collaboration with jurisdictional partners and stakeholders, CDPH plays a crucial role in recovery by providing some recovery services while identifying and tracking progress against others. Building a dedicated recovery unit to establish public health community recovery guidance is needed to position California as a nationwide leader in recovery efforts.

Foundational Governmental Public Health Service 3—IT, Data Science, and Informatics

IT, Data Science, and Informatics includes 3 positions and $548,000 to expand the California Birth Defects Monitoring Program. This expansion will increase data collection, data integration and data management activities, and utilize data to design metrics and provide performance reports on pregnant women and newborns exposed to increasing emerging threats.

A separate budget change proposal, *Public Health Technology Infrastructure and program support for Disease Surveillance Readiness, Response, Recovery, and Continuity of Operations,* is included in the Governor's Budget for $235.2 million General Fund to support the maintenance and operations of information technology systems including, but not limited to, systems established during the COVID-19 pandemic.

Foundational Governmental Public Health Service 4—Communications and Public Education to Promote Healthy Behavior

Communications and Public Education includes 26 positions and $4.5 million to achieve a proactive, personalized, and highly coordinated communication strategy that meets the varying demands of California's diverse population and provides capacity to tailor messages to effectively reach all Californian's

Communications and public education to promote healthy behavior are critical to delivering on a trust and prevention-based public health strategy in the future. The public health system aspires to effectively reach all Californians in a proactive, culturally competent, personalized, coordinated, and equitable manner. Effective communication and collaboration also include maintenance and ongoing relations with local and statewide media to develop and implement risk communications to the public. Given the vast number of sources Californians receive information from, it is crucial that the public health system is able to communicate effectively, including quickly identifying and debunking misinformation and meeting the anticipated demand for diverse, proactive

communications both in steady state and in times of crisis. Two initiatives have been identified to help drive the necessary shifts:

1. **Creation of a core public health communications strategy** and a robust deployment plan which defines an overall public health narrative to promote healthy behavior and inform specific actions and priorities.
2. **Bolster operational capabilities and adequate capacity to effectively disseminate communications** across a variety of channels (including paid and earned media) and field incoming requests from Californians in a linguistically and culturally competent and linguistically accessible manner (e.g., high- and low-tech platforms, robust translation capabilities).

Foundational Governmental Public Health Service 5—Community Partnerships

Community Partnerships includes 5 positions and $2.9 million to achieve a holistic partnership network that is engaged to support California's state and local governmental public health efforts. Two initiatives have been identified to help drive the necessary shifts:

1. **Develop a community partnership strategy and plan** to outline roles and intended capabilities of community partners in supporting California's public health mission.
2. **Dedicated community engagement personnel** to deliver personalized outreach and uptake of an overarching community partnership strategy including establishing and staffing Tribal, people with disabilities, and youth advisory committees on behalf of CDPH.

Foundational Governmental Public Health Service 6—Community Health Improvement

Community Health Improvement includes 23 positions and $6.1 million to provide a comprehensive community health improvement strategy that emphasizes a life-course approach, resiliency, equity, and prevention.

CDPH's aspiration in Community Health Improvement is informed by goals defined in the State Health Improvement Plan—including improving health across the lifespan, prioritizing equity, and making community environments more conducive to being healthy. CDPH will carry out the work of population health by identifying and adopting financing models that pay for prevention strategies focused on the most vulnerable populations. In partnership with the Department of Health Care Services, medical systems, health plans, and LHJs, CDPH will analyze health and determinants of health indicators to track burden of disease, identify priority populations, and assess for equity considerations. Financing models that leverage federal and state health care dollars for prevention strategies will be identified, implemented, and analyzed for their return on investment and impact. Three initiatives were identified to help drive necessary shifts:

1. **Community health financing strategies** that emphasize a life-course approach to health and public health prevention, including relevant policies and programs that focus on health equity and root causes of health outcomes.
2. **Dedicated community health improvement team** support policy making across agencies, identify financing models for prevention, provide technical assistance, coordination, and facilitate relationships with partners.
3. **Develop and implement a Behavioral Mental Health Program** to address the current behavioral and mental health crisis in the state to make sure that a life-course framework is integrated in the mental and behavioral health and systems support for children, adolescents, and families.

V. Local Assistance Spending Plan

CDPH will leverage the distribution of the $200.4 million in local assistance to jumpstart advancement of the vision outlined above. CDPH recently engaged with CHEAC, CCLHO and SEIU to develop a methodology to allocate funding to LHJs with the intent of disrupting the disproportionate burden of preventable diseases in populations historically impacted, encouraging collaboration across counties, and making sure funds are used to supplement rather than supplant existing resources. The allocation methodology focuses on the following areas.

1. **Workforce Expansion:** LHJs must leverage funding to fill critical public health positions, including those where gaps were identified by the pandemic. Each LHJ must certify that 70 percent of funds will be used to support staff
2. **Reducing Health Disparities:** The methodology includes a base grant of $350,000 for each LHJ, with the remaining balance of the appropriation provided to LHJs proportionally as follows: (1) 50 percent based on most recent, population data, (2) 25 percent based on most recent poverty data, and (3) 25 percent based on the most recent population data for Black/African-American/Latinx/or Native Hawaiian/Pacific Islanders.
3. **Data Collection and Monitoring:** Each LHJ will be required to submit a plan to CDPH by July 1, 2023, and every three years thereafter that is tied to the Community Health Assessment and Community Health Improvement Plan, including proposed evaluation methods and metrics. LHJs must commence coordination and planning activities with CDPH, local stakeholders, and the public no later than October 1, 2022 to complete its triennial public health plan. In addition to local evaluation plans and metrics, CDPH will work in collaboration with CHEAC, CCLHO, and SEIU to determine any minimum requirements for the funding and to establish statewide metrics to evaluate the impact of these investments on public health outcomes.
4. **Community Partnership:** Funding may be used to establish regional public health partnerships. A LHJ may, upon submission of a letter of support to CDPH, direct a portion of their funds to another LHJ in support of regional

capacity. The letter must provide a description of the regional capability being provided.

VI. Additional Infrastructure Investment:

In addition to the investments outlined above, complementary statutory language aimed at population health improvement is also proposed:

1. **Community Benefit Program:** Currently, non-profit hospitals, via the Community Benefit Plan, must provide a description of the activities that the hospital has undertaken to address identified community needs within its mission and financial capacity, and the process by which the hospital developed the plan in consultation with the community.

   To obtain additional investment in public health and to enable ongoing resources for community-based organizations, the Department of Health Care Access and Information (HCAI) proposes statutory changes that would require non-profit hospitals to demonstrate how they are making investments in local public health efforts and specifically community-based organizations that are focused on accelerating our vision. Additionally, the statutory changes would require that 25 percent of non-profit hospitals' community benefit dollars go to local public health efforts, while giving HCAI enforcement authority.

VII. Closing

While the COVID-19 pandemic has had a profound and devastating impact on the lives of all Californians, it has also heightened the importance of investing in a modern, innovative public health infrastructure. The investments outlined in the memo are intended to begin the process of transforming the public health landscape in California and accelerate the state toward a 21st century public health system. Ongoing investments and resources past 2022-23 include $202.7 million local assistance and $97.3 million in state operations with authority for 406 positions in 2023-24, and $204 million local assistance and $96 million state operations with authority for 406 positions in 2024-25 and ongoing.