Fiscal Year	Business Unit Number	Department
2026-27	4265	California Department of Public Health

Hyperion Budget Request Name	Relevant Program or Subprogram
4265-088-BCP-2026-GB	4045010-Healthy Communities

Budget Request Title

Electronic Cigarette Settlements Fund – Encumbrance and Expenditure Extension

Budget Request Summary

The California Department of Public Health is requesting provisional language for funds received in 2026-27 through 2030-31 through the People of the State of California v. JUUL Labs, Inc. Settlement be available for encumbrance and expenditure for three fiscal years beyond the date of the appropriation. CDPH was appropriated $7,780,000 in 2025-26, 2026-27, and 2027-28, $7,620,000 in 2028-29, $7,120,000 in 2029-30, and $620,000 in 2030-31 from the Electronic Cigarette Settlements Fund in the 2025 Budget Act.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☒ Budget Bill Language ☐ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	N/A	N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A **Project Approval Document:** N/A

Approval Date: N/A **Total Project Cost:** N/A

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Ayanna Kiburi	7/11/2025	Phuong La	7/17/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Rita Nguyen	8/7/2025	Julie Souliere	9/2/2025

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Nina Hoang	1/9/2026

A. Problem Statement

The California Department of Public Health (CDPH) was awarded $44.3 million as part of the State of California v. JUUL Labs, Inc. Settlement (Settlement). Beginning in Fiscal Year (FY) 2023-24, funds for the CDPH, Center for Healthy Communities (CHC), California Tobacco Prevention Program (CTPP), are to be disbursed each year through FY 2030-31 to implement tobacco prevention and education programs to mitigate the harm caused by JUUL Labs, Inc. (JUUL) in fueling the youth vaping epidemic. CTPP has been directed by the California Attorney General (AG) to expend these funds to support purchasing additional media for the existing "Tell Your Story" vaping cessation campaign, update and distribute retail advertising regarding tobacco sales to minors, develop new media campaigns specifically targeting young adult, youth, and priority populations on the dangers of vaping and vaping cessation efforts, and to expand existing youth advocacy and education programs, college anti-tobacco advocacy, and cessation outreach programs.

The funds appropriated to CDPH were authorized for disbursement to the State by court order as part of a larger settlement agreement. Per the Settlement, the funds authorized to CDPH are to be used to support tobacco prevention and cessation efforts through statewide media campaigns, youth outreach programs, and statewide surveillance and evaluation programs. An expiration date for the utilization of these funds is not indicated or implied in the authority contained in the Settlement. The ability to expend over multiple fiscal years supports the promulgation of these media campaigns which frequently stretch over multiple fiscal years, outside the typical budget windows. Without this flexibility, the educational campaigns may cease earlier than intended and fail to meet their outreach targets. CTPP needs to retain the flexibility it currently employs in the administration of existing programs, many of which are to be expanded by the funds awarded in the Settlement.

B. Justification

The AG is responsible for the distribution of the Settlement funds to directly mitigate the damage caused by JUUL in fueling the youth and young adult vaping epidemic. To this end, the AG identified new and existing programs within CTPP that specifically address the youth and young adult vaping crisis. CTPP will augment existing contracts, interagency agreements (IAAs), and grants to carry out the proposed activities.

CTPP is requesting extended encumbrance and expenditure authority that mirrors the encumbrance and expenditure authority provided under Proposition 99, the California Tobacco Tax and Health Protection Act of 1988. The inclusion of provisional language will support CTPP in fully expending the funds for their intended purpose and allow for necessary flexibility needed to implement the statewide media campaigns. Expenditures for media ad buys are lumped into one fiscal year, and the structure of the settlement payments will create a barrier unless the funds are designated with provisional language.

The AG selected CDPH to fund the following projects through CTPP to mitigate the damage caused by JUUL in California.

JUUL Projects

JUUL Fund 8141	**26-27**	**27-28**	**28-29**	**29-30**	**30-31**
Projected Authority	6,981	6,981	6,821	6,321	6,321
Evaluation - 21208	660	660	500	0	0
Media - 21214	5,201	5,201	5,201	5,201	5,701
Competitive Grants (SO) - 21210	500	500	500	500	500
Competitive Grants (LA) - 51210	620	620	620	620	120
Total Authority	6,981	6,981	6,821	6,321	6,321
Projected Expenditures	**26-27**	**27-28**	**28-29**	**29-30**	**30-31**
Teens Nicotine and Tobacco Project - Evaluation - 21208	160	160	0	0	0

Young Adult Vaping Study - Evaluation 21208	500	500	500	0	0
SB 793 Media - 21214	0	0	0	0	0
New Vaping Harms Awareness Media 21214	4,000	4,000	4,000	4,000	5,701
New Young Adults Vaping Cessation Campaign - Media 21214	2,000	2,000	2,000	2,000	0
Kick it California - Competitive Grants (SO) - 21210	500	500	500	500	0
Youth and Young Adult Advocacy - Competitive Grants (LA) 51210	120	120	120	120	120
Priority Populations Special Projects - Competitive Grants (LA) - 51210	500	500	500	500	0
Unobligated Reserve - Competitive Grants (SO) - 21210	0	0	0	0	500
Total Expenditures	**6,981**	**6,981**	**6,821**	**6,321**	**6,321**
Fund balance	**0**	**0**	**0**	**0**	**0**

Media-related Activities

CTPP's media campaign is the primary source for educating the public about the dangers of tobacco and vape use and behavior-change efforts to help tobacco and vape users quit. From research, through conceptualization, production, and ultimately advertising, the development process crosses over fiscal years.

The Settlement includes $20M and $10M respectively for two statewide media campaigns. The appropriation schedule distributes only 20 percent each year for five years. Most media campaign costs occur at the end of the production process when ads are placed. Without fiscal flexibility, CTPP will not be able to produce and place the media campaigns at the funding level identified in the Settlement.

Additionally, the Settlement funds are planned to be appropriated over a five-year period. During that period, a Request for Proposal (RFP) will be released for a new advertising and communication contractor. Fiscal flexibility through multi-year spending authority or continuous appropriation will allow CTPP to successfully complete media activities.

Evaluation and Surveillance Activities

Teens Nicotine and Tobacco Project

Anticipated Expenditures: FY 2026-27: $160,000, FY 2027-28: $160,000

CTPP will expand the youth-focused Teens Nicotine and Tobacco Project to include surveys and focus groups with young adults and increase focus on youth and young adult priority populations.

Young Adult Vaping Study

Anticipated Expenditures: FY 2026-27: $500,000, FY 2027-28: $500,000, FY 2028-29: $500,000

CTPP will develop a young adult (and potentially youth) vape follow-on study with the California Health Interview Survey that would oversample vape users in a survey to collect additional data on the current state of the vaping epidemic.

Cessation Activities

Expand Access to and Utilization of Kick It California

Anticipated Expenditures: FY 2026-27: $500,000, FY 2027-28: $500,000, FY 2028-29: $500,000, FY 2029-30: $500,000.

Note: Of the anticipated expenditures, 50 percent will be utilized by the California Department of Education, Tobacco Use Prevention Program to increase utilization of the YVape suspension diversion program on school campuses.

Kick it California is the State Quitline providing services to all Californians to quit tobacco products. Kick it California will utilize resources to expand services and increase successful quitting attempts by youth and young adults.

Youth and Young Adult Advocacy Activities

Youth and Young Adult Advocacy

Anticipated Expenditures: FY 2026-27: $120,000, FY 2027-28: $120,000, FY 2028-29: $120,000, FY 2029-30: $120,000, FY 2030-31: $120,000

Funding to provide training and technical assistance to individuals, organizations, and coalitions advocating for tobacco-free high schools, colleges and universities, military installations, and other youth and young adult communities.

Priority Population Special Projects

Special Projects

Anticipated Expenditures: FY 2026-27: $500,000, FY 2027-28: $500,000, FY 2028-29: $500,000, FY 2029-30: $500,000, FY 2030-31: $500,000

Supplement and expand priority population cessation services outreach.

C. Departmentwide and Statewide Considerations

This proposal is consistent with CDPH's mission to advance the health and well-being of California's diverse people and communities and supports several State and Department priorities, goals, and initiatives, including:

a. California Health and Human Services Agency's guiding principles of equity, using data to drive action, whole-person prevention and treatment, and a culture of collaborative innovation.

b. CDPH's goals and related objectives include protecting the public's health, promoting health and wellness, increasing health equity, enhancing services through agile operations, and optimizing data and technology.

c. CHC's goal of building healthy and resilient communities through public health leadership, partnerships, and community-driven priorities that address the social determinants of health and social inequities to eliminate health disparities and achieve health equity.

D. Outcomes and Accountability

Short-Term Outcomes

- Increased funding flexibility for tobacco prevention, education, evaluation, media and cessation to address youth and young adult vaping.

Intermediate and Long-Term Outcomes

- Increased media outreach and education to youth and young adults, priority populations, and caring adults regarding the harms caused by vaping and the tactics the tobacco industry uses to addict each generation.
- Increased outreach to youth and young adults and engagement in advocacy activities to protect their peers from the tobacco industry.
- Increased cessation service outreach to youth, young adults, and priority populations.

Accountability

CTPP staff will implement systems to measure progress toward project goals and make mid-course corrections if necessary. CTPP staff will monitor grantee progress toward deliverables. Grantees will provide routine updates, bi-annual progress reports and final reports, which will identify challenges and successes.

Projected Outcomes

Workload Measure	2026-27	2027-28	2028-29	2029-30	2030-31
Contracts/Grants/IAAs augmented or executed to complete specified activities	2-4	2-4	2-4	2-4	2-4
Media Campaigns	2	2	2	2	2
Evaluation Studies	2	2	2	2	2

E. Implementation Plan

This proposal will be implemented in-kind, with no additional positions requested. The proposal provides extended funding authority to implement the projects identified by the AG to mitigate the damage caused by JUUL. The funding will augment existing grants, contracts, and interagency agreements during the first two years of the project period. The activities will be conducted statewide, or in designated priority population areas in high need.

Implementation Timeline and Tasks for Year 4 (2026-27) through Year 8 (2030-31)

2026-27	July – Dec	• Continue to identify contracts and grants for augmentation to include Settlement funds and activities. Identify new solicitations, if needed. • Develop Scopes of Work and budgets for Settlement fund projects. • CDPH contract and grant review and approval. • Execute contract and grant agreements; contingent upon CDPH approval timelines.
	Jan – March	• Contractors and grantees begin to implement the strategies. • Convene funded projects.
2027-28 to 2030-31	Ongoing	• Contractors and grantees continue to implement strategies and provide updates via bi-annual progress reports. • CTPP provides technical assistance and support on strategies and tracking progress.

F. Supplemental Information

Attachment I: BCP Fiscal Detail Sheet

Attachment II: Provisional Language

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Fund 8141 - Electronic Cigarette Settlement Fund

BR Name: 4265-088-BCP-2026-GB

Budget Request Summary

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total All Programs	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Attachment II: Provisional Language

4265-001-8141

Provision:

The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2029, to support media and outreach campaigns, research, surveys, focus groups, and other targeted outreach involving youth and young adults, training and technical assistance, and special projects related to awareness of the harms of vaping, vaping cessation, and tobacco addiction intervention.

4265-111-8141

Provision:

The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2029, to support local tobacco and vaping cessation activities.