

VIRGINIA DEPARTMENT OF HEALTH UPDATES

**Presentation to the House Appropriations
Committee**

**Karen Shelton, MD
Virginia State Health Commissioner
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Requested Updates

Departmental Achievements

JLARC Recommendations and Progress

Grant Management Improvements

Workforce Incentive Programs

Federal Grant Recissions

Mission of the Virginia Department of Health

The mission of the Virginia Department of Health (VDH) is to protect the health and promote the well-being of all people in Virginia.



Department of Health Achievements

Emergency Response

- Responded to multiple drinking water emergencies across the Commonwealth (Richmond, Lake Anna, Orange County, South Hill fire)
- Responded to Hurricane Helene
- Ensured restaurants were safe to reopen after hurricanes, floods, and water events (staff conduct over 50,000 restaurant inspections per year.)

Safety

- Investigated and responded to incidents in hospitals and nursing homes
- Multi agency efforts for fentanyl and opioid response resulted in 44% decrease in fentanyl overdose deaths

Disease Management

- Conducted screening of incoming passengers at Dulles for emerging infectious diseases
- Increased clinical encounters in local health districts for tuberculosis (In 2024 there were over 51,000 local health department clinical encounters with patients diagnosed with active or latent TB infection. This is an 11% increase over 2023.)

Maternal and Child Health

- Advanced maternal and child health initiatives with increased data visibility and decreased Maternal Mortality through multi-sector approach
- Implemented a new parent portal for newborn screening and early hearing detection

Vital Records

- Experienced a 43% increase in vital records requests
- Implemented birth certificates and payments online for residents

JLARC Recommendations and Progress

Financial Management at VDH



Established a Chief Financial Officer role responsible for all financial functions, assuring financial accountability is enforced from the most senior level of agency leadership.



Financial work units have decreased contractor usage from 39 in May 2024 to 5 in May 2025 and identified and hired key positions with people qualified in financial management.



Major improvements in grants administration and creation of the Office of Grants Administration.



Created the Controller position to oversee financial compliance and accounting processes. *Controller started February 2025.



Substantive work to improve invoice payment performance, currently at 94.3% prompt pay with goal of achieving 95% by July 1.



Working with DGS to fully implement eVA usage by December 31, 2025.

Financial Management at VDH

Department of Accounts (DOA) is currently on-site at VDH conducting a Quality Assurance Review.

Partnered with Department of Accounts (DOA) to screen and hire key financial management positions.

Working with Department of General Services (DGS) to provide procurement training and resources to VDH staff.

Implementing Department of Planning and Budget (DPB) recommendations to improve grant operations and compliance.

VDH Staffing and Hiring Process



Developed dedicated recruitment teams specific to Finance and Human Resources with "Centers of Expertise" for program specific experts dedicated to developing teams and driving hiring results.



Working with DHRM on Office of Human Resources (OHR) leadership, management and accountability.



Implementing new position for Compensation and Classification to support EWP review and updates.



Emphasis on Performance Management through training of managers and supervisors with accountability for completion.



Created the "Workforce Development and Engagement Director" role and an "Employee Advisory Council" to be a voice of VDH staff.



Placed Human Resources (HR) personnel directly into the Office of Licensure and Certification (OLC) to include HR Business Partner, HR Analyst, and 2 dedicated recruiters to drive hiring of Healthcare Inspection teams.



Working with DHRM to develop and implement a new policy on contractor hiring and management.

Management and Accountability at VDH

- Continuing Monthly Operating Review process for all VDH Central office Programs concentrating on HR, Finance, Engagement, and Office specific Objectives and Key Results (OKRs).
- Investment in procuring Financial and Grant Management Software upgrades, replacing home grown systems developed nearly two decades ago.
- New leadership structure in Office of EMS with dedicated Business Operations Manager concentrating on financial compliance, employee engagement, programmatic advancement, and EMS stakeholder involvement -
*New Director onboarded January 2025.
- Extensively updated agency-wide invoice processing system and reinvented employee travel reimbursement yielding substantially reduced processing times.
- Improved span of health district leadership control by creating and instituting Pilot Regional Health Director model - improving span of control, communication to Districts, and accountability for leadership.
- In February 2025, for the first time in many years all 35 health director roles were filled.
- Driving Procurement compliance in all aspects of contracting and purchasing.

Office of Emergency Medical Services (OEMS)

- OEMS will have a balanced budget starting FY26 after experiencing a \$33 million shortfall due to misappropriation and fraud by previous leadership uncovered two years ago
 - Placed compliance controls to include a dedicated business manager, strong VDH senior leader oversight of budget management, monthly operating reviews, and implemented audit corrective action plan
 - Mandated alignment of budget and spending with provisions outlined in Virginia code.
 - Onboarded new OEMS Director January 2025.
 - Reorganized the OEMS leadership and staff roles and structure to ensure Office is within budget and aligned to provide needed programs.
- Community and EMS Advisory Board Engagement is a priority as we reimagine the role of OEMS.
- Regional EMS Council infrastructure is in strategic planning and alignment following changes in Budget:
 - Regional EMS Councils will be shifting from 11 to 7 regions on January 1, 2026 as voted on by current Regional Council presidents and unanimously approved by the Governor's EMS Advisory Board.
 - EMS Stakeholders including Councils, EMS Advisory Board, local governments, and EMS agency leadership are tightly engaged to reimagine the role of EMS Councils to align with needs of today's EMS system

Grant Management Improvements

Grants Management Improvements



Created an Office of Grants Administration ensuring that accountability and compliance controls are front and center as we administer the over \$2 Billion of open federal grants. *Director started March 2025.



Initiated a process improvement change by centralizing compliance of grants management to an actual grants management team, while maintaining program specific management with hybrid model.



Developed and implemented improved Federal Financial Report (FFR) grant close-out compliance process, linking Programs and Grants Teams.



Recognition by the Environmental Protection Agency (EPA) of significant improvements in process. All grants previously placed on Reimbursement September 2022. Several grants have recently been taken off Reimbursement due to financial compliance with all set to resume normal processes in June 2025.

Workforce Incentive Programs

Workforce Incentive Programs

VDH Office of Health Equity leads 15 workforce incentive programs.

Program Highlights:

- Nurse Preceptor Program
- Earn to Learn has launched new cohort

VDH is prioritizing program improvements in 2025.

- New leadership structure and organizational chart instituted for Healthcare Incentive program.
- Created engagement opportunities with stakeholders.
- Introduced enhanced technology including new portal for application submission and IT infrastructure to manage programs.
- Increased staffing and enhanced customer services leading to faster processing and awarding.

Types of Health Workforce Incentive Programs

Nursing Scholarship Options:

Mary Marshall Nursing Scholarship (CNA)
Mary Marshall Nursing Scholarship (RN)
Mary Marshall Nursing Scholarship (LPN)
Long-term Care Facility Nursing Scholarship (LTC-LPN)
Long-term Care Facility Nursing Scholarship (LTC-CNA)
Nurse Practitioner/ Nurse Midwife Nursing Scholarship (NP/NM)
Nurse Educator Nursing Scholarship (NE)

Loan Repayment Options:

Virginia State Loan Repayment Program (VA-SLRP)
Virginia Behavioral Health Loan Repayment Program (BHLRP)

Other Incentive Options:

Nursing Preceptor Incentive Program (NPIP)
Virginia Conrad 30 Waiver Program (Conrad 30)
National Interest Waiver Program (NIW)
Appalachian Regional Commission J-1 Waiver Program (ARC J-1 Waiver)
Health and Human Services J-1 Waiver Program (HHS)

Grant Option for Academic Institutions:

Earn to Learn Program (ETL)

Workforce Incentive Program Expenditures

Program	Year	\$\$ Awarded to VDH	Number of Awards	\$\$ Paid to Applicants	\$\$ Unspent
Nurse Preceptor Incentive Program	FY 24	\$3,500,000	231	\$75,500	\$3,424,500
	FY 25	\$3,500,000	378	\$1,261,625	\$2,238,375
All Nursing Scholarships, Except MMNSP CNA	FY 24	\$2,000,000	10	\$9,822	\$1,990,178
	FY 25	\$2,000,000	71	\$140,000	\$1,860,000
Mary Marshall CNA Scholarship Program	FY 24	\$35,000	37	\$36,407	-\$1,407
	FY 25	\$35,000	17	\$17,650	\$17,350
Behavioral Health Loan Repayment Program	FY 24	\$1,600,000	80	\$529,004	\$1,070,996
	FY 25	\$3,100,000	32	\$594,890	\$2,505,110

Program	Year	Number of Awards	\$\$ Awarded to Recipients
VA Student Loan Repayment Program	FY 24	5	\$20,000
	FY 25	36	\$619,800

Earn to Learn Nursing Acceleration Program



Cohort 1: 13 academic institutions are currently funded through Coronavirus State and Local Fiscal Recovery Funds authorized by the American Rescue Plan Act (ARPA SLRF)

Contracts were finalized September 2024

Project period is currently through December 31, 2025



RFP is currently open on eVA through May 30, 2025 for next Cohort

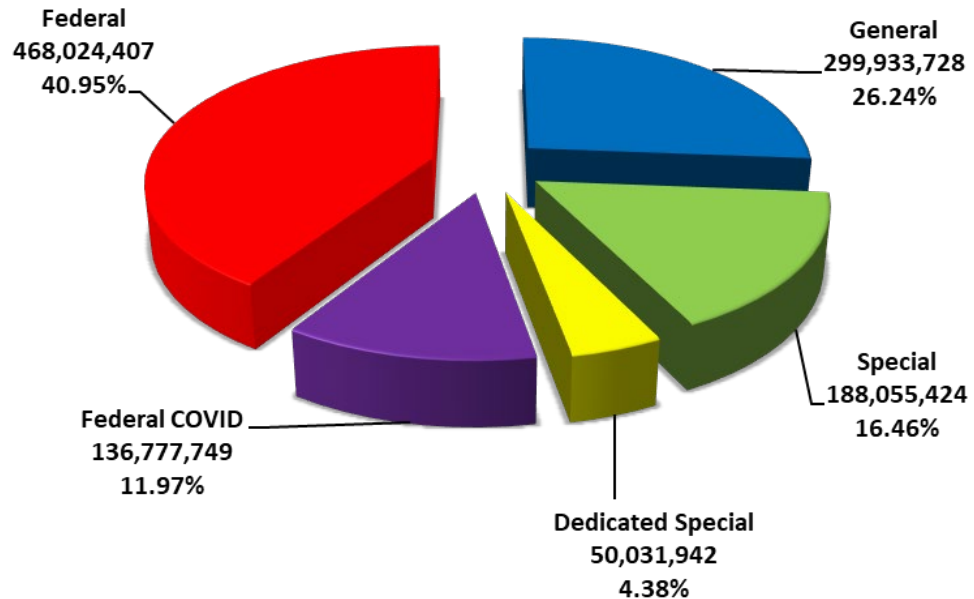
Awards of up to \$400,000 will be available for project period of July 1, 2025 – June 30, 2026

\$4M was allocated in FY25 and FY26

Federal Grant Recissions

VDH Funding & Staffing - FY 2025 & FY 2026

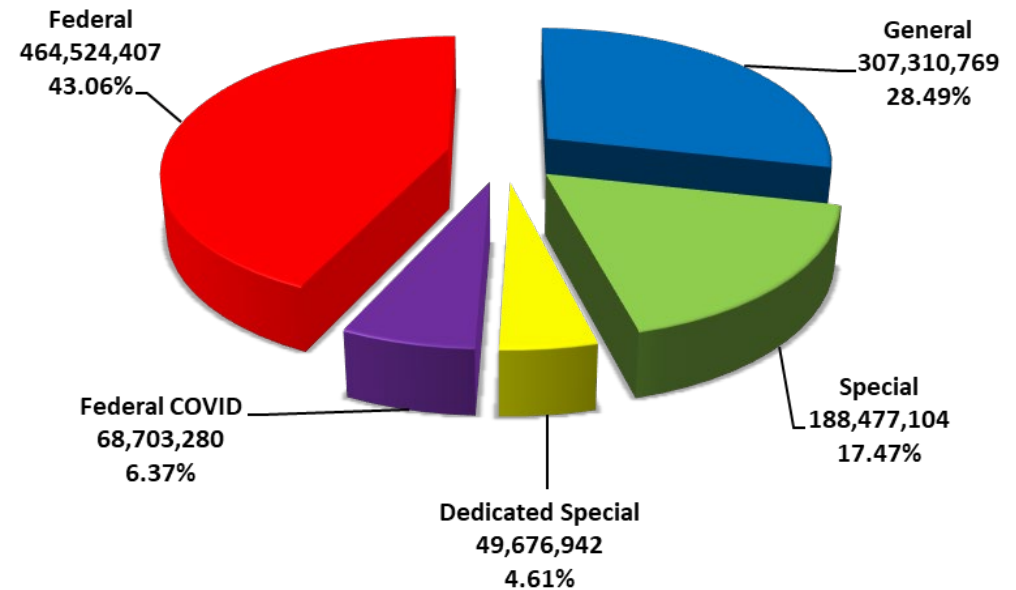
FY2025 Appropriation
Total \$1,142,823,250



FTEs

GF: 1,614.5 (41.55%)
NGF: 2,271 (58.45%)
Total: 3,885.5

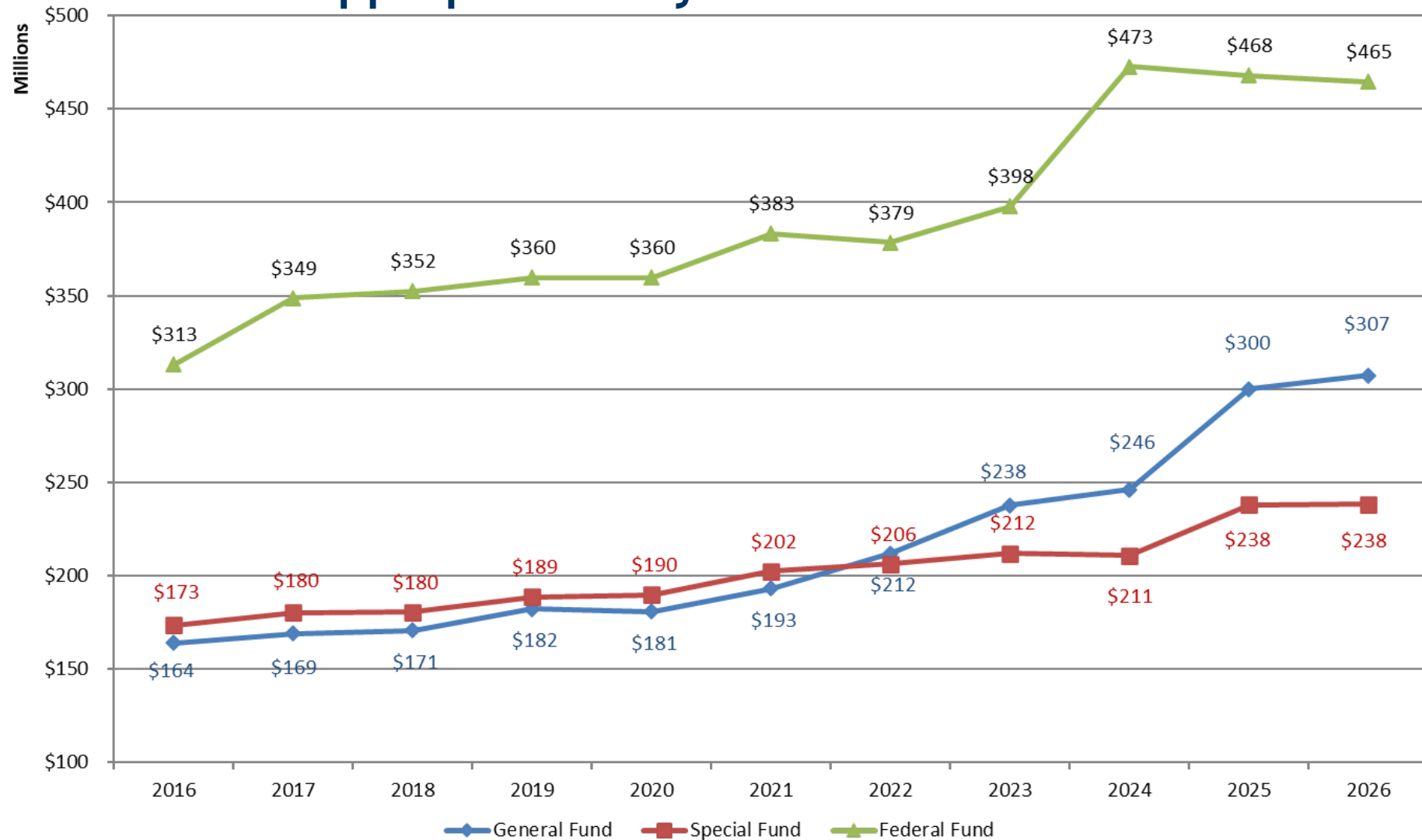
FY2026 Appropriation
Total \$1,078,792,502



FTEs

GF: 1,614.5 (41.55%)
NGF: 2,271 (58.45%)
Total: 3,885.5

Virginia Department of Health Appropriation by Fund 2016 - 2026



- The federal appropriations illustrated above **do not include any COVID or ARPA funding.**
- The increase in federal funds in FY17 is largely due to AIDS/HIV grants and is not new funding, but a technical appropriation increase, as these funds increased in the last biennium (FY19 increase are also Ryan White related and just a technical). The FY21 increase is also about 50% Ryan White and the rest is largely due to central appropriation. FY24 is the DWRSF from the Infrastructure Bill.

Recent Federal Public Health Funding Changes

- The Centers for Disease Control has rescinded several Covid-era grants, reduced other grant awards, and placed more controls on the payout of incurred expenses.
- VDH leadership has been proactive in planning for potential changes in federal grants—conducting planning budget reduction exercises and discussions with potentially impacted programs to be better prepared when decisions need to be made.
- Program leadership is having daily communications with affected federal agencies and is sharing information with other state agencies in Virginia as information become available.

Rescinded Federal Grants

- VDH was informed by the federal government programs that three COVID era federal grant awards ended at midnight March 24th.
 - CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases – Enhancing Detection (ELC-COVID Funds)
 - CDC-RFA-IP19-1901 Immunization and Vaccines for Children (COVID Funds)
 - Virginia Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved

Rescinded Federal Grants

- Two of the three grants were targeted to end later this year - June 2025, December 2025, June 2026 - and VDH was on track to finish projects and scale down funding use before those end dates.
- VDH was given 30 days to draw down any remaining funds for costs incurred prior to March 25, 2025 and close out the grant reporting process (a process that normally takes 60-90 days).
- For some employees, contractors, and projects, VDH elected to use other funding sources to temporarily continue work to ensure a proper transition, finish work, and plan for continuation of key functions and needs.

Rescinded Federal Grants

CK19-1904 Epidemiology and Laboratory Capacity – Enhancing Detection (ELC-COVID Funds)

Purpose of this grant: Support Epidemiology and laboratory capacity development to respond to current outbreaks and prepare for outbreaks in the future

- Previously scheduled to end June 30, 2026.
- Balance available on grant: \$158,591,213. (77% of total award expended)
- FTEs: 11 (Have been shifted to other funding sources).
- Contractors: 324: 163 removed, 161 shifted to other funding sources for short term
- Contracts ended: DCLS (\$37,960,368 remaining balance), DBHDS, DSS, and VCU

Rescinded Federal Grants

CDC-RFA-IP19-1901 Immunization and Vaccines for Children (COVID Funds)

Purpose of this grant: To modernize and implement improved childhood immunization programs and systems.

- Previously scheduled to end June 30, 2025
- Balance available on grant: \$56,029,756. (66% of total award expended)
- No FTEs impacted, contractors: 66 ended, 103 contractors moved to temporary funds through June 30, 2025
- Contracts ended: Fairfax, Loudoun, and Arlington local health districts.

Rescinded Federal Grants

Virginia Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved

Purpose of this grant: To address COVID-19–related health disparities and provide funding to expand health department capacity and services to prevent and control COVID-19 infection (or transmission) among vulnerable communities.

- Previously scheduled to end December 31, 2025.
- Balance available on grant: \$4,652,403. (83% of total award expended)
- 2 FTEs have been shifted to other fund sources, Contractors: 24 impacted (9 shifted to other funding sources for short term.)
- Contracts ended: Contracts with colleges and universities.

Questions

Thank You!