

VIRGINIA DEPARTMENT OF HEALTH BUDGET

**Presentation to Subcommittees of the Senate
Finance and Appropriation & House Appropriations
Committees**

Karen Shelton, MD

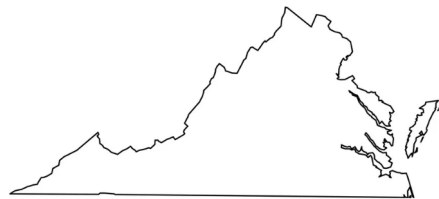
Virginia State Health Commissioner

January 26, 2024

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

VDH has local Health Departments directly accessible to every citizen in every locality across the Commonwealth in addition to sixteen Offices based out of the Central Office in Richmond which provide subject specific resources and services.

Every Virginian interacts with at least one aspect of VDH every day.



VDH Strategic Goals



Maintain a
competent
and valued
workforce



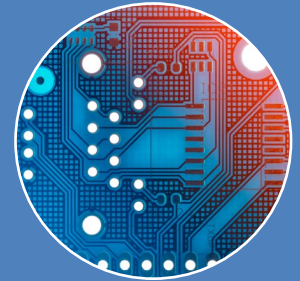
Foster healthy,
connected, and
resilient
communities



Be a trusted
source of public
health
information and
services



Assure the
conditions that
improve health
opportunity



Provide internal
systems that
deliver
consistent and
responsive
support



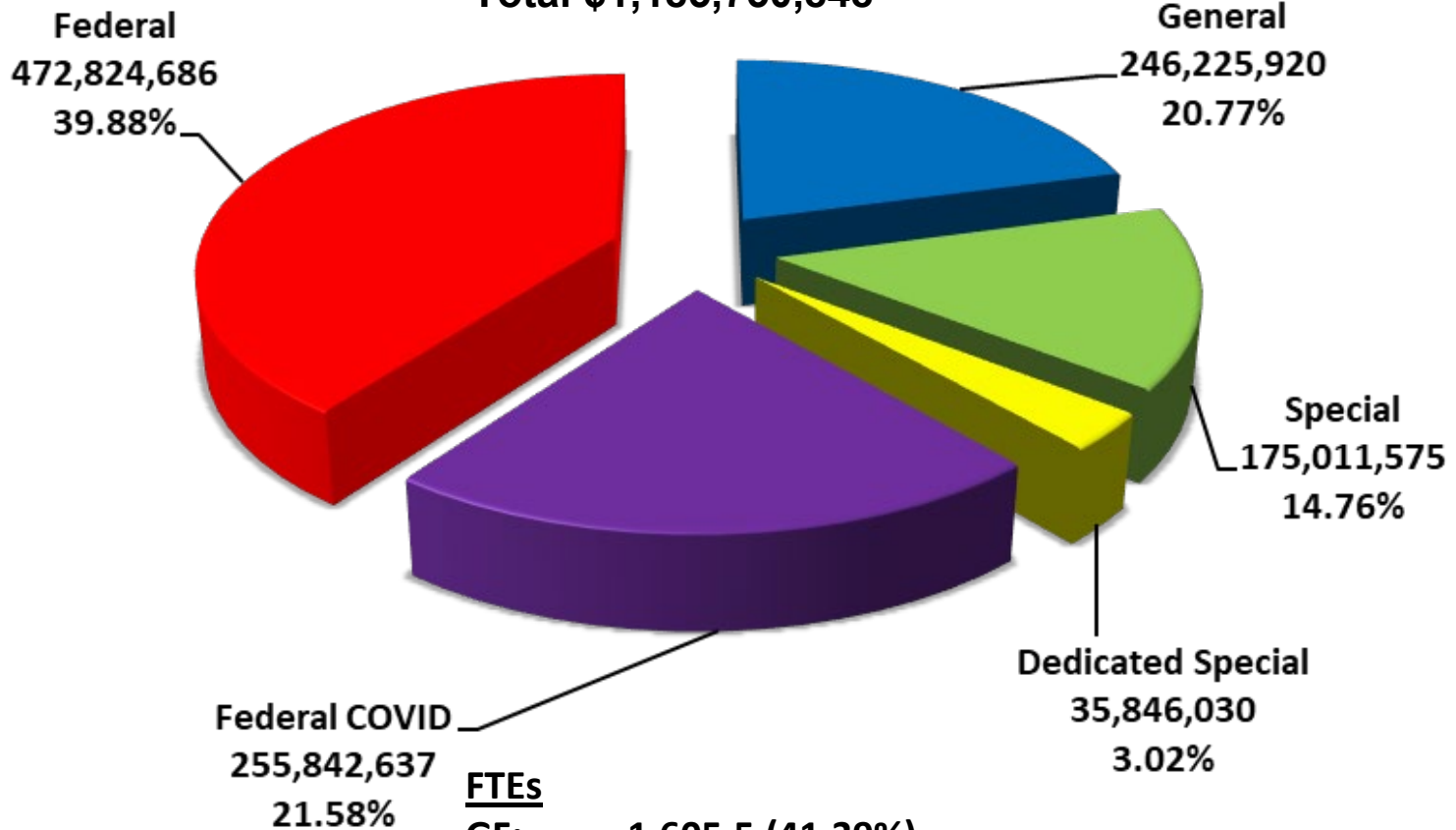


Virginia Department of Health

Funding Streams, Budget & Staffing Levels

VDH Funding & Staffing - FY 2024

FY2024 Appropriations
Total \$1,185,750,848

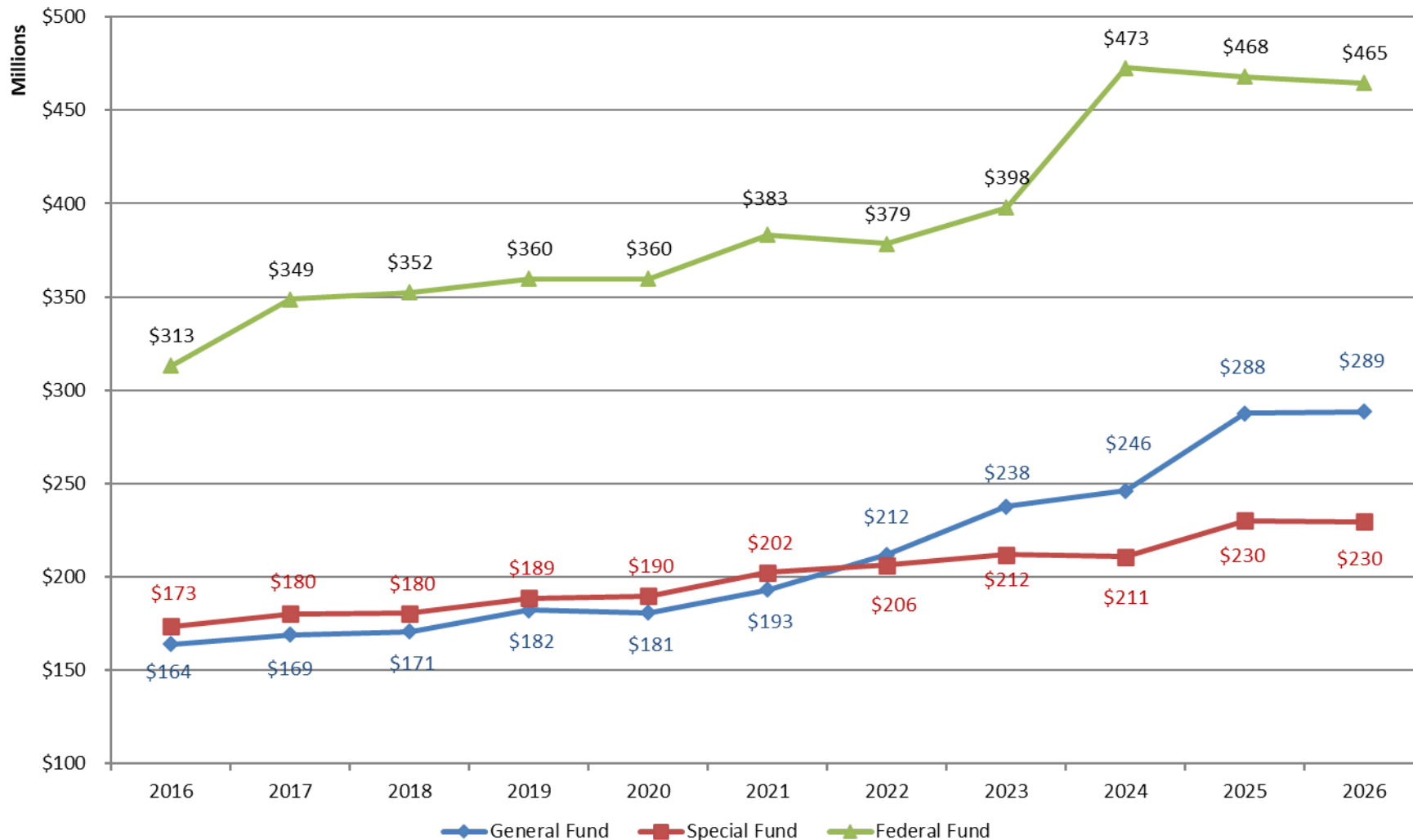


Includes back of the book appropriation for COVID activities and SLRF.

Final Budget	FY24	
	GF	NGF
Base Appropriation	208,119,838	721,576,816
Central Appropriation Distribution	3,490,816	4,876,576
FY23 New Funding / Appropriation	23,801,854	1,444,145
Central Appropriation ARPA SLRF		73,000,000
FY24 NEW Central Appropriation ARPA SLRF		5,000,000
Central Appropriation ARPA Grants		41,064,888
FY24 New Funding / Appropriation	10,813,412	92,562,503
Proposed Budget	246,225,920	939,524,928
Total Proposed Budget	1,185,750,848	
Maximum Employment Level	1,605.5	2,273.0
Total MEL	3,878.5	

Governor's Introduced Budget	FY25		FY26	
	GF	NGF	GF	NGF
Base Appropriation	252,990,227	820,249,859	252,240,227	820,249,859
Central Appropriation Distribution	15,771,188	23,909,137	15,771,188	23,909,137
New Funding / Appropriation	18,872,822	(9,269,474)	20,539,489	(13,224,474)
Proposed Budget	287,634,237	834,889,522	288,550,904	923,286,844
Total Proposed Budget	1,122,523,759		1,119,485,426	
Authorized Positions	1,605.5	2,273.0	1,605.5	2,273.0
Proposed New Positions		(2.0)		(2.0)
Maximum Employment Level	1,605.5	2,271.0	1,605.5	2,271.0
Total MEL	3,876.5		3,876.5	

Virginia Department of Health Appropriation by Fund 2016 - 2026



- The federal appropriations illustrated above **do not include any COVID** or Ebola appropriation.
- 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.

Virginia Department of Health Appropriation by Fund 2016 - 2026



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FY 2025 Budget Amendments

Office of Emergency Medical Services (OEMS)

Office of Emergency Medical Services

Budget Amendment: The introduced budget includes a provision to temporarily halt the transfer of \$12.5 million to the general fund from the Department of Motor Vehicles (DMV) fees the Office of Emergency Medical Services (OEMS) receives in FY 2024 and FY 2025

Code mandated budget with projected FY24 revenue

FY2024	Fund Classification	Projected FY2024 Revenue	Description of Spend
"\$4 For Life"	30% (Operating)	\$ 9,181,769	Includes OEMS staff, MOUs with the EMS Councils, Business admin costs, ESO (Patient Care Portal Software) related costs, other vendors through Council contracts
	10% (OEMS Administration)	\$ 3,060,590	OEMS staff costs, Cardinal transfer fees, with the balance in travel, food, clerical, building lease, management fees, VITA costs, etc.
	26 % Return to Locality	\$ 7,957,533	Mandated by Code transfer to localities across Virginia based on vehicles registered in those areas
	2% Virginia Volunteer Rescue Squads	\$ 612,118	Mandated transfer to VAVRS
	32% Rescue Squad Assistance Fund	\$ 9,793,887	Mandated to fund Rescue Squad Assistance Fund grants program, will be used to fund past years obligations
\$2 Pass Through	Pass through to VSP and general funds	\$ 15,302,948	Mandated \$12.5M transfer to the General Fund and mandated \$2M transfer to Virginia State Police to support Medflight
\$0.25 RSAF	\$0.25 for Rescue Squad Assistance Fund (NREMT)	\$ 1,912,869	Mandated funds to the National Registry of EMTs
Trauma Funds	Trauma Funds	\$ 8,252,717	Captured from license reinstatement with mandated use to fund Trauma Centers in Virginia

Office of Emergency Medical Services (OEMS)

- In June of 2023, financial irregularities became apparent in the OEMS when funds needed to meet the \$12.5 million transfer back to the General Fund were not available. VDH covered this transfer by utilizing the remaining balances from the agency-wide indirect cost recovery account which collects federal grant administrative reimbursements. An internal audit was initiated by the State Health Commissioner.
- Over the course of this audit, it was discovered that OEMS started FY24 with a \$33.3M overcommitment as a combination of funds owed for previous years and funds over-budgeted for FY24. Other findings included a history of moving funds amongst accounts to cover shortfalls, services being provided without appropriate funding, overspending of contracts, and little to no VDH oversight. This audit is still underway.
- Suspected fraudulent activity is also under review by OSIG, the Virginia State Police, and the Office of the US Attorney.
- VDH Agency Leadership has taken steps at OEMS to institute accountability, correct spending, renegotiate contracts, and ensure that services provided are in line with funding.
- A workgroup of EMS leaders from across the Commonwealth has been established to advise EMS strategy. Additionally, a nationally recognized EMS consulting firm has been engaged to review the current structure and function of OEMS, and support VDH in the revamping of an office that is budgetarily sustainable, relevant, compliant, and fulfills the needs and Code requirements of the Commonwealth.



FY 2025 Budget Amendments

Opioid Crisis Response Efforts

Opioid Crisis Response Efforts

Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Allocate portion of opioid settlement funds for fentanyl response efforts		\$5,519,145		\$5,464,145
Provide funding to conduct a wastewater surveillance demonstration project for fentanyl and norfentanyl		\$400,000		
Total		\$5,919,145		\$5,464,145



FY 2025 Budget Amendments

Office of Family Health Services

VDH VIRGINIA
DEPARTMENT
OF HEALTH

*To protect the health and promote the
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Office of Family Health Services Amendments

Title	FY25 GF	FY25 NGF	FY 26 GF	FY26 NGF
Supplant Temporary Assistance for Needy Families block grant funding for contraceptives with general fund			\$4,000,000	\$4,000,000
Supplant Temporary Assistance for Needy Families block grant funding for Resource Mothers with general fund	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Provide state matching funds to expand home visiting services (MIECHV)	\$333,333	\$1,000,000	\$500,000	\$1,500,000
Supplant Temporary Assistance for Needy Families block grant funding for Families Forward with general fund	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
Total	\$3,733,333	\$1,000,000	\$7,900,000	\$1,500,000



FY 2025 Budget Amendments

Financial Management Transformation

Financial Management Transformation Amendments

Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Provide funding to create sustainable financial oversight	\$1,765,106		\$1,765,106	
Establish Office of Grants Administration	\$557,010		\$557,010	
Total	\$2,322,116		\$2,322,116	



FY 2025 Budget Amendments

Healthcare Workforce Programs

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Healthcare Workforce Amendments

Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Enhance the Behavioral Health Loan Repayment Program	\$5,000,000		\$5,000,000	
Provide additional support for the Nursing Scholarships and Loan Repayment Program	\$936,000		\$936,000	
Add funds to increase staffing of Healthcare Workforce Incentive Unit	\$231,373		\$231,373	
Continue support for the Earn to Learn Nursing Education Acceleration Program	\$4,000,000		\$4,000,000	
Total	\$10,167,373		\$10,167,373	



Additional Budget Amendments

Support for Community Programs				
Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Add funding for Hampton Roads Proton Beam Therapy Institute	\$2,500,000			
Provide support for Special Olympics Virginia for Unified Champion Schools	\$150,000		\$150,000	
Total:	\$2,650,000		\$150,000	

Chapter 1, Continued Funding Changes				
Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Continue Chapter 1 funding changes: Provide required state match funding for drinking water infrastructure projects	\$2,726,781	\$210,181	\$2,726,781	\$210,181
Continue Chapter 1 funding changes: Provide support for Amyotrophic Lateral Sclerosis Association and increase support in the first year	\$750,000			

Language Only/Technical Amendments:

Title	FY 25 GF	FY 25 NGF	FY 26 GF	FY26 NGF
Exempt the Office of Emergency Medical Services from a Part-3 transfer in 2025 (Caboose FY24)				
Change appropriation act language related to American Rescue Plan Act funding for administrative systems (Caboose FY24)				
Expands use of tuberculosis funding				
Removed language "or state statute" for abortion services				
Remove appropriation act language related to the Vaccine Equity Report				
Transfer State Office of Rural Health Grant matching funds to correct program area				
Technical Adjustments to Make FY24 Central Appropriation Permanent	\$15,771,188	\$23,909,137	\$15,771,188	\$23,909,137

Questions

Thank You!