



VPHA VIRGINIA PUBLIC HEALTH ASSOCIATION

Key Public Health Takeaways from Virginia’s New Budget

By: Allie Atkeson and Benjamin Barber | July 2022

Virginia’s new [biennial budget](#) went into effect on July 1, 2022. The budget includes significant public health investments, which is something to celebrate. However, these investments are largely funded by one-time federal COVID-19 relief dollars. Policymakers must do much more to avoid falling into the boom-and-bust cycle that bedevils public health.

This issue brief reviews the Virginia Department of Health’s (VDH’s) portion of the Fiscal Year (FY) 2023-2024 budget. Future issue briefs will analyze other agencies whose work influences Virginia’s public health.

#1 Major Spending Increases for Public Health, with a Caveat

The FY 2023-2024 budget invests \$2.2 billion in VDH, a **27% increase** compared to the FY 2021-2022 budget. This is a welcome increase, but it comes with a caveat. Just 15% of the boost comes from increased state general funds. The remaining 85% comes from non-general funds, mostly federal pandemic relief funds. This means that over half of VDH’s FY 2023-2024 budget comes from non-general fund revenues.

Virginia’s public health system is primarily funded by federal dollars and state general funds. For more information about the Commonwealth’s public health landscape, read our [report](#).

The budget for communicable disease prevention and control is a prime example. The FY 2023-2024 budget increases VDH’s communicable disease and prevention and control funding by 89% relative to the FY 2021-2022 budget. However, nearly all of this increase comes from non-general funds (mostly federal COVID-19 relief).

While federal investment in state public health systems is essential, Virginia must not become overly reliant on federal funds. The federal government has made significant public health investments in response to previous public health crises only to let the investments dwindle once the worst is over. Virginia policymakers must not allow history to repeat itself.

#2 Targeted General Fund Investments

While federal funding accounts for most of VDH’s budget increase, the FY 2023-2024 budget does include important, targeted General Fund investments. The investments cut across several public health areas, with an emphasis on water safety and environmental health. These investments are long overdue, and VPHA urges the General Assembly and the Governor to make additional investments in Virginia’s public health.

Table 1: FY 2023-2024 General Fund Investments in Virginia’s Public Health

Item	General Funds
Local Health Departments & Public Health Infrastructure	\$11 million
Complete phase-in of the local match rate changes by 2024 to meet the revised funding formula estimates for the cooperative health budget.	\$8.5 million
Contract for an integrated e-referral system to connect government agencies, health care providers, and community-based partners to enable participants in the system to refer patients to public health and social services.	\$2.5 million
Environmental Health	\$2.9 million
Establish Chesapeake Bay Septic Pilot Program.	\$2.1 million
Fund two positions to address staffing shortage within the Office of Environmental Health Services.	\$0.4 million
Cover costs associated with additional fieldwork, data collection, and analyses necessary to assess contamination in shellfish growing and harvesting areas.	\$0.4 million

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Item	General Funds
Water Safety	\$10.8 million
Increase GF appropriation to draw down federal Drinking Water Revolving Fund grants.	\$4 million
Implement a water sampling verification program.	\$2.5 million
Establish a fund to provide support for small community waterworks.	\$2.0 million
Cover operational costs of the Office of Drinking Water.	\$1.8 million
Update and secure water quality and monitoring databases.	\$0.5 million
Continue the Commissioner of Health’s workgroup to examine the occurrence of contaminants in public drinking water.	\$60 thousand
Miscellaneous	\$5.7 million
Support three additional assistant Chief Medical Examiners and three Medicolegal Death Investigators.	\$2.8 million
Expand comprehensive harm reduction services.	\$2.1 million
Enhance genomic surveillance efforts.	\$0.5 million
Facilitate data sharing regarding firearm violence.	\$0.3 million

#3 Community Health Services Investments are Inadequate

Despite a significant, agency-wide budget increase, funding increases for most community health services were modest or stagnant. Local dental services, restaurant and food safety, well and septic permitting, family planning services, maternal and child health services, chronic disease and prevention control, and nutrition services all received increases of two percent or less, not enough to keep up with inflation.

Community health services are the backbone of Virginia’s public health system. Investments in these services are necessary to improve the health of all Virginians.

#4 Funding Cuts Ahead

Virginia’s historic public health investment may be fleeting. Surprisingly high state revenues in addition to the one-time COVID-19 federal relief funds have put Virginia in an exceptionally strong financial position. This allowed the General Assembly and VDH to make a large down payment on overdue investments such as installing broadband and adopting electronic health records at local health departments, improving the state laboratory facilities, installing cold storage for vaccines, and digitizing most administrative functions.

However, Virginia must find a way to sustain these investments once federal relief dollars run dry. VDH has already warned that these investments may be at risk without sustained funding. The agency [recently cautioned](#) the General Assembly that it will not be able to afford the monthly fees for upgraded broadband equipment without a long-term funding source. Overall, VDH's budget will **shrink** by 21% between FY 2023 and FY 2024.

CONCLUSION

Virginia and the nation learned the hard way that a robust public health system is essential to keeping citizens safe and healthy. Federal and state policymakers responded with massive public health investments, and these investments are saving lives.

This progress will be short-lived unless Virginia policymakers sustain these investments with state dollars. Budgets are vital documents that set agency priorities through their funding allocations. VPHA will continue to advocate for a state budget that strengthens Virginia's public health system and promotes the health of all Virginians.

Questions? Contact Benjamin Barber at president-elect@viriniapublichealth.org for more information.