

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB405ER

Patron: Lucas

Bill Title: Virginia Health Workforce Development Authority; administration of nursing scholarships

Bill Summary: Grants the Virginia Health Workforce Development Authority (VHWDA) the authority to administer scholarships related to nursing and to promulgate regulations exempt from the requirements of the Administrative Process Act as may be necessary to carry out the administration of nursing scholarship and loan programs. Under current law, the Virginia Department of Health (VDH) is the administrative authority for such scholarships and the Commissioner of Health serves as the fiscal agent for the Board in the administration of some scholarship funds. The bill directs the Authority to establish an annual reporting schedule requiring submission of health workforce data, requires the Authority to establish and provide oversight and strategic guidance to the Virginia Nursing Workforce Center, and grants the Authority the authority to evaluate health workforce programs administered or supported by the Commonwealth. The bill directs the Virginia Nursing Workforce Center to establish an advisory board to provide it with strategic oversight and guidance.

Budget Amendment Necessary: Yes

Items Impacted: 274

Explanation: Assuming scholarship appropriation is not moved, no budget action for VDH is necessary as the agency does not expect any significant change in workload. However, it is assumed that language included in the introduced budget bill (HB30/SB30, 2026 Virginia Acts of Assembly) would need to be modified to avoid conflict with this bill. Public institutions of higher education have indicated an indeterminate impact.

Fiscal Summary: It is assumed that all general fund appropriation would remain at VDH and that VHWDA would be responsible for administering the program by determining award criteria, amounts, and recipients. Any impact on VDH is expected to be minimal and no adjustment to existing resources is necessary. This bill also impacts public institutions of higher education (IHEs), the State Council of Higher Education for Virginia (SCHEV), and the Virginia Community College System (VCCS). Any fiscal impact to IHEs, SCHEV, and VCCS to meet the provisions of this bill concerning submitting relevant health workforce data is indeterminate at this time. Any additional feedback provided may be reflected in a revised fiscal impact statement.

Fiscal Analysis: The Board of Health currently administers funding appropriated for the nursing scholarship and loan repayment programs at VDH. The provisions of this bill would convey the authority to administer these funds (\$9,571,000 general fund annually) to VHWDA. VHWDA is established through § 32.1-122.7 of the Code of Virginia as a public body corporate and as a political subdivision of the Commonwealth and is not presently listed as a state agency in the budget. As such, it does not appear as though VHWDA would be able to receive a direct general fund appropriation without creating it as an agency in the budget. It is assumed that all general fund appropriation supporting nurse scholarships would remain in VDH so as not to require the creation of VHWDA as a state agency in the budget and that VHWDA would be responsible for administering the program, which would include determining award criteria, amounts, and recipients. VDH is expected to

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expend scholarship funds through the state's financial accounting and reporting system as directed by VHWDA as well as provide limited fiduciary oversight of the appropriated general fund.

Other: The amendments required to facilitate this bill were included in both House (274#1h) and Senate (274#1s) budgets.