

Department of Planning and Budget

2001 Fiscal Impact Statement

1. Bill Number HB 1864

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron McDonnell, Robert F.

3. Committee Appropriations

4. Title Health; scholarships and loans for health professionals

5. Summary/Purpose: In addition to technical amendments, this bill provides that physician, nurse, physician assistant, and nurse practitioner scholarship and loan repayment amounts that are awarded and eventually forfeited by recipients remain in the respective scholarship or loan repayment fund rather than reverting to the general fund. The bill also adds a loan repayment feature under the registered and licensed practical nurse scholarship programs.

6. Fiscal impact estimates are tentative

6a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2000-01 | \$100,000 | - | NGF |
| 2001-02 | \$100,000 | - | NGF |
| 2002-03 | \$100,000 | - | NGF |

6b. Revenue Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2000-01 | \$100,000 | - | NGF |
| 2001-02 | \$100,000 | - | NGF |
| 2002-03 | \$100,000 | - | NGF |

7. Budget amendment necessary: Yes, Item #300

8. Fiscal implications: If a scholarship/loan recipient cannot meet the terms of his/her contract to work in an underserved area of the Commonwealth, they are required to repay the amount of the scholarship/loan, plus interest, and in certain cases a penalty may apply. Based on historical data from the state accounting system it is estimated that approximately \$100,000 per year is collected from nursing and medical scholarship recipients that have defaulted on the scholarship contract.

In the past, these funds have reverted to the General Fund. The expenditure and revenue impacts identified above reflect how the appropriations of the Virginia Department of Health would have to be adjusted to reflect the additional retained revenue and corresponding additional scholarship awards. For FY 2001, the assumption is that if the bill passes, the agency would be allowed to adjust current year accounting records and issue additional scholarships before the end of the fiscal year.

9. Specific agency or political subdivisions affected: Virginia Department of Health

10. Technical amendment necessary: None

11. Other comments: None

Date: 01/12/01/kwm

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cc: Secretary of Health and Human Resources

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