

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: SB 5010

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Stanley

3. Committee: Education and Health

4. Title: Expands eligibility for medical school scholarship program

5. Summary: The bill expands the eligibility requirements for the medical school scholarship program administered by the Board of Health for medical students who agree to practice in underserved areas within the Commonwealth to include not only students who attend medical schools in Virginia, but also students who attend any accredited medical school in any state.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Minimal. See Item 8.

8. Fiscal Implications: This bill would have a minimal fiscal impact; it amends existing statute to expand eligibility to all medical students, not just those attending medical school in Virginia. This would require updates in regulation, which are considered to be routine and can be accomplished using existing staff resources. These costs are associated with the costs of legal services provided based on actual attorney hours logged for this activity.

Funding for the program has been eliminated as part of a reduction strategy in FY 2010. The Virginia Medical Scholarship program was phased out in fiscal year 2007 due to a 40 percent default rate. The medical scholarship program is now defunct and the agency was subsequently directed by the General Assembly to “move towards a total loan repayment-focused program.” As of FY 2011, the loan repayment-focused program, the Virginia Medical Loan Repayment Program, established in the code, has not received any appropriation from the General Assembly. The number of scholarships awarded is contingent upon receiving appropriation from the General Assembly.

The number of scholarships awarded declined from 25 in FY 2007 to four in FY 2009, leaving general fund unexpended. The agency has indicated that the number of applicants to the program cannot be determined for FY 2007 through FY 2010, and it is difficult to determine the amount of new applicants by expanding eligibility.

Currently there are three staff members; one FTE who devotes a majority of her time to all workforce programs and two contractors who devote approximately 50 percent of their time

to workforce programs, thus the agency can absorb any additional workload. Their additional time is spent on other non-related grant funded activities.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health

10. Technical Amendment Necessary: None.

11. Other Comments: None.