

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB 717

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|------------------------|--|-------------------------------------|------------------------------------|
| 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: Expands eligibility for the medical school scholarship program administered by the Board of Health for medical students who agree to practice in underserved areas of the Commonwealth to include students of any accredited medical school. Under current law, only students who attend medical schools in Virginia are eligible for the scholarship program.

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.

The Department of Health began phasing out the Virginia Medical Scholarship program in FY 2007 due to a 40 percent default rate on loans. Furthermore, the last year that new scholarship awards were made was FY 2006. The program from FY 2007 through FY 2010 existed as the Virginia Loan Repayment Program at the direction of the General Assembly. Funding for the program was therefore eliminated as part of a reduction strategy in FY 2010. However, if new appropriations were received, there would be costs incurred for the reinstatement of the 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.

In the event appropriation is added to reactivate this program, Department of Health indicates that the additional workload this would generate can be handled by existing staff.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.