

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB191

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

2. Patron: Hodges

3. Committee: Finance and Appropriations

4. Title: Health Workforce Development; creates position of Special Advisor to the Governor.

5. Summary: Creates the position of Special Advisor to the Governor for Health Workforce Development (the Special Advisor) and creates the Virginia Health Workforce Development Fund to (i) expand the health workforce in the Commonwealth by supporting the coordination of education, training, recruitment, and incentive programs designed to improve staff retention and build the Commonwealth's health workforce; (ii) address regulatory, payment, and other issues that negatively impact recruitment and retention of members of the health workforce in critical practice areas, including behavioral health, developmental services, nursing, and public health; and (iii) develop a strategy to address the behavioral health safety net workforce shortage in the Commonwealth.

The bill also requires the Special Advisor to review and evaluate the structure and organization of the Virginia Health Workforce Development Authority (the Authority) and make recommendations regarding the long-term administrative structure and funding of the Authority to the Governor and the General Assembly by November 1, 2022.

The fourth enactment clause of the bill provides that the provisions of this act shall not become effective unless an appropriation effectuating the purposes of this act is included in a general appropriation act passed in 2022 by the General Assembly that becomes law.

The bill has an expiration date of July 1, 2026.

6. Budget Amendment Necessary: Yes, to Item 55 of HB30/SB30. See Items 8 and 11, below.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$170,250	1	GF
2024	\$170,250	1	GF
2025	\$170,250	1	GF
2026	\$170,250	1	GF

- 8. Fiscal Implications:** This bill establishes the position of Special Advisor to the Governor for Health Workforce Development, who shall be responsible for coordinating and aligning efforts in collaboration with the Secretaries of Commerce and Trade, Health and Human Resources, and Labor to (i) expand the health workforce in the Commonwealth by supporting the coordination of education, training, recruitment, and incentive programs designed to improve staff retention and build Virginia's health workforce; (ii) address regulatory, payment, and other issues that negatively impact recruitment and retention of health workers in critical practice areas, including behavioral health, developmental services, nursing, and public health; (iii) develop a strategy to address the behavioral health safety net workforce shortage in the Commonwealth; and (iv) oversee the Virginia Health Workforce Development Fund established in the bill. The bill provides that the Special Advisor shall be appointed by the Governor. The Office of Governor anticipates the need for a budget amendment of \$170,250 from the general fund and one position to create this position. The funding includes a salary of \$115,000 with \$55,250 in anticipated benefits and other operating expenses.

The bill also creates the Virginia Health Workforce Development Fund on the books of the State Comptroller, to be administered by the Virginia Health Workforce Development Authority; however, the Authority, as a political subdivision, may not have access to Cardinal. A fiscal agent may be required to allow the Authority to administer the Fund. As the size and scope of the Fund is unknown, the impact to the Authority and any potential fiscal agent is indeterminate.

- 9. Specific Agency or Political Subdivisions Affected:** Secretary of Commerce and Trade; Virginia Health Workforce Development Authority.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** House amendments to HB30/SB30 include one position and \$170,250 from the general fund in each year under the Office of the Governor to implement this bill. The House also includes an amendment under Economic Development Incentive Payments of \$2.0 million in FY 2023 from the general fund to capitalize the Virginia Health Workforce Development Fund.