

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

1. **Bill Number:** HB1534

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

2. **Patron:** Clark

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Loan repayment programs; creates program for mental health professionals.

5. **Summary:** Creates a loan repayment program for persons who have worked as mental health professionals in the Commonwealth for at least five years.

6. **Budget Amendment Necessary:** Yes, item 292.

7. **Fiscal Impact Estimates:**

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$64,952		01000
2025	\$64,952		01000
2026	\$64,952		01000
2027	\$64,952		01000
2028	\$64,952		01000
2029	\$64,952		01000
2030	\$64,952		01000

8. **Fiscal Implications:** The provisions of this legislation would have a fiscal impact on the Virginia Department of Health (VDH). The bill provides that the Board of Health (the Board) shall establish the Mental Health Professional Loan Repayment Program with available funds appropriated for such purpose. The Commissioner shall act as the fiscal agent for the Board in administration of these funds. The Board is directed to promulgate regulations for the administration and implementation of the Program. The mental health professional repayment program is added to the category for which the Board may apply for, receive, and expend federal or other available funding sources to enhance the primary healthcare system. While, it is unknown what level of funding would be given to the Board to establish the Mental Health Professional Loan Repayment Program, VDH does not have the ability to absorb the administration of these funds and increase in workload within existing resources. Eight new workforce incentive programs were added to VDH in FY21 to FY23. This increased the number of incentive programs they oversee from seven to 15. According to VDH, Virginia's Office of Health Equity now oversees more incentive programs than any other state. While

funding was added to these programs to provide incentives, funding was not added for staff support to handle the increase in caseload and workload. OHE is expecting approximately 10,000 applications per program year, which is an increase from less than 500 applications per program in prior years.

VDH would need to contract a Health Workforce Coordinator (\$52,000) to successfully administer the Program, increase support for the current State Workforce Coordinator to oversee and coordinate an additional program (\$7,952), and maintenance costs for the application and administrative database VDH uses to process and monitor all healthcare workforce incentives (\$5,000).

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.