2026 Special Session I

Budget Bill - HB30 (Chapter 1)

Item 274	First Year - FY2027	Second Year - FY2028
Higher Education Student Financial Assistance (10800)	**$20,106,684**	**$20,106,684**
Scholarships (10810)	$20,106,684	$20,106,684
Fund Sources:		
General	$18,421,000	$18,421,000
Dedicated Special Revenue	$85,000	$85,000
Federal Trust	$1,600,684	$1,600,684

Authority: §§ 23.1-614 and 32.1-122.5:1 through 32.1-122.10, Code of Virginia.

A. This appropriation shall only be used for the provision of loans or scholarships in accordance with regulations promulgated by the Board of Health and the Virginia Health Workforce Development Authority, or for the administration, management, and reporting thereof.

B. Any unexpended balance in this Item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated.

C.1. Out of this appropriation, $7,350,000 the first year and $7,350,000 the second year from the general fund shall be provided to the Virginia Department of Health for the Virginia Behavioral Health Loan Repayment Program. Eligible practitioners include: psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed professional counselors, child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric physician assistants, psychiatric pharmacists, psychiatric registered nurses, and psychiatric nurse practitioners. The program shall include a tiered incentive system as follows: (i) Tier I providers: child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric nurse practitioners, psychiatric registered nurses, and psychiatrists; (ii) Tier II providers: licensed clinical psychologists, licensed clinical social workers, and licensed professional counselors; and (iii) Tier III providers: mental health service professionals defined in § 54.1-2400.1 of the Code of Virginia who are not set forth in C.1. as Tier I or Tier II providers.

2. For each eligible year of service provided, the practitioner shall receive a year of applicable loan repayment award in return. Loan repayment checks will be submitted at the end of each year of service. Payments will be made directly to the lender. Practitioners must agree to a minimum of two years of practice for the behavioral health provider with the ability for two one-year renewals. The program shall require preference be given to applicants choosing to practice in underserved areas which must be a federally designated mental Health Professional Shortage Area or Medically Underserved Area within the Commonwealth. Practitioners are required to practice at Community Services Boards, behavioral health authorities, state mental health facilities, free clinics, federally qualified health centers, academic medical centers, stand-alone inpatient psychiatric facilities that serve uninsured or medically underserved populations and/or communities, and other similar health safety net organizations in order to be eligible for the program. The award amount is up to 25 percent of student loan debt, not to exceed $50,000 per year for Tier I professionals or $20,000 per year for Tier II professionals. In no instance shall the loan

repayment exceed the total student loan debt.

3. No match contribution from practice sites or the community is required. Loan repayment awards shall be tax exempt.

4. The program shall have an Advisory Board, composed of representatives from stakeholder organizations and community members as determined by the department. The Advisory Board will meet annually and provide guidance regarding effective outreach and feedback on both programmatic processes and impact. The department shall provide an annual report to the Advisory Board on successes, challenges, and opportunities with the program.

5. The Board of Health shall develop regulations consistent with this language in order for the department to administer the program.

D.1. Out of this appropriation, $9,571,000 the first year and $9,571,000 the second year shall be provided to the Virginia Health Workforce Development Authority for the administration of nursing scholarship and loan programs pursuant to Chapters 25 and 430, 2026 Acts of Assembly. The Authority may move appropriation between scholarship or loan repayment programs as long as the scholarship or loan repayment is in accordance with promulgated regulations.

2. Out of the appropriation in D.1., $3,600,000 the first year and $3,600,000 the second year from the general fund shall be provided for the Nursing Preceptor Incentive Program. The Authority shall collaborate with the advisory board to the Virginia Nursing Workforce Center pursuant to [SB 405; pending legislation; § 32.122.7:2 once amended], and other relevant stakeholders on a nursing student preceptor grant program. The program shall offer up to a $5,000 incentive for any Virginia licensed physician, physician's assistant, licensed practical nurse, registered nurse, or advanced practice registered nurse (APRN) who, in conjunction with a licensed and accredited Virginia public or private not-for-profit school of nursing, provides a clinical education rotation of 250 hours, which is certified as having been completed by the school. The amount of the incentive may be adjusted based on the actual number of hours completed during the clinical education rotation. The program shall seek to reduce the shortage of registered nurse clinical education opportunities especially in high demand fields such as psychiatry and anesthesiology.

3. Out of the appropriation in D.1., $35,000 the first year and $35,000 the second year from the general fund is provided for the Nurse Loan Repayment Program to provide loan repayments for certified nurse aides. The total loan repayment allowed per certified nurse aide is limited to no more than $1,000.

4. Out of the appropriation in D.1., $1,936,000 the first year and $1,936,000 the second year from the general fund shall be used to fund nursing scholarship and loan repayment programs to recruit and retain nurses and nurse faculty, consistent with § 32.1-122.6:01 of the Code of Virginia, the Nursing Preceptor Incentive Program established in Chapter 552, 2021 Acts of Assembly, Special Session I, the Virginia Nurse Practitioner/Nurse Midwife scholarship program, the Nurse Educator Scholarship Program pursuant to 12VAC5-545-10, the Nurse Loan Repayment Program authorized in § 32.1-122.6:04, Code of Virginia, and the Long-Term Facility Nursing Scholarship Program, authorized in § 54.1-3011.2, Code of Virginia.

a. Out of the appropriation in paragraph D.4., $64,000 the first year and $64,000 the second year from the general fund shall be provided to fund the Long-Term Facility Nursing Scholarship, authorized in § 54.1-3011.2, Code of Virginia. The program shall offer a scholarship for any Virginia student accepted for enrollment or enrolled in an approved education program in the Commonwealth of Virginia to become a certified nurse aide, licensed practical nurse, or registered nurse, and who commits to work in a long-term care facility after graduation. For each year of scholarship money received, the participant agrees to engage in the equivalent of one year of full-time nursing practice in a long-term care facility in the Commonwealth.

b. Out of the appropriation in paragraph D.4., $936,000 the first year and $936,000 the second year from the

general fund shall be provided for nursing scholarship, loan repayment, and incentive programs based on priorities as identified by the Virginia Health Workforce Authority and the ability of the Authority to expedite funding to recipients.

c. Out of the appropriation in paragraph D.4., $300,000 the first year and $300,000 the second year from the general fund may be provided to create a scholarship to support licensed practical nurses serving as a school nurse or school nurse assistant to become a registered nurse, as funds are available. The Authority shall collaborate with the Department of Education in developing the scholarship program in accordance with the recommendations from the 2021 "Report of the Department of Education on School Health Personnel in Virginia Public Schools: Recommendations for Qualifications and Training". The program shall offer a scholarship, not greater than $10,000, for any licensed practical nurse currently serving as a Virginia school nurse to complete the training and education requirements to become a registered nurse in an approved education program in the Commonwealth of Virginia. For each year of the scholarship money received, the student must maintain employment as a school nurse and agree to engage in the equivalent of one year of full-time employment as a school nurse after graduation. Full-time employment during school is not required and does not count towards the required one-year service obligation.

5. Out of the appropriation in D.1., $4,000,000 the first year and $4,000,000 the second year from the general fund shall be provided to the Earn to Learn Nursing Education Acceleration program. The Authority shall establish criteria for making grants from the program, including application guidelines and metrics for evaluation. Grants shall be awarded for the purpose of forming collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health providers, increasing the number of nursing students receiving necessary clinical training to achieve certification, and creating and ensuring employment opportunities for nursing students. To be eligible for grants, applicants must provide employment opportunities to students at each student's current certification level with compensation consistent with other employees at identical certification levels and must demonstrate that the grant application will increase on a net basis the number of nursing graduates achieving sufficient clinical hours to achieve higher nursing certifications when compared to averages over the past five years.

E. The Virginia Department of Health and the Virginia Health Workforce Development Authority shall each publish and regularly update on their websites information about respective incentive programs in this appropriation so that information is readily available to the public. In addition, the Authority shall notify nursing schools and nursing programs throughout the Commonwealth of the availability of nursing scholarship and loan repayment program funding, including information about the Nursing Preceptor Incentive Program, prior to each academic year in a timely manner to accept applications and process them.

F. The Virginia Health Workforce Development Authority shall expand the Mary Marshall Scholarship Program to include humanitarian parolees as eligible participants. In addition, the Authority shall expand the program to provide scholarships of up to 100 percent of the fees required to obtain a Credential Service Evaluation Profession Report and the English Language Proficiency Report for those individuals who graduated from a nursing education program in a foreign country prior to admission for licensure.

G. The Virginia Health Workforce Development Authority shall submit an annual report, for the prior fiscal year, by October 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees for the programs funded in this item to include: (i) total awards by grant program for the prior fiscal year; (ii) total expenditures by grant program for the prior fiscal year; (iii) any remaining funding not expended by the end of the fiscal year; (iv) total administrative costs attributable specifically to the nursing scholarship and loan repayment programs; (v) total administrative expenditures of the Authority, itemized by personnel, contractual services, information technology, facilities, travel, and other overhead; and (vi) program performance and accountability metrics for each scholarship and loan program.

H. The Virginia Health Workforce Development Authority shall submit its audited annual financial report for the

prior fiscal year within 30 days of it being completed to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In addition, to the annual financial report, the Authority shall include any audit findings and resulting corrective actions and report on the total compensation of the three highest-compensated employees of the Authority for the prior fiscal year. If the audited annual financial report and other required information of the Authority is not submitted by July 1, then no funding in this Item shall be provided to the Authority for that fiscal year until the requirements are met.

I. Notwithstanding Chapters 25 and 430, 2026 Acts of Assembly, the Authority is authorized to monitor, collect, and track data pertaining to health care delivery, training, and education from Virginia educational institutions and other entities as needed to carry out its public purpose and objectives in areas where such data efforts do not already exist. The Authority is further authorized to request and seek data for program evaluation purposes and may partner with other agencies and institutions to help manage and analyze health workforce data. The Authority shall assist in the coordination of data from various sources, including the Department of Education, to establish and maintain an annual reporting schedule requiring submission of a usable electronic data file in a standard format, which shall be either (i) a comma-separated values file or (ii) an Excel spreadsheet, containing record-level, health workforce data necessary for program evaluation and workforce forecasting. Such data shall include academic enrollment and graduation information, health professional licensure and renewal data, residency and fellowship program data, and health workforce incentive program data. The State Council of Higher Education for Virginia, the Department of Health Professions, the Department of Health, the Virginia Office of Education Economics, the Workforce Data Trust, the George Mason University Center for Health Workforce the Virginia Community College System, and any other state agencies or institutions that maintain data relevant to the health workforce shall be required to submit such information to the Authority on an annual basis. The Authority shall analyze and publish this data to inform statewide health workforce planning, policy development, and program evaluation.

J. The Director, Department of Planning and Budget, shall, on or before August 1, 2026, unallot $5,000,000 from the general fund in this item, which reflects unused balances in the Behavioral Health Loan Repayment Program.