



VIRGINIA HEALTH WORKFORCE
DEVELOPMENT AUTHORITY

Nursing Workforce Incentive Programs Update

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Retention Is A National Nursing Workforce Issue

Sources: NCSBN 2024 National Nursing Workforce Study; U.S. Bureau of Labor Statistics Occupational Outlook Handbook.

138K+

Nurses Left The Workforce Since 2022

40%

of Nurses Intend to Leave By 2029

189K

Projected RN Openings Each Year Through 2034

Implication for Virginia

- Commonwealth must keep nurses in practice while also expanding the pipeline.
- Incentive programs are one tool to reduce financial barriers, support service commitments, and stabilize clinical learning capacity.

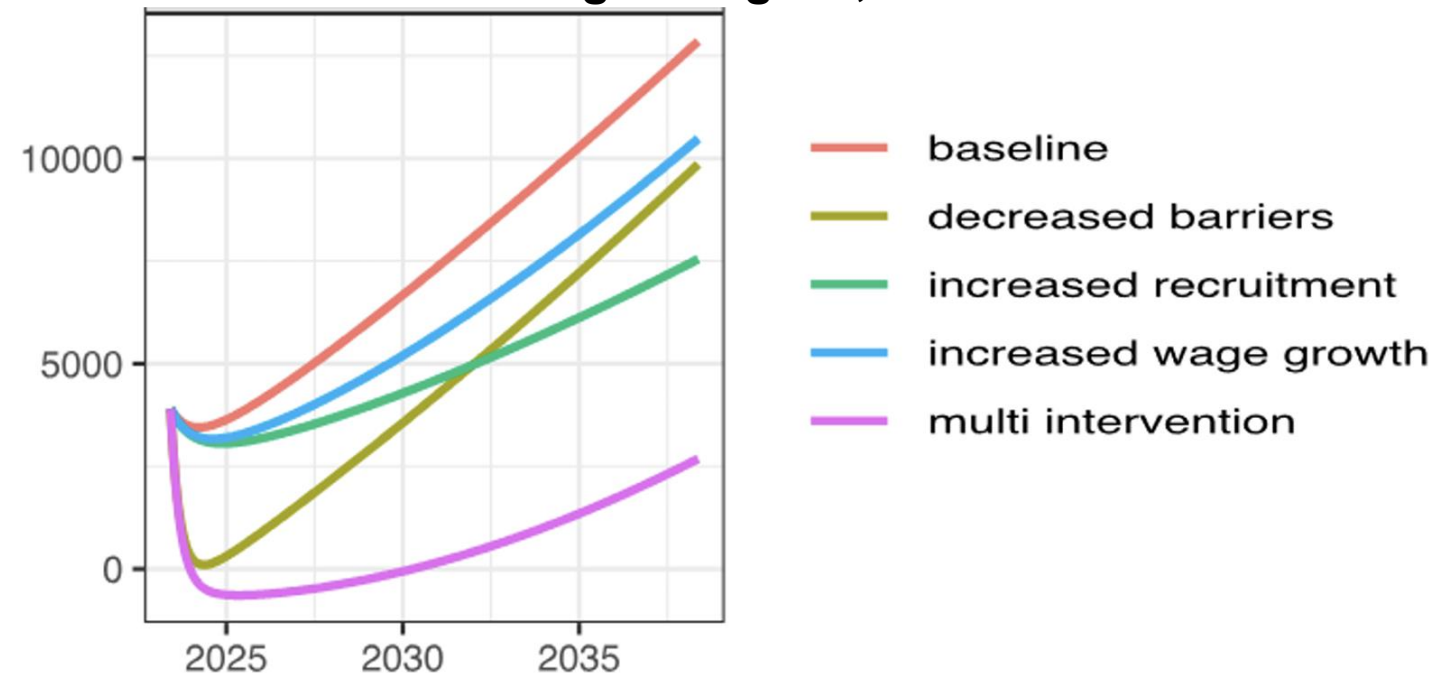


Virginia's Nursing Retention Problem

2023 Health Workforce Study

- Without intervention, nursing shortages are projected to worsen across the Commonwealth.
- Reducing barriers can improve nurse retention quickly; combined recruitment, retention, and wage interventions are projected to add more than 10,000 FTE nurses by 2038, but may still not meet demand.

Gap Between Employment and Demand
for Nursing in Virginia, 2023-2038



Sources: VHWDA/RAND health workforce study; RAND research brief.

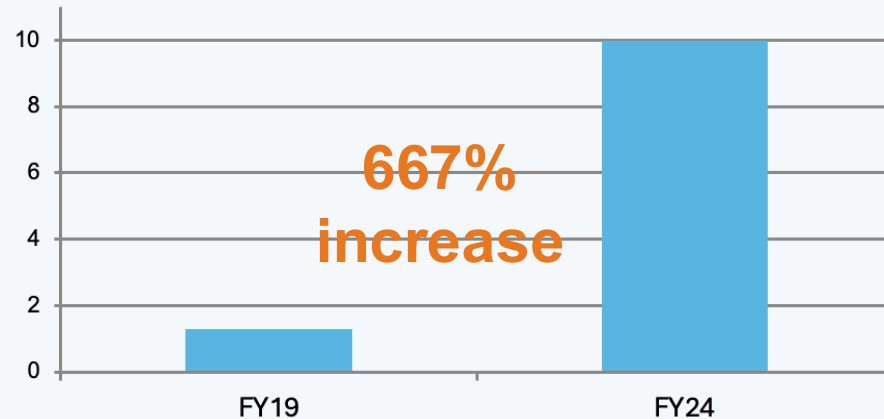
2024 JCHC Report: Performance Gaps in Health Workforce Programs

- \$683M in state funds supported 34 health care-related workforce programs in FY2023–FY2024.
- Most programs reached their intended audiences, but rarely focused on the specialties, settings, or geographic areas of highest need.
- Sparse, inconsistent data collection made it difficult to report on program quality and impact.
- JCHC recommended stronger review, monitoring, and reporting capacity, including a role for VHWDA.



2024 JLARC Findings: Funding Grew, but Administration Lagged

Appropriations rose sharply after FY19



Source: JLARC, 2024 report on VDH management and nursing incentive programs.

- In FY23, nursing incentive programs funded only 12% to 29% of applicants. With all incentive programs not fully utilizing their FY23 funding.
- Payment delays were significant: 96% of FY24 Nursing Preceptor Incentive Program payments were processed after the state's 30-day prompt-pay requirement.
- Staffing shortages, turnover, payment delays, and lack of a fully functioning application database contributed to underutilization.



2026 Transfer: VDH to VHWD A

Legislative Action

- SB405/HB815 granted VHWD A authority to administer nursing scholarships and loan programs. New budget language transferred the funds.
- VDH announced that existing nursing workforce incentive programs would transfer to VHWD A's Virginia Nursing Workforce Center effective July 1, 2026.

Nursing Incentive Transition

- VHWD A worked with VDH and the Governor's administration to support a smooth transition.
- VDH's Office of Health Equity and Finance team remains a key partners during the transition.
- Main Goals:
 1. Continuity for applicants
 2. Faster and more reliable payment for awardees



Addressing Previous Barriers

The Challenge

1. To meet procurement and payment requirements, awardees had to be treated more like vendors than program participants.
2. This added administrative steps, manual follow-up, and delays for awardees.
3. JLARC's findings show the operational consequences of slow processes and limited staffing capacity.

The Opportunity

1. VHWDA's structure allows a more flexible, mission-focused administrative approach.
2. The new payment model reduces manual burden and is designed to move awards more quickly.
3. Greater accountability through annual performance reporting to the General Assembly.



Categories of Nursing Incentives

01

Scholarships

Financial assistance for eligible students pursuing CNA, LPN, RN, or advanced practice nursing education.

02

Loan Repayment

Debt reduction in exchange for a service commitment in Virginia.

03

Preceptor Incentives

Payments to eligible licensed clinicians who serve as clinical preceptors for nursing students.

04

Earn to Learn Grant

Grant funding for institutions, hospitals, and providers to expand clinical training and paid employment pathways.

Visit vanwc.org for more details



Virginia Nursing Workforce Center



VHWDA Established VNWC in 2025

Purpose: Ensure a qualified, sustainable nursing workforce for all Virginians.

Mission: Data-driven planning, collaboration, and innovative strategies.

Core Functions (Pillars for Success):

1. Data & Research
2. Policy & Collaboration
3. Public Engagement & Outreach,
4. Education & Workforce Development

Goals For Incentive Programs Under VNWC



1. **Get Dollars Out Swiftly:** Reduce avoidable delays between award decision and payment through clearer workflows, staffing, and payment infrastructure.
2. **Equitable Disbursement Across Virginia:** Use regional review, shortage-area data, and transparent criteria to ensure awards support all regions, including rural and underserved communities.
3. **Document Outcomes:** Build reporting that shows who is served, where awards go, whether service commitments are met, and whether retention improves.

Where We Are Now

Now

Website live; interested individuals can sign up for updates and receive their desired application to their inbox.

Operating Status

VNWC is fully staffed, addressing a major capacity issue identified under VDH administration.

Current Build

Payment structure designed to reduce manual burden and pay awardees more quickly.

By Aug. 1, 2026

All applications posted for nursing incentive programs.



Questions or Comments

Virginia Nursing Workforce Center Website
VANWC.ORG

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