



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 403

PRINTERS NO. 2007

PRIME SPONSOR: Hutchinson

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	See Fiscal Impact

SUMMARY: Senate Bill 403, Printer's Number 2007, amends Title 51 (Military Affairs) to provide for a Medical Officer or Health Officer Incentive Program.

ANALYSIS: This legislation amends Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes to change the name of Chapter 32 from Educational Assistance Program to Military Educational Programs and provides for a new subchapter establishing a Medical Officer or Health Officer Incentive Program.

The new subchapter establishes the Medical Officer or Health Officer Incentive Program within the Department of Military and Veterans Affairs to provide educational stipends to eligible medical officers or health officers. It also lists new definitions related to this program including: Behavioral Health Officer; Medical Officer or Health Officer; Physician; Resident Physician; Physician Assistant; Public Health Officer or Environmental Science Officer; and Program.

The program provides that an eligible resident physician, physician or physician assistant "may receive a stipend of \$1,000 per month for no more than 48 months of medicine residency or the first 36 accession months of service to the Pennsylvania National Guard." It also states that behavioral health, public health or environmental science officers are eligible to receive a stipend of \$500 per month for no more than the first 36 accession months of service to the Pennsylvania National Guard (PA Guard).

Such eligibility for a stipend requires that an area of concentration qualification must be approved by the National Guard Bureau through a predetermination request completed by the PA Guard Army Medical Department Officer Strength Manager. Each eligible officer must meet the following requirements to qualify for a stipend:

- 1) Be a member in good standing with the PA Guard.
- 2) Be assigned to an appropriate medical or health position in the PA Guard.
- 3) Agree to serve as a medical or health officer in the PA Guard after completion of residency or initial service obligation for a period of one month for each monthly stipend received. The service obligation shall be concurrent with any other military service obligation of the officer.

If the Adjutant General determines that the amount available for the program will be insufficient to provide stipends as outlined, a cap may be placed on the number of eligible officers to receive stipends or may adjust the amount of the annual stipend. The Adjutant General may establish other incentives to aid in the retention and recruitment of medical officers or health officers in the PA Guard, provided that

payment of such additional incentives shall not result in a cap on participation or reduction in the amount of stipends paid.

The legislation also requires the recipient of a stipend to sign a promissory note by which the recipient promises to repay all amounts received if the recipient fails to complete the service obligation or other requirements established by the Adjutant General. However, there are conditions that would allow the forgiveness of recoupment if the recipient's failure to fulfill the service obligation was the result of his death, discharge because of disability in the line of duty, medically unfit for duty outside the recipient's control; a mandatory discharge; release or retirement due to age or years of service, or a discharge, release, transfer or retirement due to compelling circumstances outside the control of the recipient.

Beginning January 1, 2016, and every two years after, the Adjutant General may adjust, by notice published in the Pennsylvania Bulletin, the amounts of the stipends according to the Consumer Price Index in the preceding two years as long as it is determined that sufficient funds are available. It also provides that the General Assembly may appropriate funds to pay for grants under the Medical Officer or Health Officer Incentive Program.

This legislation shall take effect on July 1, 2014 or immediately, whichever is later.

FISCAL IMPACT: Enactment of this legislation is projected to have no adverse fiscal impact on Commonwealth funds.

The Department of Military and Veterans Affairs projects the initial annual costs to be \$300,000 for stipends granted under the Medical Officer or Health Officer Incentive Program as established. However, these costs are projected to decrease in subsequent years due to fewer officers being eligible.

Funding for this and all education assistance for PA Guard members is provided through the Educational Assistance Program Fund as administered by the Department of Military and Veterans Affairs. This special fund is a non-lapsing account that receives annual transfers from the General Fund.

For example, the Educational Assistance Program Fund received a transfer from the General Fund in the amount of \$12.9 million in the current year and is carrying a projected ending balance of \$3.5 million based on current program need. The costs to meet this new program will be covered within the fund's available balance.

However, the legislation states that, if the Adjutant General determines that the amount available to provide stipends is insufficient (within the fund), a cap may be placed on the number of eligible officers to receive stipends or the amount of the annual stipend may be adjusted.

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House Appropriations Committee (R)

DATE: June 9, 2014

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.