



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1194

PRINTERS NO. 1904

PRIME SPONSOR: Mensch

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 1194, Printer's Number 1904, amends Chapter 32 of Title 51 (Military Affairs) to establish a Military College Educational Assistance Program.

ANALYSIS: This bill amends Chapter 32 of Title 51 (Military Affairs) to establish a Military College Educational Assistance Program, which shall begin no later than the 2024-25 academic year. Money in the Educational Assistance Program Fund shall be used to provide benefits to eligible members and funds may not be used for any other purpose or be transferred or diverted to any other purpose by administrative action.

An eligible member may apply for participation in the program if the eligible member does or meets all of the following:

- (1) Has been a satisfactory participant in PA National Guard (PANG) activities for a minimum service period established by the Adjutant General or is a former eligible member and has received a discharge other than a dishonorable discharge;
- (2) Has accepted an obligation to serve in the PANG for a period of at least eight years and has not accepted an obligation under Subchapter A (relating to Educational Assistance Program) or Subchapter A.1 (relating to Military Family Education Program) for the same service period. The service obligation to the Pennsylvania National Guard shall be two years as a cadet in the military college and eight years as a commissioned officer;
- (3) Serves as a Simultaneous Membership Program cadet in the PANG and accepts a PANG commission upon graduation from the military college;
- (4) Provides proof of United States citizenship;
- (5) Provides proof of meeting physical standards, in effect on the effective date of this section, required to be considered to serve in the United States Army;
- (6) Provides proof of meeting academic standards, in effect on the effective date of this section, required to be considered to serve in the United States Army as a commissioned officer;
- (7) Provides a letter of intent; and
- (8) Provides a letter of acceptance into the Early Commissioning Program.

Section 3224 outlines the provisions related to participation in the program and states that the department, with the assistance of the military college, shall evaluate the candidates for the program and make recommendations to the Adjutant General for selection. It also states that:

- An eligible member who is discharged for medical disability shall be disenrolled from the program if the member is unable to fulfill the service obligation to the PANG.
- An eligible member who fails to meet academic or military qualification standards shall be disenrolled from the program under this subchapter.
- An eligible member may be released from Simultaneous Membership Program status for voluntary or involuntary reasons if conditions are met.

Section 3225 clarifies the benefits of the program. From the money appropriated for the purposes of this subchapter, benefit payments shall be provided to the military college or approved institution of higher learning on behalf of eligible members for the purpose of pursuing an approved degree-producing program.

Benefits awarded shall be:

- (1) In year one and two, the rate of military college tuition for the approved associate's degree-producing program; and
- (2) thereafter, the annual tuition rate charged by a state system of higher education institution for the completion of the eligible member's first bachelor's degree.

Prior to entry into the program, the eligible member shall sign a promissory note obligating the eligible member to repay the full amount of the benefit if the eligible member fails to satisfactorily fulfill the service obligation. The promissory note shall become payable upon noncompletion of the service obligation.

The Pennsylvania Higher Education Assistance Agency may not reduce the amount of other agency grants or aid for which the eligible member qualifies on account of the eligible member's eligibility for or receipt of a benefit under this subchapter. A benefit under this subchapter shall be paid or refunded to the eligible member for approved costs of attendance.

If the agency and the Adjutant General determine that the amount appropriated for the program in any year will be insufficient to provide benefits in the amounts specified in this section to each eligible member, the agency and the department may reduce the maximum amount of the benefits proportionately or set a limit on the number of participants to ensure that sums expended do not exceed appropriations.

The section also sets additional limits, such as eligible members attending a State System of Higher Education institution may not be charged additional tuition above the annual tuition rate, and a State System of Higher Education institution may not charge an eligible member more than the in-State rate.

Section 3226 also sets out limitations stating that an eligible member may not assign more than five academic years or their equivalent, as determined by the agency.

Section 3227 outlines the recoupment of benefit payments for an eligible member who fails to meet the eight-year service obligation of this subchapter or other requirements established by the Adjutant General or the agency. However, the agency shall forgive recoupment of all or part of an eligible member's benefit payments if the Adjutant General determines that the eligible member's failure to fulfill the eight-year service obligation is the result of one of the following:

- (1) The eligible member's death.
- (2) The eligible member's discharge because of disability incurred in the line of duty.
- (3) The eligible member's discharge because of a medical determination that the eligible member is medically unfit for duty; and
- (4) The existence of other compelling circumstances that warrant forgiveness.

The bill also requires the department to issue guidelines to implement and administer the program.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT: The Pennsylvania Department of Military and Veterans Affairs reports that approximately twenty cadets would participate in the program at one time (ten at each grade level), when the program is fully implemented, at an estimated cost of \$700,000. The department anticipates approximately two or three cadets participating in the program during the startup, but this is contingent upon enough qualified applicants applying and accepting participation.

The department projects program startup costs and operations would be covered with existing monies through the Educational Assistance Program Fund, although additional funding may be needed as cadet participation increases. A total of \$13.525 million was transferred from the General Fund to the Educational Assistance Program Fund as part of the General Appropriations Act for FY 2022-23 for the purposes of supporting National Guard Education and Military Family Education programs.

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House Appropriations Committee (R)

DATE: October 26, 2022

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