

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 403

PRINTER'S NO. 1548

AMOUNT

\$300,000 increase in funds
(\$300,000) reduction in funds

FUND

General Fund
Educational Assistance Program Fund

DATE INTRODUCED

February 1, 2013

PRIME SPONSOR

Senator Hutchinson

HISTORY OF BILL

Referred to VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, Feb. 1, 2013
Reported as committed, April 30, 2013
First consideration, April 30, 2013
Re-referred to APPROPRIATIONS, May 7, 2013
Re-reported as amended, Nov. 12, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 403 amends Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes to provide for a Military Physician Incentive Program.

Specifically, this legislation adds a subchapter to Chapter 32 that does the following:

- Establishes a "Military Physician Incentive Program" within the Department of Military and Veterans' Affairs (Department) to provide educational stipends to eligible military resident physicians;
- Provides for a military resident physician stipend in the amount of \$15,000 per year for up to four years of medical residency if the member meets all of the following eligibility requirements:
 - 1) Be assigned to an appropriate medical position in the Pennsylvania National Guard; and
 - 2) Agree to serve as a military physician in the Pennsylvania National Guard after the completion of residency for one year for each annual stipend received. This service obligation shall be concurrent with any other military service obligation.
- Authorizes the Adjutant General to place a cap on the number of military resident physicians eligible to receive stipends or adjust the amount of the annual stipend, based on the amount of funds available for the program;

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- Authorizes the Adjutant General to establish additional incentives to aid in the recruitment and retention of military physicians in the Pennsylvania National Guard, to the extent that funds are appropriated and available;
- Requires a recipient of a stipend or other incentive payment to sign a promissory note by which the recipient promises to repay all amounts received if the recipient fails to complete the service obligation as described above;
- Authorizes the Adjutant General to forgive recoupment of all or part of a recipient's stipend or other incentive payment under certain circumstances;
- Provides that beginning January 1, 2016, and every two years thereafter, the Adjutant General may adjust the stipends by an amount equal to the change in the applicable Consumer Price Index in the preceding two years; and
- Provides that the General Assembly may appropriate funds to pay for grants under the Military Physician Incentive Program.

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

FISCAL IMPACT:

According to the Department, the annual costs for the stipends granted under the newly created Military Physician Incentive Program are estimated to be \$300,000. The Department's Educational Assistance Program Fund has received a transfer from the General Fund in the amount of \$12.9 million during the past two fiscal years, as well as the current fiscal year. This special fund has averaged a \$736,000 year-end balance during the past two fiscal years.

A redirection of funds in the amount of \$300,000 transferred to the Educational Assistance Program Fund back to the General Fund would offset the costs incurred by the Department for the stipends granted under this legislation. Additionally, this redirection of funds will have no effect on programs funded from the Educational Assistance Program Fund due to the reoccurring year-end cash balances.

Therefore, the enactment of this legislation would have no fiscal impact on Commonwealth funds.