Senate Bill 52 amends Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes to establish a youth challenge program known as the Keystone State Challenge Academy (Program).

This legislation mandates that the Department of Military and Veterans Affairs (DMVA) shall establish a youth challenge program that is consistent with the federal civilian youth opportunities program known as the “National Guard Youth Challenge Program” as provided for in 32 U.S.C. § 509 (relating to National Guard Youth Challenge Program of opportunities for civilian youth). Establishment of this Program is contingent on funds being appropriated for such purposes.

The Program shall consist of at least a 22-week residential program and a 12-month post-residential mentoring period that seeks to improve life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants to receive a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills and job skills, and improving physical fitness and health and hygiene.

A school dropout from secondary school shall be eligible to participate in the Program. The Program shall be staffed by the administrative, professional, technical and clerical employees of the DMVA. The DMVA shall apply for Federal funding, as provided for in 32 U.S.C. § 509 (relating to National Guard Youth Challenge Program of opportunities for civilian youth) and the DMVA would be permitted to supplement funding with other resources, including gifts made available to the DMVA and may also accept, use and dispose of gifts or donations of money or other property or services for the Program.

The legislation establishes an advisory council for the Program as well. The advisory council shall consist of the following:

- The Adjutant General, who shall serve as a nonvoting, ex officio member; and
- Nine (9) members appointed by the Governor, House of Representatives and the Senate (3 members each).
Each member of the advisory council shall serve for the duration of the term of the appointing authority and would receive no compensation for their services but shall receive reimbursement for their necessary and proper expenses for attendance at the meetings.

The DMVA shall prepare an annual report concerning the Program. Such report shall be submitted to the following:

- The chairperson and minority chairperson of the Education Committees of the Senate and the House of Representatives; and
- The chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committees of the Senate and the House of Representatives.

Finally, the DMVA shall submit annually to the chairperson and minority chairperson of the Veterans Affairs and Emergency Preparedness Committees of the Senate and the House of Representatives a complete certified audit of the Program. The audit shall be conducted by a qualified independent certified public accountant under generally accepted audit standards of the Governmental Accounting Standards Board.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

The costs related to the operation of the advisory council, preparation and submission of the annual report and the annual audit are expected to be de minimis and capable of being absorbed within existing fiscal resources of the DMVA.

The Program established by the enactment of this legislation is contingent on funds being appropriated for such purposes. According to the Governor’s Office of the Budget, the DMVA would incur a total first year cost of $5 million ($1 million in state funds and $4 million in federal funds) for infrastructure and planning for the implementation of the Keystone State Challenge Academy Program. Any future funding for the Program would be based on 25% state and 75% federal. Although the legislation mandates that the DMVA shall apply for federal funding, there currently is no appropriation within the General Appropriation Act of 2017 or any restricted account related to the Program.

Therefore, enactment of this legislation will have no adverse impact on Commonwealth funds during FY 2017-18.