

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6647

BILL NUMBER: HB 1175

NOTE PREPARED: Dec 26, 2023

BILL AMENDED:

SUBJECT: Repayment of Medical School Loans.

FIRST AUTHOR: Rep. Harris

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana Department of Health (IDOH) to establish and administer a Medical School Loan Forgiveness Pilot Program (program) for the purpose of attracting physicians to practice medicine in Indiana. It establishes the Medical School Loan Forgiveness Fund (fund). The bill sets forth criteria for the program. It also requires the IDOH to, not later than November 1, 2025, and each November 1 thereafter, prepare and submit a report to the General Assembly regarding the program. The bill makes an appropriation to the fund.

Effective Date: July 1, 2024.

Explanation of State Expenditures: The bill establishes the nonreverting Medical School Loan Forgiveness Fund (fund) and appropriates \$4.2 M from the state General Fund into the fund for the FY 2026 - FY 2027 biennium. The fund may receive appropriations from the General Fund as well as gifts. The Medical School Loan Forgiveness Pilot Program (program) is also established to provide medical school loan repayment assistance to help attract physicians to practice medicine in Indiana. The fund will be used for the purposes of the program. The fund and program are set to expire January 1, 2035.

The Indiana Department of Health (IDOH) must administer the program and the fund. Costs of administering the program are to be paid from the fund. Funds appropriated in this bill will allow IDOH to award loan forgiveness funds to 21 physicians in FY 2026 and 21 physicians in FY 2027. IDOH must also submit an annual report to the General Assembly regarding the status of the program and the amount of awards provided from the fund. These requirements are within IDOH's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels. *[IDOH administrative expenses are funded through the Tobacco Master Settlement Fund,*

a dedicated fund.]

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Health.

Local Agencies Affected:

Information Sources:

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