



PA EDUCATION ASSOCIATION

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August 29, 2024

The Honorable Jason Smith
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Adrian Smith
502 Cannon House Office Building
Washington, DC 20515

The Honorable Darin LaHood
1424 Longworth House Office Building
Washington, DC 20515

The Honorable Lloyd Smucker
302 Cannon House Office Building
Washington, DC 20515

Dear Chairman Smith, Representative LaHood, Representative Smith, and Representative Smucker:

On behalf of the PA Education Association (PAEA), the national organization representing all 310 accredited PA programs in the United States, we are writing in response to the Ways and Means Committee’s request for 2025 tax policy recommendations from stakeholders. As the nation continues to confront growing health workforce shortages, particularly in rural and underserved communities, it is critical that Congress take action to address the root causes of this challenge, including through tax reform efforts. As the work of the committee’s Tax Teams proceeds, PAEA looks forward to opportunities to share policy recommendations that will advance the health of all communities.

For more than 50 years, PAs have played an integral role in expanding access to care in a variety of specialties and practice settings. In the face of persistent workforce shortages impacting communities across the United States, the ability of PAs to quickly address gaps in access has become increasingly critical. Recognition of the unique capacity of PAs to address this challenge has led to significant growth in the number of PA programs in recent years, rising from 154 in 2010 to 310 in 2024.

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While the recent growth of the profession has been encouraging, the sustainability of this expansion depends upon PA programs having the resources necessary to ensure high-quality training for students. Unfortunately, shortages of clinical training sites have emerged as an increasingly critical issue with nearly two-thirds of programs now being forced to pay for some or all of their students' required clinical rotations, up from just 22% in 2012.¹ In the absence of interventions to address this challenge, programs may be forced to reduce current class sizes with students increasingly facing growing student debt balances due to the cost of financing clinical rotations.

Recognizing this crisis, states have begun to respond with five states including Alabama, South Carolina, Colorado, Georgia, and Maryland authorizing income tax incentives for clinical preceptors. Since their implementation, these programs have resulted in significant advances in workforce development. In Colorado, 93% of participating preceptors reported that the state's income tax credit increased their likelihood of continuing to serve as a preceptor in the future with 38% subsequently hiring someone that they trained.² In Georgia, 28 out of 29 eligible health professions schools in the state participated in their tax incentive program in 2020 resulting in a total of nearly 1.2 million clinical training hours for health professions students in the state.³ The success of these programs make them a model for further expansion as clinical site shortages persist nationwide.

To mirror the success of these state-based programs, PAEA has endorsed H.R. 8738 - the bipartisan Rural Health Preceptor Tax Fairness Act, which would replicate Colorado's successful program by authorizing a \$1,000 nonrefundable income tax credit for preceptors of health professions students in rural health professional shortage areas. This interprofessional, evidence-based program has the potential to facilitate program expansion, reduce tuition growth rates, and produce a durable pipeline of graduates to rural and underserved communities. **As the committee's Tax Teams consider proposals for 2025 tax reform efforts, PAEA urges the committee to ensure the inclusion of H.R. 8738 in any legislative package designed to support workforce development and rural health care access.**

We appreciate the opportunity to share the Association's perspective and welcome ongoing opportunities for collaboration with the committee. Should you have specific questions or if you

¹ PA Education Association. (2023). *By the Numbers: Program Report 36: Data from the 2021 Program Survey*. https://paeonline.org/wp-content/uploads/2024/02/PAEA-PR36-final-v5-3_updated-2-9-24.pdf.

² Biehle, R. (2021). *Colorado's Rural and Frontier Healthcare Preceptor Tax Credit*. <https://www.stfm.org/media/3489/tax-incentives-for-preceptors-webinar-2021.pdf>.

³ Fulton, F. (2021). *Georgia Preceptor Tax Incentive Program*. <https://www.stfm.org/media/3489/tax-incentives-for-preceptors-webinar-2021.pdf>.



would like additional information, please contact Senior Director of Government Relations Tyler Smith at 703-667-4356 or tsmith@PAEAonline.org.

Sincerely,

A handwritten signature in black ink that reads "Nicole B. Burwell".

Nicole Burwell, PhD, MSHS, PA-C
President

A handwritten signature in black ink that reads "Sara F. Fletcher".

Sara Fletcher, PhD
Chief Executive Officer