

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 908

PRINTER NO. 1288

AMOUNT

\$1,000,000 to \$1,500,000

See Fiscal Impact

FUND

General Fund

Volunteer Companies Loan Fund

DATE INTRODUCED

October 18, 2019

PRIME SPONSOR

Senator Regan

DESCRIPTION

Senate Bill 908 amends Title 35 providing for the expansion of the Volunteer Companies Loan Fund to include career companies, the renaming as the Emergency Services Loan Assistance Fund, the reimbursement for service provided on state-owned property, and changes to the distribution to volunteer firefighters' relief associations.

This legislation changes the name of the Volunteer Fire Company, Ambulance Service and Rescue Squad Assistance program to the Fire and Emergency Medical Services Loan Assistance Program and also changes the name of the Volunteer Companies Loan Fund to the Emergency Services Loan Assistance Fund. Both the program and fund are expanded to include both volunteer and career fire and emergency service companies (EMS). The fund shall continue as a revolving loan fund and maintains the allowance of \$250,000 by the agency for the administration of the program. Allowable loan amounts for each category are increased and are set to increase by the Consumer Price Index (CPI) increase in every subsequent year.

All applications shall be reviewed by the newly established application review committee consisting of the majority and minority chair of the Veterans Affairs and Emergency Preparedness committees in the House of Representatives and the Senate, the Director of the Bureau of Emergency Services in the Department of Health, and a representative from the PA Fire and Emergency Services Institute, Fireman's Association of PA, the Ambulance Association of PA and the PA Emergency Health Service Council. The Office of the State Fire Commissioner shall produce an annual report to be distributed and posted on its website. The report shall include information on the beginning and ending balance of the fund, the number of applications received, loans issued and the companies to which they were distributed, and its use.

The bill includes a voter referendum to allow for the expanded use of previously approved authorized debt to include career fire and EMS companies. The referendum shall appear on the ballot in the next primary or general election held after November 5, 2019. The time limit requirements for advertising for a voter referendum may be waived as to this question.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Senate Bill 908 expands reimbursement procedures for providing contracted services to include career fire and EMS companies. It also moves the certification and distribution of funds to the volunteer firefighters' relief associations from the Office of the Auditor General to the Office of the State Fire Commissioner. The uses of funds are expanded to include:

- recruitment and retention activities;
- length of service awards;
- facilities for storage of vehicles, equipment, training and meetings;
- vehicles and equipment used for emergency response;
- obtaining or renewing commercial driver licenses to operate fire or emergency service vehicles; and
- stipends to volunteer firefighters not to exceed \$1,500 per year.

The Fire Safety Advisory Committee shall review and provide findings and recommendations regarding the fire relief funding formula. The committee shall hold public meetings in the different regions, consult with experts, draft proposed legislation, and no later than November 30, 2020, issue a report containing the findings and recommendations

FISCAL IMPACT:

Senate Bill 908 provides for a ballot question to allow professional fire and emergency medical service companies to access low interest loans provided by the Volunteer Companies Loan Fund. Originally, the fund was capitalized by a voter referendum bond issuance for volunteer fire and EMS companies. In total, \$100 million in debt was authorized by the electorate, while only \$50 million in debt was issued and has since been repaid. If approved, this referendum would allow professional fire and EMS companies to participate in the loan program, regardless of whether additional debt is issued. The Department of State estimated the cost for each required advertisement for a Constitutional question to be approximately \$1,000,000 to \$1,500,000.

The Volunteer Companies Loan Fund has maintained an average beginning balance of over \$50 million since FY 2014-15, over which time \$44 million has been transferred to the General Fund. There are 22 career and 72 combination career and volunteer companies that will now have access to loans from the fund. The legislation will also increase the maximum loan distribution to \$500,000. Allowing professional fire and EMS companies to access the program may reduce the current surplus as the increased demand for loans and increased allowable loan amounts could result in increased disbursements.

Senate Bill 908 also moves the certification of volunteer companies from the Office of the Auditor General to the Office of the State Fire Commissioner. Currently, there are three staff within the Office of the Auditor General that spend a portion of their time working on the certification and disbursement to the volunteer firefighters' relief associations. There is no additional cost to this change, but it will require the reallocation of funds for two full-time equivalent (FTE) positions totaling \$200,000 from the Office of the Auditor General to the Office of the State Fire Commissioner for the cost of staff time to perform the certification and disbursement.