



**PENNSYLVANIA
FIRE & EMERGENCY SERVICES
INSTITUTE**



**Testimony of
Pennsylvania Fire and Emergency Services Institute
and
Firemen's Association State of Pennsylvania
before the
Senate Veteran's Affairs and Emergency Preparedness Committee
April 28, 2021**

Chairpersons Stefano and Muth, and members of the committee:

My name is Jerry Ozog and I am the Executive Director of the Pennsylvania Fire and Emergency Services Institute (PFESI). PFESI is an educational, non-profit association of emergency service organizations, emergency responder, industry and public service professionals who are committed to strengthening knowledge and support for fire and emergency service across the Commonwealth.

My testimony is supported by, and also includes the legislative priorities of the Firemen's Association State of Pennsylvania (FASP), an active partner of PFESI's. FASP is a volunteer run Commonwealth-wide association made up of fire companies, fire departments, fireman's relief associations and fire related service organizations who advocate for the general improvement of the fire service throughout the state.

Last session saw enactment into law of many legislative priorities that will strengthen the fire and emergency services in the Commonwealth, namely, Act 91 of 2020.

In 2018, the SR 6 report was adopted that included many recommendations by 39 members and six subcommittees to improve, modernize and support fire and EMS in the Commonwealth of Pennsylvania.

Act 91, which pulled many of these individual pieces of introduced legislation together, as recommended by SR 6, provided improvements to Volunteer Loan Assistance Program, now re-

named the Emergency Services Loan Assistance Fund, the Office of State Fire Commissioner, improvements to fire relief through the Length of Service Award Program, the state Fire and EMS grant program, and the tax credit program.

PFESI and FASP advocate for industry inclusion in the promulgation process for Act 91, and consultation regarding the fire advisory board appointments including a meaningful role for the fire advisory board in establishing qualifications for the position of State Fire Commissioner.

While these are noteworthy accomplishments, there are still many outstanding legislative issues that need attention this session.

Relief Association Reforms

We feel the single most important action that this committee can act upon involves Fireman's Relief. Fireman's Relief was established in June of 1968 to provide a means by which volunteer firefighters would be insured against losses, injuries, and death. The law has been amended several times. The funding source is a tax on the fire insurance premiums paid annually to insure properties within the Commonwealth. The Relief Association laws require fire companies to establish a separate 501c3 organization with all associated rules and regulations. These funds are audited biannually by the State Auditor General's office and their use has greatly expanded over the years. In 1984 the law was modified to address pension issues.

There are serious structural flaws with the Relief system.

This is possibly the only state assistance program to communities that requires establishment of a separate charitable entity (Relief Association). This creates overhead costs: bonding of certain officers, annual audit and tax filings, expenses paid to Directors to offset meeting costs. In some areas for the Commonwealth the Relief Association is at odds with the active members of the fire department on priorities, annual disbursements, and money management. In many places a single Relief Association represents multiple fire departments and all entities within the system are at odds with one another over expenditures. In my opinion, these state funds should be distributed like any other aid (example: liquid fuels tax) and Relief Associations should not be required for administration. We also believe that the piecemeal list of authorized expenditures has outlived its usefulness. Fire companies and communities should be free to establish priorities for the use of these funds. It is, after all, the local taxpayers' money. I can accept a restriction that requires some funding of supplemental insurance for volunteers (the original purpose of this system).

Many municipalities count state Relief funds as a municipal contribution to the fire department since these funds flow through the municipalities to the fire department(s). The result is local underfunding of a service for which the local municipality is responsible.

The Relief tax was established by public referendum in 1968 on the premise that the funds would be used to benefit community fire services. In fiscal year 2019 the Pennsylvania Fire Service received only 8.9% of the tax revenues collected. Despite the stated purpose of the tax, the fire service received \$74MM in 2019 while the state's General Fund received \$444.3MM, and the state's Pension Fund received \$310.7MM. This allocation scheme is unacceptable.

There are many fire companies that receive less than \$4,000 annually through this program. To provide some perspective, a single set of firefighter turnout gear costs about \$2,500 and must be retired after 10 years. While this does not directly affect us, it does have an impact on our neighbors' sustainability. Correcting the allocation scheme would have an immediate, positive effect on this situation. Act 91 of 2020 requires a study of the allocation formula but no action has been taken on this effort.

There are loopholes in the current law that allow for nonpayment of the tax. Insurers self-report their tax liability. Some insurers identify themselves as "casualty" insurers versus "fire" insurers and do not make tax payments. In addition to this loophole there are numerous properties that self-insure and thus do not pay any tax. At the very least, the "casualty" loophole and any similar loophole should be closed.

Relief support for career firefighters is limited by law to pension support. There should be no difference between career and volunteer personnel when it comes to state aid to a municipality for providing fire protection. The state has repeatedly affirmed that fire protection is a local responsibility. Given that affirmation the state should not dictate municipal spending priorities by restricting the use of state aid. Local taxpayers pay insurance premiums and the tax on these premiums should be used in a way that is most beneficial to their local community.

The 2% tax rate has remained unchanged since 1968. This tax should be increased by 1%. This would help ease some of the impact of an allocation rebalance (Item 3) and it will support the goal of providing all fire departments with a meaningful amount of state aid. The last public survey on this matter showed 87% of the public would support a 1% increase to this tax provided the funds were used to benefit the local fire department. There are very few tax initiatives that enjoy an 87% approval rate.

Authorization of County-Wide Public Safety Authorities

We support the concept of providing additional local options to improve and sustain emergency services. Countywide or multi-municipality Fire and EMS Authorities could be the answer to many

of our current challenges. Amending the Municipal Authorities Act will permit local officials to design a modern system that could solve decades long problems.

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Fire and emergency medical services organizations in Pennsylvania have been challenged with changing demographics, increased community expectations and demands, and associated decrease in traditional methods of funding vital operations.

From 2010 to 2017 Pennsylvania's overall population has increased by 0.8%, however there are many counties and local Boroughs and Townships that have experienced a decrease in population by greater than 3%. Compounding this decrease in population is that Pennsylvania is growing older.

These demographic changes directly affect emergency services with an increased demand in calls associated with a decrease in the pool of available citizens to recruit for volunteer firefighting and aging of current members.

Some volunteer fire companies have moved to a combination of both paid and volunteer firefighters. Additionally, mergers have occurred to deal with best use of equipment and facilities, and municipal governments have either assumed responsibility for providing fire service or started to take a proactive approach to adequately funding the essential services.

The Authority model would provide another tool to meet community needs and we thank Senator Baker and Senator Kearney for their work on this issue including a helpful roundtable discussion held recently with stakeholders.

Pennsylvania Fireworks Law Reform

The National Fire Academy and the National Fire Protection Association promote the concept of Community Risk Reduction or CRR. CRR is defined as "programs, actions, and services used by a community, which prevent or mitigate the loss of life, property, and resources associated with life safety, fire, and other disasters within a community.

The impact of increased utilization of fireworks in Pennsylvania directly contradicts the concepts professed in CRR.

As you know, the SR 6 Commission extensively studied and reported on what is happening across the Commonwealth to our fire and EMS organizations. Our organizations are struggling both financially and operationally due to decreased firefighting members able to respond to calls.

The increased use of fireworks causes an increase in demand of an already stressed system.

We support any efforts to amend the current fireworks law to make our communities safer.

Mental Health Protections for First Responders

We support any efforts that assist with supporting First Responders (Fire, EMS, Law Enforcement, and 911 Dispatchers) in regards to Post Traumatic Stress Injury. Our partner organizations are working on legislation to address this concern.

10 Year Smoke Detector Mandate for Rental Properties

Legislation that is being introduced by Representative Polinchock will require rental dwellings in Pennsylvania to be equipped with non-removable, non-replaceable 10-year battery smoke alarms. Last session, Rep. Polinchock introduced a similar bill, HB 1236, and it was passed by the Committee unanimously. Passage of this legislation will improve public health and safety in Pennsylvania.

Pennsylvania is a national leader in fire related injuries and deaths. Many times, when firefighters arrive on the scene of an incident, they find that there is no working smoke alarm and oftentimes the reason the alarm is not working is because of missing or expired batteries.

This legislation will help with this issue by ensuring that rental properties in Pennsylvania will be equipped with smoke alarms that will have a working battery for an extended period of time.

Budget

During this past budget, the one adopted in November of 2020, the legislature proposed, and the Governor approved, transferring six million dollars (\$6 million) from the Emergency Services Loan Assistance Fund (ESLAF) to help balance the budget.

This fund, by design, provides loans at a fixed 2% interest rate to volunteer fire, ambulance, and rescue companies for the acquisition, rehabilitation, or improvement of apparatus, facilities and equipment.

Act 91 of 2020 increased the loan amounts from the Emergency Services Loan Assistance Fund and adds a ballot referendum for the spring 2021 primary election to expand the Emergency Services Loan Assistance Program (ESLAP) to include municipal fire departments. This money is being used, and we are putting more demands on the fund.

In short, we need this money to be used for its intended purposes, and continue to be strongly opposed to these funds being used for helping to balance our Commonwealth's budget.

In Closing

We look forward to working with the committee this session. I thank you all for your service to our Commonwealth and I will be happy to answer any questions from the Chairpersons, committee members or staff. Thank you.