

This framework has been developed by the Relief Reform Working Group of the OSFC State Fire Advisory Board. Members of the Working Group are Steve Bair, Bruce Trego, Tom O'Donnell, Frank Zangari, and Sam Aungst.

This document recommends modifications to the "Volunteer Firefighters' Relief Act" (1968, P.L. 149, No. 84). In this document, the term "fire department" is used to describe all fire service providers. This document is four pages.

General Overview and Reform Purpose:

This framework is based on the premise that every citizen in Pennsylvania with property being insured by a Foreign Fire or Casualty Insurance Company pays the Foreign Fire Insurance Tax. The tax is collected regardless of the type of fire department (volunteer, combination, career) protecting the taxpayer's property. Therefore, Relief should ultimately benefit all taxpayers subject to the tax.

This framework addresses the needs of combination fire departments where volunteer fire companies are hiring paid personnel and/or municipalities are supplementing volunteer fire services with paid personnel.

This framework maintains the current tax rate of 2%.

Eligibility:

Every fire department in Pennsylvania providing service to any municipality is eligible to receive an allocation in accordance with existing law. Individual municipalities must report, annually, the fire department(s) upon which the municipality relies for fire protection and for which the municipality is paying the fire department's workers compensation insurance premium.

Fund Restrictions:

Each fire department must expend funds to protect department members, as described in Section 2 of the Act (1968, P.L.149, No. 84, § 2), prior to expending allocated funds for any other purpose. *The current practice of securing 'accident and health' or 'accident and sickness' insurance that is supplemental to Worker's Compensation Insurance meets the minimum requirement of this section.*

Volunteer Fire Department with Paid Personnel: Fire departments supplementing volunteers with paid staff must provide pension benefits in a manner consistent with the municipality they serve. *A full-time position (over 35 hours per week) is expected to include a retirement benefit. Benefits for part-time positions (less than 35 hours per week) shall be handled in accordance with the prevailing practices of the municipality served.*

Relief Associations:

Administration of Relief allocations may be undertaken directly by the fire department and shall not require establishment of a relief association as currently described in Section 2 of the Act (1968, P.L.149, No. 84, § 2).

Fire departments may elect to continue administration of Relief allocations by an existing Relief Association or creation of a new Relief Association.

Fire departments may elect to retain an existing or newly created Relief Association to administer any specific component of the relief program. *It may be deemed beneficial to the fire department to contract an association to administer a particular aspect of the relief program such as insurance and/or investments, or to manage legacy programs such as self-funded life insurance.*

Section 8 of the Act, "Dissolution", (1968, P.L.149, No. 84, § 8) remains in force for any relief association dissolved by virtue of the conditions described therein.

Paid Personnel:

Benefit of relief funds shall not be selectively withheld based on the employment status of individual department members. *In cases of 'combination' departments, volunteer departments with paid personnel and/or volunteer departments interspersed with municipal employees, all personnel are entitled to benefit from support elements funded through Relief. This includes, but is not limited to, equipment, training, and PPE.*

Ownership of Existing Relief Assets:

The assets of an existing relief association which is disbanded or diminished in scope, shall revert to the fire department supported by that relief association. In cases where an association serves multiple fire departments, the assets shall be divided in a fair and equitable manner with the approval of the municipality(ies) being served by the relief association.

Relief assets are community assets, funded by the taxpayer. Fair and equitable distribution will vary based on community needs, fire department operational structure, and other factors. Hence, the municipality shall represent taxpayers as the arbiter of asset distribution.

Investment of Funds:

Available allocation funds may be accrued and invested to satisfy future obligations established by activities described in Section 2 (1968, P.L.149, No. 84, § 2), and/or to fund projects involving large expense. Such projects include, but are not limited to, apparatus replacement, SCBA replacement, replacement of communications equipment, replacement of PPE. (Reference Section 6; [1968, P.L.149, No. 84, § 6])

Prohibited Use of Funds:

Allocated funds must be used to meet required obligations, and excess funds must be spent or reserved for direct mission support. Funds may not be used to operate profit-generating businesses, or department fundraising programs, nor capital expenses primarily related to a fund-raising purpose (such as social hall or refurbishment).

These funds are intended to protect members and directly support service delivery. Revenue generating ventures such as clubs, social halls, rental properties, etc. shall not be funded through relief allocations.

General Obligations of Fire Departments:

To receive an allocation, a fire department must:

1. Report all responses using PennFIRS.
2. Report (annually) the point of contact for the department (Chief and/or President)
3. Be formally recognized by municipal ordinance or resolution that the fire department is the provider of fire protection for one or more municipalities.
4. Be registered with the appropriate Public Safety Answering Point as an active response agency. *(Department must appear on active box cards/response assignments.)*
5. Meet at least annually with the municipality(ies) served by the department.
6. Submit to audits as described in Section 7 of the Act (1968, P.L.149, No. 84, § 7).
7. Maintain a roster of all active personnel.
8. Maintain a roster of all non-active personnel eligible to receive benefits.
9. Respond to a minimum of **70%** of the incidents to which it is dispatched each year prior to the allocation year. *(If a fire department is unable to provide service to the community it should be disbanded. The municipalities, with assistance of their Public Safety Answering Point, shall verify fire department compliance annually.)*

Allocation Formula Modifications:

The allocation of collected funds to volunteer fire departments shall not be less than 20% of the total collection. *The General Fund share shall be reduced from 52% to 42% of the total collection.*

Base Allocation: Each eligible fire department shall receive a minimum allocation of \$10,000.

Formula Allocation: Funds remaining after making base allocations shall be allocated in accordance with current practice (allocation based on assessed property value and population).