

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.**

Senate Bill 303

**PRINTER'S NO.**

1170

**AMOUNT**

\$401,000 – First Year Debt Service

**FUND**

General

**DATE INTRODUCED**

Feb. 20, 2009

**PRIME SPONSOR**

Senator D. White

**HISTORY OF BILL**

Referred to VETERANS AFFAIRS & EMERGENCY PREPAREDNESS,  
Feb. 20, 2009

Reported as committed, May 5, 2009

First consideration, May 5, 2009

Re-referred to APPROPRIATIONS, June 2, 2009

Re-reported as amended, June 15, 2009

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 303 enacts the Volunteer Emergency Service Partnership Grant Program Act, which would be administered by the Center for Local Government Services within the Department of Community and Economic Development. The intent of the program is to encourage volunteer emergency service organizations to consolidate, merge or form partnerships for the purpose of providing emergency services in a more efficient and effective manner.

The legislation authorizes the program for a period of five years and provides that the program shall be funded from bonds issued pursuant to the ballot question approved by the electorate at the November 2002 general election<sup>1</sup>. Bonds in the aggregate amount of \$25 million would be issued in five equal annual installments of \$5 million over the

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<sup>1</sup> Section 31.1 of Act 2002-89 authorized a ballot question regarding the incurring of indebtedness of up to \$100 million for the establishment of a program that utilizes capital and other related methods to enhance and improve the delivery of volunteer fire and volunteer emergency services in the Commonwealth. The ballot question was approved by the electorate at the November 2002 general election.

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

five year duration of the program. Funds not used in a specific year may be rolled over to the successive year. The program may be re-authorized by the General Assembly if additional funds are necessary after the initial five-year period.

The legislation provides that all volunteer emergency service organizations located within Pennsylvania would be eligible applicants and that local governments may submit applications on behalf of emergency service organizations. Grant funds may not, however, be paid to local governments. Eligibility for funding under the program is retroactive to partnerships formed after December 31, 1994.

The legislation enumerates various purposes for which grant funds may be utilized and specifically provides that grant funds may not be used for salaries, personal benefit programs for members or fundraising supplies or equipment. Applicants would be required to provide proof of formal partnerships. Proof of a consolidated or merged company must be supported by Department of State registration.

The legislation also provides for limitations on grants, the submission, evaluation and approval of applications and the verification of use of grant funds. The Center for Local Government Services would be required to develop program guidelines necessary for the implementation of the Act. The Center would also be required to establish a board of review for the purpose of determining if undefined partnerships meet the eligibility requirements of the Act. Finally, the Center would be required to hold informational/training sessions for grantees at least ten locations across the Commonwealth each year.

### **FISCAL IMPACT:**

First year debt service for bonds issued pursuant to the act is estimated at \$401,000. This amount assumes an initial issuance of \$5 million at five percent interest for a 20-year term. Debt service requirements would increase incrementally each year as additional bonds are issued. Debt service is estimated to increase to \$2.006 million by the fifth year when the entire \$25 million in debt is issued.

Costs related to the administration of the program are expected to be minor and capable of being absorbed within existing fiscal resources.