

Testimony of the Pa Fire and Emergency Services Institute
September 11 2017

Chairs Vulakovich and Costa

Thank you for the opportunity to testify.

My name is Donald Konkle. I am the Executive Director of the Pennsylvania Fire and Emergency Service Institute and the Law and Legislative Chair of the Fireman's Association of the State of Pennsylvania. I have been involved in the fire service since 1967, including 37 years as a member of the Harrisburg Bureau of Fire; 27 of those years as Chief.

PFESI primary mission is to identify trends and challenges facing Pennsylvania's emergency services, obtain consensus on the solutions to those challenges and to educate policy makers and the emergency services about possible solutions.

As most of you are aware the Pennsylvania Fire Service is in crisis. In 1976 there were 300,000 volunteer firefighters in Pennsylvania, today there are less than 50,000.

Currently the House and Senate are addressing concerns about the condition of the fire service thru Senate Resolution 6 and the 16 initiatives introduced this session by the four caucuses. We look forward to working with you on these.

This evening I have been asked to discuss Length of Service Award Programs

LOSAP is a supplemental retirement program intended to help recruit and retain volunteer firefighters and volunteer ambulance squad members. In a LOSAP, volunteers are financially rewarded based upon the number of years they serve and their activity level.

Why Communities Need LOSAP Programs

Today there are three times the amount of emergency calls than there were 25 years ago and far fewer volunteers than there were 25 years ago. In an effort to provide communities with solutions to this critical dilemma, Length of Service Awards (LOSAPs) have been established by many states for several years.

LOSAP Can Help Save Taxpayers Money.

By choosing a LOSAP, towns and municipalities can avoid the significant tax dollars associated with the costs of full-time, paid emergency services, and financially reward its valuable volunteers.

Entitlement Age

In operation, LOSAP programs pay eligible volunteers cash "service awards" at the "entitlement age." Typically the entitlement age is 55-67 years of age. LOSAP programs normally pay cash benefits if a volunteer should die or become disabled before reaching the entitlement age.

Types of LOSAP Programs

There are three different types of LOSAP programs

One is a defined contribution plan where an organization defines a set, cash contribution it makes each year to a volunteer's LOSAP account.

The second type of LOSAP plan, a defined benefit plan, an organization defines what the cash payout to the volunteer will be at the entitlement age and then make their contribution, which is determined by an actuary each year.

The third type is like a private sector profit-sharing plan where the funding organization reexamines the total cash contribution it will make to the LOSAP based on available funds. Each volunteer's LOSAP account is then credited with a share (shares are based on years of service in many LOSAPs).

It is important that any authorized program be portable. Many of younger volunteers will probably not spend 30 years in the same location. As they move the benefit should move with them or have a vesting right,.

Some fire and EMS organization have established LOSAP programs using municipal contributions and/or fire company money. Currently Volunteers Fireman's Relief funds may not be spent on a LOSAP program.

The majority of Pennsylvania's emergency service organizations do not provide LOSAP because they cannot afford to do so. Allowing Reliefs to fund LOSAP will help some fire companies, those being the ones with large relief accounts.

However, many of our reliefs receive less than \$10,000 annually and could not afford to fund a program. Stand alone EMS companies are not eligible for relief funding.

A LOSAP program on its own will not reverse the crisis in volunteer numbers. However, if authorized and funded it will be an important tool in the tool box to assist in the recruiting and retention of volunteers.

To have a statewide impact funding must be provide in any legislation authorizing LOSAP.

Thank You