



CHAPTER FOUR

FEDERAL GOVERNMENT SOURCES FOR FIRE AND EMS FUNDING

This chapter lists several of the major funding mechanisms through the Federal Government.

Some federal agencies have grant programs for specific fire- or EMS-related purposes, and some have more general programs that can be used to help fund fire and EMS programs. A list of the federal programs related to the fire service can be found in the U. S. Fire Administration's document, "Federal Domestic Assistance Information."¹ The complete list is not repeated in this report, only a few of the more noteworthy programs. A listing of some federal programs related to EMS may be found in the Appendix.

Most of the federal programs available for fire and EMS are administered by state agencies. Very few programs exist where the federal government gives aid directly to a local fire or EMS department, although fire and rescue departments serving federal installations may be eligible for direct funds or equipment.

The state governor's office is usually an excellent resource for information on federal funds administered by the state. Local members of the U.S. House of Representatives or the U.S. Senate also may be helpful in bridging the gap between federal programs and local governments.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE

The Catalog of Federal Domestic Assistance (CFDA) is a compilation of Federal programs, projects, services, and activities, which provide assistance or ben-

efits to the American public. It contains financial and non-financial assistance programs administered by the various departments and establishments of the federal government.

Included in the CFDA's listings are a number of programs of particular interest to fire/rescue departments as well as EMS agencies. These include direct financial assistance, such as grants and loans, as well as funds for training, technical assistance, etc. The CFDA is available online at www.gsa.gov/fdac. Through this site it is possible to search the CFDA for programs specifically related to the fire service.

In order to obtain the CFDA, agencies can request a printed copy from the Superintendent of Documents, U.S. Government Printing Office. Tape, diskette, and CD-ROM versions of the Catalog are also available for purchase from the General Services Administration, 300 Seventh Street, Suite 101, Washington, DC 20407, (202) 708-5126.

Programs in the CFDA are listed according to the agency responsible for their administration. Each listing includes the agency responsible for the program, authorization upon which the program is based, objectives and goals of the program, types of assistance available through the program, eligibility requirements, application information, points-of-contact, and other relevant information.



Selected Programs from the CFDA

• **Reimbursement for Firefighting on Federal Property (83.007)**

Fire service organizations engaging in firefighting operations on federal property may be reimbursed for the direct expenses and losses (those not considered normal operating expenses) incurred in firefighting.

• **National Fire Academy Educational Program (83.010)**

Training is provided at the resident facility in Emmitsburg, MD, and in the field in cooperation with state or local fire training agencies. Any individual who is a member of a fire and/or department or has significant responsibility for fire prevention and control is eligible.

• **Student Stipend Reimbursement Program (83.009)**

Travel stipends are available to students attending courses at the National Fire Academy, train-the-trainer, and in-service instructor training.

• **HAZMAT Training Program for Implementation of the Superfund Amendments and Reauthorization Act (SARA) of 1986 – SARA Title III Training Program (83.011)**

Funding is available to support programs of state, local, and tribal governments designed to improve emergency planning preparedness, mitigation, response, and recovery capabilities. These programs must provide special emphasis on emer-

gencies associated with hazardous chemicals.

• **Civil Defense – State and Local Emergency Management Assistance (83.503)**

Funds are to be used for the payment of salaries and benefits of State and local emergency management employees along with essential administrative expenses. Funds must be used to support development and maintenance of an emergency management capability for dealing with large-scale disasters caused by any and all hazards.

These are only a few examples of the programs listed in the CFDA. Many others are available that might be beneficial to fire departments and EMS agencies.

GUIDE TO FEDERAL RESOURCES FOR EMERGENCY SERVICES DEPARTMENTS

This Guide, published by the US Fire Administration, has been designed to assist emergency services departments in locating resources provided at no cost by the federal government. The Guide can be obtained in print by contacting the Publications Center of the USFA. It is also available online at the USFA website – www.usfa.fema.gov/usfapubs. It is possible to search for specific types of programs using the online search engine. The guide also contains a section on how to write a grant proposal –a similar section is also found in this manual.



RURAL COMMUNITY FIRE PROTECTION (RCFP)

Rural Community Fire Protection grants are often available through state forestry agencies or natural resources departments. Rural departments may be eligible for financial assistance to develop the rural water supply or to fund the purchase of protective equipment, hose, or apparatus. Funds often are in the form of matching grants. A downside to this program is that only limited funds (a few hundred to several thousand dollars) may be available to most individual departments each year. The federal government is currently providing about \$35.5 million through this program. It is administered by the Forestry Division of the U.S. Department of Agriculture.

FEDERAL EXCESS PROPERTY PROGRAMS

FEPP, or surplus federal property programs, are available in most states through state departments of surplus or state government auction agencies. These programs provide surplus government property, including military vehicles, to local government agencies. The federal government may retain title to the vehicle in case of national emergency, but often the vehicles are auctioned off for low prices. In Kansas, the FEPP program is administered through the rural fire protection training office at the University of Kansas, allowing departments easy access to this program. Other states may have similar points of contact.

COMMUNITY DEVELOPMENT BLOCK GRANTS

Funded by the Department of Housing and Urban Development (HUD), the Community Development Block Grants (CDBG) program is highly competitive. Its funds are available to local governments for special projects, including fire protection. There are many restrictions on how these funds can be spent.

Several billion dollars a year are budgeted for Community Development Block Grants. Nearly half of this money is allocated to states for the disbursement to local communities on a competitive basis. The remainder is typically earmarked for urban counties with populations greater than 200,000. These funds are generally allocated to low and moderate income communities for infrastructure improvements.

Local governments consider Community Development Block Grants an important funding source. These funds have been used to purchase and equip fire and EMS apparatus. Departments have used the Block Grant funds to make stations and fire department facilities compliant with the Americans with Disabilities Act and make necessary expansions and improvements to facilities to improve service delivery.

In some areas, CDBG funds have been used to improve water supply systems for firefighting in rural communities. Such improvements have helped a number of small communities lower homeowner's and business insurance premiums by improving the community's Insurance Services Office (ISO) rating.



Some fire departments draw funding from CDBGs to provide smoke detectors to members of the community. With limited funds available for prevention materials in many department budgets each year, this money can enhance the ability of the department to help its citizens. However, federal funds often must be used for specified purposes. For example, smoke detector funds may only be used to provide detectors to residents who cannot afford them.

One of the challenges in applying for block grants is the paperwork. Some fire departments applying for CDBG assistance have been eager to receive funds, but unwilling to complete the steps required to obtain approval. To qualify for CDBG funds, communities must demonstrate that they meet income guidelines. For many communities, especially ones where census figures place them close to the cutoff, an income survey of households is required.

The U.S. Department of Housing and Urban Development (HUD) has programs in place to make it easier for communities to obtain CDBG assistance. Recent Congressional authorization allows governors to set aside one percent of their state's CDBG funds for technical assistance programs for local governments. One of the ways this money can be spent is in helping communities learn how to perform local income surveys.

MILITARY BASE AND FEDERAL INSTALLATION AGREEMENTS

Nearby military bases and federal installations may be a source of funds in exchange for services. De-

partments that provide services to bases may be eligible for financial aid, reimbursement for on-site operations, or special equipment. These arrangements are usually worked out through the local directors of the federal installation, or the military base commander, with the funding included in the installation's annual budget.

Some forms of indirect assistance also may be available, such as a mutual aid agreement with nearby federal fire departments. It is usually up to the base commander as to whether units will be allowed off base, but most are willing to work out mutually beneficial plans with local authorities.

ENVIRONMENTAL PROTECTION AGENCY-LOCAL GOVERNMENTS REIMBURSEMENT PROGRAM

Up to \$25,000 may be available from the Local Governments Reimbursement program through the Environmental Protection Agency. Departments which are a general purpose unit of local government are covered under this program. Incidents involving releases, or threatened releases, of hazardous materials are covered under the Local Government Reimbursement program.

EPA can reimburse departments up to \$25,000 per incident for costs that a local government incurs as a direct result of an emergency response. To be reimbursed, agencies must properly document the costs and certify that there is no budgeted money for these expenses. This could include expendable materials and supplies, renting or leasing equipment, special technical and lab services, evacuation services, decontamination of equipment, over-



Contact:

Local Governments
Reimbursement Program
Environmental Protection
Agency
401 M Street, SW
Washington, DC 20460
(800) 431-9209
[www.epa.gov/superfund/
programs/er/lgr](http://www.epa.gov/superfund/programs/er/lgr)

time pay and replacement costs for equipment lost or destroyed.

To apply after an incident, agencies must complete and submit to EPA a basic application and provide supporting cost documentation.

DEPARTMENT OF TRANSPORTATION

Hazardous Materials Uniform Safety Act

This Act provides \$76.8 million in grants to states, Native American tribes, and local emergency personnel responding to hazardous materials incidents. Contact RSPA/DOT for more information at (202) 366-6119.

EMS-Related Funds (EMS only)

United States Department of Transportation Highway Safety Funds are available for a variety of EMS programs. Some departments have used these funds to purchase EMS equipment such as ambulances and automatic defibrillators. Other agencies have used this source to fund training programs for first-responders, emergency medical technicians, and paramedics.

FEDERAL PROPERTY REIMBURSEMENT AGREEMENT (PL-93-498)

Departments involved in firefighting on federal property may be eligible for reimbursement of expenses incurred. These expenses may include salary and overtime pay, supplies, repair and replacement costs for damaged or destroyed tools and equipment. The program is administered through the United States Fire Administration, 16825 South Seton Ave., Emmitsburg, MD 21727.

UNITED STATES DEPARTMENT OF AGRICULTURE

Farmer's Home Administration Loans

In 1992, over \$17 million was loaned by the USDA to rural fire and EMS departments around the country. Over \$217 million has been loaned since 1974. The money has been used to fund new stations and purchase apparatus and equipment.

Contact:

Department of
Agriculture
Rural Development
Administration
Community Facilities
Division
14th and Independence
Avenue, SW
Washington, DC 20250

Community Facilities Program

The Rural Housing Service administers the Community Facilities Program and is authorized to make loans and grants to develop community facilities for public use in rural areas and towns of not more than 50,000 people.



The program is intended to be the lender of last resort for rural public/nonprofit organizations – including fire departments and rescue squads – needing to finance essential public structures and services.

Grant and loan funding is provided to those organizations that adequately demonstrate satisfactory sources of money to operate, maintain, and repay the debt. Desired projects must be consistent with community development plans and comply with federal, state, and local laws.

Funding obtained through the Community Facilities Program may be used to construct, enlarge, or improve fire stations and buildings to house fire and/or rescue equipment. In addition, funds may also be used:

- To purchase fire trucks, ambulances, or emergency communication equipment.
- To buy or build fire and rescue multi-service centers.
- To pay necessary costs connected with these facilities.

Loan Program

The loan programs provides loan guarantees to lenders for up to 80 percent of the loans. The loan program is subdivided into two separate types of loans: guaranteed loans and direct loans. The loans are differentiated by the way terms and interest rates are set. Under the guaranteed loan program, the lender and borrower negotiate the terms and interest rates. Interest rates and terms for the direct loan program are structured into three levels and are based on the median household income of

the project service area. The three interest rate categories are:

- **Poverty Line Rate (4.5%)** – To qualify for this rate, the loan purpose must be to correct an existing health/sanitary condition to be in compliance with a regulatory agency’s established standard or be a facility that provides direct health care to the public.
- **Intermediate Rate (4.85%)** – Applicants not qualifying for the poverty line rate would qualify for the intermediate rate of interest.
- **Market Rate (5.125%)** – This rate is based on the Bond Buyer Index and applies to all loans that do not meet the poverty or intermediate rate requirements.

Interest rates for the direct loan program are set periodically. The intermediate and market rates are adjusted quarterly in accordance with the Bond Buyers Index. However, while the rates are adjusted quarterly, a borrower always receives a fixed rate of interest when the loan is closed.

All loans are required to be secured to adequately protect the interest of the federal government and the lender. Bonds or notes pledging taxes, assessments, or revenues are acceptable forms of security if they meet statutory requirements. Where state laws permit, a mortgage may be taken on real and personal property. Tax-exempt notes or bonds may be issued to secure direct loans, but cannot be used for guaranteed loans.



The maximum term on all loans is 40 years. However, no repayment period will exceed any statutory limitation on the organization's borrowing authority nor the useful life of the improvement or the facility.

In order for fire departments and rescue squads to qualify for this program they must:

- Be unable to obtain needed funds from other sources at reasonable rates and terms.
- Have legal authority to borrow and repay loans, to pledge security for loans, and to construct, operate, and maintain the facilities or service.
- Be financially sound, and be able to organize and manage the facility effectively.

In fiscal year 1998, \$200 million was available through the direct loan program and \$164 million was available through the guaranteed loan program.

Grants

Grants are authorized on a graduated scale to assist in providing "essential" community services (i.e., "turn-out" gear is eligible under this program.) Essential projects are those that provide communities with basic health and human services that are essential to the quality of life in any rural community – this includes fire, rescue and emergency medical services. For example, defibrillators have been considered essential under this program.

Grant funding limitations are based on population and income, economic feasibility, and availability of

funds. Priority is given to applicants located in rural communities of 25,000 or less. Communities with lower populations will receive a higher percent of the grants – especially those communities with a population of 5,000 or less. Finally, projects that serve low-income communities will receive a higher priority.

Grant assistance may be available for up to 75 percent of project cost. Grant funding may be used in combination with other Community Facilities financial assistance, application contribution, or loans and grants from other from other facilities.

In fiscal year 1998, there was \$9.1 million available in grants.

Application Process

The application is a two-part process. An applicant must submit documentation to support its eligibility status and available funding before making a formal application. This is accomplished by completing a Standard Form 424.2, "Pre-application for Federal Assistance" and submitting it to the State Rural Development Field Office or U.S. Department of Agriculture Service Center. If the project meets eligibility requirements, the state office will invite applicant to submit a formal application and

Contact:

USDA Rural Housing
Service
Community Programs
Division
1400 Independence
Avenue, SW
Washington, DC 20250
(202) 720-1490
FAX (202) 690-0471
www.rurdev.usda.gov



request an application conference.

Assistance is available in completing the application process. In addition, RD Instructions 1980 and 3570 explain the application process in greater detail and can be obtained from any State Rural Development Field Office or U.S. Department of Agriculture Service Center.

FEDERAL TECHNICAL ASSISTANCE

Some fire and EMS departments obtain assistance by participating in research, training, or technical assistance programs of the federal government. The USFA's National Fire Academy subsidizes most of the cost of training students at its campus in Emmitsburg, Maryland and through outreach courses in various regions. Many fire departments have started juvenile firesetter programs with training and materials from USFA. Many prevention programs use free campaign kits produced by USFA. USFA has provided technical assistance on arson unit management to a number of fire departments, and has assisted hundreds of departments to improve fire prevention programs via grants to the states.²

CRIME-RELATED GRANTS

Often federal (and state) funds are available for equipment and staff time used in connection with crime control. Some innovative fire departments have succeeded in tapping these funds through their activities and programs dealing with arson and through fire department assistance in law enforcement activities.

ENDNOTES

- ¹ This document (FA-132) is available from the United States Fire Administration, 16825 S. Seton Avenue, Emmitsburg, Maryland 21727, (800) 238-3358, www.usfa.fema.gov.
- ² A complete list of USFA's free reports and materials may be obtained from the U.S. Fire Administration, 16825 S. Seton Avenue, Emmitsburg, Maryland 21727, www.usfa.fema.gov. The list is updated regularly.