

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2223

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 22, 2023

#### SUMMARY

- Synopsis:** Revises certain requirements concerning eligibility for reimbursement from "Emergency Medical Technician Training Fund."
- Type of Impact:** Annual net impact on State expenditures; annual increase in State revenues.
- Agencies Affected:** Department of Health.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Net Cost Impact</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on annual State expenditures due to countervailing effects of the bill's provisions affecting the eligibility of ambulance, first aid, and rescue squads to secure reimbursement from the Emergency Medical Technician Training Fund for certain emergency medical technician (EMT) training and testing costs.
- By expanding eligibility for reimbursement from the fund to all ambulance, first aid, and rescue squads, regardless of whether the entity charges for the provision of emergency services, the bill will increase annual State expenditures from the fund by an indeterminate amount. By contrast, a provision in the bill that restricts reimbursements to costs associated with training and testing volunteer EMTs, as opposed to both volunteer and paid EMTs as allowed under current law, may potentially reduce annual State expenditures from the fund. The magnitude and direction of these countervailing effects cannot be determined.
- The bill also authorizes, upon the determination of the head of a squad, reimbursement from the fund for the unreimbursed training and testing costs for certain volunteer EMTs who are compensated for certain EMT work performed in addition to the EMTs' volunteer work with the squad. Since the bill does not provide guidance for squad leaders to use in making such

determinations, or specify a compensation threshold beyond which an EMT is no longer considered a volunteer, this provision will likely maintain the current system of reimbursement from the fund for both paid and volunteer EMTs.

- Annual State revenues will likely increase by a marginal amount under the bill, to the extent that the Department of Health secures repayment of EMT training and testing costs, previously reimbursed by the fund, for individuals who stop serving as volunteer EMTs during an initial three-year certification window. Any revenue increase stemming from this provision would be at least partially offset by higher departmental costs to recoup these monies from these former volunteer EMTs.

## **BILL DESCRIPTION**

This bill revises the requirements to receive reimbursement from the Emergency Medical Technician Training Fund. Under current law, any private entity that is certified by the Department of Health to provide training and testing for ambulance, first aid, and rescue squad personnel who seek initial certification or recertification as an EMT may be reimbursed from the fund for any unreimbursed training and testing costs. Emergency medical services squads are eligible for reimbursement from the fund for eligible training and testing expenditures, provided the squad does not receive any payment for the provision of emergency medical services, regardless of whether the squad pays individual EMTs for their services.

Pursuant to the bill, an agency, organization, or entity may seek fund reimbursement from the State for unreimbursed training and testing costs for the squad's volunteer EMTs and, upon the determination of the head of a squad, certain EMTs who are compensated for certain EMT work performed in addition to the EMTs volunteer work with the squad, even if the squad charges for the provision of emergency medical services.

The bill stipulates that each ambulance, first aid, and rescue squad will notify the Department of Health whenever an individual who received initial EMT training, for which training the squad received reimbursement from the fund, ceases to serve as a volunteer EMT within the EMT's initial three-year certification period. The bill additionally requires the department to establish a process by which such recoupment of funds will occur.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill will have an indeterminate net impact on annual State expenditures due to the countervailing effects of the bill's provisions affecting the eligibility of ambulance, first aid, and rescue squads to secure reimbursement from the Emergency Medical Technician Training Fund for certain unreimbursed EMT training and testing costs. Currently, an emergency medical services squad is eligible for \$1,500 in reimbursement from the fund for unreimbursed costs incurred for initial and recertification training and testing for each volunteer

and paid EMT, provided the squad does not charge a fee for the provision of emergency medical services. By expanding eligibility for reimbursement from the fund for eligible expenditures to all squads, regardless of whether the squad charges for the provision of basic emergency services, the bill potentially increases annual State expenditures from the fund by an indeterminate amount. In April 2023, the Department of Health's website listed 249 emergency medical services squads that are currently eligible for reimbursement from the fund; by contrast, the list included 397 squads in October 2021.

The OLS is unable to determine the net impact of a provision in the bill that limits fund reimbursement for training and certification costs to volunteer EMTs and, upon the determination of the head of a squad, certain EMTs who are compensated for certain EMT work performed in addition to any volunteer work with the squad. Because the bill does not provide guidance for squad leaders to use in making such determinations, or establish a compensation threshold beyond which an EMT is no longer considered to be a volunteer, this provision may simply preserve the existing payment system, under which squads may receive fund reimbursement for training and certification costs for both volunteer and paid EMTs. Due to the lack of publicly available data on the number of volunteer versus paid EMTs in the State, and the number of squads that receive payment for the provision of emergency medical services versus those that do not, the OLS cannot quantify the fiscal impact of these two countervailing provisions in the bill.

Annual State revenues will likely increase by a marginal amount under the bill, to the extent that the department is successful in pursuing repayment of EMT training, testing, and certification costs that were reimbursed from the fund for individuals who stop serving as volunteer EMTs within their initial three-year certification window. Any revenue increase stemming from this provision would be at least partially offset by higher departmental administrative costs incurred to recoup fund monies from these former volunteer EMTs.

The EMT Training Fund is a nonlapsing revolving fund that reimburses emergency medical services squads for the unreimbursed costs associated with the initial and refresher training and testing for EMTs. The fund is the repository for a \$1 surcharge added to fines, penalties, and forfeitures for violations of certain statutes regulating motor vehicles and their operation. Fund revenues totaled \$2.1 million in FY 2019, \$1.6 million in FY 2020, \$1.1 million in FY 2021, and \$1.4 million in FY 2022, compared with expenditures of \$628,000, \$950,000, \$1.3 million, and \$619,000, respectively.

In FY 2023, the fund has reimbursed squads \$149,938 for unreimbursed training and testing costs, as of December 2023; for FY 2024, to date, fund expenditures have totaled \$51,910. The total fund balance was \$5.8 million at the end of FY 2022, compared with a fund balance of \$5.1 million at the end of FY 2021. Total fund balances are anticipated to be \$5.9 million at the end of FY 2023, and are projected to grow slightly to \$6.0 million by the end of FY 2024.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).