



Committee: Public Safety
Committee Review: At a future date
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: To receive testimony – no vote expected

AGENDA ITEM #8
June 9, 2026
Public Hearing

SUBJECT

Bill 20-26, Fire and Rescue Services - Length of Service Awards Program for Volunteers – Amendments

Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

Public speakers

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Receive testimony

DESCRIPTION/ISSUE

Bill 20-26 would:

- (1) expand eligibility for length of service benefits to certain local fire and rescue department volunteers;
- (2) increase the amount of the length of service benefits to certain local fire and rescue department volunteers; and
- (3) generally amend the law regarding local fire and rescue department volunteers.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive explained: “I have attached for review and submission to Council a draft of the proposed Length of Service Awards Program (LOSAP) legislative changes resulting from the recent negotiations between the Montgomery County Government and the Montgomery County Volunteer Fire-Rescue Association, (MCVFRA). The Agreement, which is the product of a settlement reached during negotiations, reflects the changes to the existing Collective Bargaining Agreement effective July 1, 2026, through June 30, 2029.”

This report contains:

Bill 20-26	© 1
Memorandum of the County Executive	© 13
Actuarial report	© 29
Fiscal Impact Statement	© 47
Racial Equity and Social Justice Impact Statement	© 49
Economic Impact Statement	© 53
Climate Assessment	© 58

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Bill No. 20-26
Concerning: Fire and Rescue Services –
Length of Service Awards Program for
Volunteers - Amendments
Date: 4/30/2026 Draft No. 1
Introduced: May 5, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN ACT to:

- (1) expand eligibility for length of service benefits to certain local fire and rescue department volunteers;
- (2) increase the amount of the length of service benefits to certain local fire and rescue department volunteers; and
- (3) generally amend the law regarding local fire and rescue department volunteers.

By amending

Montgomery County Code
Chapter 21, Fire and Rescue Services
Section 21-21

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 21-21 is amended, as follows:

21-21. Length of service award program for volunteers.

There is a length of service award program for local fire and rescue department volunteers.

(a) *Definitions.* In this Section, the following words and phrases have the following meanings:

Active volunteer means a local fire and rescue department volunteer who accumulates at least 50 points in a calendar year under the point system in subsection (k).

Domestic partner means a person who was registered as a domestic partner of an active volunteer with the Fire Chief on or before June 27, 2016 in a domestic partnership that did not end before the active volunteer's death.

(b) *Eligibility.* Any local fire and rescue department volunteer is eligible for the length of service award program if the volunteer is at least 16 years old, and:

- (1) (A) was an active volunteer on or after August 15, 1965; or
- (B) on August 15, 1965 had completed 25 years as an active volunteer; and
- (2) if less than 18 years old, meets any additional requirements established by Executive regulation under method (3).

(c) *Length of service benefits.*

- (1) *Volunteers Who Qualified Before 1985.* Effective January 1, 1985, any volunteer who qualified for a monthly award payment before January 1, 1985, must receive monthly award payments equal to 150 percent of the pre-1985 monthly award payment. Effective July 1, 2023, any volunteer who receives a monthly award

28 payment under this subsection must receive an 8 percent increase
 29 in the amount of the monthly award.

30 (2) Volunteers Who Qualify in 1985 or Later — 25 Years of Service.

31 (A) Effective January 1, 1985, a volunteer qualifies for a 25-
 32 year award payment when the volunteer:

33 (i) is at least age 55, if the volunteer completed 25 years
 34 as an active volunteer before 1996; or

35 (ii) is any age, if the volunteer completed 25 years as an
 36 active volunteer on or after January 1, 2004.

37 (B) Effective July 1, 2025, [A] a volunteer who qualifies under
 38 this paragraph must receive an award payment of:

39 (i) \$259.20 per month for life; and

40 (ii) \$13.01 per month for life for each year of service as
 41 an active volunteer over 25 years (up to [~~\$130.10~~] 40
 42 years, or \$195.15 per month). The maximum total
 43 benefit is [~~\$389.35~~] \$454.35 per month.

44 (3) Volunteers Who Qualify in 1985 or Later — 15 years of Service.

45 (A) Effective January 1, 1985, a volunteer qualifies for a 15-
 46 year award payment when the volunteer:

47 (i) has served 15 years as an active volunteer after
 48 January 1, 1955; and

49 (ii) is at least age 60.

50 (B) A volunteer who qualifies under this paragraph must receive
 51 an award payment of \$10.37 per month for life for each year
 52 of service as an active volunteer.

53 (4) Volunteers Who Qualify in 1985 or Later — 10 Years of Service

- 54 (A) Effective January 1, 1985, a volunteer qualifies for a 10-
 55 year award payment when the volunteer:
 56 (i) has served 10 years as an active volunteer; and
 57 (ii) is at least age 65.
- 58 (B) A volunteer who qualifies under this paragraph must receive
 59 an award payment of \$10.37 per month for life for each year
 60 of service as an active volunteer.
- 61 (5) All years of service, including past years of service, must be
 62 included.
- 63 (6) A volunteer who meets the criteria under paragraph (7) of this
 64 subsection must receive subject to a maximum LOSAP monthly
 65 benefit payment of \$524.88 effective July 1, 2025:
- 66 (A) a 7.5 percent increase to his or her LOSAP benefit payment
 67 effective July 1, 2023;
- 68 (B) effective July 1, 2024, a 4 percent increase to their LOSAP
 69 benefit payment based on LOSAP point totals on December
 70 31, 2023; and
- 71 (C) effective July 1, 2025, a 4 percent increase to their LOSAP
 72 benefit payment based on LOSAP point totals on December
 73 31, 2024.
- 74 (7) A volunteer must receive the benefit increases under paragraph (6)
 75 of this Section if the volunteer:
- 76 (A) received LOSAP benefit payments in a prior year; and
 77 (B) qualified for the higher nominal fee, as described in Article
 78 12 of the fire and rescue volunteers collective bargaining
 79 agreement, for calendar year 2022, 2023, or 2024,
 80 respectively, by:

- 81 (i) being on the Integrated Emergency Command
- 82 Structure (IECS) certified list;
- 83 (ii) receiving 30 LOSAP points for department or station
- 84 responses; and
- 85 (iii) receiving 20 LOSAP points for sleep-in or stand-by
- 86 service.

87 (8) Effective July 1, 2026, any volunteer who receives a monthly
 88 award payment under this subsection must receive annually a 3
 89 percent increase, or the Montgomery County general wage
 90 adjustment, whichever is greater, to the amount of their monthly
 91 award.

92 (d) *Disability benefit.*

- 93 (1) A volunteer qualifies for a disability benefit if:
- 94 (A) the volunteer becomes disabled as the direct result of active
- 95 participation as a local fire and rescue department volunteer;
- 96 (B) the disability prevents the volunteer from pursuing the
- 97 volunteer’s normal occupation; and
- 98 (C) a state worker’s compensation commission finds that the
- 99 disability is total and permanent[,] and is a direct result of
- 100 active participation as a local fire and rescue department
- 101 volunteer.
- 102 (2) A volunteer who qualifies under this subsection must receive an
- 103 award payment of \$345 per month for life.
- 104 (3) Length of service benefits under subsection (c) must not be paid to
- 105 volunteers who are receiving award payments under this
- 106 subsection.

107 (4) Effective July 1, 2025, any volunteer injured in the line of duty in
 108 MCFRS, who is partially or fully disabled due to the injury and
 109 can no longer participate operationally as either an EMS or fire
 110 member, shall receive 30 LOSAP points annually during the
 111 length of their disability, until their death. Upon the member's
 112 death their surviving spouse shall collect 50 percent of the LOSAP
 113 benefits for their lifetime or until they remarry.

114 (e) *Survivor's benefit.*

115 (1) A local fire and rescue department volunteer's surviving spouse or
 116 domestic partner qualifies for a survivor's benefit on the volunteer's
 117 death if:

118 (A) the surviving spouse or partner submits an application for
 119 the benefit; and

120 (B) the volunteer met the:

121 (i) years-of-service requirement for a length of service
 122 benefit under subsection (c); or

123 (ii) requirements for a disability benefit under subsection
 124 (d).

125 (2) The volunteer's surviving spouse or domestic partner must receive
 126 a monthly award payment until the spouse's death or remarriage,
 127 or partner's death, equal to 50 percent of the:

128 (A) length of service benefit for which the volunteer met the
 129 years-of-service requirement; or

130 (B) volunteer's disability benefit.

131 (3) The surviving spouse of a local fire and rescue department
 132 volunteer who suffered a service-connected death, regardless of

133 years of service, shall qualify for maximum LOSAP benefit of
 134 \$250.00 per month.

135 (f) *Death benefit.*

136 (1) Effective July 1, 2025, [A] a local fire and rescue department
 137 volunteer may designate a beneficiary to receive on the
 138 [volunteers's] volunteer's death a [~~\$5,000~~] \$10,000 death benefit.

139 If the volunteer does not designate a beneficiary or if the
 140 designated beneficiary does not survive the volunteer, the death
 141 benefit must be paid to the volunteer's surviving spouse or
 142 domestic partner or the volunteer's estate if no spouse or partner
 143 survives. The designated beneficiary or the volunteer's surviving
 144 spouse or domestic partner or estate, whichever applies, qualifies
 145 on the volunteer's death for a [~~\$5,000~~] \$10,000 death benefit if:

146 (A) the designated beneficiary or the surviving spouse or partner
 147 or estate, whichever applies, submits an application for the
 148 benefit within one year after the volunteer's death; and

149 (B) the volunteer met the:

150 (i) years-of-service requirement for a length of service
 151 benefit under subsection (c); or

152 (ii) requirements for a disability benefit under subsection
 153 (d).

154 (g) *Other benefits.* An active volunteer may participate in the County's
 155 tuition assistance program to the extent federal tax laws permit volunteers
 156 to do so[,] and receive discounts at County transit and recreational
 157 facilities as if the volunteer were a County employee.

158 (h) *Funding.* The County must pay benefits to a volunteer under this section
 159 from fire tax funds.

- 160 (i) *Administration.*
- 161 (1) The County Executive or the Executive's designee must
- 162 administer this Section under Executive Regulations adopted
- 163 under method (3).
- 164 (2) The County must pay benefits under this section from the first day
- 165 of the first month after the volunteer, surviving spouse or domestic
- 166 partner, or volunteer's estate qualifies for the benefit, except that
- 167 benefits must not be paid for any period before the application for
- 168 the benefit is filed.
- 169 (3) The Executive or the Executive's designee may audit the records
- 170 of participating local fire and rescue departments regarding
- 171 volunteer participation.
- 172 (4) The Executive or the Executive's designee may correct clerical
- 173 errors in volunteers' service records made by County staff in the
- 174 administration of this Section.
- 175 (5) All LOSAP payments must be made by direct deposit.
- 176 (j) *Certification of volunteers.*
- 177 (1) Local fire and rescue departments. Each participating local fire and
- 178 rescue department must:
- 179 (A) maintain a detailed and accurate record for each local fire
- 180 and rescue department volunteer, in a form established by
- 181 the County Executive, of any activity that qualifies for credit
- 182 toward active volunteer status;
- 183 (B) by March 31 each year, submit a record of all local fire and
- 184 rescue department volunteers, certified by the secretary
- 185 under oath, that identifies each active volunteer for the
- 186 previous year; and

- 187 (C) post any list from the Executive or the Executive's designee
 188 of active volunteers for at least 30 days after receipt for
 189 review by members.
- 190 (2) Appeal. A volunteer may appeal a finding that the volunteer was
 191 not an active volunteer within 30 days after a written notice of the
 192 finding is mailed to the volunteer. The appeal must satisfy
 193 requirements established in regulations issued by the Executive
 194 under method (3). The decision of the Executive or the Executive's
 195 designee on the appeal is final.
- 196 (k) *Point system.* To qualify as an active volunteer under subsection (a), a
 197 volunteer accumulates points under this subsection during each calendar
 198 year that are not transferable to another year. An individual must not
 199 receive points for any activity performed as a County employee.
- 200 (1) Training Courses — 25 points maximum.
- 201 (A) Courses lasting less than 20 hours, such as a one-day course,
 202 seminar, or basic first-aid class, earn 5 points per course.
- 203 (B) Courses lasting 20 to 45 hours, such as a short course or
 204 regional fire school, earn 10 points per course.
- 205 (C) Courses lasting more than 45 hours, such as the basic,
 206 advanced, section III, and emergency care courses offered
 207 by the University of Maryland, or a fire science course
 208 offered by Montgomery College or Prince George's
 209 Community College, earn 15 points per course.
- 210 (2) Drills — 20 points maximum: Each drill lasting at least 2 hours
 211 earns [1] one point.

212 (3) Stand-by — 20 points maximum. Integrated Emergency
 213 Command Structure (IECS) certified personnel may earn stand-by
 214 LOSAP points for performing on-duty activity at the rate of:

- 215 (A) one quarter point for every hour of stand-by service a
 216 volunteer is assigned to a unit available for response; and
- 217 (B) one point for every 4 hours of stand-by service the volunteer
 218 is available for response in the station, but is not assigned to
 219 a specific unit.

220 Stand-by service must be recorded in the data system provided by
 221 the County. A volunteer must not earn more than 3 points for
 222 stand-by service during any 24-hour period.

223 (4) (A) Elected and Appointed Position — 25 points maximum per
 224 calendar year for any combination of service in eligible and
 225 appointed positions as follows:

226 [(1)] (i) 25 points for completing a one-year term in an
 227 eligible elected or appointed position; and

228 [(2)] (ii) 2 points for each full month of service in any
 229 eligible elected or appointed position during a term
 230 of less than one year.

231 (B) The Fire Chief annually must designate a list of the elected
 232 and appointed positions eligible to earn points. The list must
 233 include:

234 (i) local fire and rescue department (LFRD) officer at
 235 the rank of lieutenant or higher;

236 (ii) director, trustee, or trial board member[, or auxiliary
 237 member] of an LFRD;

238 (iii) chair of fund raising or membership for an LFRD;

- 239 (iv) chaplain of an LFRD;
- 240 (v) delegate, alternate, or officer for the [Fire Board, the]
- 241 Montgomery County Volunteer Fire-Rescue
- 242 Association, the LFRD representative, or any similar
- 243 organization;
- 244 (vi) member of a committee of the Commission or the
- 245 Maryland State Firemen’s Association (MSFA);
- 246 (vii) officer of the MSFA auxiliary; or
- 247 (viii) officer of an LFRD auxiliary.

248 (5) Attendance at Meetings — 20 points maximum per year:
 249 Attendance earns [1] one point for each official meeting of an
 250 organization listed in Executive regulations issued under method
 251 (3) as affiliated with the Fire and Rescue Service.

252 (6) Participation in Department or Station Responses — 30 points
 253 maximum for responding on at least the number of calls indicated
 254 in the appropriate column below:

Total department/station call responses per year	000 to 999	1000 to 7499	7500 or more
Responses required to earn 1 point, if not qualified for maximum 30 points	2	4	5
Responses per year required to receive maximum 30 points	50	100	120

255
 256 The Chief annually must determine for each LFRD whether the
 257 total annual calls must be computed by department or by station.

258 (7) Military Service — 50 points maximum per year, prorated for a
 259 partial year of service, for qualified miliary service that interrupts
 260 voluntary fire service. Qualified service means full-time extended

- 261 obligatory military service or a single voluntary enlistment, not to
262 exceed 4 years in the armed forces of the United States.
- 263 (8) Collateral Duties — 25 points maximum: Each qualified activity
264 for the LFRD that lasts at least 4 hours earns [1] one point. The
265 Chief annually must designate a list of the collateral duties under
266 which a volunteer may perform qualified activities, such as
267 apparatus and building maintenance; fire prevention and education
268 activities; fund raising activities; and administrative or auxiliary
269 duties.
- 270 (9) A volunteer who does not accumulate 50 LOSAP points for
271 calendar year 2021 may submit a list consisting of canceled
272 meetings, drills, standbys, or other collateral duties during 2021
273 that the volunteer was not able to attend or complete. The
274 volunteer's President and the Division Chief of Volunteer Services
275 must certify this list and award points.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 23, 2026

TO: Natali Fani-González, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Bill XX-26 – Length of Service Awards Program for Volunteers – Amendments

I have attached for review and submission to Council a draft of the proposed Length of Service Awards Program (LOSAP) legislative changes resulting from the recent negotiations between the Montgomery County Government and the Montgomery County Volunteer Fire-Rescue Association, (MCVFRA). The Agreement, which is the product of a settlement reached during negotiations, reflects the changes to the existing Collective Bargaining Agreement effective July 1, 2026, through June 30, 2029.

Enclosures: Bill XX-26 – Length of Service Awards Program for Volunteers – Amendments
Fiscal Impact Statement
Legislative Request Report

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer
Ken Hartman-Espada, Assistant Chief Administrative Officer
Tricia Swanson, Director of Strategic Partnerships
Traci Anderson, Director, Office of Human Resources
Jennifer Bryant, Director, Office of Management and Budget
Jennifer Harling, Esq., Chief Labor Relations Officer
John Markovs, County Attorney, Office of the County Attorney

Bill No. _____
 Concerning: Fire and Rescue Services –
Length of Service Awards Program
for Volunteers -
Amendments
 Revised: _____ Draft No. ____
 Introduced: _____
 Expires: _____
 Enacted: _____
 Executive: _____
 Effective: _____
 Sunset Date: _____
 Ch. _____, Laws of Mont. Co. _____

**COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

AN ACT to:

- (1) expand eligibility for length of service benefits to certain local fire and rescue department volunteers;
- (2) increase the amount of the length of service benefits to certain local fire and rescue department volunteers; and
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[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 21 is amended, as follows:**

2 **ARTICLE IV. PERSONNEL.**

3 **21-21. Length of service award program for volunteers.**

4 There is a length of service award program for local fire and rescue department
5 volunteers.

6 (a) *Definitions.* In this Section, the following words and phrases have the
7 following meanings:

8 *Active volunteer* means a local fire and rescue department volunteer who
9 accumulates at least 50 points in a calendar year under the point system
10 in subsection (k).

11 *Domestic partner* means a person who was registered as a domestic
12 partner of an active volunteer with the Fire Chief on or before June 27,
13 2016 in a domestic partnership that did not end before the active
14 volunteer's death.

15 (b) *Eligibility.* Any local fire and rescue department volunteer is eligible for
16 the length of service award program if the volunteer is at least 16 years
17 old, and:

18 (1) (A) was an active volunteer on or after August 15, 1965; or

19 (B) on August 15, 1965 had completed 25 years as an active
20 volunteer; and

21 (2) if less than 18 years old, meets any additional requirements
22 established by Executive regulation under method (3).

23 (c) *Length of service benefits.*

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25 any volunteer who qualified for a monthly award payment before
26 January 1, 1985, must receive monthly award payments equal to
27 150 percent of the pre-1985 monthly award payment. Effective

28 July 1, 2023, any volunteer who receives a monthly award
 29 payment under this subsection must receive an 8 percent increase
 30 in the amount of the monthly award.

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 37 active volunteer on or after January 1, 2004.

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 39 this paragraph must receive an award payment of:

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 42 an active volunteer over 25 years (up to [\$130.10] 40
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 44 benefit is [\$389.35] \$454.35 per month.

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 53 of service as an active volunteer.

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 60 an award payment of \$10.37 per month for life for each year
 61 of service as an active volunteer.
- 62 (5) All years of service, including past years of service, must be
 63 included.
- 64 (6) A volunteer who meets the criteria under paragraph (7) of this
 65 subsection must receive subject to a maximum LOSAP monthly
 66 benefit payment of \$524.88 effective July 1, 2025:
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 79 12 of the fire and rescue volunteers collective bargaining
 80 agreement, for calendar year 2022, 2023, or 2024,
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 96 participation as a local fire and rescue department volunteer;
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 112 length of their disability, until their death. Upon the member's
 113 death their surviving spouse shall collect 50 percent of the LOSAP
 114 benefits for their lifetime or until they remarry.

115 (e) *Survivor's benefit.*

116 (1) A local fire and rescue department volunteer's surviving spouse or
 117 domestic partner qualifies for a survivor's benefit on the volunteer's
 118 death if:

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 120 the benefit; and

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 123 benefit under subsection (c); or

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 127 a monthly award payment until the spouse's death or remarriage,
 128 or partner's death, equal to 50 percent of the:

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 130 years-of-service requirement; or

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 133 volunteer who suffered a service-connected death, regardless of

134 years of service, shall qualify for maximum LOSAP benefit of
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 143 domestic partner or the volunteer's estate if no spouse or partner
 144 survives. The designated beneficiary or the volunteer's surviving
 145 spouse or domestic partner or estate, whichever applies, qualifies
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- 167 partner, or volunteer's estate qualifies for the benefit, except that
- 168 benefits must not be paid for any period before the application for
- 169 the benefit is filed.
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- 180 (A) maintain a detailed and accurate record for each local fire
- 181 and rescue department volunteer, in a form established by
- 182 the County Executive, of any activity that qualifies for credit
- 183 toward active volunteer status;
- 184 (B) by March 31 each year, submit a record of all local fire and
- 185 rescue department volunteers, certified by the secretary
- 186 under oath, that identifies each active volunteer for the
- 187 previous year; and

- 188 (C) post any list from the Executive or the Executive's designee
189 of active volunteers for at least 30 days after receipt for
190 review by members.
- 191 (2) Appeal. A volunteer may appeal a finding that the volunteer was
192 not an active volunteer within 30 days after a written notice of the
193 finding is mailed to the volunteer. The appeal must satisfy
194 requirements established in regulations issued by the Executive
195 under method (3). The decision of the Executive or the Executive's
196 designee on the appeal is final.
- 197 (k) *Point system.* To qualify as an active volunteer under subsection (a), a
198 volunteer accumulates points under this subsection during each calendar
199 year that are not transferable to another year. An individual must not
200 receive points for any activity performed as a County employee.
- 201 (1) Training Courses — 25 points maximum.
- 202 (A) Courses lasting less than 20 hours, such as a one-day course,
203 seminar, or basic first-aid class, earn 5 points per course.
- 204 (B) Courses lasting 20 to 45 hours, such as a short course or
205 regional fire school, earn 10 points per course.
- 206 (C) Courses lasting more than 45 hours, such as the basic,
207 advanced, section III, and emergency care courses offered
208 by the University of Maryland, or a fire science course
209 offered by Montgomery College or Prince George's
210 Community College, earn 15 points per course.
- 211 (2) Drills — 20 points maximum: Each drill lasting at least 2 hours
212 earns 1 point.

213 (3) Stand-by — 20 points maximum. Integrated Emergency
 214 Command Structure (IECS) certified personnel may earn stand-by
 215 LOSAP points for performing on-duty activity at the rate of:

216 (A) one quarter point for every hour of stand-by service a
 217 volunteer is assigned to a unit available for response; and

218 (B) one point for every 4 hours of stand-by service the volunteer
 219 is available for response in the station, but is not assigned to
 220 a specific unit.

221 Stand-by service must be recorded in the data system provided by
 222 the County. A volunteer must not earn more than 3 points for
 223 stand-by service during any 24-hour period.

224 (4) (A) Elected and Appointed Position — 25 points maximum per
 225 calendar year for any combination of service in eligible and
 226 appointed positions as follows:

227 [(1)] (i) 25 points for completing a one-year term in an
 228 eligible elected or appointed position; and

229 [(2)] (ii) 2 points for each full month of service in any
 230 eligible elected or appointed position during a term
 231 of less than one year.

232 (B) The Fire Chief annually must designate a list of the elected
 233 and appointed positions eligible to earn points. The list must
 234 include:

235 (i) local fire and rescue department (LFRD) officer at
 236 the rank of lieutenant or higher;

237 (ii) director, trustee, or trial board member[, or auxiliary
 238 member] of an LFRD;

239 (iii) chair of fund raising or membership for an LFRD;

- 240 (iv) chaplain of an LFRD;
- 241 (v) delegate, alternate, or officer for the [Fire Board, the]
- 242 Montgomery County Volunteer Fire-Rescue
- 243 Association, the LFRD representative, or any similar
- 244 organization;
- 245 (vi) member of a committee of the Commission or the
- 246 Maryland State Firemen’s Association (MSFA);
- 247 (vii) officer of the MSFA auxiliary; or
- 248 (viii) officer of an LFRD auxiliary.

249 (5) Attendance at Meetings — 20 points maximum per year:
 250 Attendance earns 1 point for each official meeting of an
 251 organization listed in Executive regulations issued under method
 252 (3) as affiliated with the Fire and Rescue Service.

253 (6) Participation in Department or Station Responses — 30 points
 254 maximum for responding on at least the number of calls indicated
 255 in the appropriate column below:

Total department/station call responses per year	000 to 999	1000 to 7499	7500 or more
Responses required to earn 1 point, if not qualified for maximum 30 points	2	4	5
Responses per year required to receive maximum 30 points	50	100	120

256
 257 The Chief annually must determine for each LFRD whether the
 258 total annual calls must be computed by department or by station.

259 (7) Military Service — 50 points maximum per year, prorated for a
 260 partial year of service, for qualified miliary service that interrupts
 261 voluntary fire service. Qualified service means full-time extended

262 obligatory military service or a single voluntary enlistment, not to
263 exceed 4 years in the armed forces of the United States.

264 (8) Collateral Duties — 25 points maximum: Each qualified activity
265 for the LFRD that lasts at least 4 hours earns 1 point. The Chief
266 annually must designate a list of the collateral duties under which
267 a volunteer may perform qualified activities, such as apparatus and
268 building maintenance; fire prevention and education activities;
269 fund raising activities; and administrative or auxiliary duties.

270 (9) A volunteer who does not accumulate 50 LOSAP points for
271 calendar year 2021 may submit a list consisting of canceled
272 meetings, drills, standbys or other collateral duties during 2021
273 that the volunteer was not able to attend or complete. The
274 volunteer’s President and the Division Chief of Volunteer Services
275 must certify this list and award points.

276 *Approved:*

277

278

Natali Fani-Gonzalez, President, County Council

Date

279 *Approved:*

280

Marc Elrich, County Executive

Date

281 *This is a correct copy of Council action.*

282

Sara Tenenbaum, Clerk of the Council

Date

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

Elizabeth Haynos

4/23/2026
Date

LEGISLATIVE REQUEST REPORT
Bill No. XX-XX
Title of Bill

- I. Description:
Negotiated changes to County Code Chapter 21-21, *Length of service award program for volunteers.*
- II. Problem: These are negotiated enhancements to the LOSAP program.
- III. Goals and Objectives:
This legislation reflects the agreement made during bargaining between the County and the Montgomery County Volunteer Fire and Rescue Association (MCVFRA). This legislation increases LOSAP payments and ensures consistency in the application of LOSAP going forward.
- IV. Coordination:
Office of Labor Relations, Office of the County Attorney, and MC Fire & Rescue Service.
- V. Fiscal Impact: To be provided by OMB.
- VI. Economic Impact:
- VII. Evaluation of the Results of the Proposed Law: N/A
- VIII. Experience Elsewhere: N/A
- IX. Sources of Information: N/A
- X. Application within Municipalities: N/A

XI. Penalties: N/A



April 1, 2026

Mr. James Donaldson
 Deputy Chief Labor Relations Officer
 Office of Labor Relations
 Montgomery County Government
 101 Monroe Street, 12th Floor
 Rockville, Maryland 20850

Subject: Impact of MCVFRA Proposal #11 Changes in Benefits for LOSAP Participants

Dear Mr. Donaldson:

As requested, we have measured the impact on the pay-as-you-go costs to the Montgomery County Length of Service Award Program for Volunteers (“Program”) of MCVFRA Proposal #11 to change the benefit provisions for current and future participants. The cost impact is based on the assumptions and provisions of the most recent GASB Statement No. 73 actuarial valuation applicable to fiscal year 2025 and membership data as of December 31, 2023, with updated membership data as of December 31, 2024 provided by the County. Following is a summary of the current provisions and the changes under MCVFRA Proposal #11:

	Current Provisions	MCVFRA Proposal #11 Provisions
LOSAP*	Cap at 35 years of service (\$389.35 per month). Max of \$466.16 per month with supplemental Integrated Emergency Command Structure (IECS) Cost-of-Living Adjustments COLAs	Raise cap on LOSAP benefits from 35 YOS (\$389.35 per month) to 40 YOS (\$454.35 per month). Max of \$524.88 per month with supplemental Integrated Emergency Command Structure (IECS) Cost-of-Living Adjustments COLAs
Death (Burial) Benefit	\$5,000, if at time of death met the years of service requirement for a length of service benefit or requirements for a disability benefit	\$10,000
Line-of-Duty Death Benefit	50% of “maximum LOSAP payments” to survivor for life	Monthly benefit of \$250 for life or remarriage to survivor
Line of Duty Disability	Maximum benefit under normal retirement with 50% survivorship benefit	30 LOSAP points annually during the length of their disability; 50% survivorship benefit
Survivorship Benefits	50% survivorship benefit	No Change
Automatic increase on LOSAP Benefits	None	3% or the Montgomery County general wage adjustment, whichever is greater, applicable to retiree benefits only
Collateral Duties list	List of duties and positions	List of duties and positions eligible to earn points updated

*\$10.37 per month for each year of service up to 25 years plus \$13.01 per month for each year of service over 25 years up to the maximum number of years.

The changes are effective as of July 1, 2026. The following changes are retroactive to July 1, 2025:

- The maximum benefit is increased to \$524.88;
- Line of duty disability benefits; and
- The death benefit is increased to \$10,000.

The cost analysis reflects the following additional assumptions regarding the proposed changes:

- The LOSAP benefit per month amounts of \$10.37 and \$13.01 and the LOSAP benefits provided to current LOSAP retirees are assumed to increase annually by 3%.
- The line-of-duty disability benefit is assumed to be \$454.35 per month under the proposal (the benefit amount for a participant with 40 years of service).
 - Because the participants are assumed to already be receiving the maximum benefit (as provided under the current provisions), crediting of additional LOSAP points during the length of disability is not assumed to affect the benefit provided.
- We did not reflect a decrease in costs due to the change in collateral duties list under the proposal. There is not sufficient data to estimate how the change will impact the number of participants earning at least 50 points in order to earn a year of LOSAP service. The County of Fire and Rescue Service Division expects fewer volunteers will earn 50 points based on the changes, and therefore, a net decrease in benefits is expected. Once there is a sufficient number of years of plan experience based on the updated collateral duties list, GRS will recommend assumption updates, if needed.

Exhibit I summarizes the census data used as of December 31, 2024, and provides the illustrative benefit amounts after the impact to the benefit cap under the proposal.

Exhibit II illustrates the impact of the changes on the pay-as-you-go costs based on LOSAP membership data as of December 31, 2024.

This analysis does not include the impact of the proposed changes on the GASB Statement No. 73 accounting costs. We are happy to perform the additional calculations to illustrate the GASB Statement No. 73 impact, if needed.

Cost Impact

The following table shows the change in expected total benefits from MCVFRA Proposal #11 over the next five years from the baseline (current benefit provisions measured as of December 31, 2024).

Year Ending June 30	Change in		
	Annuity Benefits	Death Benefits	Total Benefits
2026	\$ 83,903	\$ 96,260	\$ 180,163
2027	140,060	99,588	239,648
2028	199,971	102,821	302,792
2029	262,326	105,894	368,220
2030	327,577	108,807	436,384
Total Change over next 5 years	\$ 1,013,837	\$ 513,370	\$ 1,527,207



As shown in Exhibit II and in the table on the prior page, about one third of the increase in total expected benefits under the proposed provisions over the next five years is from the increase in the death (burial) benefit from \$5,000 to \$10,000.

The provision to include an automatic annual increase in LOSAP benefits for retirees is expected to have a significant impact on the projected benefits in the long term. Benefits paid from 2026 through 2030 are projected to be about 15% higher under the proposal, and benefits paid from 2041 through 2045 are projected to be about 70% higher under the proposal.

Years Ending June 30	Total Projected Benefits		Change	
	Current	MCVFRA Proposal	\$	%
2026-2030	\$ 10,065,362	\$ 11,592,569	\$ 1,527,207	15.2%
2031-2035	10,557,234	13,838,930	3,281,696	31.1%
2036-2040	10,613,693	15,848,013	5,234,320	49.3%
2041-2045	10,201,155	17,384,793	7,183,638	70.4%
2026-2045	\$ 41,437,444	\$ 58,664,305	\$ 17,226,861	41.6%

Considerations and Disclosures

The analysis was performed at the request of Montgomery County (“County”) and is intended for use by the County and those designated by the County. This analysis may be provided to parties other than the County only in its entirety and only with the permission of the County.

The actuarial assumptions used in this analysis are the same as those used in the actuarial valuation of Montgomery County Length of Service Award Program for Volunteers with a valuation date as of December 31, 2023, with a measurement date of June 30, 2024 and applicable to the County fiscal year ending June 30, 2025. The actuarial assumptions used for this analysis produce results which, individually and in the aggregate, are reasonable. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). Details on the assumptions and provisions used in the actuarial valuation as of December 31, 2023, which were also used in this analysis, can be found in Appendix I and Appendix II. Appendix III includes language from Section 21-21 of the County Code.

We assumed that benefit amounts would increase annually by 3%. If the Montgomery County general wage adjustment is higher than 3%, then LOSAP benefit amounts will increase by this higher rate and projected benefits are expected to be higher than what is shown in this analysis.

The County provided updated membership data as of December 31, 2024 that was used for this analysis. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided to us by the Program and Montgomery County.



If any of the provisions, underlying data or assumptions used in this analysis appear to be incorrect or unreasonable, please let us know as soon as possible so we can update the analysis.

The projections in this analysis are based upon many assumptions about the future. Actual future valuation results will take all known future information into account and will differ from the projections.

Future actuarial measurements may differ significantly from the current measurements presented in this cost analysis due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions, contribution amounts or applicable law.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training and Processes Team, who developed and maintain the model.

To the best of our knowledge, the information contained in this analysis is accurate and fairly presents the actuarial position of the LOSAP Program as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Amy Williams and Joshua Murner are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

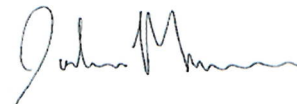
Please let us know if you have any questions or would like to discuss the results of this analysis further.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Amy Williams, ASA, EA, MAAA, FCA
Senior Consultant



Joshua Murner, ASA, EA, MAAA, FCA
Consultant



Participants Receiving Benefits (Based on Actuarial Valuation Status as of December 31, 2024)

	Number	Baseline	Proposal	Increase
Active Receiving Benefits				
Average Monthly Benefit				
Service				
<= 35 Years	195	\$ 258	\$ 258	\$ -
36 Years	6	415	428	13
37 Years	4	389	415	26
38 Years	4	423	462	39
39 Years	0	N/A	N/A	N/A
40+ Years	42	411	476	65
Total	251	292	304	12
Total Monthly Benefits		73,305	76,375	3,070
Inactive Receiving Benefits				
Average Monthly Benefit				
<= 35 Years	323	\$ 176	\$ 176	\$ -
36 Years	4	392	405	13
37 Years	2	395	421	26
38 Years	0	N/A	N/A	N/A
39 Years	0	N/A	N/A	N/A
40+ Years	17	395	460	65
Total	346	191	194	3
Total Monthly Benefits		65,941	67,151	1,210
Surviving Spouses Receiving Benefits				
Average Monthly Benefit				
<= 35 Years	104	\$ 92	\$ 92	\$ -
36 Years	0	N/A	N/A	N/A
37 Years	2	174	187	13
38 Years	1	173	192	20
39 Years	1	195	221	26
40+ Years	11	179	211	33
Total	119	103	107	4
Total Monthly Benefits		12,300	12,729	429
Total Annual Benefits				
Status	Number	Baseline	Proposal	Increase
Active Receiving Benefits	251	\$ 879,658	\$ 916,502	\$ 36,844
Inactive Receiving Benefits	346	791,288	805,807	14,519
Surviving Spouses	119	147,599	152,750	5,152
Total	716	1,818,545	1,875,060	56,515

Totals may not add due to rounding.



MONTGOMERY COUNTY
 Length of Service Award Program for Volunteers
 20-Year Projection of Benefit Payments
 Based on an Actuarial Valuation Date and Census Data as of December 31, 2024

Year Ending June 30	Baseline		MCVFRA Proposal #11		Change in		
	Annuity Benefits	Death Benefits	Annuity Benefits	Death Benefits	Annuity Benefits	Death Benefits	Total Benefits
2026	\$ 1,843,090	\$ 96,260	\$ 1,939,350	\$ 192,520	\$ 83,903	\$ 96,260	\$ 180,163
2027	1,886,899	99,588	1,986,487	199,176	140,060	99,588	239,648
2028	1,921,140	102,822	2,033,962	205,643	199,971	102,821	302,792
2029	1,941,496	105,894	2,047,390	211,788	262,326	105,894	368,220
2030	1,959,367	108,806	2,068,173	217,613	327,577	108,807	436,384
2031	1,977,716	111,448	2,089,164	222,896	395,815	111,448	507,263
2032	1,984,173	113,814	2,097,987	227,627	464,807	113,813	578,620
2033	1,992,518	115,939	2,108,457	231,879	536,994	115,940	652,934
2034	2,006,076	117,834	2,123,910	235,669	613,253	117,835	731,088
2035	2,018,338	119,378	2,137,716	238,756	692,413	119,378	811,791
2036	2,023,478	120,511	2,143,989	241,023	771,635	120,512	892,147
2037	2,018,740	121,335	2,140,075	242,670	849,563	121,335	970,898
2038	2,004,138	121,954	2,126,092	243,907	924,985	121,953	1,046,938
2039	1,985,610	122,430	2,108,040	244,860	1,000,074	122,430	1,122,504
2040	1,972,691	122,806	2,095,497	245,611	1,079,028	122,805	1,201,833
2041	1,960,183	123,094	2,083,277	246,189	1,159,598	123,095	1,282,693
2042	1,942,330	123,333	2,065,663	246,665	1,238,228	123,332	1,361,560
2043	1,920,871	123,532	2,044,403	247,065	1,315,566	123,533	1,439,099
2044	1,895,934	123,695	2,019,629	247,390	1,390,959	123,695	1,514,654
2045	1,864,369	123,814	1,988,183	247,628	1,461,818	123,814	1,585,632
2026-2030	\$ 9,551,992	\$ 513,370	\$ 10,065,362	\$ 1,026,740	\$ 1,013,837	\$ 513,370	\$ 1,527,207
2031-2035	9,978,821	578,413	10,557,234	1,156,827	2,703,282	578,414	3,281,696
2036-2040	10,004,657	609,036	10,613,693	1,218,071	4,625,285	609,035	5,234,320
2041-2045	9,583,687	617,468	10,201,155	1,234,937	6,566,169	617,469	7,183,638
2026-2045	\$ 39,119,157	\$ 2,318,287	\$ 41,437,444	\$ 4,636,575	\$ 14,908,573	\$ 2,318,288	\$ 17,226,861

Projection includes benefits for participants of the Program as of December 31, 2024 only. Projected benefits for future members are not included.
 The change in total benefits includes the change in death benefits which is also shown separately.



APPENDIX I

BENEFIT PROVISIONS – DECEMBER 31, 2023 ACTUARIAL VALUATION (APPLICABLE TO FISCAL YEAR 2025)

Benefit Provisions and Valuation Data

1. **Effective Date:** January 1, 1975
2. **Eligibility:** Any local fire and rescue department volunteer is eligible for the length of service award program if the volunteer is at least 16 years old and satisfies the following conditions:
 - 1) Was an active volunteer on or after August 15, 1965; or
 - 2) On August 15, 1965, had completed 25 years as an active volunteer; and
 - 3) If less than 18 years old, meets any additional requirements established by the Executive regulation.
3. **Credited Service:** One year of credited LOSAP service for each fiscal year in which the member accumulates a minimum of 50 points.
4. **Benefit Eligibility Criteria:**
 - a. Normal - First of the month coincident with or immediately following the earlier of:
 - 1) Age 65 with 10 years of credited LOSAP service
 - 2) Age 60 with 15 years of credited LOSAP service
 - 3) Any age with 25 years of credited LOSAP service
 - b. Early - None.
 - c. Disability - A volunteer qualifies for a disability award to begin on the first day of the month following the establishment of entitlement by the medical authority established by the County Executive, and shall be retroactive to the date of injury where such date is clearly established or in the absence thereof, the date of determination of entitlement by the Workers' Compensation Commission, if the following conditions are met:
 - 1) The volunteer becomes disabled as the direct result of active participation as a local fire and rescue department volunteer.
 - 2) The disability prevents the volunteer from pursuing the volunteer's normal occupation.
 - 3) A state worker's compensation commission finds that the disability is total and permanent, and is a direct result of active participation as a local fire and rescue department volunteer.

Benefit Provisions and Valuation Data

5. Length of Service Benefits

a. Normal -

Lifetime benefit equal to:

- 1) \$10.37 per month for each year of service up to 25 years plus
 - 2) \$13.01 per month for each year of service over 25 years.
- The maximum total benefit is \$389.35* per month. Benefits continue to accrue for service earned after payments commence.

b. Early -

None.

c. Disability -

Equal to the maximum benefit under normal retirement.

6. Vested Benefits:

100% after 10 years, payable at age 60 with 15 or more years, payable at age 65 with 10 or more years.

7. Lump-Sum Death Benefits:

A local fire and rescue department volunteer's surviving spouse or domestic partner (or estate if no spouse or partner survives) qualifies to receive a \$5,000 death benefit if, at the time of the volunteer's death, the volunteer met the years of service requirement for a length of service benefit or requirements for a disability benefit.

8. Surviving Spouse Benefits:

Upon the death of a qualified volunteer who is currently receiving benefits or is eligible to receive benefits, a benefit equal to 50% of the benefit amount that the volunteer was receiving or was eligible to receive at the time of his or her death shall be paid to the surviving spouse until death or remarriage of the surviving spouse.

A qualified volunteer is defined as someone who has completed 25 years of service, has attained age 65 with 10 years of service or has attained age 60 with 15 years of service or is currently receiving disability benefits.

**Certain volunteers receive higher benefits if certain conditions are met (as summarized on the following page).*



Benefit Provisions and Valuation Data

Following is a summary of recent changes to the LOSAP benefit provisions. The change effective July 1, 2023 was first reflected in the total pension liability measured as of June 30, 2023.

	Before 2017 Changes	Changes Effective July 1, 2017	Changes Effective June 25, 2021	Changes Effective July 1, 2022	Changes Effective July 1, 2023
Benefit Accrual (under 25 Years)	\$ 9.20	\$ 9.32	\$ 9.60	\$ 9.60	\$ 10.37
Benefit Accrual (25+ Years)	\$ 11.50	\$ 11.70	\$ 12.05	\$ 12.05	\$ 13.01
Benefit (25 Years)	\$230.00	\$233.00	\$240.00	\$240.00	\$259.20
Maximum Benefit	\$345.00	\$350.00	\$360.51	\$360.51	\$389.35
Maximum Benefit Section 21-21(c)(6)*	\$345.00	\$362.00 Eligible volunteers received a 3.5% increase	\$382.18 (6/20/21) \$391.73 (7/1/21) Eligible volunteers received two 2.5% increases	\$401.52 Eligible volunteers received a 2.5% increase	\$466.16 Eligible volunteers received a 7.5% increase

**Increase for Certain Individuals Currently Receiving LOSAP Benefit Payments.*

Code Section 21-21(c)(6)

A volunteer must receive the applicable increase if:

- i. Received LOSAP benefit payments as of the applicable date; and
- ii. Qualified for the higher nominal fee, as described in Article 12 of the CBA, for the applicable calendar year by:
 1. Being on the Integrated Emergency Command Structure (IECS) certified list;
 2. Receiving 30 LOSAP points for department or station responses; and
 3. Receiving 20 LOSAP points for sleep-in or stand-by service.

The increases in the benefit accruals were reflected for active participants (not currently receiving benefits), inactive participants with vested benefits and for future benefit accruals for active participants currently receiving benefits. Benefit amounts for active participants currently receiving benefits and inactive participants currently receiving benefits and surviving spouses were increased by the percentage increase in the benefit accrual rate.



APPENDIX II

ACTUARIAL ASSUMPTIONS AND METHODS – DECEMBER 31, 2023 ACTUARIAL VALUATION (APPLICABLE TO FISCAL YEAR 2025)

Actuarial Assumptions and Methods

Interest Rate

A discount rate of 3.86% was used to measure the total pension liability as of June 30, 2023 (the beginning of the period) and a discount rate of 3.97% was used to measure the total pension liability as of June 30, 2024 (the end of the period).

The discount rate as of June 30, 2023 and June 30, 2024, respectively, are the fixed-income municipal bonds rate with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023 and June 30, 2024, respectively. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

Mortality Rates

Type	Assumption
Post-Retirement Non-Disabled	Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct
Post-Retirement Disabled	Pub-2010 Disabled Retiree Mortality Table (for Safety Employees), sex distinct
Pre-Retirement Non-Service Connected	Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct
Pre-Retirement Service Connected	15% of the rates from the Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct

To provide a margin for future mortality improvements, generational mortality improvements from 2010 using projection scale MP-2021 were used.

Benefit Commencement Age (Retirement)

100% of members are assumed to commence benefits at earliest eligibility, which is the earliest of:

- 1) Age 65 with 10 years of service;
- 2) Age 60 with 15 years of service; and
- 3) Any age with 25 years of service.

Actuarial Assumptions and Methods

Disability

The rates assumed for the LOSAP are 10% of the total disability rates assumed for Group G (Sworn Fire Personnel) in the most recently completed Montgomery County ERS actuarial valuation as of July 1, 2024.

Rate of Permanent and Total Disability Per 1,000 Participants

Age	Male	Female
20-24	0.0072%	0.0073%
25-29	0.0148%	0.0195%
30-34	0.0302%	0.0520%
35-39	0.0582%	0.0764%
40-44	0.0736%	0.1474%
45-49	0.1333%	0.2850%
50-54	0.2215%	0.3537%
55-59	0.4057%	0.3717%
60-64	0.4057%	0.3717%

Rates at Which Members Will Cease Earning Future Service Accruals (Withdrawal Rates)

The following rates that vary by age were used and are based on the rates developed for a different LOSAP actuarial valuation based on that LOSAP plan's experience:

Age Band	Male	Female
<20	25%	25%
20-24	25%	25%
25-29	25%	30%
30-34	15%	20%
35-39	10%	15%
40-44	10%	10%
45-49	10%	10%
50-54	10%	10%
55-59	10%	10%
60-64	10%	10%
65-69	10%	10%
70-74	15%	15%
75+	100%	100%



Actuarial Assumptions and Methods

Once volunteers are assumed to cease earning future years of LOSAP service in accordance with the rates above, the following assumptions are applied:

Years of Service When Assumed to Cease Future Accruals	Age When Assumed to Cease Future Accruals	Final Assumption
Less than 10	Any Age	No benefit is payable
10-24 Years	Younger than Age 60	No benefit is payable
10-24 Years	Age 60 or Older	Member receives benefit first of the month coincident with or immediately following
25+ Years	Any Age	Member receives benefit first of the month coincident with or immediately following

Marital Status

For volunteers currently not receiving benefits:

80% of participants are assumed to be married and husbands are assumed to be three years older than their wives.

Administrative Expenses

No administrative expenses were assumed.

Cost Method

Entry Age Normal cost method, under which each participant's projected benefit is allocated on a level percent of pay basis from entry age to assumed exit age. The Actuarial Accrued Liability is the portion of the present value of benefits associated with pay prior to the actuarial valuation date. The Normal Cost is the present value of benefits associated with pay during the current plan year.

The assumed rate of price inflation is 2.50%. Volunteers do not have projected pay. Therefore, service costs are calculated assuming an increase of 2.50% per year (as a proxy for level percentage of payroll).



Actuarial Assumptions and Methods

Status Assignment for Actuarial Valuation

The following criteria were used:

Valuation Status	Criteria
Active Participants Not Receiving Benefits	50 points or more earned in one of the last two years. Award amount NOT greater than \$0. Persontype is not equal to "Withdrawn."
Active Participants Receiving Benefits	50 points or more earned in one of the last two years. Award amount greater than \$0. Persontype is not equal to "Withdrawn."
New Active Participants	Membership dates after December 31, 2022. Persontype is not equal to "Withdrawn."
Inactive Participants with Deferred Benefits	50 points or more were NOT earned in one of the last two years or Persontype is equal to "Withdrawn." 10 or more LOSAP years.
Inactive Participants Receiving Benefits	Award amount greater than \$0. 50 points or more NOT earned in one of the last two years or Persontype is equal to "Withdrawn."

In determining the actuarial valuation results, we included 75% of the costs and liabilities for active participants with membership dates after December 31, 2022, who have not earned 50 points.



APPENDIX III

**MONTGOMERY COUNTY CODE 21-21(A) THROUGH
21-21(F) –
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEERS**

Sec. 21-21. Length of service award program for volunteers.

There is a length of service award program for local fire and rescue department volunteers.

(a) *Definitions.* In this Section, the following words and phrases have the following meanings:

Active volunteer means a local fire and rescue department volunteer who accumulates at least 50 points in a calendar year under the point system in subsection (k).

Domestic partner means a person who was registered as a domestic partner of an active volunteer with the Fire Chief on or before June 27, 2016 in a domestic partnership that did not end before the active volunteer's death.

(b) *Eligibility.* Any local fire and rescue department volunteer is eligible for the length of service award program if the volunteer is at least 16 years old, and:

(1) (A) was an active volunteer on or after August 15, 1965; or

(B) on August 15, 1965 had completed 25 years as an active volunteer; and

(2) if less than 18 years old, meets any additional requirements established by Executive regulation under method (3).

(c) *Length of service benefits.*

(1) **Volunteers Who Qualified Before 1985.** Effective January 1, 1985, any volunteer who qualified for a monthly award payment before January 1, 1985, must receive monthly award payments equal to 150 percent of the pre-1985 monthly award payment. Effective July 1, 2023, any volunteer who receives a monthly award payment under this subsection must receive an 8 percent increase in the amount of the monthly award.

(2) **Volunteers Who Qualify in 1985 or Later — 25 Years of Service.**

(A) Effective January 1, 1985, a volunteer qualifies for a 25-year award payment when the volunteer:

(i) (a) is at least age 55, if the volunteer completed 25 years as an active volunteer before 1996, or

(b) is any age, if the volunteer completed 25 years as an active volunteer on or after January 1, 2004.

(B) A volunteer who qualifies under this paragraph must receive an award payment of:

(i) \$259.20 per month for life; and

(ii) \$13.01 per month for life for each year of service as an active volunteer over 25 years (up to \$130.10 per month). The maximum total benefit is \$389.35 per month.

(3) **Volunteers Who Qualify in 1985 or Later — 15 years of Service.**

(A) Effective January 1, 1985, a volunteer qualifies for a 15-year award payment when the volunteer:

(i) has served 15 years as an active volunteer after January 1, 1955; and

(ii) is at least age 60.

(B) A volunteer who qualifies under this paragraph must receive an award payment of \$10.37 per month for life for each year of service as an active volunteer.

(4) **Volunteers Who Qualify in 1985 or Later — 10 Years of Service**

(A) Effective January 1, 1985, a volunteer qualifies for a 10-year award payment when the volunteer:

(i) has served 10 years as an active volunteer; and

(ii) is at least age 65.

(B) A volunteer who qualifies under this paragraph must receive an award payment of \$10.37 per month for life for each year of service as an active volunteer.

(5) All years of service, including past years of service, must be included.



(6) A volunteer must receive a 7.5 percent increase to his or her LOSAP benefit payment effective July 1, 2023, for a maximum LOSAP monthly benefit payment of no more than \$466.16 if the volunteer:

(A) received LOSAP benefit payments as of December 31, 2022; and
(B) qualified for the higher nominal fee, as described in Article 12 of the fire and rescue volunteers collective bargaining agreement, for calendar year 2022 by:

- (i) being on the Integrated Emergency Command Structure (IECS) certified list;
- (ii) receiving 30 LOSAP points for department or station responses; and
- (iii) receiving 20 LOSAP points for sleep-in or stand-by service.

(d) *Disability benefit.*

(1) A volunteer qualifies for a disability benefit if:

(A) the volunteer becomes disabled as the direct result of active participation as a local fire and rescue department volunteer;

(B) the disability prevents the volunteer from pursuing the volunteer's normal occupation; and

(C) a state worker's compensation commission finds that the disability is total and permanent, and is a direct result of active participation as a local fire and rescue department volunteer.

(2) A volunteer who qualifies under this subsection must receive an award payment of \$345 per month for life.

(3) Length of service benefits under subsection (c) must not be paid to volunteers who are receiving award payments under this subsection.

(e) *Survivor's benefit.*

(1) A local fire and rescue department volunteer's surviving spouse or domestic partner qualifies for a survivor's benefit on the volunteer's death if:

(A) the surviving spouse or partner submits an application for the benefit; and

(B) the volunteer met the:

- (i) years-of-service requirement for a length of service benefit under subsection (c); or
- (ii) requirements for a disability benefit under subsection (d).

(2) The volunteer's surviving spouse or domestic partner must receive a monthly award payment until the spouse's death or remarriage, or partner's death, equal to 50 percent of the:

(A) length of service benefit for which the volunteer met the years-of-service requirement; or

(B) volunteer's disability benefit.

(f) *Death benefit.*

(1) A local fire and rescue department volunteer may designate a beneficiary to receive on the volunteers's death a \$5,000 death benefit. If the volunteer does not designate a beneficiary or if the designated beneficiary does not survive the volunteer, the death benefit must be paid to the volunteer's surviving spouse or domestic partner or the volunteer's estate if no spouse or partner survives. The designated beneficiary or the volunteer's surviving spouse or domestic partner or estate, whichever applies, qualifies on the volunteer's death for a \$5,000 death benefit if:

(A) the designated beneficiary or the surviving spouse or partner or estate, whichever applies, submits an application for the benefit within one year after the volunteer's death; and

(B) the volunteer met the:

- (i) years-of-service requirement for a length of service benefit under subsection (c); or
- (ii) requirements for a disability benefit under subsection (d).





Fiscal Impact Statement

Office of Management and Budget

Bill XX-26

Length of Service Awards Program for Volunteers - Amendments

Bill Summary

This bill expands eligibility for length-of-service benefits to additional local fire and rescue department volunteers, increases the benefit amounts for eligible volunteers, and makes general updates to the laws governing local fire and rescue department volunteer benefits.

Fiscal Impact Summary

This bill is estimated to create \$239,648 in expenditures in FY27. Amendments will be submitted to include this amount in the FY27 County Executive Recommended budget. Annual expenditures increase in subsequent years due to the automatic Cost-of-Living Adjustment (COLA) provision. Total expenditures over the six-year period are estimated at \$2,432,927.

Fiscal Year	27	28	29	30	31	32	Total
Personnel Costs	\$239,648	\$302,792	\$368,220	\$436,384	\$507,263	\$578,620	\$2,432,927
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$239,648	\$302,792	\$368,220	\$436,384	\$507,263	\$578,620	\$2,432,927
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	(\$239,648)	(\$302,792)	(\$368,220)	(\$436,384)	(\$507,263)	(\$578,620)	(\$2,432,927)
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

This bill expands benefit provisions under the LOSAP for volunteer fire and rescue members. The FY27 cost will be addressed through a budget amendment. Cost projections are based on the most recent actuarial valuation using LOSAP membership data as of December 31, 2024, and were derived by applying the proposed benefit changes to the projected benefit payments of current program participants. Annual costs increase each year primarily because the bill introduces an automatic annual Cost-of-Living Adjustment (COLA) to retiree LOSAP benefits equal to 3% or the Montgomery County general wage adjustment, whichever is greater. If the general wage adjustment exceeds 3% in any year, actual costs will be higher than projected. These projections reflect current program participants only and do not include projected benefits for future members. No administrative costs were assumed.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The actuarial analysis was prepared by Gabriel, Roeder, Smith & Company (GRS) using LOSAP membership data as of December 31, 2024. The analysis applies the same actuarial assumptions used in the most recent GASB Statement No. 73 actuarial valuation, with a valuation date of December 31, 2023. Key assumptions include a 3.97% discount rate, Pub-2010 mortality tables with generational improvements using projection scale MP-2021, a 2.50% price inflation rate, and an assumed 3% annual increase in benefit amounts. Benefit amounts are assumed to commence at earliest eligibility. No administrative expenses were assumed. The actuarial analysis prepared by GRS and utilized for this Fiscal Impact Statement has been submitted with the draft legislation; for the 20-year projection of benefits payments, please refer to page 6 of



that analysis.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

These estimates are subject to change in the next annual valuation and could be affected by any assumption change applied in that process including but not limited to the number of volunteers assumed to be eligible for the negotiated benefits.

Contributors

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Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 20-26: FIRE AND RESCUE SERVICES - LENGTH OF SERVICE AWARDS PROGRAM FOR VOLUNTEERS - AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 20-26 would have a small negative impact on racial equity and social justice (RESJ) in the County. Bill 20-26 would reallocate up to \$579,000 annually in funding for programs that benefit all community members to fire and rescue volunteers who are disproportionately White. OLO offers one policy option for Council consideration.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 20-26

The Length of Service Awards Program (LOSAP) is a County program that:

“provides a monthly pension for members of a Local Fire and Rescue Department [LFRD] who have provided volunteer fire and rescue service for a certain number of years. It is similar to the defined benefit pension for career fire and rescue employees, although the amount of the pension is significantly lower. The County pays for these benefits in budget appropriations instead of establishing a trust fund.”³

Any changes to LOSAP are negotiated between the County and the Montgomery County Volunteer Fire and Rescue Association (MCFVRA), the authorized representative of LFRDs.

Bill 20-26 proposes changes that would reflect recent negotiations between the County and MCFVRA.⁴ Figure A in the Appendix shows the proposed changes compared to the current provisions. The Office of Management and Budget estimate the proposed changes to LOSAP benefits would increase County expenditures between \$240,000 and \$579,000 annually.⁵

The Council introduced Bill 20-26 at the request of the County Executive on May 5, 2026.

This RESJIS builds on the ones for:

- Expedited Bill 21-23, which OLO published in April 2023;⁶ and
- Expedited Bill 41-23, which OLO published in November 2023.⁷

Please refer to the RESJIS for Bill 21-23 for background on fire personnel and racial equity.

RESJ Impact Statement

Bill 20-26

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 20-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

Eligible fire and rescue volunteers would benefit from the proposed increases to LOSAP benefits. Data in Table A (Appendix) shows the County's fire and rescue volunteers are predominantly White. Black, Latinx, and to a lesser extent, Asian community members are underrepresented among fire and rescue volunteers.

As noted in the RESJIS for Bill 41-23, increased benefits through LOSAP could attract more people to volunteer firefighting roles in the County. However, absent changes to recruitment strategy and organizational culture, this incentive alone is not likely to attract and retain sufficient BIPOC volunteers to improve disproportionalities in racial and ethnic representation among fire and rescue volunteers.⁸

Taken together, Bill 20-26 would reallocate up to \$579,000 annually in funding for programs that benefit all community members to fire and rescue volunteers who are disproportionately White. Therefore, OLO anticipates Bill 20-26 would have a small negative impact on RESJ in the County.

RECOMMENDED AMENDMENTS

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.⁹ OLO anticipates Bill 20-26 would have a negative impact on RESJ in the County. Should the Council seek to improve the RESJ impact of this Bill, OLO offers one policy option for Council consideration:

- **Review findings and recommendations from comprehensive equity assessment with Montgomery County Fire and Rescue Service (MCFRS) and BIPOC community stakeholders.** In September 2022, the National Academy of Public Administration (NAPA) published a comprehensive equity assessment for MCFRS. NAPA was tasked with evaluating the following areas in MCFRS through the lens of Diversity, Equity, and Inclusion (DEI):¹⁰
 - Internal practices (recruiting, hiring, training, promotions, evaluations);
 - Member perceptions of organizational commitment to DEI;
 - Knowledge of community characteristics;
 - Citizen complaints and outcomes;
 - Emergency and non-emergency calls for service; and
 - Trust and knowledge of the Equal Employment Opportunity (EEO) complaint process.

The Council could discuss findings and recommendations from the report with MCFRS staff and BIPOC community stakeholders to identify policy solutions and investments for diversifying the MCFRS workforce, including volunteers, and addressing other RESJ concerns arising from the assessment. For instance, the report recognized that reactivating and investing in MCFRS's high school cadet program, including making it a paid program, could be a promising strategy for increasing diversity in MCFRS.

RESJ Impact Statement

Bill 20-26

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council’s decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO’s endorsement of, or objection to, the bill under consideration.

APPENDIX

Figure A. LOSAP Current Provisions and Proposed Provisions in Bill 20-26

Benefit	Current Provisions	Proposed Provisions
LOSAP	Cap on 35 years of service (\$389.35 per month). Max of \$466.16 per month with supplemental cost of living adjustments	Cap would be raised from 35 to 40 years of service (\$454.35 per month). Max of \$524.88 per month with cost of living adjustments
Death (Burial) Benefit	\$5,000, if at time of death met the years of service requirement for a length of service benefit/disability benefit requirements	\$10,000
Line-of-Duty Death Benefit	50% of “maximum LOSAP payments” to survivor for life	Monthly benefit of \$250 for life or remarriage to survivor
Line of Duty Disability	Maximum benefit under normal retirement with 50% survivorship benefit	30 LOSAP points annually during length of their disability; 50% survivorship benefit
Survivorship Benefits	50% survivorship benefit	No Change
Automatic Increase on LOSAP Benefits	None	3% or the Montgomery County general wage adjustment, whichever is greater, applicable to retiree benefits only
Collateral Duties List	List of duties and positions	List of duties and positions eligible to earn LOSAP points updated

Source: GRS Consulting, [Introduction Staff Report for Bill 20-26](#), pg. (31).

RESJ Impact Statement

Bill 20-26

Table A: County Fire and Rescue Volunteers by Race and Ethnicity, 2022¹¹

Race or ethnicity	% MCFRS Volunteers	% County Population
Asian	12.4	15.4
Black	6.4	18.6
Native American	0.2	0.6
Pacific Islander	0.3	0.0
White	70.8	42.1
Latinx	8.3	21.0

Source: [“Building Organizational Capacity for Diversity, Equity, and Inclusion in the Fire and Rescue Service,”](#) National Academy of Public Administration, pg. 56 and [Table DP05](#), 2024 American Community Survey 5-Year Estimates, Census Bureau.

¹ Definition of racial equity and social justice adopted from M. Gamblin et al., [“Applying Racial Equity to U.S. Federal Nutrition Programs,”](#) Bread for the World and [Racial Equity Tools](#).

² Ibid.

³ [Introduction Staff Report for Expedited Bill 41-23](#), Montgomery County Council, Introduced November 14, 2023, pg. 2.

⁴ [Introduction Staff Report for Bill 20-26](#), Montgomery County Council, Introduced May 5, 2026.

⁵ Fiscal Impact Statement, Introduction Staff Report for Bill 20-26, pg. (27).

⁶ [RESJS for Expedited Bill 21-23](#), Office of Legislative Oversight, April 25, 2023.

⁷ [RESJS for Expedited Bill 41-23](#), Office of Legislative Oversight, March 2, 2026.

⁸ Ibid.

⁹ [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established](#), Montgomery County Council.

¹⁰ [“Building Organizational Capacity for Diversity, Equity, and Inclusion in the Fire and Rescue Service,”](#) NAPA, September 2022.

¹¹ Racial groups included in this table are non-Latinx.

Economic Impact Statement

Montgomery County, Maryland

Bill 20-26, Fire and Rescue Services - Length of Service Awards Program for Volunteers – Amendments

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 20-26 would positively impact overall economic conditions in the County, as measured by the Council's priority economic indicators. The Bill would expand eligibility and increase the amount of Length of Service Awards Program (LOSAP) benefits for certain local fire and rescue department volunteers. To assess its economic impacts, this analysis examines the Bill's effects on household income for LOSAP recipients and the secondary effects on local businesses, using data on the residency of active affected County employees, the Office of Management and Budget (OMB)'s Fiscal Impact Statement, and other sources.

The Bill would likely increase household income for current and future volunteers. Based on OHR data, OLO expects approximately 66 to 76 percent off the estimated \$2,432,927 increase in LOSAP benefits over the next six-year period to accrue to County residents, corresponding to 1,605,732 to 1,849,025 dollars over this period (averaging 267,622 to 308,171 dollars per year). Importantly, one provision of the Bill would establish an automatic annual increase in LOSAP benefits. As a result, LOSAP benefit increases would increase over time, leading to sustained growth in payments.

Resident income gains likely would increase household spending on local goods and services, benefiting certain County-based businesses through higher business revenues and income.

Additionally, the Bill may indirectly benefit certain County-based businesses. A portion of the household income gains from the LOSAP benefit may be spent on local goods and services, resulting in modest revenue and income gains for some local businesses.

Background and Purpose of Bill 20-26

The Length of Service Awards Program (LOSAP) is a County program that:

“provides a monthly pension for members of a Local Fire and Rescue Department [LFRD] who have provided volunteer fire and rescue service for a certain number of years. It is similar to the defined benefit pension for career fire and rescue employees, although the amount of the pension is significantly lower. The County pays for these benefits in budget appropriations instead of establishing a trust fund.”¹

Any changes to LOSAP are negotiated between the County and the authorized representative of LFRDs, which is the Montgomery County Volunteer Fire and Rescue Association (MCFVRA). Bill 20-26 proposes

¹ [Christine Wellons to County Council, Memorandum: Expedited Bill 41-23, Fire and Rescue Services - Length of Service Awards Program for Volunteers - Amendments, November 9, 2023.](#)

changes that would reflect recent negotiations between the County and MCVFRA. The table below shows the proposed changes compared to the current provisions.

Program/Benefit	Current Provisions	Proposed Provisions
LOSAP	Cap on 35 years of service (\$389.35 per month). Max of \$466.16 per month with supplemental cost of living adjustments	Cap would be raised from 35 to 40 years of service (\$454.35 per month). Max of \$524.88 per month with cost of living adjustments
Death (Burial) Benefit	\$5,000, if at time of death met the years of service requirement for a length of service benefit/disability benefit requirements	\$10,000
Line-of-Duty Death Benefit	50% of “maximum LOSAP payments” to survivor for life	Monthly benefit of \$250 for life or remarriage to survivor
Line-of-Duty Disability	Maximum benefit under normal retirement with 50% survivorship benefit	30 LOSAP points annually during length of their disability; 50% survivorship benefit
Survivorship Benefits	50% survivorship benefit	No Change
Automatic Increase in LOSAP Benefits	None	3% or the Montgomery County general wage adjustment, whichever is greater, applicable to retiree benefits only
Collateral Duties List	List of duties and positions	List of duties and positions eligible to earn LOSAP points updated

Source: [GRS Consulting Summary included in Staff Introduction Report](#)

The Council introduced Bill 20-26 on behalf of the County Executive on May 5, 2026.²

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 20-26 on residents and private organizations, using the Council’s priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.³

Analytical Approach

In this analysis, OLO focuses on two primary channels of the Bill’s potential impacts:

- (1) direct changes in household income for LOSAP recipients; and
- (2) secondary effects on local businesses arising from any additional spending that occurs within the County.

² [Montgomery County Government, Introduction Staff Report for Bill 20-26, Introduced May 5, 2026.](#)

³ Montgomery County Code, “[Sec. 2-81B, Economic Impact Statements.](#)”

This analysis evaluates these channels by distinguishing affected local fire and rescue department volunteers who reside within the County from those who live outside the County. Residency serves two functions: it identifies the share of LOSAP beneficiaries who are County residents for purposes of assessing impacts on resident households, and it is used as a proxy for the share of additional LOSAP income that is likely to be spent within the County rather than elsewhere.

Information Sources and Assumptions

This analysis relies on the following sources of information:

- Data from the Office of Human Resources (OHR) indicates that approximately 71 percent of active local fire and rescue department volunteers reside in Montgomery County;
- OLO's prior analysis of LOSAP benefit changes in the Economic Impact Statement for Expedited Bill 11-26; and
- The Office of Management and Budget (OMB)'s Fiscal Impact Statement for Bill 20-26.

In assessing the distribution of economic impacts between resident and nonresident households, this analysis assumes that the most recent OHR estimates—that approximately 71 percent of active volunteer fire and rescue personnel reside in Montgomery County—approximates the residency pattern of LOSAP eligible volunteers over the period analyzed.

Scope Limitation

The fiscal impact statement determined the Bill would increase County expenditures and have no impact on revenues. As a result, the County would bear the cost of increased LOSAP benefits rather than taxpayers facing higher tax rates. Accordingly, the Bill primarily reallocates existing public resources rather than generating new economic activity.

Because OLO does not know how the County would otherwise allocate the funds used for the benefit increase in the absence of enacting the Bill, this Economic Impact Statement limits its scope to the economic impacts of the higher LOSAP benefits on residents and private organizations. In particular, the analysis does not assess the Bill's opportunity cost. That is, it does not compare these impacts to the economic effects of alternative uses of the same County operating funds.

Variables

The economic effects of Bill 20-26 would primarily depend on the following variables:

- total increase in LOSAP benefits
- place of residence of LOSAP recipients
- inflation rates
- household savings rates

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Residents

OLO anticipates that Bill 20-26 would positively impact certain residents in the County.

The Bill would primarily benefit residents who serve as local fire and rescue department volunteers. By increasing LOSAP benefits, affected volunteers would receive an increase in household income, holding all else equal.³

OLO expects most of the household income gains from the Bill, likely would accrue to residents. OHR data indicates that in 2023 approximately 72 percent of FRS volunteers resided in the County, compared to 71 percent of current volunteers, suggesting that residency patterns among volunteers have been relatively stable over time.

Based on OHR data, this analysis assumes that approximately 66 to 76 percent of the estimated \$2,432,927 increase in LOSAP benefits over the next six-year period would accrue to County residents, corresponding to 1,605,732 to 1,849,025 dollars over this period (averaging 267,622 to 308,171 dollars per year).

One provision of the Bill would establish an automatic annual increase in LOSAP benefits: volunteers receiving monthly payments must receive either a 3 percent increase or the Montgomery County general wage adjustment, whichever is greater. As noted in the actuarial analysis, this provision is expected to significantly increase projected benefits over the long term. As a result, LOSAP benefit increases will increase over time, leading to sustained growth in payments.

Beyond household income, OLO does not expect the Bill to meaningfully affect residents in terms of the Council's other priority economic indicators.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 20-26 would positively impact certain private organizations in the County.

The Bill may indirectly benefit certain County-based businesses. Geography plays an important role in consumption, as individuals tend to spend more close to where they live, especially in frequently purchased sectors such as food services, gasoline, and other local retail services.⁵ Affected residents therefore would likely allocate a portion of household income gains from the LOSAP benefit changes on local goods and services, in addition to savings, imports, and taxes. This local spending may result in modest revenue and income gains for certain local businesses.

Beyond these impacts, OLO does not expect the Bill to affect businesses in terms of the Council's other priority indicators.

Net Impact

OLO anticipates that Bill 20-26 would positively impact overall economic conditions in the County. These impacts are summarized in the table below. However, it is important to reiterate that these estimates reflect the

gross economic effects of increased LOSAP benefits and do not represent the Bill’s net impact on the County economy.

The net economic effect would depend on how the County would otherwise allocate the funds used to finance these benefit increases. To the extent that alternative uses of these funds could generate comparable or greater economic activity, the net positive impact of the Bill would be reduced; conversely, if alternative uses would generate less economic activity, the Bill’s net impact would be more positive. Because OLO does not evaluate these alternative uses, the net economic impact of the Bill remains uncertain.

Impacted group	Specific sub-group	How the Bill would impact them
Residents	Fire and rescue volunteers receiving LOSAP (current and future; majority are County residents)	Increased household income from higher LOSAP benefits; majority of total increase (≈66–76% of \$2.43M over 6 years) accrues to residents; automatic annual increases (≥3% or wage adjustment) ensure benefits grow over time, benefiting both current and future recipients.
Businesses	Local businesses (e.g., food, gas, retail)	Indirect benefit from increased local spending by volunteers; modest revenue and income gains.

Discussion Items

Not applicable

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO’s endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

Climate Assessment

Office of Legislative Oversight

BILL 20-26: FIRE AND RESCUE SERVICES – LENGTH OF SERVICE AWARDS PROGRAM FOR VOLUNTEERS - AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 20-26 will have no impact on the County’s contribution to addressing climate change as it is proposing changes to benefits for certain fire and rescue service volunteers.

BACKGROUND AND PURPOSE OF BILL 20-26

The Length of Service Awards Program (LOSAP) is a County program that:

“provides a monthly pension for members of a Local Fire and Rescue Department [LFRD] who have provided volunteer fire and rescue service for a certain number of years. It is similar to the defined benefit pension for career fire and rescue employees, although the amount of the pension is significantly lower. The County pays for these benefits in budget appropriations instead of establishing a trust fund.”¹

Any changes to LOSAP are negotiated between the County and the authorized representative of LFRDs, which is the Montgomery County Volunteer Fire and Rescue Association (MCVFRA). Bill 20-26 proposes changes that would reflect recent negotiations between the County and MCVFRA. The table below shows the proposed changes compared to the current provisions.

Program/Benefit	Current Provisions	Proposed Provisions
LOSAP	Cap on 35 years of service (\$389.35 per month). Max of \$466.16 per month with supplemental cost of living adjustments	Cap would be raised from 35 to 40 years of service (\$454.35 per month). Max of \$524.88 per month with cost of living adjustments
Death (Burial) Benefit	\$5,000, if at time of death met the years of service requirement for a length of service benefit/disability benefit requirements	\$10,000

Line-of-Duty Death Benefit	50% of “maximum LOSAP payments” to survivor for life	Monthly benefit of \$250 for life or remarriage to survivor
Line-of-Duty Disability	Maximum benefit under normal retirement with 50% survivorship benefit	30 LOSAP points annually during length of their disability; 50% survivorship benefit
Survivorship Benefits	50% survivorship benefit	No Change
Automatic Increase in LOSP Benefits	None	3% or the Montgomery County general wage adjustment, whichever is greater, applicable to retiree benefits only
Collateral Duties List	List of duties and positions	List of duties and positions eligible to earn LOSAP points updated

Source: [GRS Consulting Summary included in Staff Introduction Report](#)

Bill 20-26 was introduced by the County Council on behalf of the County Executive on May 5, 2026.²

ANTICIPATED IMPACTS

As the Bill proposes changes to benefits for certain fire and rescue service volunteers, OLO anticipates Bill 20-26 will have no impact on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.³ OLO does not offer recommendations or amendments as Bill 20-26 is likely to have no impact on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO’s endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help increase the County's community climate resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [Christine Wellons to County Council, Memorandum: Expedited Bill 41-23, Fire and Rescue Services - Length of Service Awards Program for Volunteers - Amendments, November 9, 2023.](#)

² [Montgomery County Government, Introduction Staff Report for Bill 20-26, Introduced May 5, 2026.](#)

³ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022