

**DOUBLE JEOPARDY:
THE CONCURRENT LOSS OF VOLUNTEERS AND
REVENUE**

STRATEGIC MANAGEMENT OF CHANGE

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Abstract

Fire agencies across the nation are experiencing an increasing trend...loss of revenues and concurrent dwindling of volunteer firefighters. In rural fire agencies in the State of California the problem is obvious. With changing demographics in the rural communities and a legislative system that has a tendency to disregard the smaller rural agencies the problem was becoming critical. For the Georgetown (CA) Fire Protection District, the problems needed to be visited and addressed.

The purpose of this research project was to analyze and evaluate the possibility of creating an State Income Tax Credit as an incentive, determine which states in the United States and its territories had an Income Tax Credit, determine other viable incentives for volunteers and determine what incentives are being provided on a statewide basis.

This project utilized evaluative research with descriptive research as a tool to gather opinions of the sampled population. For an informed decision to be made, four research questions were developed:

1. Which states currently provide a tax credit for volunteer firefighters?
2. What incentives would local volunteer firefighters utilize to promote longevity?
3. What incentives are currently provided by the State of California?
4. What process is used to develop a State Income Tax Credit?

Two surveys were developed and mailed out. One survey was sent to every Secretary of State in the United States and its territories. A second survey was sent out to every volunteer firefighter in this District and two other neighboring Districts for a total

of more than 100 volunteers. All but five of the Secretary of State surveys were answered. A total of 51 surveys were returned.

An extensive literature review was undertaken to determine the current approaches to the development of volunteer incentives and address the issue of developing a tax credit. The review indicated that there are multiple factors that motivate volunteer firefighters and that individual agencies must tailor those incentives to meet the needs of its personnel and budget. In addition, numerous phone interviews were conducted with state officials and other ranking individuals who play key roles in the formation of state policy. These individuals provided valuable insight and experience to issues affecting the development of legislation.

The recommendations of this project included the development of legislation for an Income Tax Credit, provided a number of viable alternative incentives for volunteer firefighters and further recommends a concerted political approach to creating legislation more supportive of rural fire agencies.

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Introduction

Rural California fire agencies are facing a compounded problem. The problem is that revenues have been reduced and the retention of volunteer firefighters is becoming increasingly difficult. While the retention of volunteer firefighters is not a unique problem to our agency or to the fire service as a whole, it is indicative of the growing problem of competing interests and changing values. Historically, the East coast has had a strong reliance upon volunteer firefighter delivery methods. The same has been true for West coast rural agencies. In our fire district, members of the community who are willing to become volunteer firefighters have become fewer and fewer. At the same time, the State of California has reduced funding to the local fire agencies in a variety of venues. While attending a class at the National Fire Academy, I learned that there was a tax incentive provided by the State of Maryland for volunteer firefighters. I wondered if it would be helpful to volunteer firefighters in California. I wondered what is the State of California doing for its volunteer firefighters statewide? Upon my return to California, I contacted the California Fire Chiefs' Association lobbyist, Ralph Heim, by telephone. I learned that a lot of information would be needed in order to carry legislation forward. Therefore, the purpose of this Applied Research Project is to analyze and evaluate the feasibility of developing legislation for an income tax credit for volunteer firefighters in California, and whether or not such an incentive would be of value to existing volunteer firefighters. Additionally, this project needed to determine what incentives are currently provided by the State of California.

This research project utilized an evaluative and descriptive methodology to investigate the current incentives utilized by other states and the feasibility of proposing an income tax credit in California. For an informed decision to be made, the following research questions needed to be answered:

1. Determine how many states have an income tax credit for volunteer firefighters.
2. Determine via a sample of local volunteers if such a tax credit would provide more incentive to stay longer as a volunteer firefighter.
3. Determine what incentives the State of California is providing now.
4. Develop other viable incentives.

Background and Significance

The Georgetown Fire Protection District is a small, rural fire agency located in the foothills of the Sierra Nevada Mountains. It is an agency that operates mostly with volunteer firefighters. The District covers an area of 96 square miles. It is also one of the oldest fire agencies within the State of California. In 1854 it was established as the “Mountain Hook and Ladder Company”. The community has a history of major conflagrations in which a majority of the town was destroyed by fire. The last major fire occurrence was in the 1930’s. The District has a population of about 6500 full-time residents, many who are senior citizens. The budget for fire activities is about \$350,000. The ambulance program and its staffing operate on a separate budgetary funding stream at about \$475,000 per year. The District employs five full-time firefighter-paramedics, one firefighter-EMT, a fire apparatus mechanic, an administrative assistant and a fire

chief. The District provides Advanced Life Support transportation within its district as well as the three neighboring fire districts via a contract with the county of El Dorado. The District has about 35 volunteer firefighters who are the backbone of the District. The assistant chief and four captains are all volunteer firefighters as well. The District has a part-time paid training officer. This year the District will be providing two seasonal firefighters that will staff one engine for fire season. The single biggest fire threat is from a wildland / interface fire. Numerous homes within forest and grasslands have created an explosive potential for disaster. The District enjoys a positive working relationship with its neighbors and allied agencies.

On the apparatus side, the newest fire apparatus is twelve years old, the oldest is a water tender that is 46 years old. In 1997, the District ran about 400 calls for service of which 70% were medical emergencies.

The most senior volunteer firefighter has about 20 years of service to the District. The District volunteers are volunteers in the purest sense. There is no “run money”. The District provides workers’ compensation, long term disability, and has several annual social events. As a part of this research, viable alternatives will be developed as incentives for volunteer longevity.

This project directly relates to EFO’s Strategic Management of Change because managing change is the core theme of this course. The changing makeup of our communities and volunteer firefighters requires dynamic approaches for continued success. In managing change, the leadership of the organization must understand and anticipate the dynamics of changing demographics, changing societal expectations and

changing generations. The trick is balancing all of the competing interests successfully while providing a quality service level.

Literature review

In researching the literature it is apparent that there has been a considerable amount of effort put forth to study the problem of volunteer firefighter retention, incentives and recruitment in many parts of the country. A number of incentive proposals have been made in the past to provide some sort of income tax credit to volunteers both in California and in other states. In researching the literature, the task of developing strategies towards providing necessary and appropriate incentives became a focus of the review.

The National Volunteer Fire Council produced an in-depth publication specifically targeted at the Volunteer Recruitment and Retention Problem. It identified the major areas affecting retention as leadership, emotional support, time demands, training requirements, recognition/incentives, the “fun” factor, health risks and relocation. It clearly states that strong, supportive management can help solve some of those issues. Interestingly, two key factors cited were the increased burden of training to meet new government and professional standards (because of the additional time involved); the other key factor was tangible expressions of appreciation. (National Volunteer Fire Council, 1993)

Motivation for volunteering in the fire service is described well by Snook and Olsen, who list eleven factors that include: the need to belong, achievement, economic

security, increased responsibility, self-respect, understanding, challenge, recognition, reward, growth, and the need to have fun. (Snook,1989)

It should be emphasized that 800,000 to 900,000 volunteer firefighters are still providing fire protection for a large portion of the nation's communities. The typical volunteers of today are dedicated to the protection of life and property from fire and are well trained in suppression tactics, unlike their nineteenth-century predecessors.

(Coleman, 1988)

Volunteer fire departments are older than the nation itself, but the organization of these departments was not regulated until the 20th century. Nine out of ten firefighters in this country are volunteers. Generally, volunteer fire companies have the same rights, duties, powers and privileges as paid firefighters. The standard of care for the volunteer firefighter is the same as that for the paid firefighter. (Hogan, 1995)

“Volunteers were once the social knot that united isolated farms and rural communities, now volunteer fire companies are suffering sharp membership declines. They have become victims of American peripatetic way of life and the social and economic pressures that have changed the fabric of Main Street.” (Coleman, 1988)

“In large part, the authorities say, volunteerism is decreasing because firefighting has changed. Twenty years ago, volunteers had to do little more than sign up and pass a 12-hour first aid course. Now volunteer recruits are required to undergo hundreds of hours of training.....simultaneously demand for services is growing.” (Coleman, 1988)

A key conclusion of a study conducted for the United States Fire Administration was that fire district policy makers could no longer afford to continue the “time-honored laissez-faire policy toward their volunteer fire organizations.” This same study

concluded that a community's level of fire service is not solely the responsibility of the fire department, but of the entire community. Recruitment and personnel management is a constant challenge in the volunteer fire service, as the department is dependent on persons who volunteer their time. Department managers who tailor incentives to such motivation find that this approach helps to sustain motivation. (Coleman, 1988)

An Executive Fire Officer paper suggests that volunteer firefighters are no longer expected to just extinguish fires, they are expected to be field doctors, ambulance drivers, hazardous materials experts and general utility people for the community they serve. It was further suggested that each member of a volunteer fire department become a salesman for his organization and bring forward at least one applicant per year. (Phillips, 1990)

Perhaps most important in the volunteer fire service is the human relations perspective. In the well known *Hawthorne Effect*, experiments conducted in 1927, researchers concluded how people were treated made an important difference in performance. The Hawthorne Studies seemed to point out the importance of leadership practices and work-group pressures on employee satisfaction and performance. Later studies have questioned some of the research methods used. However, regardless of the criticisms, the Hawthorne Study had a significant impact on thinking about management problems. (Tosi, 1990)

One theory that describes the consequences of job satisfaction is called the expectancy theory. Satisfaction, or the lack of it, is the result of an effort to accomplish an outcome. The theory states that an experience can be positive, reinforcing a productive attitude; or it can result in an experience that is negative, and thus inhibit

future efforts to achieve desired outcomes. The theory gives four categories of volunteer or employee satisfaction: dissatisfied, alienated, indifferent, and satisfied. (Personnel Management, 1994)

In 1987, a significant study was done in Frederick County, Maryland. This study was focused on providing an income tax credit to volunteer firefighters and ambulance personnel. It was proposed that a point system would be implemented. Points accumulated would be on an annual basis and would be the basis for the annual tax credit. An income tax credit would be a better incentive to volunteers rather than a local property tax incentive which would only benefit property owners. The Maryland proposal had set a minimum of \$100.00 for a tax credit with a \$200.00 per taxpayer ceiling based on the point system. (White, 1987)

The methodology proposed by White also suggested points would be awarded for participation in Statewide recognized training on a hourly basis, drills, Sleep in/Standby, elected or appointed positions, meetings, alarms and collateral duties. White's report was perhaps the single point at which I realized that tenacity eventually pays off. While it took almost ten years, the Maryland legislature did enact law proposed by White.

In a telephone conversation with California State Fire Marshal Ron Coleman, I asked Chief Coleman his thoughts on a California State Income Tax Credit for Volunteer Firefighters. He relayed that in the 1800's to the early 1920's there was an exemption in California and was termed "exempt fireman". CSFM Coleman expressed his opinion that a tax credit would provide an incentive to volunteer firefighters. When asked what he thought would be a reasonable tax credit he stated that something in the range of \$500 to \$1000 annually would be appropriate. He noted that the State of California provides a

\$500 deduction for children. He also felt that it should be a straight deduction or credit to a tax liability. When queried about possible opposition, some of the concerns raised included those agencies that benefit from revenue streams that would lose money and possibly some union opposition.

In the March-April 1998 issue of the International Association of Firefighters (IAFF) newsletter there was an article regarding Canadian volunteer firefighters. The federally funded Canada Pension Plan provided that volunteer firefighters were to receive a \$1,000 tax credit, up from the previous \$500. The issue raised by IAFF was the perceived lack of support by the Canadian Federal Government for its professional firefighters.

In a telephone conversation with Carol Mitchell, Chair of the California State Firefighters Association, Volunteer Section, I learned that the National Volunteer Fire Council has been working with these and other volunteer issues for many years. Carol has served as a Volunteer representative to the California State Firefighters Association (CFSA) for more than ten years. She stated that Volunteer issues seem to take second place to most other issues within CFSA. We talked about the possibility of a California State Income Tax Credit for volunteer firefighters. She was very supportive of the concept. Carol had concerns about how supportive CFSA would be because unions could be hostile to a program which provides credits only for volunteers.

The California State Fire Marshal's Office published a report regarding local government fire agencies in 1994. The report was based on information submitted by 65% of all fire agencies statewide. It also represents 90% of California's population indicating that many rural agencies did not respond to the survey. According to the

California Fire Service Census Report 1994, there are 9,323 volunteer firefighters in the State of California. This number is probably much higher and according to the California State Firefighters Association, volunteer section, the number may be as high as 33,000 volunteer firefighters. According to the 1994 census at least 51% of all agencies are volunteer or mostly volunteer. This number is also probably much higher given the agency reporting or lack thereof. (California Fire Census, 1994)

The Legislative Process was investigated and reviewed. Generally that process requires that a Senator or State Assembly member must author legislation that is brought to their attention by a concerned citizen or group. The path of a Bill includes the generation of an idea, finding an author, a first reading, committee hearings, second and third readings, resolution of differences between houses (Senate and Assembly), and then on to the Governor. The actual process is listed as Appendix D. (Senate Select Committee).

It appears that there are few volunteer incentives that are sponsored statewide. All fire agencies are required by State law in California to provide workers compensation for their fire personnel regardless of status as a volunteer or paid. However, there are substantial differences between benefits paid to a career firefighter and a volunteer firefighter. One outstanding example of those differences is the “4850 time” benefit that is provided only for career local government firefighters and law enforcement officers. This benefit for career firefighters, includes non-taxed full pay and continuous provision of benefits and accruals as if the employee was working continuously for up to one year from the date of injury. For the Volunteer Firefighter, the benefit is 2/3 of “regular employer” salary. Interestingly, there is no “4850” benefit for state firefighters. This

benefit does not necessarily mean the extension of other benefits during the injury recovery period. (State of California Labor Code)

Another example of such discrepancies is the Fair Labor Standards Act (FLSA). This federal law has been in place for more than 15 years, yet the ramifications of interpretation by the courts continue to cause heartburn for the volunteer fire agencies and volunteer firefighters. While the FLSA provides clear guidelines for paid firefighters and the computation of overtime, the payment for volunteer firefighters is more ambiguous. Often times, the interpretation is left to a regional administrator who may have little understanding of the fire service or volunteer fire departments. Unless an agency is willing or financially able to pursue a claim against a regional interpretation, the individual local agency is left at the mercy of the regional office. (FLSA, CFR)

Adverse decisions relating to FLSA against a local agency do nothing more than further erode the morale and ability to function of a volunteer firefighter. Recent interpretations of the FLSA as it applies to volunteer firefighters by the Federal courts continue to degrade the ability of volunteer firefighters to function.

The California State Public Employees Retirement System (CalPERS) does have a volunteer firefighter retirement program, the "Length of Service Award Program" (LOSAP), although it is not uniformly adopted statewide. Local agencies have the choice of providing the LOSAP or not. The cost is based on an actuarial study provided for a nominal fee by California Public Employees Retirement System and the award is based on how many years of service the volunteer provided. Local agencies participating in the LOSAP are required to fund it out of their local revenues. It appears that the program

is similar to the LOSAP provided in Maryland and is based on a points system and annual verification of participation by the volunteer. Appendix E reviews the CalPERS LOSAP.

There is a Federal program called the Public Safety Officers' Benefits Program that provides a death benefit. The benefit is a direct payment to the eligible survivor of any federal, state or local public safety officer who dies in the line of duty as a direct result of trauma. The present benefit is \$134,571.00. The definition of a public safety officer is a person serving a public agency in an official capacity with or without compensation...volunteer firefighters are covered if they are officially recognized or designated members of a legally organized fire department. This program is administered via the Office of Justice Programs, DOJ. A public safety officer who sustains a total disability in the line of duty is also eligible for this benefit.(FEMA 1998) An overview of the program is Appendix E of this report.

California has a Constitutional amendment that says 40% of all revenue must go to a schools fund known as Education Revenue Augmentation Fund (ERAF). In Fiscal Year 1992/1993 the State of California was in deep trouble financially. The State Legislature voted to "shift" ten percent of all local tax revenues to the State to close the financial gap. This shift was approved and was made a permanent shift. Statewide it is estimated that \$2.6 billion annually was shifted from local government, cities, counties and special districts to the state. In November 1994, Proposition 172 was passed by the state voters to backfill local governments in order to continue to provide essential services for law enforcement and fire protection. It was sold to the voters as funding for public safety. The source of revenue was a ½ cent increase in the sales tax. The monies from Prop.172 are given to counties to allocate as each county sees fit. In some cases,

none of the monies provided by Prop.172 ever made its way back to the local fire services. In 1997, a proposal was approved by both the Senate and Assembly to return the growth from the shifted funds back to local government. Even though it passed unanimously through both the House and the Senate, it was vetoed by the Governor.

(Doyle, 1998)

Another major factor is the increasing burden of mandated training programs and other mandated programs enacted by the state. In the 1980's, the state required specific personal protective equipment for firefighters that was deemed a "Mandated Cost Program". Such programs were required, by law, to have those costs reimbursed back to the local agency. Historically, the state of California has funded these programs for a few years or in some cases they never were funded. In cases where the costs of new programs were funded, they were eventually unfunded. Such choices were made during budget time by the State Legislature.

Procedures

The review of available literature took place via numerous resources. Significant time was spent at the Learning Resource Center at the National Fire Academy in January 1998. Several journal articles and research papers were found to have some significance. Management literature was researched at the County of El Dorado Public Library. Literature was found that was appropriate to this project and has been included. The purpose of the literature review was to specifically answer research questions 1,3 and 4.

In addition, many hours were spent on the telephone, seeking specific information from persons who were very familiar with the issues. Other resources contacted included

the California State Fire Marshal's Office, the California Fire Chiefs' Association, the National Volunteer Firefighter Council, and the California State Firefighters' Association.

The Internet was very helpful in finding information, in particular the Public Safety Officer Benefit and information regarding Maryland's Tax Credit.

Two separate surveys were conducted to answer the research questions. The first survey sent out was to every Secretary of State in the United States and its territories. The purpose of the first survey was to answer the first research question: How many states have an income tax deduction for volunteer firefighters?

The addresses for the Secretary of State of each state was taken from the Internet. I found that, in a number of instances, the request for information was forwarded to the appropriate department head.

The second survey was developed to answer the second and fourth research question. This survey was mailed to over one hundred local volunteer firefighters in this District and surrounding fire districts.

The second survey requested opinion and base data from volunteer firefighters. Every member of this agency, and two surrounding agencies was mailed a survey with a cover letter. The cover letter is Appendix A. The survey instrument appears in Appendix B. All surveys mailed included a self-addressed, stamped return envelope.

The limitations anticipated are the local sample base of the survey instrument for volunteer firefighters, the differences of "income tax credit" definitions between the various states and local geographical or political differences in formulating opinion.

Research Instrument

The research was evaluative research, with descriptive research applied as a tool to gather opinions of the sampled population. The questions were written specifically to elicit opinion of the respondent and to assure the respondents would remain undisclosed.

Results

Almost all states responded in a timely fashion, in writing. A couple of states actually called my office with their responses. The only states not responding to the survey were Texas, Louisiana, Michigan, Kansas, Hawaii and Maryland. None of the United States Territories responded to the request for information.

There are five states that have some type of a tax credit for volunteer firefighters: New York, Kentucky, Minnesota, New Jersey and Maryland.

The State of Minnesota did provide a tax exclusion prior to 1987. Before 1987, the pension exclusion under the state income tax applied to lump sum distributions from their pensions. However, tax reform repealed the exclusion. In the next year (1988), the Minnesota Legislature enacted a supplemental retirement payment for volunteer firefighters that was designed to replace the value of the lost state income exclusion. The benefit equals 10% of their lump sum pension, capped at \$1,000.00. The law explicitly states it replaces the repealed income tax exclusion. The provision is in Minnesota Statutes.

The State of New York does not provide any tax credits for any state taxes. However, New York State Real Property Law permits villages to provide an exemption of \$500.00 of assessed valuation for village property taxes only. This provision is

permissive and not mandatory and is only for volunteer firefighters in incorporated villages.

The State of Kentucky provides annually a \$7,500 payment to each qualifying volunteer fire department in the State. To qualify a volunteer fire department must have:

1. a minimum of 13 firefighters
2. Half of the firefighters are certified and maintain certification
3. Show proof of purchase of the preceding years check
4. Submit a list of equipment to be purchased
5. Participate in the state fire incident reporting system. (\$500 deduction if the fire department does not participate in the State Fire Incident Reporting System)

In addition, the State of Kentucky provides \$3,000 incentive pay for firefighters who complete 400 hours of training, (312 hours in specific subjects), and receive a minimum of 100 hours of continuing education annually. Interestingly, the State of Kentucky also provides Hepatitis “B” inoculations for all firefighters and workers compensation for volunteer firefighters.

The State of Connecticut proposed Bill No. 5193 in 1993 that would have amended the general statutes to authorize municipalities to reduce the amount of real or personal property taxes owed by any member of a volunteer firefighter company by not more than two thousand dollars per year. The proposal was not successful, but there was no reason given for its failure in the response.

It appears that Canada has a federal tax break for volunteer firefighters in the neighborhood of \$1,000.00. I have been unsuccessful in determining the nature of the tax incentive by either written correspondence or e-mail on the Internet.

While Maryland did not respond to the letter sent to the Secretary of State, the information regarding Maryland's Income Tax Credit was the result of numerous phone calls and an Internet search. I spoke with Andy Marsh, Frederick County Fire and Rescue in early June and spoke with Clarence White on June 22, 1998. Maryland lawmakers adopted an income tax deduction in 1994 that was vetoed by the Governor. Similar legislation was proposed, adopted and signed by a newly elected governor in 1995. This legislation calls for an income tax deduction of \$3,500.00 of a volunteer firefighters annual adjusted gross income. This provides a net gain of about \$200.00 per year for an active volunteer firefighter in good standing. Good standing is based on a LOSAP that provides points for various levels of volunteer participation. Maryland's LOSAP provides four annual payments of \$2,000.00 for a member who retires after 25 years of service and has attained the age of 65. According to White, there is effort being made to change the age to 60 and provide a monthly benefit rather than an annual benefit.

The results of the second survey revealed new insights as to how local volunteer firefighters perceive their positions. New insight was gained about motivation and incentives provided or not provided. Questions 1-3 provided base data regarding the volunteer. Questions 4-7 requested specific opinions about incentives. Questions 8-11 asked for alternatives for incentives, why volunteers leave the fire service and where they thought their agency would be in ten years.

Question 1: How long have you been a volunteer firefighter?

13 1-3 years 8 3-5 years 7 5-7 years 9 7-10 years 14 more than 10 years

Question 2: What is your current rank or job title? Specialized training?

24 Firefighter 15 Engineer 9 Captain 2 Chief Officer

25 EMT 3 EMT-P 3 Haz-Mat Specialist 12 Haz-Mat 1st Responder 3 Other

Question 3: What is your primary reason for being a volunteer firefighter?

40 Service to community
5 The challenges / dangers / excitement of fighting fire
2 The social / fraternal aspects of being a volunteer firefighter
2 A stepping stone into a full time paid position or career
3 Other

There were a number of surveys that chose more than one answer to question 3.

The challenges, social aspects and stepping stone all received 7 additional responses.

The *other* category listed 3 responses that included “ self worth”, improve current job skills and fire protection in my district.

Question 4: The amount of time that your agency’s current training requirements entail are:

2 Excessive
34 About right
15 Not enough

Question 5: Is the amount of training required an incentive or disincentive?

35 Incentive
8 Disincentive
8 None of the above or a qualified response

Question 6: Describe how you see the future of volunteer firefighters within your agency:

“The turnover rate is bad”

“An even greater role and responsibility”

“The volunteer training, qualifications and confidence will improve due to our agency requirements”

“Best trained and its fun”

“Unhappy with all the rules, procedures, paper work and permits..”

“Necessary! There is no substantial tax base to have fully staffed stations with personnel”

“Highly trained professionals, more so than they already are”

“With more and more state mandates, its becoming almost impossible to function at the volunteer level”

“Long term...the best approach for our community”

“I see potential for consolidation with a neighboring district, however, I still believe the volunteers will be the core of the response”

Question 7: Would a tax credit on your State Income Tax return provide more incentive for you to continue service as a volunteer firefighter?

<p><u>33</u> Yes <u>16</u> No <u>1</u> Qualified response</p>
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Question 8: If a State tax credit was provided as an incentive for volunteer firefighters, would a point system to earn the tax credit encourage your participation:

<p><u>15</u> More <u>34</u> Same <u>1</u> Less</p>

Question 9: In your opinion, what is the single biggest reason volunteers leave the fire service?

This question drew a number of interesting responses. I have taken a cross section of some of the answers:

“Fed up with poor management”

“Shifting personal priorities with insufficient motivation to remain”

“Lack of community appreciation”

“Lack of support from family and spouse”

“Enthusiasm dims- must keep all training and responses fun and rewarding”

“Politics”

“Time / training demands vs. personal life time demands”

Question 10: In your opinion, what would provide a better incentive to volunteer firefighters besides a tax credit?

This question is open-ended, thus, there are a number of responses. In some cases there was more than one alternative provided by the respondent.

<u>9</u>	No other incentive would be better
<u>7</u>	Retirement Length of Service Award Program
<u>7</u>	Increase training
<u>7</u>	More recognition by community, county and state
<u>5</u>	Provide run money
<u>4</u>	Consolidate with other local agencies
<u>2</u>	Don't be penalized for time off work
<u>2</u>	Don't tax run money
<u>1</u>	Training for use outside of the department
<u>1</u>	Increase funding for equipment, engines, safety gear.
<u>1</u>	Increase camaraderie
<u>1</u>	Increase calls and activity
<u>1</u>	Provide discounted health insurance

A sample of interesting responses are given below:

“Little things like “attaboys” for well done jobs, and positive reinforcement for jobs that don't go so well...keeping things positive would be the greatest incentive”.

“Keeping up high standards of equipment such as engines, turnouts, etc.”

“No tax at all.”

“I do believe that a tax credit is very much in order for those who volunteer their time as firefighters.”

“More recognition at the county and State level...we do one hell of a job.”

“No taxes on any income generated while acting as a volunteer firefighter....I feel like I’m being penalized for providing a service.”

“Newer and better equipment to help us serve our community and find a way to keep our spouse happy.”

“Time off from my regular job treated like jury duty, rather than having to take vacation to perform fire department work.”

Question 11: Where do you see your agency in ten years?

A cross section of responses is given below:

“Consolidated with other Divide [local neighboring] departments”

“About the same with different people”

“Absorbed by another agency”

“The only change I see is a consolidation with Garden Valley [FD]. This would be positive for all involved such as volunteers, paid, community”

“The leadership for our department has been excellent. The continuation of excellence in planning, apparatus improvement and personnel training will assure a very “professional” volunteer fire department.”

“A combined agency of paid and volunteer firefighters working to provide quality service to the Divide”

“...ever increasing political and regulatory mandates may severely limit our ability to do a good job for those people that need our service”

“If the current course is followed, I see a slow death – less volunteers and less turnout to calls”

“ I see a well trained, well equipped volunteer fire department ready to meet the needs of a growing community.”

Most states in the United States leave incentives to the local agencies or smaller subdivisions of government rather than on a State level. Yet, those that do provide Statewide excursions do so on an approach that requires performance. The best examples are Maryland State and Kentucky State.

According to the survey results from the local volunteers, it was interesting to note that an income tax credit, would not be the primary reason a volunteer would continue to serve. However, the concept was well supported by almost all of those who responded to the survey. Many of the respondents' felt that an income tax credit would help make the time commitment less of a burden.

The incentives provided by the State of California are very limited. The only tangible program supported directly by the State is the Length of Service Award Program and it too must be funded through the local agency.

The top five alternative incentives are listed in order are: Retirement Length of Service Award Program, Increase training, More recognition by community, county and state, Provide run money, Consolidate with other local agencies.

Discussion

Combination agencies such as Georgetown Fire District have the advantage that they keep fire protection costs low. Special leadership skills are required because combination departments differ from strictly volunteer or fully paid departments. Conflicts between paid and volunteer personnel are not uncommon. In a job task that requires high levels of team work and cooperation, these conflicts can lead to significant management problems.

Reality, of course, is that ultimately taxpayers determine the levels of service they are willing to fund. The conflict arises when one compares what really happens to local tax dollars when exploited by State bureaucrats. A certain expectation of the taxpayers is that those officials charged with providing the services that are funded by local taxes are going to get (or should get) exactly what they are paying for. Because of the ERAF tax shift in 1992, local tax dollars went to the state to offset enormous red ink. The argument was that all local cities, counties and districts are sub-divisions of state government, therefore the state can choose what to do with those dollars. Unfortunately, local governmental agencies were left with less tax dollars to provide essential services and state politicians now have more discretion over available dollars. The average taxpayer is unaware of the fact that the local agencies have lost substantial amounts of revenue. The net effect is that local agencies are left with a destabilized funding stream that sets precedents for future tax dollar grabs. Local control or decision making then is lessened or potentially lost.

When an agency such as Georgetown relies heavily on volunteer firefighters in the first place it is obvious the money to operate the District is at a premium. To have the state take away 10% of its already slim budget is the wrong message to send to the volunteer firefighters. Not having proper apparatus, equipment and safety gear can truly be disheartening. The District's ability to fund incentives is diminished substantially. This issue only intensifies the concerns of volunteer firefighters and incentives or disincentives that state government provides. A stabilized funding stream and political support at the state level for volunteers would help tremendously. What message are we

sending to people who put their life on the line for the benefit of others for little or no reward?

Maryland is perhaps the best example of strong incentives and rewards for its volunteer firefighters with a strong income tax incentive that is point based and state supported. In other words, there are many ways a volunteer could earn the tax credit and benefit the community simultaneously.

One problem with length of service awards is the fact that society has changed and the incentives have not. The days of people staying in the same community all their lives is going by the wayside in California. People are busier in general and two spouses working to make ends meet is not uncommon. The societal issue, when coupled with the increasing fire training requirements, much higher liability exposures and higher performance expectations, are all disincentives to volunteer firefighters. Thus, a service award based on a twenty year span of service or more, could be construed as little or no incentive today. However, the survey clearly showed that many respondents thought that a LOSAP would be a good incentive to promote volunteer longevity.

It is apparent that for an Income Tax Credit to be successful in the State of California there must be strong support for the concept (and the costs associated thereof) from many diverse interests at the state level. While it would require an inordinate amount of work to have a successful passage of a statewide credit, it is feasible that such a concept could be enacted.

Recommendations

The Georgetown Fire District needs to re-evaluate the incentives being provided to its volunteer firefighters. It is recommended that a committee be formed to develop new incentives given the parameters of this report.

A part of this committee's work should include the possibility of a call stipend or run money. The ramifications to be investigated should include costs, actual incentive provided and if there would be any foreseeable conflicts with FLSA.

These incentives should clearly take into consideration the changing demographics of the community and develop incentives that meet the needs and finances of the Fire District.

Training is a strong incentive. The District needs to continue to promote training and make the training available to the volunteers when the volunteers are available. The "fun-factor" needs to be fully exploited during the training and drilling. Having a Training Officer on more than a "volunteer stipend" basis would be beneficial. This position is a key element of success for a volunteer fire organization.

The development of legislation to create an income tax credit for volunteers needs to be pursued. Knowing fully that the process could entail several years and require broad based support, the concept should be fully endorsed by all local agencies within the County of El Dorado, conceptually, via the County Fire Chiefs' Association. The County Chiefs' should carry the concept to statewide fire service organizations to engage discussion and support for draft legislation. It would be up to the statewide organizations to carry this legislation through the state process.

It would be of value to determine the exact nature of the Canadian Federal tax credit that is provided their volunteer firefighters. Efforts should be made to continue to learn what it is and does exactly.

The District should give consideration to a Length of Service Award Program. This program appears to have support from many of the volunteers surveyed. The District should fund the cost of an actuarial to determine the costs associated with implementing the program, including the possibility of buying back the time for tenured volunteers.

More recognition by local communities, counties and the State for its volunteer firefighters is also strongly recommended. The committee formed by the District should develop new recognition incentives to implement.

Strong effort should be made to encourage the current Legislature to undo the ERAF Tax Shift. The State of California currently has a budget surplus of an estimated 3 billion dollars. The local agencies desperately need to have those dollars returned. All local government should make a concerted effort to effect new legislation in order to eliminate or reduce the on-going effects of that shift.

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Appendix A

DISTRICT LETTERHEAD

«Title» «FirstName» «LastName»
«JobTitle»
«Address1»
«Address2»
«City», «State» «PostalCode»

April 24, 1998

Dear «Title» «FirstName» «LastName»,

I am writing to you as part of a project for the National Fire Academy Executive Fire Officer Program. I am conducting research for a project in California pertaining to volunteer firefighter incentives.

Specifically, I wish to know if:

1. Your State has a tax credit incentive for volunteer firefighters
2. What methodology is used for awarding the tax credit
3. What the cost to your State has been on an annual basis
4. The text of the law that allows for the tax credit.

Time is of the essence in this project. Thanks for taking time out of your busy schedule to help. The information you provide will be referenced out of the National Fire Academy Resource Center in Emmittsburg, MD, upon completion of this project. In addition, I am hopeful that this project will culminate in legislation in support of volunteer firefighters in California.

Yours truly,

Rick Todd, Fire Chief

APPENDIX B

«FirstName» «LastName»
«Address1»
«City», «State» «PostalCode»

April 24, 1998

Dear «FirstName»,

I am writing to ask for your help. As part of an applied research project for the National Fire Academy Executive Fire Officer Program, I am seeking information. Your input based on information provided in the attached survey will become a part of the final report.

Specifically, I am researching the feasibility of a tax credit for volunteer firefighters in the State of California. Be assured your answers will remain anonymous.

Please take a few minutes to fill out the survey and return to me in the enclosed, self-addressed envelope. Thanks in advance for your help with this project.

Sincerely,

Rick Todd

SURVEY (Appendix C)

1. How long have you been a volunteer firefighter?
 1-3years 3-5years 5-7years 7-10years >10 years

2. What is your current rank or job title?
 Firefighter
 Engineer / AO
 Captain
 Chief Officer

 Other training includes (check all that apply):
 EMT HazMat Specialist
 Paramedic HazMat First Responder

3. What is your primary reason for being a volunteer firefighter?
 Service to community

 The challenges / dangers / excitement of fighting fire

 The social / fraternal aspects of being a volunteer firefighter

 A stepping stone into a full-time paid position or career

 Other, please describe: _____

4. The amount of time that your agency's current training requirements entail are:
 Excessive

 About right

 Not enough

5. Is the amount of training required an incentive or disincentive?

6. Describe how you see the future of volunteer firefighters within your agency:

7. Would a tax credit on your State Income Tax return provide more incentive for you to continue service as a volunteer firefighter?

_____Yes

_____No

8. If a State tax credit was provided as an incentive for volunteer firefighters, would a point system to earn the tax credit encourage your participation:

_____More

_____About the same

_____Less

9. In your opinion what is the single biggest reason volunteers leave the fire service?

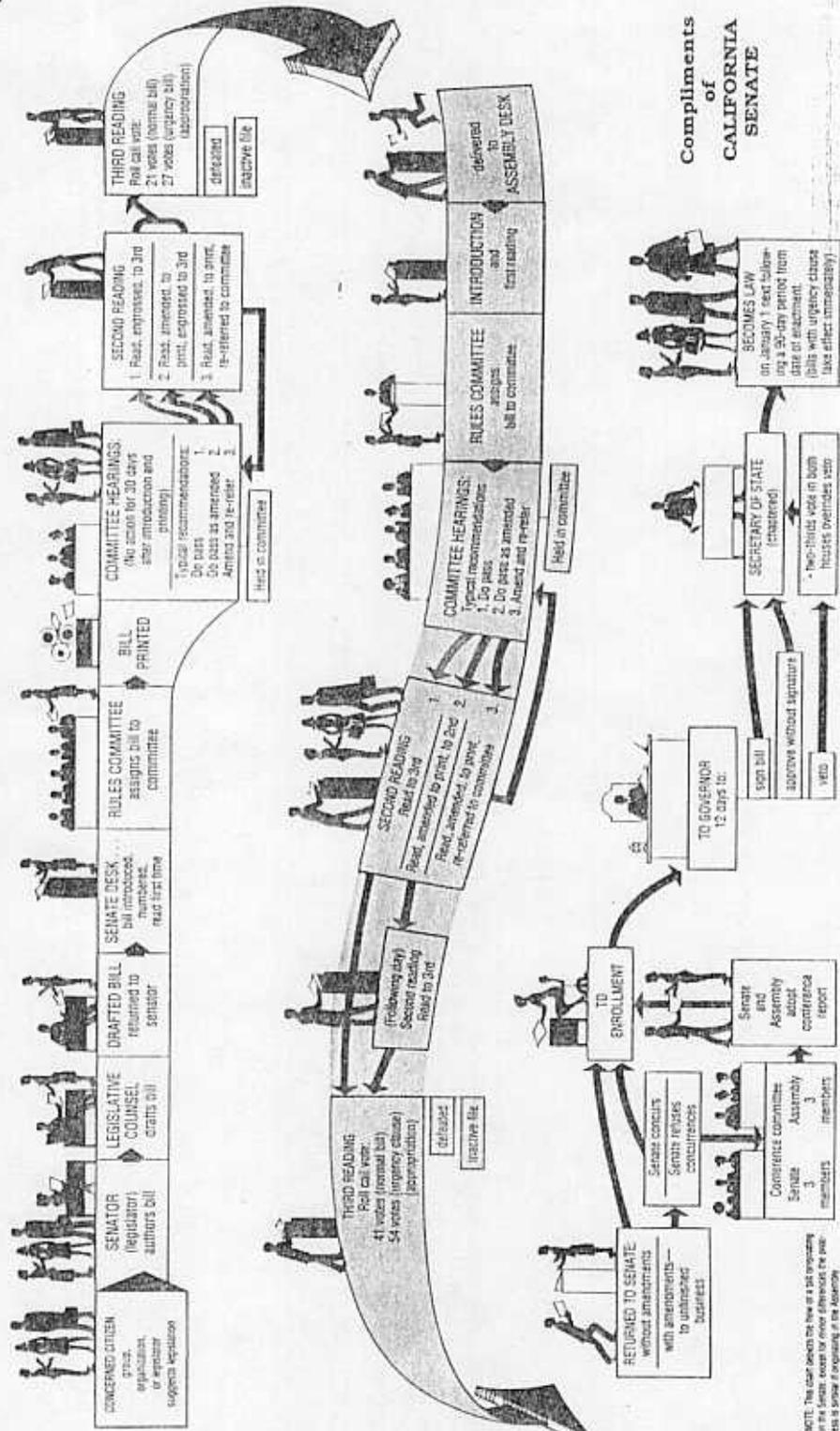
10. In your opinion, what would provide a better incentive to volunteer firefighters besides a State Tax credit? Please describe:_____

11. Where do you see your agency in ten years?_____

THANKS FOR TAKING TIME OUT OF YOUR SCHEDULES TO FILL OUT THIS SURVEY! PLEASE RETURN NO LATER THAN MAY 5, 1998.

HOW A BILL BECOMES LAW

(A simplified chart showing the route a bill takes through the California Legislature)



NOTE: The chart shows the flow of a bill originating in the Senate, except for minor differences the procedure is similar if originating in the Assembly.

APPENDIX E

VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD SYSTEM

P.O. Box 942705

Sacramento, CA 94229-2705

Telecommunications Device for the Deaf - (916) 326-3961

(916) 326-3685; FAX - (916) 326-3270

June 15, 1998

Georgetown Fire District
P.O. Box 420
Georgetown, CA 95634
Attention: Rick

Dear Rick:

Thank you for your inquiry regarding participation in the CalPERS Volunteer Firefighters' Length of Service Award System.

The Volunteer Firefighters' Length of Service Award Act (Government Code Section 50950 et. seq.) was passed by the California Legislature in 1979 and established the basic framework upon which the Award System operates. The function of this Award System is one of managing the Award program and the investment pool made up by all of the contributions to this Award System.

The Award System offers contracting departments benefits for their volunteers who have completed a term of service specified by law. A volunteer is defined as any person registered as a volunteer member of a regularly organized fire department.

The individual contracting department has the responsibility for providing sufficient funds to pay annual benefits (which are fixed by law). An actuarial valuation is required to determine the contributions for the department. Contributions are paid annually, by the department, based on those volunteers reported as participating during the July 1 through June 30 service year.

The basic contract with the Award System enables the department to offer, to its volunteers, credit for service rendered after the date of the contract. An option that may be added provides for the purchase of up to 8 years of service credit for service performed prior to the date of the contract.

A volunteer of a contracting department will qualify for an award by earning service credit in the System. One year's current service credit is earned by a member's active participation during a service year in the fire department activities such as training drills, responses to emergency calls, attendance at official department/association meetings. A volunteer can also receive credit for service prior to the effective date of the department's contract if the department contracts for this option. Up to eight years prior service can be credited for a volunteer. Prior service must be certified by a qualifications review commission set up in each department and can only be credited in addition to current service.

A minimum of ten years service credit is required to qualify for an award. This service credit can be a combination of prior and current service.

WHAT ARE THE BENEFITS?

At age 60, and when a volunteer has earned a minimum of 10 years of service credit (whichever is later), the volunteer may submit an application to the Board to begin receiving the award. The award is currently one hundred fifty dollars per month for life if the volunteer has 20 years of service credit. It will be reduced proportionately for service less than 20 years. The current minimum award is seventy-five dollars per month for volunteers with 10 years of service.

HOW TO CONTRACT

Enclosed you will find "Procedures for Contracting with the Volunteer Firefighters' Length of Service Award System". Please read through this information. If you wish to initiate contracting procedures, complete the enclosed "Data for Actuarial Valuation" form. This information is necessary to determine the estimated cost for your department to contract for the award system.

The Volunteer Firefighters' Length of Service Award Act (Section 50975) provides that a department may terminate its contract with the Board by an ordinance adopted by the affirmative vote of a majority of the electorate of the area served by the department, or by a resolution if the governing body is authorized to act by resolution.

Please read through the information I have provided and feel free to contact me, Monday through Wednesday, at (916) 326-3685, if you have further questions.

Sincerely,



Nancy Massa-Michaels, Administrator
Volunteer Firefighters' Length of Service Award System

Enclosures

National Fire Programs

UNITED STATES FIRE ADMINISTRATION



Program	Public Safety Officers' Benefits Program
Agency	Office of Justice Programs, DOJ
CFDA number	16.571
Type	Direct payment with unrestricted use
Chapter	Direct Financial Assistance-Ch1
Description	To provide a \$134,571 death benefit to the eligible survivors of Federal, State, or local public safety officers whose death is the direct and proximate result of a personal (traumatic) injury sustained in the line of duty. The Act also provides the same benefit to a public safety officer who has been permanently and totally disabled as the direct result of a catastrophic personal injury sustained in the line of duty. The injury must permanently prevent the officer from performing any gainful work.
Eligibility	<p>Death benefits are provided to eligible survivors of Federal, State, or local public safety officers and disability benefits to eligible public safety officers whose permanent and total disability is the direct and proximate result of a catastrophic personal injury sustained in the line of duty. A public safety officer is a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, or member of a public rescue squad or ambulance crew. Law enforcement officers include but are not limited to police, corrections, probation, parole and judicial officers. Volunteer firefighters and members of volunteer rescue squads and ambulance crews are covered if they are officially recognized or designated members of legally organized volunteer fire, rescue or ambulance departments.</p> <p>Disabled public safety officers and eligible survivors of deceased public safety officers in the District of Columbia, Puerto Rico, Guam, Virgin Islands, American Samoa, the Pacific Trust Territories and the Northern Mariana Islands are also entitled to benefits under the act.</p>
Contact	<p>Director Public Safety Officers' Benefits Program Bureau of Justice Assistance Washington, D.C. 20531</p>
Telephone	(202) 307-0635
Web address	http://www.ojp.usdoj.gov
<u>Return to previous page</u>	