



By Frank Shafroth

Containing Fire Costs

The tab for running fire departments is steep—and tipping toward unaffordable.



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Firefighting is expensive. In the past 30 years, the costs for key pieces of equipment have jumped more than fivefold. And that's the least of it. The time and training to become a certified firefighter have increased. Volunteers, who make up roughly 70 percent of fire department personnel, not only pay for their own training but also face additional indirect costs, such as temporary lodging, lost time at work and medical expenses. Not surprisingly, a growing number of localities are confronting a significant decline in volunteer firefighters.

A recent report from Pennsylvania, where 96 percent of all fire companies are fully staffed by volunteers, spells out the problem. The state's 72,000 volunteer firefighters provide services with an estimated annual tax savings value of \$6 billion. But those savings and systems, as the report notes, "are creating increasingly serious challenges," including a decline in the number of active volunteer firefighters (down from 152,000 in 1985 to 72,000 today); difficulties in funding, with volunteers spending 60 percent or more of their

available hours on fundraising activities; and unnecessary and inefficient duplication of firefighting equipment.

Pennsylvania may have the highest percentage of volunteer firefighters but most states have similar problems, particularly in nonurban areas. Nationally volunteers or paid on-call firefighters predominate in fire departments that protect fewer than 25,000 people.

The question for state and local leaders is how do they protect these systems and help pay for the rising costs volunteer firefighters are increasingly unable or unwilling to assume?

In Florida, Minnesota, New Mexico and a few other places, the state offers stipends to volunteers to cover time spent training, the cost of travel and overnight or on-call services. In New York, the state grants volunteer firefighters property tax abatements, income tax credits and \$50,000 in death benefits if they die in the line of duty. Most states allow volunteer departments to provide workers' compensation, often through state-run programs. Increasingly, there is pressure to define

volunteer firefighters as public employees and offer them public pensions and post-retirement health-care benefits.

Then there's Texas, where 75 percent of the firefighters are volunteers. Throughout the state, financing of fire departments varies widely. Some tiny departments make do with bake sales and fish fries; larger ones find funding through agreements with their municipality or county. Some departments raise the money to pay for their fire needs by adding (unconstitutionally in most cases) a fee onto water bills. But with increasing frequency, Texans are funding emergency services through a special taxing district—an emergency services district (ESD) that can levy property and sales taxes. The trend is so pronounced that special districts in the Lone Star State collect almost as much property tax revenue as cities.

Depending on how urban the area is, the district might create paid departments and/or give funds to volunteer departments. This, in turn, is creating governance quandaries over taxing, especially when cities expand into heretofore "rural" areas. If a city annexes into an ESD and leaves the special district in place, the ESD gets to keep its share of local sales taxes. If a city annexes into an ESD and dissolves the district in that area, the city has to pay cash for any ESD assets serving the area.

Pennsylvania's report recommended regionalization of fire services by adding a technical assistance unit in the State Fire Commissioner's Office, which would be the lead agency for the system. Instead of hundreds of tiny different municipalities having their own forces, one large fire force in a region would serve all the communities within its bounds. That might prove to be a far more effective and financially sound way to respond to the next 911 call. **G**

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