



# CHAPTER NINE

## SUMMARY AND OBSERVATIONS

Most career fire and rescue departments today do not depend on a single source of revenue for funding fire protection and EMS. The same is true for volunteer departments — there is usually a package of funding approaches. This manual has provided both career and volunteer fire and EMS agencies with a variety of ideas about funding alternatives. This chapter covers some final thoughts and observations about funding alternatives for fire and EMS agencies.

### CAREER DEPARTMENTS

Perhaps most typical for career departments, the local government provides a budget for the fire department from general revenues and the fire department supplements that with a variety of fees for special services. The package of funds other than the portion from general revenues often amounts to less than 10 percent of the budget.

Increasingly, especially in states where property taxes or other taxes have been limited by state legislation, other sources are sought that provide a significant part of the budget. The benefit assessment charges used in states such as Washington to get around limitations on property taxes are good examples; they often provide up to 40 percent of the funding of the fire departments that use them.

Prevention now is often funded in part by inspection fees, and sometimes by a broader range of fees than that. Many prevention-oriented fees are used not only to raise monies, but also to help deter fires, hazardous materials incidents, and false alarms, and to punish code vio-

lators. Because prevention budgets are generally low, typically less than 3 percent of a fire department budget, the prevention-oriented fees can provide a significant portion of prevention budgets, though they tend to comprise a small amount of the overall department budget.

Emergency medical services are increasingly becoming self-supporting, or at least paid to a large extent by the users. Emergency medical transport is now frequently paid for by a transport fee or subscription service that at least covers the incremental cost of providing the transport, and sometimes pays for part of the basic medical service as well. Fees for EMS care without transport are also on the raise. The majority of EMS fees are paid by medical insurance.

Many states offer grants, loans, services-in-kind (especially training) and access to federal grant programs to their local fire and EMS agencies. The state fire marshal or equivalent office and the state EMS coordinator's office are two starting points to check, but a variety of other state offices such as health, occupational safety, forestry, and transportation also may have programs. The available federal programs are described in several publications that be consulted.

Private sources such as corporations and foundations are good sources for funding capital purchases, pilot programs, and prevention resources. The local private sources should be researched and groomed over time. Local media can help publicize and “reward” donors.

Innovative funding approaches are not restricted to large departments. In fact, large departments often are



tied up by local legislation and politics and may use a more limited range of approaches than some smaller departments.

### **VOLUNTEER DEPARTMENTS**

Volunteer departments have traditionally been highly creative in fundraising efforts. The funding for volunteer and combination departments varies dramatically from community to community. Some communities pay for all expenses of volunteer departments (other than labor), and some pay nothing.

Volunteers may have the freedom to go beyond career departments in raising funds from the public. Some volunteer departments are largely funded by door-to-door or direct mail solicitation. Others largely depend on special fund raising events ranging from carnivals to picnics to sports events. Sales of goods and services, in which the fire department shares proceeds with a vendor, is also common.

The particular approaches that are most profitable depend on the nature of the community, local history and what proves most palatable to the public. Volunteer department special events may be a significant, welcome addition in a small community but may not work as well in suburbs — there are counter-examples of each.

A variety of methods should be considered, and those most cost-effective retained. The volunteer time involved in fund-raising must be respected so that it is not a problem in retention and recruiting. Volunteers who like to run events or are willing to help raise funds and

may not necessarily want to be firefighters or emergency medical service providers can be of great assistance.

### **OVERALL OBSERVATIONS**

Considering the many fire and EMS department fund-raising programs reviewed in this manual, the following observations are offered:

- 1) Funding is a critical issue in the fire service and among emergency medical service providers today. They need all the help they can get in finding ways to raise funds to provide adequate emergency services at a time when local government budgets are extremely tight and often being reduced in many sections of the country.
- 2) Local fire and EMS departments should evaluate the wide array of techniques available to them, and consider which might be added to their existing repertoire. This is a life safety issue. You can't put out fires or save heart attack victims without the resources and equipment to do it, and those forces and equipment depend on funding. Raising adequate revenues is as important for the life safety of the community as providing the proper training.
- 3) Most local fire and EMS departments are using a package of fundraising sources. There are usually one to three major sources and a variety of minor sources.



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| <p>4) <u>Local fire and EMS departments should make it a point to share methods for fundraising with each other.</u> Report successful methods to the local, state and federal fire and EMS publications and periodicals and at conferences and meetings. Share your funding alternative ideas with the United States Fire Administration as well, so that the USFA can continue to update this manual for fire and EMS agencies across the country.</p> | <p>port fees are highly dependent upon how health insurance gets paid. The fire and emergency medical service providers should consider participating more in the discussion on health care costs, and at a minimum monitoring it carefully for impact on EMS costs and fee structures. Charges for medical and transport services can go a long way toward offsetting shortages in general revenues. On the other hand, turning off the spigot of insurance for non-critical transport could cause a surge requirement in taxes.</p> |
| <p>5) <u>Many of the alternative funding sources identified here are ways to cope with diminishing public/government funding.</u> It would be simpler to have one funding source instead of dealing with many. However, the public may be more willing to pay taxes or fees earmarked for public safety than other services. And the public may prefer user fees to direct taxes. That is their democratic choice.</p>                                   | <p>8) <u>Collection methods must be considered in adopting new fees.</u> It would not be wise to have collection costs consume a large portion of the fees to be collected unless the primary purposes of the fees are deterrents rather than cost recovery. The net amount of money received, not the gross amount billed, is the key financial statistic for a new source.</p>  |
| <p>6) <u>Some funding sources come with challenges and problems.</u> Departments need to carefully consider the tax implications, long term commitments, time and resource issues, legal constraints, and public image associated with new funding approaches.</p>   | <p>9) <u>Fire and EMS departments need to be aware of state and local legal constraints on revenue raising.</u> The fire service needs to express its views on the need for authority to raise funds in ways acceptable to the public. Benefit assessment charges are legal in some states and not in others.</p>   |
| <p>7) <u>Funding for emergency medical service is — or should be included — in the general health care cost debate.</u> Since EMS calls can constitute up to 60 to 75 percent of the emergency calls in many fire departments today, the method of paying for EMS may have a large impact on the fire/EMS service of the future. Subscription plans and trans-</p>   | <p>10) <u>Fire academies might consider adding more information on alternative funding sources to management courses.</u> A full course may even be justified on that subject, which has become of grave importance in many communities.</p>  |



- 11) Lack of funds in local government can be used as an opportunity to rethink how fire protection and emergency medical services are delivered. More efficient ways to provide the same or even better levels of service, such as through strategic alliances or cost-sharing among neighboring communities, may become feasible or even necessary. The discussion of alternatives to funding fire and EMS services may be a good time to discuss alternative approaches to service delivery and the levels of service.
- 12) The selection of fundraising mechanisms, the strategy for fire protection, and the balance between prevention and suppression are intertwined. This is an excellent time to inform the public of its responsibility for preventing fires through safer behaviors, cooperating in arson control efforts, and the option of building in more fire safety into homes. Some of the fees discussed in this report can be used as deterrents to unsafe behaviors.
- 13) The choice of funding alternatives affects the viability of the career and volunteer fire service. If a community does not adequately support its volunteers, it may have to pay a much larger bill either in built-in fire/EMS protection or in paying for career protection. Conversely, if a community does not adequately support its career fire/EMS service, it needs to consider the viability of reverting to more dependence on volunteers or to accept higher risks. Public debate on alternative funding should consider these ramifications.

- 14) The choice of funding approaches is a major political decision of an appropriate sort in a democracy. Should citizens pay a common fee into a general fund, with the service going to whomever needs it? Should the citizens pay for services when needed, and not have non-users subsidize users? What happens to low-income families under either philosophy? What happens if one needs a large amount of fire protection or EMS service? The philosophy behind our fundraising approaches involve issues of governance as much as it does finance and economics.

*The way we join together and help each other is the root of civilization; the approach to funding public safety is fundamental, and should be addressed with due care.*

**AN APPEAL TO READERS**

The U.S. Fire Administration would greatly appreciate hearing about other successful ways to raise funds for fire protection and emergency medical service beyond those in this comprehensive report on the subject. The USFA would also like to know about variations on the methods presented here, interesting examples, and significant new problems or advantages beyond those cited here. Please send any information on this subject to:

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