

# SJR 21 Study of Local Fire and Emergency Services

## Summary of Information Provided to ELG as of April 2016

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### Workers' Compensation for Volunteer Firefighters

*Issue information provided by Montana Fire Alliance, DNRC*

- Many local fire agencies are unable to purchase workers' compensation for volunteer firefighters.
- DNRC and counties enter into agreements as part of DNRC's County Co-op Program whereby local fire agencies receive firefighting equipment and training. Part of agreement is that anyone operating equipment must be covered.
- Recruitment and retention of volunteers is hampered by local agencies' inability to provide benefits.

| Potential Options   | Fiscal Considerations  | Other Considerations  | Legislation Required to Implement? |
|---|--|---|------------------------------------|
| Require workers' compensation coverage for volunteer firefighters; divert portion of Fire Insurance Premium Tax revenue to fund to be used to help local fire agencies purchase coverage; provide for means test. | LFD estimates that 12% of the tax collections would be \$661,973 in FY 2018 and \$686,688 in FY 2019.<br><br>LFD also predicts that a diversion such as this should not decrease revenues to the general fund; rather decrease the rate of growth resulting from this tax. | Executive Branch resources required to administer the cost-share assistance program.<br><br>What about local agencies that have already dedicated resources to purchase workers' compensation? Would they be eligible to apply? | Yes                                |
| Require workers' compensation coverage, provide for non-voted levy to pay for it, exempt from 15-10-420.  | Local tax burden.  | SB 54 (2013) had similar provisions and failed in the Senate.   | Yes                                |

| Potential Options  | Fiscal Considerations  | Other Considerations                 | Legislation Required to Implement? |
|--|--|--------------------------------------|------------------------------------|
| Require workers' compensation coverage, require voted levy.                                      | Local tax burden; if levy fails, local government has to find another way to pay.  | Potential unfunded mandate.          | Yes                                |
| Require workers' compensation coverage, apply state general fund money to assist local agencies. | Impact would depend on whether means test was applied.<br><br>The bill would have to specify how much would be appropriated. | Desired use of general fund revenue? | Yes                                |
| ELG recommendation, reflected in letter or final report.   | None   |                                      | No                                 |
| <i>Other?</i>  |  |                                      |                                    |

**Emergency Medical Services**  
*Issue information provided by DPHHS, EMS Systems*

- Workforce recruitment and retention and workforce depletion due to aging and retiring volunteers (workforce problems similar to volunteer fire agencies).
- Educating and training EMS providers is time and labor-intensive. Distance learning for these providers--important in rural areas-- is not always available.
- Funding is limited.
- EMS services are reimbursed only for the costs of transporting patients to the emergency room; reimbursement is not available for readiness costs.

| Potential Options  | Fiscal Considerations  | Other Considerations  | Legislation Required to Implement? |
|--|--|---|------------------------------------|
| Community paramedicine pilot project.  | Unknown. North Dakota's legislature appropriated \$276,600 from the general fund for an FTE to implement a pilot project and to fund educational start-up costs for the 2013-2015 biennium.  | Community paramedicine has been a topic of discussion by the Board of Medical Examiners.  | Yes                                |
| Provide incentives for volunteer providers similar to those offered by the 2008 Children, Families, Health and Human Services Interim Committee. Committee bills included: <ul style="list-style-type: none"> <li>■ License plate tax credit (did not pass)</li> <li>■ Tax credits for volunteer EMTs (did not pass)</li> <li>■ Grant program (HB 85 in 2009 created a program with a \$1 million appropriation from the highway nonrestricted account.</li> </ul> | The fiscal note for the tax credit bill estimated a net impact to the general fund of \$120,000 each year for fiscal years 2011-2013.<br><br>The fiscal note for the special license plate estimated a net impact to the general fund of \$31,680 in fiscal years 2012 and 2013. | Tax credit bills have generally been unsuccessful.<br><br>HB 85 (2009) was enacted and remains in statute. The Emergency Medical Service Providers Grant Program (Title 61, chapter 2, part 5) is administered by the Department of Transportation. | Yes                                |

| Potential Options   | Fiscal Considerations  | Other Considerations   | Legislation Required to Implement?  |
|---|--|--|-------------------------------------|
| Request a study focusing on the state of Montana EMS services (staffing, funding, other challenges), develop consensus on the primary challenges and potential solutions - <i>suggested by Jim DeTienne, DPHHS EMS services</i> | No fiscal impact if in the form of a study resolution. A study bill requires an appropriation. | Interim study subject to legislator polling, ranking. A similar study was conducted by the Children, Families, Health and Human Services Interim Committee | Yes. Could be a bill or resolution. |
| Consider funding of implementation of EMS manager education and support medical director education and assistance. - <i>suggested by Jim DeTienne, DPHHS EMS services</i>   | Unknown  |  | Probably                            |
| Consider support of regionalized EMS education and distance learning for EMS providers. - <i>suggested by Jim DeTienne, DPHHS EMS services</i>  | Unknown  |  | Possibly                            |
| Consider establishing a retirement program for volunteer providers, similar to retirement benefits provided to volunteer firefighters. - <i>suggested by Jim DeTienne, DPHHS EMS services</i>                                   | Unknown. A funding source would have to be explored and identified.                            |  | Yes                                 |
| ELG recommendation, reflected in letter or final report   | None   |  | No                                  |
| <i>Other?</i>   |  |  |                                     |

**Wildland Fire Contracting**  
*Issue Information provided by wildland fire contractors*

- USFS contracts local agencies first, resulting in fewer days of activity for contractors, making employee retention and paying expenses difficult.
- USFS contracts require certain staffing levels, training, and vehicle operator requirements (such as a commercial drivers' license).
- Operating costs are high and include workers' compensation, vehicle insurance, employee drug testing, vehicle repair and maintenance.
- Local fire agencies travel out of jurisdiction on contract with USFS.

| Potential Options   | Fiscal Considerations | Other Considerations  | Legislation Required to Implement? |
|---|-----------------------|---|------------------------------------|
| Committee recommendation to USFS.                                   | None to the state.    | State statute changes do not affect USFS operations or contract provisions. | No                                 |
| Legislative resolution urging increased use of private contractors. | None.                 |   | Yes (resolution)                   |
| ELG recommendation reflected in final report.                       | None.                 |   | No                                 |
| Other?  |                       |   |                                    |

## Structure and Function of Local Agencies

*Issue information provided by Chief Rich Cowger, Columbus Fire and Rescue; DNRC; MACo; and previous legislative studies*

- Volunteer fire agencies provide initial attack on vast majority of the state but volunteers are aging and retiring.
- Recruitment and retention of volunteers is difficult, with agencies able to provide little incentive.
- Employers are resistant to allowing volunteers time off.
- Volunteer fire agencies have limited funding and the benefits provided (retirement, stipends, workers' compensation in some cases) do not address everyday operational needs of local agencies.
- There is no statewide regulatory authority on training or physical fitness for volunteer firefighters, although the retirement statutes require a certain number of hours or training.
- Statutes governing fire districts, fire service areas, fire companies, and rural fire agencies should be flexible enough to allow for the most efficient use of limited local resources.

| Potential Options  | Fiscal Considerations                     | Other Considerations   | Legislation Required to Implement? |
|--|---|--|------------------------------------|
| Provide a mechanism to fund workers' compensation (see above)  | See above                                 | See above  | See above                          |
| Allow charging of fees for services.   | Local impact.                             | Local governments with general government powers would need explicit legislative authority to charge fees. | Yes                                |
| Allow impact fees to apply to local fire and emergency services.   | Possible impact on development community. | Currently impact fees may only be used for capital improvements.   | Yes                                |
| Establish statewide standards for physical fitness and training.   | May be local impacts.                     | Could result in fewer volunteers.  | Possibly                           |
| Identify additional areas in Title 7, chapter 33 that inhibit the most efficient use of local resources. | Possible local taxing authority impacts.  | HB 504 (2015), which was enacted, allows for consolidation of fire districts and fire service areas.       | Yes                                |

| Potential Options  | Fiscal Considerations  | Other Considerations  | Legislation Required to Implement? |
|--|--|---|------------------------------------|
| <p>Provide for incentives for volunteer firefighters, such as tax credits for volunteers, employer tax credits, allowed leave for state employees.</p> <p>The 2007 Fire Suppression Committee requested a number of bills aimed at assisting local fire agencies. They included:</p> <ul style="list-style-type: none"> <li>■ Special license plate, tax credits (SB 105 and SB 106 failed in 2009 Session)</li> <li>■ Grant program for volunteer fire departments (requested but never introduced)</li> <li>■ Allow leave for state employees who are volunteer firefighters when responding to an incident</li> <li>■ Allow volunteer firefighters to participate in county health insurance pool.</li> </ul> <p>None of these requests were enacted by the 2009 Legislature.</p> | <p>Any tax credit will have an impact to the general fund.</p> <p>The fiscal note for the bill (SB 106) to provide for specialty license plates and an income tax credit of up to \$120 for each volunteer who purchased the plates estimated an impact to the general fund of \$207,000 each fiscal year.</p> <p>The fiscal note for the bill (SB 105) to provide for income tax credits to volunteer firefighters and employers of volunteers estimated an impact of \$5.3 million for fiscal year 2011.</p> <p>The fiscal note for the bill to allow leave for state employees for incident response estimated an impact to the general fund of \$219,153 to \$230,248 from fiscal years 2010 through 2013.</p> | <p>Tax credit bills have generally been unsuccessful.</p> <p>It is still possible to propose specialty license plate legislation but much of that process is now handled by the generic speciality license plate program at the Department of Justice and the process occurs between DOJ and the sponsoring organization.</p> | <p>Yes, in all cases.</p>          |
| <p>ELG recommendation, reflected in letter or final report.</p>  | <p>None.</p>   |   | <p>No</p>                          |
| <p>Other?</p>  |  |   |                                    |