FIGHTING FIRE WITH FUNDING

The Urgent Need for Adequate Fire Service Resources in California

ENDORSED BY:

Fire Districts Association of California

California Fire Chiefs Association

California Volunteer and Combination Chiefs

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Executive Summary

The California Fire Service is facing a critical funding shortfall that jeopardizes the safety and preparedness of communities statewide. Fire protection districts and fire departments, which cover 125,782 square miles and serve over 39 million people, have seen service demand grow significantly over the last 50 years. Despite this, funding mechanisms have not kept pace, leaving fire agencies struggling to maintain staffing, equipment, and infrastructure. This document outlines key challenges and emphasizes the urgent need for action.

Key Issues:

- **Increased Service Demands:** Over the past five decades, fire districts have expanded their roles to include emergency medical services (EMS), hazardous materials incidents, and wildfire mitigation. This has led to increased costs for training, equipment, and specialized resources.
- **Rising Costs:** Labor, service, supply, and equipment costs have surged due to national standards, regulations, and climate change. These increased costs are not reflected in funding mechanisms, which have remained stagnant since the 1970s.
- **Funding Shortfall:** Fire agencies rely heavily on property taxes and service fees, which are insufficient to cover growing service costs. While special taxes and assessments are available, they are difficult to implement and unreliable for long-term planning.
- **Impact on Service Delivery:** Funding shortages have led to brownouts, increased response times, and deferred capital projects. The mutual aid system, which depends on local fire agencies, is becoming strained, risking statewide vulnerability during major emergencies.

Call to Action:

- **Collaborative Solutions:** The California Fire Service must collaborate to identify solutions to this funding crisis. All stakeholders must consult fire service experts and avoid developing independent solutions. Established associations like FDAC, CalChiefs and FIRESCOPE are already equipped to vet potential solutions.
- **Focusing on Funding, Not Equipment:** While fire engines are often prioritized, the key issue is funding, not equipment. The true need is to address historical underfunding and outdated legislative mechanisms that have led to this financial crisis. Solutions should focus on increasing funding to meet modern service demands, rather than adding more equipment without the resources to maintain it.

Conclusion:

Immediate action is needed to address the California Fire Service's funding shortfall. Solutions should be developed in collaboration with fire service experts. Ensuring fire districts are adequately funded is crucial to maintaining a safe and effective response system for all Californians and securing the service's future.

Introduction:

Fire protection districts and fire departments across the state of California—responsible for providing emergency response to a population of 39,327,546 and over a total service area of 125,782 square miles—now face a distinct crisis: a funding shortfall. The lack of necessary investments at the state, county, city, and district levels poses a genuine threat to public safety. This financial strain manifests in brownouts, increased response times, delayed infrastructure investments, layoffs, and station closures.

This funding challenge is not a recent development but has been compounded by decades of increasing the level of service without corresponding funding growth. The dynamic and evolving role of fire districts and fire departments throughout the state—now responsible for mitigating a variety of risks and managing diverse resources—contrasts starkly with the restrictive and stagnant funding formulas set since the 1970s. With fully professionalized operations offering higher levels of service in a more regulatory and constrained environment, California's fire districts find themselves on the brink of a financial crisis.

Secure and sufficient funding is crucial for ensuring fire districts and fire departments can continue serving their unique communities and is also essential for safeguarding statewide emergency response capabilities. Bolstering available funding mechanisms is a pathway to enhanced training, staffing, and resources, ultimately contributing to a safer California for all.

1. Level of Service Provided by Fire Districts has Increased Significantly Over the Past 50 Years:

In the 1970s, fire suppression was essentially divided into two distinct categories: rural and urban. Today, due to changes in demand and professional standards, firefighters must be equally trained and operationally ready to respond to a variety of risks.

- Professional standards developed over the past 50 years have dramatically changed how service is delivered to the community today.
    - A statewide certification system was implemented in 1982 to standardize professional competency requirements for all firefighters (career and volunteer). Training requirements for firefighters continue to change to meet community needs and mitigate evolving risks.
    - Response and deployment standards memorialized at the national level in 2001 included new standards on minimum staffing levels, performance objectives, and reporting requirements. Standards for firefighting equipment, apparatus, and personal protective equipment have also changed how service is provided, and resources are managed.
    - Labor standards have changed significantly since the 1970s, impacting wages, benefits, and working conditions. Some of the largest changes include advances in occupational health and safety standards to enhance protection of firefighters from injury and death.
- Demand for service has significantly changed over the past 50 years. Gone are the days where fire districts predominantly provide only rural and urban fire suppression.
    - The National Fire Incident Reporting System (NFIRS), a standardized reporting system implemented in the 1970's, now collects categorized data reflecting the dynamic response provided by fire agencies including fire, explosion, rescue, emergency medical services, hazardous conditions, severe weather, and natural disaster, among others.
    - Emergency medical service now accounts for the majority of call volume in the fire service. While EMS response was historically transport-only and, in many cases, provided by volunteer groups, today's fire service has adapted to meet the demand for sophisticated prehospital treatment and advanced life support

(ALS) transport.

- Over the past 50 years, shifting jurisdictional responsibilities and increased demand have cemented special operations into the scope of the fire service. Many fire districts throughout the state now bear the responsibility for hazardous materials response, water rescue, aircraft rescue firefighting, and search and rescue operations. This type of all-risk capability requires specialized training, vehicles, and equipment.

- Demand for wildfire response has skyrocketed over the past 50 years, reaching unprecedented levels in the past 10 years. In recent years, the statewide mutual aid system has been pushed to its limits, drawing record resources from local fire agencies to supplement response efforts.
  - Land use policy and climate change are contributing factors to the changing landscape in California as it pertains to wildfire risk. The expansion of wildland-urban interface (WUI) throughout the state has enhanced wildfire risk. Today, most jurisdictions are tasked with mitigating this enhanced risk in some capacity as more than 11 million Californians (approximately 25% of the population) are estimated to live in the WUI.
  - In the past, wildfire response was mainly ground attack and hand-dug fire lines. Now, to meet response demands, the fire service utilizes ground, air, and specialized equipment, including dozers, drones, etc., to combat the flames and safeguard life and property.

2. Policy Changes Have Impacted Cost to Provide Service:

Over the past 50 years, changes in the level of service provided by fire districts and policy changes at the federal and state levels have exponentially increased the cost of providing service. The impact of unfunded mandates is evident in ballooning labor costs, service and supply costs, and capital facilities and equipment costs.

- Labor Costs
  - As national deployment standards have changed over the last 50 years, so have the minimum staffing levels recommended for meeting response performance objectives. The need for increased staffing levels has been further compounded as development continues throughout the state and urban sprawl necessitates new service needs.
  - In addition to the minimum competency requirements standardized for new firefighters in the early 1980's, fire agencies must also support the ongoing training needs required to maintain professional proficiency – including rank advancement and special operations like water rescue, HazMat, technical rescue, etc.).
  - Over the past 50 years, the cost of wages and benefits has increased significantly due to changing labor standards, inflation, and the need to remain competitive in an environment of recruiting shortages.
  - Occupational health and safety standards may reflect some of the most consequential changes pertaining to increases in labor costs, as ensuring firefighter safety continues to be a primary issue for fire agencies. Changes in this area over the years have led to increased workers' compensation costs and, more recently, mental health and wellness initiatives.

- Service and Supply Costs
  - Perhaps the most unpredictable costs are service and supply, which rise and fall with market changes. Public contracting requirements significantly impact how services and supplies are procured, often increasing costs.
  - Changing occupational health and safety standards and changes to national standards for personal protective equipment have increased the costs for outfitting and equipping firefighters.
  - The technology boom from 1990-2000 led to changes in how technology is used in the fire service. Many

fire agencies were impacted by the cost of integrating technology into their operations and administration.

- Capital Facilities and Equipment Costs
  - Changes to community development statewide have permanently changed service needs and community risk. Land use and development policy changes, including open space requirements, development in the WUI, and high-density housing requirements, continue to significantly impact capital facilities and equipment costs as the need for new facilities and specialized equipment continues to grow.
  - In 1978, the state legislature implemented a single building code that ensured all building standards in the state were unified—the California Building Standards Code (Title 24). This code included various standards, including standards for structural integrity, safety, FFC ventilation, electrical systems, heating and air conditioning, accessibility, and many others. Title 24 has been repeatedly changed since then, most recently with added standards on energy efficiency and standards to combat climate change. These standards have significantly increased construction costs in California.
  - In 1986, the state legislature determined that buildings providing essential services should be capable of delivering those services to the public after a disaster. Essential service buildings (like fire stations) must now be designed and constructed to minimize fire hazards and resist the forces of natural disasters like floods, earthquakes, and wind. This unfunded mandate has significantly increased fire station construction costs.
  - In addition to building code and essential service facility requirements, added environmental investigation and mitigation requirements have increased construction costs and significantly impacted the planning and permitting process, extending project completion timelines.
  - Cost increases are not isolated to new facilities; expansion and remodeling of fire stations are rapidly becoming cost prohibitive as these projects are required to meet current building and environmental standards. The cost of bringing facilities "up to code" has led many fire agencies to defer necessary capital facility projects until the facility can be torn down and completely rebuilt.

3. Funding Has Not Kept Pace with Cost to Provide Service:

Fire service costs are primarily recovered through property taxes (fire suppression) and fees for service (EMS). Despite increases in the level of service and the growing costs to provide that service, mechanisms available to fire districts for recovering costs have not been responsive to these increases. The formula for funding fire suppression has been stagnant since the 1970s, and other available funding mechanisms do not offer the stability to implement long-term planning initiatives.

- Property Taxes
  - Before the passage of Proposition 13 in 1978, fluctuations in local governments' cost of doing business were stabilized by the ability to locally adjust property tax rates to account for changes in the market. While Prop 13 aimed to stabilize property tax rates and provide relief to property owners, it left local governments, including fire districts, vulnerable to market volatility.
  - The property tax allocation method established in 1979 by Assembly Bill (AB) 8 was based on the existing level of service and did not provide a mechanism for adjusting allocations to accommodate future changes to professional standards for training, response, and labor; future changes to demand for services and increased risks; and future capital investments necessary to support these changes.
  - As the level of service has expanded since the 1980s, the legislature's intent has been for fire agencies to be

less reliant on property taxes and more on special taxes and fees for service.

- Fees for Service
  - EMS delivery has always been fee-based; however, it has been directly related to hospital transport. Historically, transport fees have not contemplated future changes in professional standards and demand for service, specifically related to ALS's response.
  - As demand increased and emergency rooms became more impacted, wait times have dramatically increased in recent years. As a result, more fire agencies are becoming less reliant on emergency room transport and are providing more robust prehospital services for which no reliable cost recovery mechanism exists. Only recently has the widespread implementation of first responder fees been imposed to offset the cost of response and treatment on scene.
  - Fees for special operations services outside of fire suppression and EMS have no formalized mechanism for cost recovery as a matter of policy. Instead, they largely depend on a fire agency's ability to lobby and negotiate with other local jurisdictions.
  - In the 1980s, California created the Unified Program to protect Californians from hazardous waste and hazardous materials by ensuring local regulatory agencies consistently apply statewide standards. Many local regulatory agencies contract with fire districts to provide mitigation responses to hazmat incidents. While fire districts are entitled to full reimbursement, this is often not the case.
  - Ensuring fees cover the service cost continues to challenge fire agencies. The Mitigation Fee Act states that agencies may only collect fees proportional to the current level of service and provides a path for taxpayers to challenge fees. Ensuring that fees comply with state law typically requires a fee study, which can be burdensome to smaller agencies and often results in fee calculations that do not provide full cost recovery, leaving agencies to somehow fill the gap.
- Special Taxes and Assessments
  - While cities and counties can leverage sales and use tax measures to address funding shortfalls, special taxes and assessments are the only other cost recovery method available to fire agencies under existing state law and have been used historically to finance infrastructure and public services throughout the state.
  - In addition to changing how property taxes are assessed, Prop 13 also instituted restrictions on introducing new taxes – requiring a two-thirds vote by local governments and in some cases, by voters. Prop 218, passed in 1996, further restricted local agencies' revenue-raising efforts by requiring taxpayers or voters to approve all new or increased taxes, special assessments, and some fees by a two-thirds vote and adding additional procedures local agencies are required to follow. It also enabled voters to utilize the initiative power to rescind objectionable taxes, assessments, and fees, which continues to pose challenges to fire districts today.

4. Cost Recovery Challenges Disproportionately Impact Fire Districts:

The fire service's mission to protect life and property does not stop when funding runs short. Unlike many other public services, the acceptable margin of service reductions is razor thin and not without consequential impact on the community's safety. Service and sacrifice are woven into the fire service's culture, evident not only in the individuals who put their lives on the line but also in the sacrifices fire districts are increasingly forced to make to deliver that service.

- In order to fulfill its mission, the level of service provided by fire agencies throughout the state must be responsive to the community's ever-changing needs.
- Policy-driven changes have impacted the level of service required to keep the community safe and have increased service costs.
- There is a disparity in cost recovery for fire districts compared to fire service partners at the city and county levels,

as fire districts have fewer cost recovery methods available.

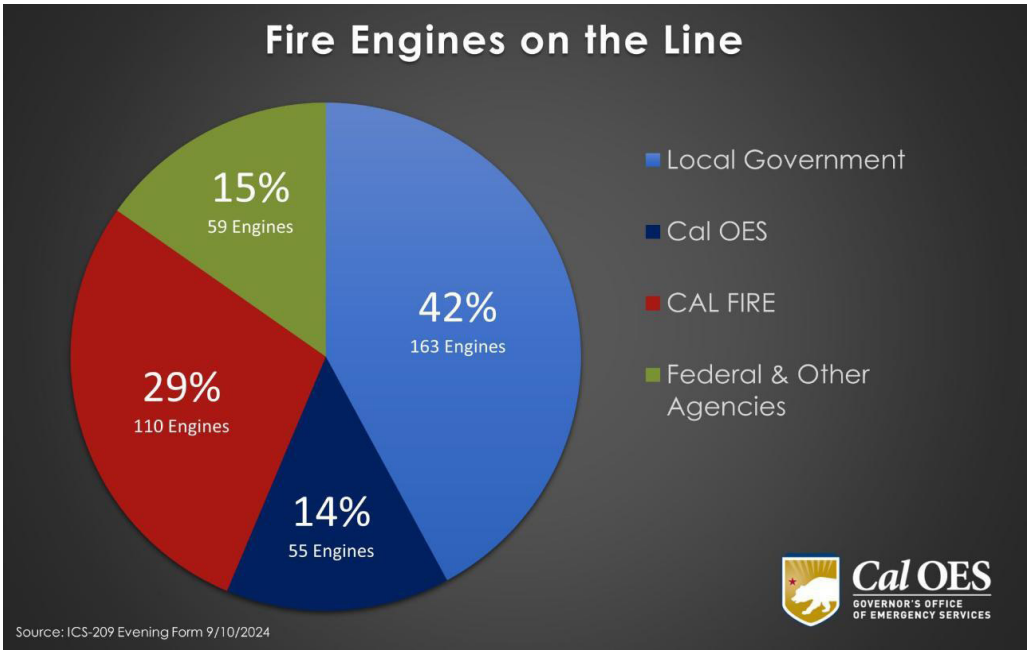
- Cost recovery for policy-driven changes to service levels is inadequate, as the primary mechanisms available to fire districts for recovering costs (property tax and service fee) do not account for these changes. Other available cost recovery methods to fire districts (special taxes and assessments) are burdensome to implement, under constant scrutiny, and less dependable as long-term funding sources, diminishing the ability for fire districts to actualize long-term strategic planning for services, station construction, etc.
- While services have continued to expand, funding has not grown at parallel levels. Budget constraints have led to challenges in maintaining staffing levels, upgrading equipment, and conducting necessary training programs.
- Due to relentless funding challenges, fire districts have been forced to prioritize maintaining existing service levels and deferring necessary capital facility and equipment projects.
- Without addressing this funding crisis, fire districts may be unable to continue providing services that are responsive to community needs and in compliance with established standards.

5. Adverse Impacts on Local Fire Agencies Increase Statewide Vulnerability

The statewide mutual aid system leverages the resources of local fire agencies to safeguard lives and property throughout the state. While fire districts are primarily responsible for protecting their own jurisdiction, there has been an increased reliance on inter-agency automatic and mutual aid to deliver service. The impact is felt regionally and throughout the state when local fire agencies suffer.

- Staffing shortages continue to be a challenge for local fire agencies, exacerbated in recent years by increasing service needs and the COVID-19 pandemic. These shortages impact the ability to provide resources for mutual aid response.
- Deferred investments in equipment and apparatus also continue to challenge local fire agencies, resulting in unprecedented gaps in the mutual aid system.
- The mutual aid reimbursement process is becoming increasingly burdensome to local fire agency budgets as reimbursement delays exacerbate existing funding shortfalls.
- Funding shortfalls at the local level strain local resources, adding to the burden on the mutual aid system and passing it on to other local agencies participating in the mutual aid system.
- Vulnerabilities to the mutual aid system are growing, as evidenced by how often local agencies are unable to fill (UTF) calls for additional resources for mutual aid response. In 2020, the fire service in California experienced a staggering 19,435 UTFs, and in 2021 – while slightly better – saw 11,422 UTFs.
- Strained resources at the local level impact not only local agency budgets but also costs to the state. When local and state resources are exhausted, the state is left with no option but to utilize costly resources from outside the state and even the country.
- When resources are inadequate to tackle an emergency, locally or statewide, lives will be threatened, property is at risk, and what was once a manageable crisis may devolve into an unmitigated disaster.

This graphic highlights the crucial role that Local Government and Local Government-staffed OES engines play in California's firefighting efforts. With 42% of the total engines deployed coming from local agencies, it is clear that collaboration at all levels—federal, state, and local—is essential for effective wildfire response. Together, we can protect our communities and respond to the challenges of wildfire season.



Conclusion:

California's fire service—renowned for its emergency response capabilities, grapples with a unique and pressing disaster: a pervasive funding crisis. This crisis, fueled by insufficient state, county, city, and district investments, poses a tangible threat to public safety. The situation's urgency is evident in the real-world cracks seen today, in higher response times, infrastructure delays, service reductions like brownouts and station closures, and even layoffs.

A critical aspect of the fire service's resilience lies in collaboration, with local fire agencies forming over 50% of the mutual aid system. However, due to funding gaps, this system has unprecedented shortcomings, putting lives and property at risk when responding to emergencies. These challenges are manifested at the state level as the number of response requests returned as Unable to Fill (UTF) has reached staggering numbers in recent years, further evidence of a breakdown in local fire agencies' operational capacity.

The roots of this funding problem extend over decades, where the fire service has continued to increase its level of service, yet funding formulas have stagnated since the 1970s. Continuous challenges to other cost recovery mechanisms for fire districts only exacerbate the issue. As fire districts stand at the precipice of a financial crisis, ensuring proper funding is crucial for safeguarding the diverse communities that fire districts serve and maintaining statewide emergency response capabilities. Training, staffing, and resources that are responsive to community needs are directly tied to sufficient and secure funding for fire districts and are what will pave the way for a safer California for all.

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FIRE DISTRICTS
ASSOCIATION OF CALIFORNIA
1972