

2012



**ALFRED K WHITEHEAD
LEGISLATIVE CONFERENCE**

**FIRE FIGHTERS
ISSUES BOOK**

112TH CONGRESS • SECOND SESSION



INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

HAROLD A. SCHAITBERGER
General President

THOMAS H. MILLER
General Secretary-Treasurer

March, 2012

Dear Member of Congress:

On behalf of the 300,000 men and women of the International Association of Fire Fighters, I am pleased to provide you with a copy of our 2012 Legislative Issues book. Our nation's first responders face significant challenges at the federal, state and local level, and are directly affected by decisions that are made in Washington, D.C. This briefing book is intended to provide you with a better understanding of the perspective of the nation's professional fire fighters and emergency medical personnel on issues facing Congress in 2012.

From March 25 – 29, hundreds of IAFF members from across the country will come to Washington, D.C. to attend the IAFF's annual Legislative Conference and meet with their elected representatives. I hope you will take this opportunity to meet with your fire fighter-constituents to discuss the issues outlined on these pages, as well as the challenges they are confronting at the state and local level.

Thank you for your consideration of our views. The IAFF Department of Governmental Affairs stands ready to assist you and your staff throughout the year. Please do not hesitate to call on us. We look forward to a cooperative and productive year.

Sincerely,

Harold A. Schaitberger
General President

IAFF LEGISLATIVE ISSUES BOOK

112th Congress - Second Session

TABLE OF CONTENTS

ISSUE	PAGE
Funding for SAFER and FIRE Grants	
Fact Sheet	4
Key Points	5
Balancing the Budget on the Backs of Fire Fighters	
Fact Sheet	6
Key Points	7
Attacks on Federal Workers	
Fact Sheet	8
Key Points	9
State and Local Government Taxation Issues	
Fact Sheet	10
Key Points	12

IAFF LEGISLATIVE FACT SHEET

SAFER AND FIRE GRANTS

The IAFF supports reversing recent funding cuts to SAFER and FIRE grants and providing \$810 million, evenly divided, for the two programs in Fiscal Year 2013.

BACKGROUND

The SAFER and FIRE grant programs were created by Congress to help address the significant staffing, equipment, training and health and safety needs of fire departments. SAFER provides funding to help pay the costs associated with hiring personnel to maintain safe staffing levels, while FIRE grants fund equipment, training and other fire department needs.

The importance of adequate fire department staffing has been well-documented by independent studies. The National Fire Protection Association (NFPA), the consensus standards-making body of the fire service, and the Occupational Safety and Health Administration (OSHA) have both promulgated standards for the minimum number of fire fighters needed to respond safely and effectively to emergencies. The number of jurisdictions meeting these safe staffing levels has plummeted in recent years.

Since 2001, the FIRE grant program has provided over four billion dollars to thousands of fire departments across the nation to purchase protective equipment, provide needed training and fund prevention activities. These grants have improved the effectiveness of fire department operations and protected the health and safety of local fire fighters.

Although FIRE and SAFER grants had been traditionally well-funded, congressional efforts to reduce the deficit have caused a reduction in funding for SAFER and FIRE for the last two fiscal years. For Fiscal Years 2010 and 2011, the programs were funded for a total of \$810 million. For Fiscal Year 2012, however, funding for the two programs was reduced to \$675 million - \$337.5 million each. Unfortunately, the weak economy has also led communities nationwide to reduce fire department staffing and cut back on training and equipment purchases. Combined, such cuts at both the national and local level undermine emergency response and pose significant threats to public safety and local preparedness.

Reversing recent funding cuts to SAFER and FIRE will help remedy the damage done to local public safety budgets by the recession and ensure that communities have the resources needed to protect the public safety.

CURRENT LEGISLATION

Funding for SAFER and FIRE will be addressed as part of the Department of Homeland Security Appropriations Act for Fiscal Year 2013.

CONGRESSIONAL ACTION

On February 13, 2012, the Administration released its budget proposal for Fiscal Year 2013. The proposal includes \$670 million, evenly divided, for SAFER and FIRE.

The House and Senate Appropriations Subcommittees on Homeland Security will consider the Fiscal Year 2013 appropriations bills in the spring of 2012.

KEY POINTS

SAFER AND FIRE GRANTS

- The SAFER and FIRE grant programs provide funding directly to local fire departments to ensure such departments have sufficient personnel, equipment and training to operate safely and effectively.
- The SAFER and FIRE Grant programs have been shown to be among the most efficient and effective grants administered by the Department of Homeland Security. By utilizing a peer-review process and awarding funds directly to fire departments, SAFER and FIRE grants go to those communities where they are most needed, with a minimum of overhead.
- The role of the fire service has transformed from providing local response to an integrated national system that responds to a wide range of local emergencies and national disasters. When the country is under attack or when a natural disaster occurs, local fire fighters respond. The federal government has a responsibility to help ensure that local fire departments can effectively protect the public safety.
- Equipment, training, and personnel funded through SAFER and FIRE enable fire departments to respond to all emergencies, including both man-made and natural disasters.
- The nation's fire service has long faced significant staffing, equipment and training shortages. According to a 2011 Needs Assessment conducted by the National Fire Protection Association, personnel, equipment and training shortages encumber fire departments of all sizes and interfere with departments' ability to respond to common emergencies.
- Adequate staffing is especially essential to fire fighter safety as well as the public safety. Federal government studies have shown that operating below minimum staffing is a leading cause of fire fighter fatalities, and numerous independent studies of fire department operations demonstrate that lack of personnel significantly increases response time.
- Providing sufficient funding for SAFER and FIRE is more crucial than ever. The recession has forced local fire departments to cut services and staffing, as well as postpone purchasing critically-needed equipment, apparatus and training.
- The SAFER waivers expire after Fiscal Year 2012. Although these waivers were intended to be temporary, the law authorizing SAFER contains significant barriers which, while reasonable a decade ago when the law was written, are simply unworkable today. Legislation to reform SAFER, H.R. 2269, would address these barriers. However, so long as this legislation remains unpassed, the waivers will be necessary for the program to continue functioning.
- SAFER and FIRE allow the federal government to provide temporary help to local communities facing budget shortfalls, while requiring them to match federal funds, to ensure that such communities have sufficient resources to protect the public safety.
- The critical shortages facing fire departments are reflected in the number of applications submitted for SAFER and FIRE grants. In Fiscal Year 2009, nearly 20,000 fire departments applied for more than \$3.1 billion in FIRE grants, and over 2100 departments applied for more than \$1.2 billion in SAFER grants. Preliminary statistics for Fiscal Years 2010 and 2011 indicate that the need continues to far exceed available funds.
- If Congress fails to increase funding for the SAFER and FIRE grant programs, fire fighter safety as well as the public safety would be put at significant risk.

IAFF LEGISLATIVE FACT SHEET

BALANCING THE BUDGET ON THE BACKS OF FIRE FIGHTERS

The IAFF opposes efforts to balance the federal budget on the backs of fire fighters.

BACKGROUND

In the face of historic federal budget deficits, the 112th Congress has rightly focused its attention on addressing the long-term budgetary challenges. During last year's tumultuous summer session when congressional Republicans and President Obama negotiated an increase to the federal borrowing limit, Congress enacted the Budget Control Act, which will reduce the federal deficit by \$2 trillion over the next decade. Although the Budget Control Act represents a significant down payment, many budget experts believe Congress should demand more shared sacrifice from the American public in the form of entitlement reforms and tax increases.

Fire fighters appreciate the fiscal challenges facing our country and the need for shared sacrifice. IAFF members know first-hand the challenges that far too many Americans face at their kitchen tables. In state capitols and city halls all across our great country, fire fighters have been directly impacted by budget cuts, including loss of pay, reduced benefits and the threat of layoff. On the federal level, funding for vital fire service programs has been slashed. Fire fighters understand and accept that recovery from the worst recession since the Great Depression requires sacrifice from all Americans. But there is a difference between shared sacrifice and being sacrificed at the altar. Certain proposals to help balance the federal deficit would disproportionately impact fire fighters and EMS personnel. These proposals should be rejected.

For example, some budget experts call for eliminating the tax exclusion for employer-provided health benefits. Currently, health care benefits provided by employers to their employees are not counted as taxable income. Removing the exemption would effectively create a new tax on health benefits that particularly hurts fire fighters. For years, fire fighters have accepted lower wages in exchange for better health coverage. Fire fighters also face higher insurance premiums due to the risks posed by their profession. It's not uncommon for fire fighter health plans to exceed \$20,000 a year. Removing the exemption would add thousands of dollars in additional taxes to fire fighters and burden middle-class families.

Other proposals would force fire fighters into the Social Security system. When Social Security was created in 1935, government employees were expressly excluded. Because of this long exclusion from the Social Security system, local governments created pension systems for fire fighters to address their retirement needs without Social Security. An estimated 75 percent of all fire fighters are covered by pension plans that are independent of Social Security. These comprehensive plans are tailored to meet the unique needs of fire fighters by taking into consideration the early retirement ages and high rates of disability retirement that are characteristic of public safety occupations. Forcing fire fighters into mandatory Social Security coverage would undermine a pension system that was developed to meet the unique needs of fire fighters.

CONGRESSIONAL ACTION

Congress continues to examine ways to reduce the deficit through budget resolutions and other proposals. One plan from a bipartisan group of six Senators, called the "Gang of Six," would reform Social Security and the tax exclusion for employer-provided health care. Although the Gang of Six did not release specific details, some Members of Congress hope to introduce legislation based on its recommendations. Other proposals limiting the tax exemption for health care and imposing mandatory Social Security coverage are also expected.

KEY POINTS

BALANCING THE BUDGET ON THE BACKS OF FIRE FIGHTERS

- Fire fighters understand and accept that recovery from the worst recession since the Great Depression requires sacrifice from all Americans. But there is a difference between shared sacrifice and being sacrificed at the altar. Certain proposals to help balance the federal deficit would disproportionately impact fire fighters and EMS personnel, and should be rejected.
- Some policy makers are calling for the elimination of the tax exclusion for employer-provided health benefits. Currently, health care benefits provided by employers to their employees are not counted as taxable income.
- Removing the exemption will raise taxes on those least able to afford it. For years, fire fighters have accepted lower wages in exchange for better health coverage. Now during these difficult economic times, many fire fighters have had their wages frozen or cut. Taxing health benefits will only make things worse for fire fighters by adding thousands of dollars in extra taxes.
- Removing the exemption will also lead to greater out-of-pocket costs. In order to make plans cheaper to limit exposure to the new tax, employees will be forced to accept greater cost-sharing in the form of higher deductibles and larger copayments.
- Removing the exemption would unfairly penalize fire fighters simply for the work that they do. Fire fighters face high insurance premiums due to the risks posed by their profession. That's why it's common to see health plans for fire fighters exceed \$20,000 a year. Removing the exemption would unfairly add thousands of dollars in additional taxes to fire fighters and burden middle-class families.
- Mandatory social security coverage for state and local government employees should also be rejected. An estimated 75% of the nation's fire fighters are not enrolled in Social Security. Instead, they participate in specialized fire fighter pension plans that have been designed to reflect the unique circumstances of their profession, including early retirement ages and high rates of disability. Requiring Social Security coverage of all state and local government employees would undermine these tailored pension plans.
- States will bear a heavy financial cost for mandatory social security coverage for state and local government employees. Even if the mandatory coverage were extended to only new hires, the cost to states would be in excess of \$53 billion, according to an independent study from the Segal Company.
- Paying the employer's share of the Social Security tax would place a financial strain on many cash-strapped municipalities. This would lead to cutbacks in municipal services, including fire protection.
- The federal revenue generated by mandatory coverage of state and local government workers would be marginal and temporary. A GAO study found that adding new hires would only add two years to Social Security's solvency. The wholesale disruption of the retirement plans of our nation's first responders is too heavy a price to pay for such a small contribution to the solvency of the Social Security system.
- Forcing fire fighters into the Social Security system would amount to an unfair 6.2% tax increase on these middle-income workers. At a time when many fire fighters have been forced to accept pay cuts and wage freezes, and received no benefit from the payroll tax cut, adding such a large tax hike would have a significant detrimental impact on the family budgets of these middle-income workers.

IAFF LEGISLATIVE FACT SHEET

ATTACKS ON FEDERAL WORKERS

The IAFF opposes additional cuts to federal workers' pay, benefits, and job security.

BACKGROUND

In the 112th Congress, federal workers have come under attack from politicians looking to scapegoat federal workers for the challenges facing our great country. The historic economic collapse was caused by many events and actors, but federal employees were not one of them. Federal workers are dedicated public servants who provide essential government services. They protect our borders, care for our veterans, apprehend and prosecute criminals, and keep our federal lands and facilities safe and secure. Despite an increased demand for their services as a result of the Great Recession, they continue to serve the citizens of this country with dignity and honor.

Fire fighters have a long and proud tradition in the federal workforce within the Departments of Defense, Interior, Veterans Affairs, Agriculture and other agencies. From protecting our nation's defense facilities to protecting our national treasures, federal fire fighters have served with distinction and humility. Like their brothers and sisters employed by municipalities, federal fire fighters have also shared in the sacrifice to help meet the country's fiscal challenges. In November 2010—well before the negotiations over raising the debt limit produced the Budget Control Act of 2011—President Obama imposed a congressionally-supported pay-freeze of two years, which will save the federal government \$60 billion over the next 10 years.

Despite these significant savings, some in Congress want even deeper cuts to the federal workforce. Various Republican proposals would extend the federal pay freeze for as long as three years, reduce the federal workforce through attrition or mandatory furloughs, and slash or even abolish federal workers' pension plans.

Even worse, some in Congress want to use cuts to federal workers as a piggy bank to pay for other priorities, rather than deficit reduction. Congress passed an extension of the payroll tax cut and unemployment insurance benefits, but paid for the measure in part by forcing future federal workers to contribute more toward their pensions without any increase in benefits. In addition, House Republicans are seeking to pay for a transportation bill by cutting federal workers benefits, and certain Senators are proposing to reduce federal staffing and extend the pay freeze to prevent automatic cuts to defense spending that Congress agreed to as part of the Budget Control Act of 2011.

All these efforts should be rejected. Federal workers already have made significant sacrifices to restore our fiscal house through a two-year pay freeze. Additional cuts to pay or benefits will decimate a workforce that provides essential services to the American public. Instead of using federal workers as a scapegoat, Congress should focus on the paramount issue facing our great country: putting Americans back to work.

CONGRESSIONAL ACTION

On February 17, 2012, Congress passed H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2012, which will extend the current payroll tax cut through the end of the year and extend unemployment insurance benefits. To help pay for the bill, H.R. 3630 requires higher pension contributions from future federal workers without any increase in benefits. Current workers are not affected. The bill was signed into law on February 22, 2012.

Additionally, H.R. 3813, which requires higher contributions from existing employees and a drastically reduced pension benefit for new hires, has been approved by the House Committee on Oversight and Government Reform, and legislation, S. 2065, has been introduced to extend the federal workers pay freeze until 2014 and make further staffing cuts.

KEY POINTS

ATTACKS ON FEDERAL WORKERS

- Too many politicians in Washington are using federal workers as scapegoats for the economic challenges facing our country. The historic economic collapse was caused by many events and actors, but federal employees were not one of them. Federal workers are dedicated public servants who provide essential government services. They protect our borders, care for our veterans, apprehend and prosecute criminals, and keep our federal lands and facilities safe and secure. Despite an increased demand for their services as a result of the Great Recession, they continue to serve the citizens of this country with dignity and honor.
- Fire fighters have a long and proud tradition in the federal workforce within the Departments of Defense, Interior, Veterans Affairs, Agriculture and other agencies. From protecting our nation's defense facilities to protecting our national treasures, federal fire fighters have served with distinction and humility.
- Federal fire fighters have shared in the sacrifice to help meet the country's fiscal challenges. In November 2010—well before the negotiations over raising the debt limit produced the Budget Control Act of 2011—President Obama imposed a congressionally-supported pay-freeze of two years, which will save the federal government \$60 billion over the next 10 years.
- Congress should reject deeper cuts to the federal workforce. Proposals currently under consideration include extending the federal pay freeze for as long as three years, reducing staffing, and slashing federal workers' pension plans.
- Federal workers should not be treated like a piggy bank to pay for other priorities. Congress already paid for an extension of the payroll tax cut and unemployment insurance benefits by forcing future federal workers to contribute more toward their pension plans without any increases in benefits. In addition, House Republicans are seeking to pay for a transportation bill by cutting federal workers benefits, and certain Senators are proposing to reduce federal staffing and extend the pay freeze to prevent automatic cuts to defense spending that Congress agreed to as part of the Budget Control Act of 2011.
- In the fire service, staffing cuts not only reduce services, they jeopardize fire fighters' lives. Fire Departments should not be forced to function without safe staffing levels.
- Federal workers already have made significant sacrifices to restore our fiscal house through a two-year pay freeze. Additional cuts to pay or benefits will decimate a workforce that provides essential services to the American public. Instead of using federal workers as a scapegoat, Congress should focus on the paramount issue facing our nation: putting Americans back to work.

IAFF LEGISLATIVE FACT SHEET

STATE AND LOCAL GOVERNMENT TAXATION ISSUES

The IAFF opposes federal efforts to preempt state and local government taxing authority and supports efforts to enable states to collect taxes already owed.

BACKGROUND

Throughout the nation, reduced revenue is forcing states and local governments to undertake drastic measures to balance their budgets. Despite modest improvements in the past two years, revenues for state and local governments remain at historic lows. As of the third quarter of 2011, state revenues were still 7 percent less than when the Great Recession began. This budget hole is so great that at the current 8 percent rate of growth, it would take seven years to get back on track.

The fire service is not immune from these budget realities, and fire fighters have endured layoffs, station closings and brownouts in recent years. As state and local legislators grapple with difficult budgetary choices, it is imperative that the federal government protect the right of jurisdictions to generate revenue.

While much of the revenue shortfall is due to the Great Recession, two other dynamics jeopardize the ability of states and localities to generate revenue and maintain balanced budgets. The first is the dramatic increase in on-line sales that enables consumers to avoid paying state sales taxes. Not only does this reduce sales tax receipts, it also reduces property taxes as traditional “brick and mortar” retail establishments are being forced out of business by competition from out-of-state e-retailers that don’t charge sales tax.

To address this problem, Congress should empower states and local governments to enforce collection of existing taxes on on-line sales. States are already allowed to charge sales and use taxes on goods and services purchased through the Internet, but cannot currently require out-of-state businesses to collect sales and use taxes if they do not have a physical presence in the state. This limitation results in \$23 billion in annual lost revenue. Congress should give states and local governments the right to collect—or not collect—sales and use taxes from remote and online sellers.

The second dynamic that could hinder the ability of states and localities to continue generating the revenue they need to provide important public services is a series of federal bills that directly usurp the sovereign rights of states to impose certain taxes. These initiatives, which are often championed by legislators who claim to support federalism and states’ rights, would potentially cost states billions of dollars.

Among the pending legislative initiatives taking away state taxing authority are proposals to:

- Limit a state’s ability to levy business activity taxes on out-of-state companies that do business in the state;
- Preempt state and local governments from levying sales taxes on digital content like downloadable movies and songs;

- Restrict states from taxing income earned by non-residents who work temporarily in that state;
- Preempt state and local governments from imposing new taxes or different tax rates for wireless mobile services, providers, or property, and
- Restrict taxes imposed by state and local governments on car rentals.

In addition to the loss of revenue, proposals to restrict states taxing authority trample on the rights of states and local governments to establish policies that address the specific needs of their citizens. Although tax laws can vary from jurisdiction to jurisdiction, they reflect the decisions of a democratically elected government. The federal government should not preempt the will of the people by imposing one-size-fits-all solutions from Washington.

Just like the federal government, states are grappling with crippling budget deficits that require hard choices. Congress should respect the right of states to establish their own tax policies, and permit them to collect taxes that are owed.

CURRENT LEGISLATION

Senate: S. 1832, the Marketplace Fairness Act
Sponsors: Senator Michael Enzi (R-WY)
 Senator Richard Durbin (D-IL)

Summary: The Marketplace Fairness Act would give states two voluntary options that would allow them to collect the state sales and use taxes that are already owed if they choose.

CONGRESSIONAL ACTION

On November 9, 2011, S. 1832 was introduced in the U.S. Senate.

KEY POINTS

STATE AND LOCAL GOVERNMENT TAXATION ISSUES

- The federal government should protect the rights of state and local governments to generate revenue, which remains at historic lows. As of the third quarter of 2011, state revenues were still 7 percent less than when the Great Recession began. The budget hole for states is so great that at the current 8 percent rate of growth, it would take seven years to get back on track.
- Congress can help by giving states and local governments the right to collect—or not collect—sales and use taxes from remote and online sellers. States are already allowed to charge sales and use taxes on goods and services purchased through the Internet, but cannot currently require out-of-state businesses to collect these taxes if they do not have a physical presence in the state. This tax loophole results in \$23 billion in annual lost revenue for states and local governments.
- Collecting online sales and use taxes will help states balance their budgets and improve their economies. Traditional “brick and mortar” businesses face a competitive disadvantage because they must charge sales tax while out-of-state businesses do not. Not only does this reduce sales tax receipts, it also reduces property taxes as more “brick and mortar” establishments go out of business due to the rise of e-commerce and their competitive tax advantage.
- To address this tax loophole, Congress should pass the *Marketplace Fairness Act* (S.1832). This bipartisan legislation, introduced by Senators Michael Enzi (R-WY) and Richard Durbin (D-IL), gives states two voluntary options that would allow them to collect the state sales taxes that are already owed if they choose. The first option is the Streamlined Sales and Use Tax Agreement, which is supported by 24 states that have already passed laws to simplify their sales tax collection rules. The second option puts in place basic minimum simplification measures states can adopt to make it easier for out-of-state businesses to comply.
- Congress should also oppose several bills that directly usurp the sovereign rights of states to impose certain taxes. These initiatives, which are often championed by legislators who claim to support federalism and states’ rights, would potentially cost states billions of dollars. These initiatives would:
 - Limit a state’s ability to levy business activity taxes on out-of-state companies that do business in the state;
 - Preempt state and local governments from levying sales taxes on digital content like downloadable movies and songs;
 - Restrict states from taxing income earned by non-residents who work temporarily in that state;
 - Preempt state and local governments from imposing new taxes or different tax rates for wireless mobile services, providers, or property, and
 - Restrict taxes imposed by state and local governments on car rentals.
- Federal bills that restrict states’ taxing authority trample on the rights of states and local governments to establish policies that address the specific needs of its citizens. Although tax laws can vary from jurisdiction to jurisdiction, they reflect the decisions of a democratically elected government. The federal government should not preempt the will of state and local jurisdictions by imposing one-size-fits-all solutions from Washington.



INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, AFL-CIO, CLC

1750 New York Avenue, N.W. Washington D.C. 20006

Phone 202-737-8484 Fax 202-783-4570

www.iaff.org

Harold A. Schaitberger

General President

Thomas H. Miller

General Secretary-Treasurer

Peter L. Gorman

Chief of Staff

Kevin B. O'Connor

Assistant to the General President

Barry Kasinitz

Governmental Affairs Director

David B. Billy

Political Director

Shannon A. Meissner

Governmental Affairs Representative

Andrew R. LaVigne

Political Representative

James Cho

Governmental Affairs Representative

Thomas K. McEachin

Grassroots Coordinator