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# **STRATEGIC PLAN OF THE BOARD FOR VOLUNTEER FIREFIGHTERS AND RESERVE OFFICERS**

## **MISSION STATEMENT**

The Board for Volunteer Firefighters administers efficiently, economically, and in conformance with all applicable statutes and accounting standards, the Volunteer Firefighters' Relief and Pension Act, RCW 41.24. By doing so, volunteer firefighters, emergency medical service district volunteers, and reserve law enforcement officers are provided protection in case of injury or death in the performance of duty as well as a pension plan to provide them an incentive to continue serving while encouraging other citizens to volunteer.

## **STATUTORY AUTHORITY STATEMENT**

RCW 41.24.250 establishes the Board for Volunteer Firefighters to consist of three members of fire departments covered under the Volunteer Firefighters' Relief and Pension Act appointed by the governor to serve overlapping six year terms. RCW 41.24.280 requires the Board to appoint a secretary and RCW 41.24.310 requires the secretary to maintain an office in Olympia in order to do the day to day administration of the Act.

## **GOALS**

Contribute to the fire protection, emergency medical services, and law enforcement of the citizens of the state by administering a program protecting emergency service volunteers and providing an incentive for them to continue volunteering.

## **OBJECTIVES**

To annually enroll all volunteer firefighters, emergency medical service district volunteers, and those reserve law enforcement officers whose municipalities choose to participate under the relief/disability provisions of RCW 41.24. which provides medical, disability, and survivors' benefits to the emergency worker and/or the emergency worker's family in case of injury or death in the performance of duty.

To make all volunteer firefighters, emergency medical service district volunteers, and reserve law enforcement officers aware of the pension provisions of RCW 41.24 and to annually enroll those who choose to join so as to provide an incentive to keep them volunteering for longer periods of time and to provide a tool for the officers to keep the volunteers actively participating in training and responses.

To process a monthly payroll for all disabled volunteer firefighters, emergency medical service district volunteers, and reserve law enforcement officers, for the surviving spouses of those emergency workers who die in the performance of duty, and for all emergency workers who have qualified to receive a retirement pension based on their years of service.

To accurately, and in a timely manner, process all claims received arising from injuries or death in the performance of duty.

To provide for the completion of biennial actuarial surveys with annual updates and biennial audits to verify the financial condition of the Volunteer Firefighters' Relief and Pension Principal and Administrative Funds and the agency's compliance with applicable statutes and regulations.

## **STRATEGIES**

We work hard to meet our objectives. Almost 100% of our relief/disability and pension remittances are processed on the same day our fees are received. We know that going to the communities and speaking with the firefighters and police officers has effectively informed them about our benefits, because we've noticed an increase in the amount of calls received in our office from firefighters who never understood their benefits before hearing us speak. We have increased our enrollment of new volunteer firefighters, emergency medical technicians, and law enforcement officers in the last year. These numbers tell us that the pension system works as a recruitment and retention tool.

We processed the payroll for all disabled volunteers, for surviving spouses of those emergency workers killed in the line of duty, and for all emergency workers that qualified to receive a retirement pension based on their years of service. Over \$6.6 million dollars worth of retirement benefits were paid to over 3,000 Washington residents (an increase of about 200 volunteers over last year).

## **PERFORMANCE ASSESSMENT**

We were really pleased with the excellent feedback that we received in our annual survey. While there will always be improvements that can be made, 99% of the firefighters, EMT's, reserve officers, retirees, and municipalities that were surveyed rated our over-all service as above average to excellent.

It is hard to compare what we do to other agencies or organizations either in this state or others because of our unique function, but we believe that these results would, at the very least, meet other standards. There are probably very few agencies that could say that almost 100% of their constituents are happy with the service they receive.

## **APPRAISAL OF EXTERNAL ENVIRONMENT**

With the inclusion by legislation of emergency medical service district volunteers and reserve law enforcement officers under the Volunteer Firefighters' Relief and Pension Act, the number of emergency volunteers served by this agency has increased. It is expected that the number of clients will continue to increase in the next two years as reserve law enforcement officers are reported under the relief provisions and will then drop to a gradual increase as the demand for emergency fire and medical services and law enforcement increase at the same time the citizens are expressing concern regarding increased spending. Since the cost for local governments to increase the level of emergency service is greatly reduced when that increase is provided by volunteers, we believe there will continue to be new emergency volunteer programs in areas that have not had them in the past and expansion of current programs. Although these increases will be offset to some degree by

consolidation of services between entities and annexation, these changes will have more impact on the number of local governments with whom we deal than on the actual number of volunteers and the associated workload.

Since we do not use any General Fund money, I-601 should not affect our agency's ability to realize our objectives nor should it have an impact on our budget proposals.

### **TRENDS IN CUSTOMER CHARACTERISTICS**

We serve about 520 fire districts and approximately 60 law enforcement agencies. Our website provides a fast and easy explanation of the act and how it affects them 24 hours a day. As use of the internet continues to grow, we find that many of our clients have expressed a desire to obtain forms and newsletters via our website. To meet their needs, we have expanded the capability of the website to provide the forms and documents as both Word and Excel Templates. This has saved the agency money and has helped the fire and police departments streamline their processes.

Even with the advances in technology, many fire and police departments struggle to obtain basic safety equipment for their employees. When they prioritize their purchases, the purchase of new computers and internet access are often put off. It is hard to reach those departments and educate them about their benefits. To reach these departments and care for the needs of our volunteer police officers and firefighters, it is necessary that we travel to their communities and speak with them. We believe that this personal touch builds a good, strong, positive relationship with our clients and their communities.

In addition, the face of the fire service is changing. Twenty five years ago, many community members entered the fire service as a way to give back to and support their communities. Employers allowed volunteer firefighters to respond to emergencies during their work hours without penalty. Today, many volunteers use the fire service as a "stepping stone" to a career job. Employers seldom allow volunteers to respond from their jobs and, if they do, they do not pay them for the hours they are away from their jobs. Because of these changes, the turn-over rate of volunteers can be very high, especially in larger metropolitan areas. This forces departments to replace the volunteers with career staff, which creates a larger burden on tax payers. Volunteer firefighters annually save taxpayers \$38 billion dollars nationwide. With the number of volunteers in the state, our volunteer firefighters save Washington taxpayers an estimated \$846 million dollars per year.

While the volunteers appreciate their retirement and relief benefits, the volunteers and municipalities often say that they feel the state still needs to do more to recruit and retain volunteers. Our "customers" are seeing that other states offer tax incentives (for both volunteers and the businesses that employ them and allow them to respond), job protection, educational benefits, health insurance, and more. As a result of these issues, we see constituents moving to increase pension benefits. We often hear requests to increase monthly pension amounts, to lower retirement ages, and to eliminate or reduce penalties for drawing their pensions early. They may also seek additional benefits which may or may not have an impact on the amount of business our agency handles. For example, several states offer tax deductions for volunteer firefighters. In those states, standards are set that must be met to obtain the tax deductions. A state agency has to certify that those standards have been met. If something like that were to be signed into law in our state, there are two logical agencies to handle the certification: The Board for Volunteer Firefighters and Reserve Officers and the State Fire Marshall's Office. This would mean an increase in workload for either agency.

Also, it is becoming increasingly difficult for the small, rural local boards of trustees to manage the claims at their level. Websites used to provide the code and audit information for no cost. Now there are costs associated with looking up the information. The five member local board of trustees is made up of regular people who often do not work in the medical field, except as emergency responders. It is hard for them to understand some of the procedures that physicians are performing and even more difficult for them to sort through what is related to a line of duty injury and what isn't. In the future, we can foresee taking on a larger claims management role at the state level. If that were to happen, we would need to increase our staffing level, probably by two Benefit Specialist I's.

Finally, we also foresee the need to hire an Investigator within the next 10 years, and probably contract for services within five years. In the last few years, we have received many reports of fraudulent reporting to the pension system and abuse of the relief system. Local Boards and State Staff are not trained to handle investigations, so some abuses probably fall through the cracks because of our inability to investigate them properly. A trained Investigator would know all of the industry standards and practices and would have the dedicated time to thoroughly investigate reports of fraud and abuse, thus saving the agency, taxpayers, and firefighters money.

### **STRATEGY AND CAPACITY ASSESSMENT**

As mentioned above, there are many factors in the external environment that could impact our staffing levels. Beyond that, however, we are experiencing a large increase in the number of medical claims that we are processing. In 1994, we processed a total of \$300,000 worth of medical claims with one Benefit Specialist. In 2004, we processed over \$1 million dollars worth of medical claims, still with only one Benefit Specialist. At these trends, we anticipate the need to hire at least one additional Benefit Specialist within the next five years.

As technology continues to advance, it becomes increasingly difficult to meet our objectives with no dedicated IT staff. As you'll see in our next section, we may need to hire, at least, one part time employee to maintain our current systems and support the staff and agency in its future growth.

### **CAPITAL AND TECHNOLOGY NEEDS**

While we do not anticipate the need for any capital expenditures, we do foresee a large future need in technology. We currently maintain our own website. In the future, we would like to see the functionality of the website grow so that members can research their records on-line. An outside vendor currently provides technology support for some of our needs, but they are not familiar with all of the state systems that we are being asked to maintain, nor do we have enough money in our budget to pay them for everything that needs to be done. For example, we just recently contracted Technology Solutions Group (TSG), a state agency and a part of CIS at Bellevue Community College, to conduct our security audit. They were unaware that state agencies must now submit portions of their IT portfolio through a DIS web-based system. We are expected to know not only that system, but Fastrack, the Fiscal Notes site, the Printer's Site, APS, HRMS, TM\$, CIM-AI, AFRS, PMTS, VRS, SPS, BDS, and more. Because they are unfamiliar with these different systems, they cannot provide us with support for them. If a problem arises, we have to rely on support from other agency's IT departments, which doesn't always solve the problem. As the number of firefighters, EMT's, and reserve officers that we cover grows, so does our own internal system. We've been making changes to the system to meet audit recommendations. Since the system was not originally designed to do some of the things we have now asked it to do, we have destabilized the system to a point where it is becoming expensive to maintain it. We have asked TSG to act as consultants to make recommendations for our future technology needs. Depending on their recommendations, we may need to hire IT staff. We may also need to develop or restructure our existing system.