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Representing America's Finest

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NAPO's Priority Retirement Provisions Included in FY 2023 Consolidated Appropriations Act

Early this morning, Congress released the text of the Fiscal 2023 Consolidated Appropriations Act, which will fund the federal government and all its departments, agencies, and programs through the rest of this fiscal year. The House and Senate will consider and are expected to pass the measure this week.

In a significant victory for NAPO and our members, our priority retirement provisions were included: the Putting First Responders First Act, the Police and Fire Healthcare Protection Act, and the Protecting Public Safety Employees' Timely Retirement Act.

The **Putting First Responders First Act** codifies existing IRS regulations making public safety service-connected disability compensation exempt from Federal income taxes. While we pressed for this provision to be immediately enacted, the spending measure delays its enactment until the taxable years after December 31, 2026.

The **Police and Fire Healthcare Protection Act** improves the HELPS Retirees provision of the Pension Protection Act to help ensure all public pension plans are able to implement it to the benefit of their public safety retirees by removing the direct payment requirement.

Under the HELPS Retirees provision, qualified, retired public safety officers can use up to \$3,000 annually from their pension funds tax-free, including defined benefit plans and defined contribution plans, to pay for qualified health insurance and long-term care insurance premiums. However, the money must go directly from the pension fund to the health or insurance company in order to get the tax-free benefit. This direct payment requirement has been a hindrance for many pension plans to participating in HELPS. By removing the direct payment requirement, the pension fund can now send the money directly to the retiree to help pay for health and long-term care insurance premiums.

The **Protecting Public Safety Employees' Timely Retirement Act** modifies the eligible age for the exemption from the retirement plan early withdrawal penalty for public safety officers. It establishes the age eligibility at age 50 or 25 years of service under the plan, whichever is earlier.

Currently, the amounts a retired public safety officer withdraws from a retirement plan before reaching age 50 are called "early" or "premature" distributions and are subject to an additional 10 percent early withdrawal tax. The Protecting Public Safety Employees' Timely Retirement Act allows an officer who has

retired after 25 years of service, even if it is before age 50, to be exempt from the 10 percent withdrawal penalty.

While NAPO celebrates the inclusion of these provisions in the omnibus spending measure, we did not get a win on WEP reform, which was not included in this bill. We will continue the fight to repeal both the GPO and WEP or at the very least achieve WEP reform next Congress.

The Senate will start consideration of the Consolidated Appropriations Act today and Congress has a tight deadline of Friday to pass the bill before the federal government shuts down. The bill was agreed to by Republican and Democratic leadership and appropriators and is expected to pass, it is just an issue of whether passage will be on time or not.

FY 2023 Omnibus Spending Package Extends Fentanyl Scheduling, Funds NAPO Priority Grant Programs

Fentanyl Scheduling Extension

The massive Fiscal Year 2023 consolidated appropriations package released today includes a temporary extension of the Drug Enforcement Agency's (DEA) temporary classwide scheduling of all fentanyl-related substances as Schedule 1 drugs under the Controlled Substances Act – making them illegal – through December 31, 2024. While NAPO pushed for the scheduling to be made permanent, we count this extension as a win as an end or even a lapse in this scheduling would threaten law enforcement's efforts to fight fentanyl and similar opioids that are scourging communities across the country. The classification of fentanyl as a Schedule 1 substance is necessary for all law enforcement actions on fentanyl, allowing law enforcement to prosecute criminals who make and distribute the drug.

We will use the extension of fentanyl's status as a Schedule 1 drug to continue to work with our partners in Congress and the law enforcement community on a permanent solution to dealing with fentanyl in order that we do not have to continue to fight to keep these dangerous drugs scheduled.

NAPO Priority Grant Programs

NAPO's priority grant programs are sufficiently funded in the FY 2023 Consolidated Appropriations Act and the various requirements the House tried to place on those programs to force its police reform policies on state and local law enforcement were largely rejected in the final bill. NAPO pushed hard to ensure those police reform provisions were not included in the final bill.

Within the COPS Office, Congress funded the COPS Program at \$662.9 million, of which, \$324 million went to the COPS Hiring Program, \$12 million for active shooter training, \$51 million for anti-meth and heroin task forces, and \$45 million for grants under the STOP School Violence Act. Appropriators also provided \$10 million for the Law Enforcement Mental Health and Wellness Grant Program and the Supporting and Treating Officers in Crisis (STOIC) Program, which provide funding and resources for training, peer mentoring and mental health program activities. The funding for the COPS Office is approximately a \$150 million increase over what was appropriated for COPS for Fiscal 2022.

Further, \$45 million of the \$662.9 million in COPS Office funding is allocated for community policing development activities, which include co-responder crisis teams, de-escalation and duty to intervene training, accreditation support, and diversity and anti-bias training.

The Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA) is funded at \$45 million, illustrating the strong support amongst members of Congress to ensure adequate funding for crisis intervention teams (CIT) and other mental health training for law enforcement. Further, \$10 million under the Byrne Justice Assistance Grant (Byrne JAG) program is appropriated to provide officer training on responding to individuals with mental illness or disabilities.

The Byrne JAG program also received a significant increase in funding over FY 22 levels and is funded at \$770.8 million, with carves outs for the mental health training, the VALOR Program (\$13 million) and Project Safe Neighborhoods (\$20 million), among others.

Other DOJ NAPO priorities were funded at similar levels to last fiscal year: \$30 million for the Bulletproof Vest Partnership (BVP) Grant Program; \$20 million for the Adam Walsh Act; and \$82 million for the STOP School Violence Act through the Bureau of Justice Assistance (BJA). The spending measure also included \$445 million for grants programs to respond to the opioid crisis and substance abuse in our communities.

Congress also provided \$120 million through BJA for programs to improve community – police relations, of which \$35 million is appropriated for the Body-Worn Camera Initiative to help agencies purchase and maintain body-worn cameras, \$35 million for community recidivism reduction programs, and \$50 million for the community violence intervention and prevention initiative.

NAPO scored many victories in this FY 23 omnibus legislation and we will let you know once it is enacted into law. Once it is enacted, departments have 60 days to send out grant solicitations and we will push out those solicitations for our priority grant programs to our members.

9/11 Health Funding Not Included in Consolidated Appropriations Act

NAPO was surprised and disappointed that the FY 2023 Consolidated Appropriations Act did not include much-needed additional funding for the 9/11 World Trade Center Health Program (WTCHP). This is a priority for Senate Majority Leader Chuck Schumer and there is wide bipartisan support in both chambers of Congress to ensure the WTCHP is fully funded so it is baffling the money was not included in the omnibus appropriations bill.

The WTCHP will face a budget shortfall starting in 2025, causing the program to have to limit spending and reduce services for new enrollees as soon as next year. Congress cannot and should not wait much longer to ensure the WTCHP is fully funded. We will continue to fight to get this vital funding appropriated before cuts are made to the health services on which 9/11 responders and survivors depend.

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