

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6081-01
Bill No.: HB 2326
Subject: Department of Public Safety
Type: Original
Date: March 12, 2018

Bill Summary: This proposal modifies provisions relating to certain public safety funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Fire Education	\$32,625	\$65,250	\$65,250
Total Estimated Net Effect on <u>Other</u> State Funds	\$32,625	\$65,250	\$65,250

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Fire Safety (DPS)** state the proposal makes the following changes:

Section 320.094 removes the two percent of the fire education fund to be spent for administration purposes.

Section 320.202 (d) (5) changes the fees to be charged for certification testing and recertification to be directed into the fire education fund rather than general revenue. The Division of Fire Safety has never charged for testing and recertification. In the past, the fire service has not supported fees for this service. With this proposed change, fees would be directed into the Fire Education Fund, and reinvested in no-cost firefighter training to provide additional training opportunities to fire personnel statewide.

Currently the Division of Fire Safety tests and/or recertifies approximately 6,525 firefighters annually. We anticipate charging \$10 for each. This will generate approximately \$65,250 annually; however due to the timeframe in the promulgation of rules, the fees for FY19 may only generate \$32,625. Once fully in place, the additional funds are projected to provide for 22 training classes per calendar year for roughly 400 firefighters.

As DPS states, they have never charged for testing and recertification; therefore, **Oversight** will not reflect a loss of funds to the General Revenue fund. However, Oversight will utilize DPS' estimates for potential revenue to the Fire Education Fund as they state they anticipate charging \$10 each for this.

DPS states Section 650.277 broadens the use of the Boiler and Pressure Vessel Safety fund (0744) while section 701.377 has the same impact on the Elevator Safety fund (0257).

In the past, use of the Elevator Safety (0257) and Boiler & Pressure Vessel Safety (0744) funds have been restricted to the functions of those specific programs. The proposed legislation allows these funds to also support the broader functions of the Division's operations due to the current limited expense and equipment funding the Division currently receives through general revenue.

As the Division has evolved, a proactive step of cross-training staff in various functions and abilities has been taken. Fire Inspectors are now assisting with amusement ride inspections (a program funded through Elevator Safety Fund). Fire Investigators assist with accident investigations involving all various types of equipment regulated by our agency and supported by

ASSUMPTION (continued)

these other funds. Administrative staff provides daily support of all programs, and the Training staff assist with related events.

Because these funds are no longer subject to be swept according to the Treasurer's Office, the Elevator and Boiler funds have balances which continue to accrue. These funds can be effectively used to support the needs of all Division programs. Following transfers and all program related expenses, it is anticipated cumulative balances to be approximately \$80,000. These dedicated funds can be used to address the aging, high-mileage fleet, as well as safety equipment for Fire Investigators and Fire Inspectors which have been historically restricted due to limited general revenue funding. This will provide for a more effective use of the fund balances while at the same time provide for a more efficient and properly equipped workforce.

These funds will not be supplanting current general revenue appropriated funds. Rather, the funds will provide for additional resources otherwise not currently available in the Division's budget.

As with the entirety of the Division of Fire Safety's budget, all appropriations through these dedicated funds would have to receive the approval of the Legislature and Governor

Officials from the **Office of Administration - Budget and Planning (B&P)** state it is B&P's understanding these fees are not currently being collected. There could be an increase to TSR and 18(e) if the Division of Fire Safety starts collecting these fees. B&P defers to the Division of Fire Safety for any specific estimate on the impact of the fees.

Oversight notes the Fire Education Fund (0821), Elevator Safety Fund (0257) and Boiler & Pressure Vessels Safety (0744) had the following activity during the past three fiscal years.

Fire Education Fund

Fiscal Year	Receipts	Disbursements / JV's / Transfers Out	Ending Balance
FY 2015	\$169,701	(\$98,831)	\$282,310
FY 2016	\$159,962	(\$284,792)	\$157,480
FY 2017	\$178,357	(\$185,237)	\$150,600

ASSUMPTION (continued)

Elevator Safety Fund

Fiscal Year	Receipts / Transfer In	Disbursements / JV's / Transfers Out	Ending Balance
FY 2015	\$634,683	(\$599,053)	\$355,269
FY 2016	\$705,528	(\$599,740)	\$461,057
FY 2017	\$612,015	(\$600,709)	\$472,363

Boiler & Presser Vessels Safety

Fiscal Year	Receipts	Disbursements / JV's / Transfers Out	Ending Balance
FY 2015	\$735,900	(\$556,950)	\$601,491
FY 2016	\$746,604	(\$710,526)	\$637,569
FY 2017	\$719,601	(\$629,738)	\$727,433

FISCAL IMPACT - State Government

FY 2019
(10 Mo.)

FY 2020

FY 2021

FIRE EDUCATION FUND

Revenue - DPS - testing and
recertification §320.202

\$32,625

\$65,250

\$65,250

**ESTIMATED NET EFFECT TO THE
FIRE EDUCATION FUND**

\$32,625

\$65,250

\$65,250

FISCAL IMPACT - Local Government

FY 2019
(10 Mo.)

FY 2020

FY 2021

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill amends various fund provisions within the Division of Fire Safety.

Currently, fees collected from certification testing and recertification testing for individuals who fall under the Division of Fire Safety are deposited into the General Revenue Fund. This bill changes it so those fees are deposited into the Fire Education Fund.

Additionally, funds in the Boiler and Pressure Vessels Safety Fund are currently appropriated for the expenses of the board. The bill specifies that those funds shall be appropriated for the enforcement and regulatory functions of the division. Similarly, funds in the Elevator Safety Fund are currently appropriated for the expense and function of the elevator safety and amusement ride safety boards. The bill specifies that those funds shall be appropriated for the enforcement and regulatory functions of the division.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety - Division of Fire Safety
Office of Administration - Budget and Planning

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