

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1720-01  
Bill No.: HB 674  
Subject: Fire Protection; Nursing and Boarding Homes; Public Safety Department  
Type: Original  
Date: February 12, 2007

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Bill Summary: This proposal requires the Department of Public Safety to establish rules for fire protection sprinkler system in long-term care facilities and permits rules for systems in all state-owned offices and facilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	\$0 or (More than \$391,719)	\$0 or (More than \$374,918)	\$0 or (More than \$386,164)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (More than \$391,719)</b>	<b>\$0 or (More than \$374,918)</b>	<b>\$0 or (More than \$386,164)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	Potentially 7 FTE	Potentially 7 FTE	Potentially 7 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Potentially 7 FTE</b>	<b>Potentially 7 FTE</b>	<b>Potentially 7 FTE</b>



Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).



Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### ASSUMPTION

Officials from the **Department of Public Safety - Fire Safety (DFS)** state this legislation requires the Division of Fire Safety to oversee fire protection sprinkler systems in residential care facilities, assisted living facilities, intermediate care facilities, skilled nursing facilities, and facilities leased or owned by the State of Missouri. Additionally, the Division is to promulgate rules for the purpose of enforcing and administering this legislation. This legislation impacts approximately 6,341 existing facilities and would require an annual inspection by Division staff. These are facilities which are not currently under Division authority by any other inspection requirement.

Inspection of this type of fire protection sprinkler system requires subject matter expertise. To conduct inspections of this type, and individual would need training specific to sprinkler and alarm systems, as well as training for reviewing plans for sprinkler systems in proposed new facilities.

Currently the Division's Inspection program has 11 field inspectors with two regional supervisors, who are also located in the field. Adding the necessary number of inspectors and including the additional technical nature that this legislation would mandate, would require more oversight than manageable by existing regional supervisors.

As the lead agency in Missouri for the fire service, the Division receives many requests for fire safety information and assistance, as well as technical questions from citizens, businesses, and other state agencies. Current inspection caseload requires daily interaction, guidance and direction to existing staff. The State Fire Marshal and Assistant State Fire Marshal make every effort to address inspection-related issues and concerns; however, due to their numerous other duties, adequate attention can not be given to this area. The Division has limited administrative oversight of this program within our headquarters, and is the only program within the Division that is not directly overseen by a Public Safety Manager. Expanding the current program by an additional 6,341 inspections annually (see calculation below), simply cannot be managed effectively with current staffing.

For this reason, the Division has included a request for a Public Safety Manager of Inspections in this fiscal note, along with five fire safety inspectors, and an office support assistant. Supporting expense and equipment funding is included in this fiscal note.

ASSUMPTION (continued)

The DFS received the following information regarding existing facilities effected by this legislation.

Department of Health facilities:	600 facilities with sq ft unknown.
Office of Administration facilities:	Leased: 437 facilities with 3.6 million sq ft.;
	Owned: 3,701 facilities with 28 million sq ft.
Higher Education -	998 facilities with 27 million sq ft.
MoDOT -	<u>605 facilities with 3.5 million sq ft.</u>
For a total of:	6,341 facilities - having an average of 10,000 square feet.

DFS assumes a fire safety inspector could inspect an average of four facilities per day, for approximately 1,040 inspections per year. With 6,341 additional facilities requiring an annual inspection, this would require six additional FTEs.

Due to the current workload of the Fire Inspection Unit, existing Fire Safety Inspectors (13) could not absorb these additional inspections. Current staff conducted 12,178 inspections and compliance-related activities in FY06.

Officials from the **Department of Transportation (MoDOT)** assume this legislation would have significant fiscal impact on MoDOT if the department were required to install sprinkler systems in all buildings.

Officials from the **Department of Conservation** state the fiscal impact of this proposal is undeterminable since it does not define what constitutes a 'state office or facility' and whether or not the rules would be retroactive to existing buildings; however, the fiscal impact could be significant.

Officials from the **Office of Administration - Facilities Management, Design and Construction** assume the impact depends on what rules will be made. Fire protection systems run approximately \$2 per square foot.

Officials from the **Department of Mental Health (DMH)** state renovation costs to install a fire sprinklers are two to three times higher than while the building is under construction. The cost of renovation is higher, because installation must be performed in a piece-meal fashion while the building is occupied.

The average cost per square foot for installation as part of the building's construction is \$2.05, while the average cost of installation in an existing occupied building is \$4.10 to \$6.15 per square foot. An additional \$1,000 is required annually to test and maintain the sprinkler system.

ASSUMPTION (continued)

No. of Beds	\$4.10/Square Foot	\$6.15/Square Foot
<50 beds	\$100,450	\$150,675
50-99 beds	\$151,700	\$227,550
100-199 beds	\$305,450	\$458,175

It should also be noted that there may be cases where an existing facility is constructed that will not be conducive to the installation of a fire sprinkler system that will comply with NFPA 13. Also, when renovating existing construction built before the 1980's, additional costs may develop due to the required abatement of hazardous materials to complete the project. This cost does not include aesthetic architectural modifications and patching to incorporate the fire sprinkler system inside existing architecture or the added cost to ensure a fire sprinkler pipe or head does not present itself as a suicide potential for high risk consumers

DMH currently owns approximately 4 million square feet of buildings. An estimated 992,000 square feet are not sprinkled. Given an average cost per square foot of \$5, DMH would require \$4,960,000 to install fire sprinklers everywhere.

The impact is unknown, because Section 320.375 RSMo gives authority to the Department of Public Safety to promulgate rules, but it does not require that any certain rules other than those under Section 198.073 RSMo be enacted. The range covered could be anywhere from no non-residential state buildings to all state buildings. DMH assumes a range of expense from \$0 to (Greater than \$100,000).

Officials from the **Department of Health and Senior Services (DHSS)** state this legislation permits the Department of Public Safety to establish rules for fire protection sprinkler systems in state-owned facilities. The DHSS currently occupies approximately 97,918 square feet of office space without sprinkler systems. According to OA Facilities Management, Design and Construction, it would cost approximately \$10 per square foot to purchase and install sprinkler systems in these facilities. DHSS' cost to install sprinkler systems would be approximately \$979,180. Since this legislation does not mandate the sprinkler systems in state facilities, DHSS assumes a cost of \$0 to \$979,180. DHSS assumes this cost would be paid from General Revenue.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not

ASSUMPTION (continued)

expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the anticipated need of seven additional FTE by the Division of Fire Safety results from the anticipated rules requiring sprinkler systems in state office buildings and not the required rules regarding residential care facilities, assisted living facilities, intermediate care facilities and skilled nursing facilities (which are not owned by the state). This part of the proposal (Section 320.375) states ‘the department of public safety **may** promulgate rules requiring that state-owned and state-occupied offices or facilities be protected by a fire protection sprinkler system’. Oversight assumes the DFS may or may not require the installation of fire sprinkler systems in state offices. If they do not require sprinkler systems for state buildings, Oversight assumes there will be no additional costs to the state. However, if DFS promulgates rules requiring the installation of fire sprinkler systems for state buildings, Oversight assumes a large unknown cost to various state funds for the design, installation and inspection of the systems. Oversight will reflect this potential cost as a range from \$0 to (Unknown). Oversight assumes the potential rule requiring sprinkler systems would allow state agencies a window of time to install such sprinkler systems, therefore, Oversight will assume a potential cost of sprinkler system installation for all three fiscal years in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Various state agencies</u>			
to design and install sprinkler systems in state-owned or state-leased facilities	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs - Division of Fire Safety (DFS)</u>			
Personal Service	\$0 or (\$193,846)	\$0 or (\$239,594)	\$0 or (\$246,781)
Fringe Benefits	\$0 or (\$87,735)	\$0 or (\$108,440)	\$0 or (\$111,693)
Expense and Equipment	\$0 or (\$110,138)	\$0 or (\$26,884)	\$0 or (\$27,690)
<u>Total Costs - DFS</u>	\$0 or (\$391,719)	\$0 or (\$374,918)	\$0 or (\$386,164)
FTE Change - DFS	potentially 7 FTE	potentially 7 FTE	potentially 7 FTE
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 or (More than \$391,719)</u></b>	<b><u>\$0 or (More than \$374,918)</u></b>	<b><u>\$0 or (More than \$386,164)</u></b>
Estimated Net FTE Change for General Revenue Fund	Potentially 7 FTE	Potentially 7 FTE	Potentially 7 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small businesses that own or operate residential care facilities, assisted living facilities, intermediate care facilities or skilled nursing facilities could be fiscally impacted as a result of this proposal.

### FISCAL DESCRIPTION

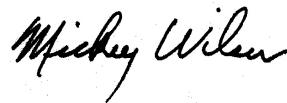
This proposal requires the Department of Public Safety to establish rules requiring every residential care facility, assisted living facility, and skilled nursing facility to be protected by a fire protection sprinkler system. Each system must be designed, installed, tested, repaired, and maintained in accordance with fire protection industry standards.

The department may also establish rules that require state-owned and -occupied offices or facilities to be protected by a fire protection sprinkler system designed, installed, tested, repaired, and maintained in accordance with fire protection industry standards.

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  
Office of the Secretary of State  
Department of Health and Senior Services  
Department of Mental Health  
Office of Administration  
Department of Transportation  
Department of Conservation



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Director  
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