

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5451-01
Bill No.: HB 1458
Subject: Fire Protection; Political Subdivisions; Boards, Commissions, Committees,
Councils
Type: Original
Date: February 7, 2012

Bill Summary: This proposal changes various provisions regarding fire protection and emergency services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Fire Education	\$108,033	\$129,640	\$129,640
Total Estimated Net Effect on <u>Other</u> State Funds	\$108,033	\$129,640	\$129,640

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2013	FY 2014	FY 2015
Local Government	(\$108,033)	(\$129,640)	(\$129,640)

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FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (BAP)** state the Division of Fire Safety is currently allowed to charge a fee for certification testing or recertification, with the fees to be deposited to General Revenue. Although no fees are currently being charged by the division, this proposal would direct those fees to the Fire Education Fund instead of the General Revenue Fund. There would be no impact to total state revenue. BAP defers to the Division of Fire Safety on the impact to the Fire Education Fund.

Officials from the **Department of Public Safety - Division of Fire Safety (DPS)** state they currently administer the Training and Certification program mentioned in 320.202 (5). This legislation would direct fees collected from certification testing and recertification to the Fire Education fund established in 320.094. Currently, the Division of Fire Safety does NOT charge for this service.

DPS states they have administered a voluntary training and certification program since the mid-1980's. Legislation in recent years allowed the Division to promulgate rules to allow for a fee structure to be implemented for certification testing and recertification; however, the Division had not yet began that process. Section 320.202 would direct the fees collected from certification testing and recertification to be deposited into the Fire Education Fund (0821) as established in 320.094. Fees collected via the Division of Fire Safety's Fireworks Licensing program are also deposited into this fund, which is used primarily to provide no cost training to Missouri's fire service through contract with various fire training vendors in our state.

Based on the number of certification tests and re-certifications the Division currently processes annually, the Division estimates this proposal would generate approximately \$129,640 annually for the Fire Education Fund. According to statute, the Division of Fire Safety is allowed up to 2% of the fund for administrative purposes. It is estimated 2% of the fees from this proposal to be \$2,592. The remaining funds of \$127,047 would be contracted to provide approximately 88 additional training classes for an estimated 2,650 fire fighters of our state.

The Division of Fire Safety currently processes approximately 5,600 tests and certifications annually, as well as an estimated 900 re-certifications. The Division would propose a fee of \$25 per certification exam and re-tests, and \$15 per re-certification. Additionally, the Division would propose a fee of \$25 per certification reciprocity and \$100 per certification equivalency application. Using current figures, the Division would generate \$144,045; however, because this is a voluntary system, and the majority of the Division's certified personnel are volunteer fire fighters who may not apply for certification due to this fee structure, the Division does anticipate

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ASSUMPTION (continued)

a slight decline in certifications and re-certifications issued. For purposes of this fiscal note, the Division projected a 10% decline in applicants, resulting in a total of roughly \$129,640 in fees collected.

Comparatively, the states surrounding Missouri currently charge the following:

- Iowa: \$50 per certification exam, \$25 per re-certification;
- Nebraska: \$50 per certification exam, \$25 to re-test, \$25 for equivalency, \$15 for reciprocity;
- Kansas: Certification fees range from \$30-\$80 for in-state residents; double fees for out-state;
- Arkansas: Certification fees included in costs of tuition;
- Oklahoma: \$15 per certificate;
- Kentucky: \$15 per certification exam.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not 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.

Officials from the **Office of the State Treasurer** assume the proposal would not fiscally impact their agency.

Officials from the **Battlefield Fire Protection District** state progressive departments and volunteer departments will be penalized for certifying their people. There would be additional cost for them to certify firefighters.

Officials from the **Centralia Fire Department, DeSoto Rural Fire Protection District, Hawk Point Fire Protection District, and Hillsboro Fire Protection District** did not respond to our request for fiscal impact.

ASSUMPTION (continued)

Since fees for the certification testing and recertification testing are currently not being collected by the Division of Fire Safety, **Oversight** will not reflect a loss to the General Revenue Fund.

Oversight will utilize DFS' revenue estimate. Oversight will assume the fees collected by DFS resulting from this proposal will represent a correlating cost to the local political subdivisions. Oversight assumes the training is voluntary to fire departments and fire districts.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
FIRE EDUCATION FUND			
<u>Income</u> - voluntary training certification testing fee and recertification fee	<u>\$108,033</u>	<u>\$129,640</u>	<u>\$129,640</u>
ESTIMATED NET EFFECT TO THE FIRE EDUCATION FUND	<u>\$108,033</u>	<u>\$129,640</u>	<u>\$129,640</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> - to Fire Departments, Fire Protection Districts, etc. for voluntary training and certification program	<u>(\$108,033)</u>	<u>(\$129,640)</u>	<u>(\$129,640)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>(\$108,033)</u>	<u>(\$129,640)</u>	<u>(\$129,640)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the Division of Fire Safety, within the Department of Public Safety, and the State Fire Marshal are responsible for establishing and maintaining a voluntary training and certification program. A certification testing and recertification fee for the program could be collected and deposited into the General Revenue Fund. This bill requires the fee to be deposited into the Fire Education Fund established in Section 320.094, RSMo.

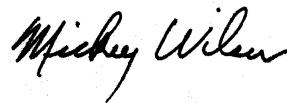
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Office of the State Treasurer
Office of Administration - Budget and Planning
Office of the Secretary of State
Battlefield Fire Protection District

NOT RESPONDING:

Centralia Fire Department
DeSoto Rural Fire Protection District
Hawk Point Fire Protection District
Hillsboro Fire Protection District



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Director
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