

Minnesota Department of Public Safety



Fire Safety Account *Financial Report for* *Fiscal Year 2013*



Fire Safety Account – Fiscal Year 2013

Overview:

The 2006 Legislature established a fire-safety surcharge on homeowner insurance policies and certain commercial insurance policies, and established the Fire Safety Account to hold revenue generated by the surcharge. The bill abolished the fire insurance tax which had been in law for decades, the proceeds of which went into the state general fund. Insurance companies now submit their surcharge collections quarterly, on or before May 15, August 15, November 15 and February 15 each year.

The legislation also created a Fire Service Advisory Committee to make recommendations to the commissioner of public safety on how to spend Fire Safety Account money. These revenues may be allotted only to (1) the Minnesota Board of Firefighter Training and Education (2) programs and staffing for the State Fire Marshal Division, and (3) fire-related, regional response-team programs and other fire service programs that have potential statewide impact. The committee is made up of representatives from state fire service associations, local units of government and the insurance field. The Fire Service Advisory Committee meets quarterly to review the account's status and funding allotments. The committee creates biennial budget recommendations for the commissioner.

FY 2013 Budget:

Transfers from the account as established in the base FY2013 budget:

- State General Fund - \$4,228,000
- State Fire Marshal Division - \$4,287,000
- Homeland Security and Emergency Management Division - \$604,000
- Board of Firefighter Training and Education - \$1,470,000 and a one-time \$4,500,000 appropriation

As a result of unspent funds from FY2012, (-\$10,513) was added back into available funds for FY2013.

FY 2013 Activity Summary:

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|-----------------------------------------------------------------|--------------|
| Balance Forward from FY2012 | \$3,605,226 |
| Collections from Fire Safety premiums | \$14,625,474 |
| Resources available | \$18,230,700 |
| | |
| Transfer to General Fund | \$4,228,000 |
| Transfer to State Fire Marshal Division | \$4,287,000 |
| Transfer to Board of Firefighter Training and Education | \$1,470,000 |
| Transfer to Homeland Security and Emergency Management Division | \$604,000 |
| Unspent funds transferred back to account | -\$10,513 |
| One-time Appropriation | \$4,500,000 |
| Total Transfers | \$15,078,487 |
| | |
| Account Balance end of FY2013 | \$3,152,213 |

Board of Firefighter Training and Education (MBFTE):

In FY 2013, approximately \$2,167,410 was available for Minnesota fire departments, and once more, awards to all 785 Minnesota fire departments were based on a “per firefighter” rate (\$105). The MBFTE chose to award departments based on the number of firefighters on their current roster. No formal applications needed to be submitted to the MBFTE for the fire department to receive a training reimbursement award. In September 2012, all 785 fire departments received an award letter informing them of the amount of funding available for their use on firefighter training during FY 2013.

Sixty percent of the 785 fire departments submitted training reimbursement documentation to the MBFTE — a slight decrease from FY 2012. The number of first time applicants into the training reimbursement program was 45 fire departments. The program average reimbursement was \$2,534.90 based on the 469 fire departments seeking training reimbursement funding in FY 2013.

In FY 2013:

- For the first time, the MBFTE provided a direct reimbursement to training providers for NFPA 1001, Firefighter 1, Firefighter 2 and Hazardous-Materials-Operations training. There was \$1,720,400 available to Minnesota fire departments statewide for this free training.
- The MBFTE provided \$200,000 in reimbursement grants to 33 local, regional and statewide fire service organizations for unique training events. These “conference, seminar and symposium” awards provided 33 different training opportunities for all 20,000 Minnesota firefighters at a significantly reduced rate.
- There was \$150,000 available for live-burn training throughout Minnesota. The training was developed by Hennepin Technical College, based on National Fire Protection Association (NFPA) 1403 standards. The NFPA 1403 live-burn training was to ensure that all live burns in “acquired” structures were conducted in a safe manner and in accordance with nationally recognized NFPA 1403 standards.
- The MBFTE provided \$100,000 to train Minnesota firefighters in a course called “Incident Safety Officer.” The intent is for firefighters to understand roles and responsibilities of the safety officer on an emergency incident scene. The training was provided free of charge to 250 fire departments in FY 2013 and will continue through 2016 to ensure all 785 Minnesota fire departments receive this vital training.

One-time Appropriation for FY 2013

The \$4,500,000 one-time appropriation was allocated with \$500,000 going to Minnesota Task Force 1 for critical equipment needs. The remaining \$4,000,000 was for the Fire Service Advisory Committee (FSAC) to submit allocation-and-expenditure recommendations to Commissioner of Public Safety Ramona Dohman for approval. The committee met and recommended funding the following:

- | | |
|----------------------------------------------------------|-------------|
| • Minnesota Board of Firefighter Training and Education | \$3,076,000 |
| • First-class cities* additional training reimbursements | \$ 214,000 |
| • Minnesota Task Force 1, training reimbursements | \$ 200,000 |
| • Emergency Response Team, ST Paul FD, training | \$ 110,000 |
| • Minnesota Chemical Assessment Teams (10x\$10,000) | \$ 100,000 |
| • Shared Fire and Rescue Services Grant Program | \$ 200,000 |
| • Highway Safety Responder Program | \$ 100,000 |

*First-class cities include: Minneapolis, St. Paul, Duluth and Rochester

State Fire Marshal Division (SFMD):

Approximately 70 percent of the SFMD budget comes from the Fire Safety Account. The remaining 30 percent comes from fees and from contracts for inspection of healthcare and daycare facilities, schools and motels.

FY2013 monies provided operation funding for the SFMD

- Health Care and Corrections Facilities Inspection Team
- Public and Charter School Inspection Team
- Residential and Daycare Inspection Team
- Fire Protection Systems Plan Review and Inspection Team
- Fire Investigation Team
- Administrative, management and other support functions

In FY2013 the advantages of having a Fire Service Specialist on the SFMD staff once again became clear. This position, added in FY2012, is the primary liaison with the Minnesota fire service on matters involving mutual aid contracts, personnel policies, shared services, consolidation and training, as well as any other issues faced by smaller fire departments that don't have full-time staffing. This concept has been extremely well received statewide. This person also became the Minnesota point of contact for National Fire Academy on-campus (Emmitsburg, MD) and direct delivery, in-state Minnesota courses.

After a successful round of Shared Services Grants in 2010, the State Fire Marshal Division administered another round in FY 2013. These funds can be used by multiple fire departments to pay consultants that study the shared-services model. When studies are completed, fire departments may also use shared-service funding to help implement agreed-upon recommendations.

“Shared Services” refers to a number of ways in which fire-and-rescue organizations are working together to become more efficient and effective. The shared services concept may, but does not always result in cost savings for fire organizations — nor does it mean that fire departments must formally merge to “share services.”

Homeland Security and Emergency Management Division (HSEM):

In FY2013, HSEM continued its focus on upgrading and sustaining equipment for Chemical Assessment Teams and Minnesota Task Force 1.

Additional funds were used to update standard operating procedures based on shortcomings identified in exercises. Monthly exercises with local police, fire, state response teams and other state agencies, and federal partners allowed us to evaluate, improve and streamline response procedures across the state.

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