

HB 5036 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Sollman

Joint Committee On Ways and Means

Action Date: 05/19/23

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 11 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Girod, Hansell, Knopp, Sollman, Steiner

House Vote

Yeas: 11 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Smith G, Valderrama

Exc: 1 - Reschke

Prepared By: Lisa Fox, Department of Administrative Services

Reviewed By: April MacDonald, Legislative Fiscal Office

Department of the State Fire Marshal

2023-25

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ 48,469,638	\$ 32,559,579	\$ 32,559,579	100.0%
Other Funds Limited	\$ -	\$ 32,744,507	\$ 40,770,646	\$ 40,770,646	100.0%
Federal Funds Limited	\$ -	\$ 599,875	\$ 599,875	\$ 599,875	100.0%
Total	\$ -	\$ 81,814,020	\$ 73,930,100	\$ 73,930,100	100.0%

Position Summary

Authorized Positions	0	141	154	154
Full-time Equivalent (FTE) positions	0.00	141.00	152.56	152.56

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of the State Fire Marshal (DSFM) was created in House Bill 2927 (2021) as an independent agency, effective July 1, 2023. DSFM was previously an office within the Oregon State Police (OSP). DSFM is supported by General Fund, Other Funds, and Federal Funds revenue. The Department’s primary sources of Other Funds revenue are receipts from the Fire Insurance Premium Tax (FIPT), Hazardous Substance Waste Fee, and Petroleum Load Fee. DSFM also receives a small amount of federal funding for hazardous material emergency preparedness from the U.S. Department of Transportation.

Summary of Public Safety Subcommittee Action

DSFM is charged with the responsibility to protect people, property, and the environment from fire and hazardous materials.

The Subcommittee recommended a 2023-25 biennial budget for the Department in the amount of \$73,930,100 total funds. The Subcommittee recommendation includes \$32,559,579 General Fund, \$40,770,646 Other Funds expenditure limitation, and \$599,875 Federal Funds expenditure limitation. The Subcommittee’s recommended budget for DSFM funds 154 positions (152.56 FTE). The budget represents a 60.9 percent decrease in total funds from the 2021-23 Legislatively Approved Budget (LAB) for the Office of the State Fire Marshal within the Oregon State Police and represents a 9.6 percent decrease in total funds from the 2023-25 Current Service Level.

For the 2023-25 biennium, the appropriation structure for DSFM has been established by fund type to provide some operational flexibility as the office transitions to an independent agency. The appropriation structure will be considered for revision, aligning to program areas, for the 2025-27 biennium.

Office of the State Fire Marshal

The Office of the State Fire Marshal sets statewide policy and directs the Department and all divisions and programs; provides guidance and policy resources for the Oregon fire service; oversees biennial budgeting, workforce development, annual reporting, and strategic planning; and leads the response and prevention functions within Oregon's structural fire service jurisdictions, including the wildland-urban interface.

The Subcommittee recommended budget provides \$1,794,548 General Fund, \$2,116,565 Other Funds expenditure limitation, and 11 positions (10.88 FTE). The Subcommittee recommended the following package:

Package 104: Agency Capacity. This package aims to increase staff capacity and establish administrative functionality needed to provide a successful foundation for the department as a newly established state agency. The package provides staff and associated resources in four budget areas. In the Office of the State Fire Marshal, this package establishes two permanent, full-time positions (1.88 FTE): a General Fund-supported Internal Auditor (0.88 FTE), and an Other Funds-supported Executive Assistant (1.00 FTE). The Internal Auditor is a new position and \$15,795 is included in the package for necessary Services and Supplies costs to establish the position. The Executive Assistant position is currently filled and was inadvertently excluded in the transfer of positions from OSP, requiring reestablishment in this package.

Support Services Division

The Support Services Division provides budget development and oversight, business support, information technology, and human resource services for the Department.

The Subcommittee recommended budget provides \$8,572,978 General Fund, \$10,183,286 Other Funds expenditure limitation, and 33 positions (32.04 FTE). The Subcommittee recommended the following packages:

Package 103: Agency Transition. This package provides one-time Other Funds expenditure limitation, supported by the Department's existing balance of Fire Insurance Premium Tax revenue. This increase in expenditure limitation is intended to cover non-personnel costs associated with establishing a new agency, including: establishing the department's office space; information technology (IT) infrastructure, IT services and consulting; lease and rental closeout and agreement costs; and one-time costs from the Department of Administrative Services, Enterprise Information Services, for the migration of software licenses.

Package 104: Agency Capacity. This package establishes three permanent, full-time positions (2.64 FTE) and provides associated Services and Supplies for the positions in the Support Services Division. Positions include an Accountant 3 (0.88 FTE), an Accounting Technician (0.88 FTE) and a Human Resources Analyst 1 (0.88 FTE).

Package 801: LFO Analyst Adjustments. This package provides five permanent full-time information technology positions (4.40 FTE) to support emergency response systems, various information technology applications, statewide data collection, analysis, and reporting for the department. Positions include:

- One Information Systems Specialist 4 (0.88 FTE)
- One Information Systems Specialist 5 (0.88 FTE)
- Two Information Systems Specialist 6 (1.76 FTE)
- One Operations and Policy Analyst 2 (0.88 FTE)

This package also includes \$31,000 General Fund and \$46,500 Other Funds expenditure limitation for Services and Supplies to support the new positions. Additionally, the package provides \$506,000 General Fund for the increase in rent and lease agreements for the Department.

Package 801 also adjusts the separation of funding and resources between DSFM and OSP as the agencies separate, rebalancing General Fund and Other Funds expenditure limitation. The General Fund reduction in DSFM's budget related to this rebalance will largely be restored to OSP in their 2023-25 budget.

Emergency Response Division

The Emergency Response Division facilitates emergency response planning and resource coordination efforts to protect citizens, their community and the environment from the negative consequences of fires, hazardous materials spills and releases, train derailments involving hazardous materials, and natural hazard events.

The Subcommittee recommended budget provides \$12,110,027 General Fund, \$10,670,304 Other Funds, \$599,875 Federal Funds expenditure limitation, and 27 positions (27.00 FTE). The Subcommittee recommended the following packages:

Package 801: LFO Analyst Adjustments. This package right-sizes the amount necessary to deliver the remaining one-time funds included in Senate Bill 762 (2021) for engine purchases. The adjustment includes a reduction of \$20.8 million General Fund in Special Payments and a reappropriation of \$6.4 million General Fund in Capital Outlay, within the Automotive and Aircraft account, to complete the engine purchases in the 2023-25 biennium. This package also includes a technical adjustment to shift the Federal Funds expenditure limitation for the Hazardous

Materials Emergency Preparedness grant from the Fire and Life Safety Education division to the Emergency Response division and provides \$61,296 Other Funds expenditure limitation to carry forward reclassifications approved for the 2021-23 biennium in House Bill 5045 (2023).

Package 802: Vacant Position Reductions. This package eliminates one permanent, full-time Operations and Policy Analyst 2 (1.00 FTE) and one permanent, full-time Communications System Analyst (1.00), as well as the Services and Supplies supporting them. Both positions have been vacant for more than 12 months.

Regulatory Services Division

The Regulatory Services Division administers seven regulatory programs by conducting tests, issuing permits and licenses, and conducting inspections to ensure fire and life safety protection for fireworks, liquefied petroleum gas, non-retail fuel dispensing, fire standard compliant cigarettes, and novelty lighters.

The Subcommittee recommended budget provides \$4,187,790 Other Funds expenditure limitation and 17 positions (16.64 FTE). The Subcommittee also recommended the following package:

Package 104: Agency Capacity. In the Regulatory Services Division, this package establishes three permanent, full-time positions (2.64 FTE) and provides expenditure limitation for Services and Supplies to support them, and reestablishes one permanent, full-time position inadvertently excluded in the transfer of positions from OSP (1.00 FTE). The following positions are included:

- Administrative Specialist 1 (0.88 FTE)
- Operations and Policy Analyst 2 (0.88 FTE)
- Regulatory Services Division Manager (0.88 FTE)
- Fire Protection and Community Risk Manager 3 (1.00 FTE)

Fire and Life Safety Services Division

The Fire and Life Safety Services Division provides technical support and guidance to assist with fire prevention in public and private buildings.

The Subcommittee recommended budget provides \$4,865,901 General Fund, \$9,034,184 Other Funds expenditure limitation, and 37 positions (37.00 FTE). No packages were included for this division in the Subcommittee recommended budget.

Fire and Life Safety Education Division

The Fire and Life Safety Education Division is responsible for statewide programs in fire data and analytics, fire prevention and safety, and community risk reduction. The Division's programs target fire reduction and fire-related deaths, injury, and property loss through educational practices to encourage behavior change and increase awareness of fire-safe practices and regulations.

The Subcommittee recommended budget provides \$5,216,125 General Fund, \$4,578,517 Other Funds expenditure limitation, and 29 positions (29.00 FTE). The Subcommittee recommended the following packages:

Package 104: Agency Capacity. In the Fire and Life Safety Services Division, this package establishes one permanent, full-time Fire Protection and Community Risk Manager 3 (1.00 FTE). This position existed within OSP and was inadvertently excluded in the transfer of positions, requiring reestablishment in this package. This position is currently filled.

Package 801: LFO Analyst Adjustments. This package includes a technical adjustment to shift Federal Funds expenditure limitation for the Hazardous Materials Emergency Preparedness grant from the Fire and Life Safety Education Division to the Emergency Response Division. Additionally, the package provides \$63,744 Other Funds expenditure limitation to carry forward reclassifications approved for the 2021-23 biennium in House Bill 5045 (2023).

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of the State Fire Marshal
Lisa Fox, (971) 283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00
2023-25 Current Service Level (CSL)*	\$ 48,469,638	\$ -	\$ 32,744,507	\$ -	\$ 599,875	\$ -	\$ 81,814,020	141	141.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 010- Office of the State Fire Marshal									
Package 104: Agency Capacity									
Personal Services	\$ 232,645	\$ -	\$ 216,855	\$ -	\$ -	\$ -	\$ 449,500	2	1.88
Services and Supplies	\$ 15,795	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,795		
SCR 015 - Support Services									
Package 103: Agency Transition									
Services and Supplies	\$ -	\$ -	\$ 4,674,000	\$ -	\$ -	\$ -	\$ 4,674,000		
Package 104: Agency Capacity									
Personal Services	\$ 529,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,946	3	2.64
Services and Supplies	\$ 46,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,500		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 409,572	\$ -	\$ 555,835	\$ -	\$ -	\$ -	\$ 965,407	5	4.40
Services and Supplies	\$ (2,307,792)	\$ -	\$ 1,218,342	\$ -	\$ -	\$ -	\$ (1,089,450)		
SCR 020 - Emergency Response Division									
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 61,296	\$ -	\$ -	\$ -	\$ 61,296	0	0.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 465,964	\$ -	\$ 465,964		
Special Payments	\$ (20,840,000)	\$ -	\$ -	\$ -	\$ 133,911	\$ -	\$ (20,706,089)		
Capital Outlay	\$ 6,441,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,441,479		
Package 802: Vacant Position Reductions									
Personal Services	\$ (406,204)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (406,204)	-2	-2.00
Services and Supplies	\$ (32,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,000)		
SCR 025 - Regulatory Services Division									
Package 104: Agency Capacity									
Personal Services	\$ -	\$ -	\$ 911,843	\$ -	\$ -	\$ -	\$ 911,843	4	3.64
Services and Supplies	\$ -	\$ -	\$ 47,385	\$ -	\$ -	\$ -	\$ 47,385		
SCR 035 - Fire and Life Safety Education Division									
Package 104: Agency Capacity									
Personal Services	\$ -	\$ -	\$ 276,839	\$ -	\$ -	\$ -	\$ 276,839	1	1.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 63,744	\$ -	\$ -	\$ -	\$ 63,744	0	0.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ (465,964)	\$ -	\$ (465,964)		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ (133,911)	\$ -	\$ (133,911)		
TOTAL ADJUSTMENTS	\$ (15,910,059)	\$ -	\$ 8,026,139	\$ -	\$ -	\$ -	\$ (7,883,920)	13	11.56
SUBCOMMITTEE RECOMMENDATION *	\$ 32,559,579	\$ -	\$ 40,770,646	\$ -	\$ 599,875	\$ -	\$ 73,930,100	154	152.56
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%
% Change from 2023-25 Current Service Level	(32.8%)	0.0%	24.5%	0.0%	0.0%	0.0%	(9.6%)	9.2%	8.2%

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 5/15/2023 4:40:16 PM

Agency: Department of the State Fire Marshal

Mission Statement:

The Oregon Department of the State Fire Marshal's mission is to protect people, property, and the environment from fire and hazardous materials. The department carries out these duties through prevention education, inspections, code enforcement, and preparedness and response activities. Our vision is to provide premier public safety services.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. AVERAGE PERCENTAGE OF STRUCTURES SAVED AFTER DECLARED CONFLAGRATION - based on the number of residential and commercial properties "at risk" or "threatened" during wildland fires as compared to those lost to fire.		Approved	98.10%	100%	100%
2. OREGON RESIDENTIAL FIRE DEATH RATE - Per 1 million population, with a target to position Oregon among the twelve lowest fire death rates in the nation.		Approved	4	4.60	5
3. CUSTOMER SERVICE SATISFACTION SURVEY - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.		Approved		90%	90%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

Additionally, the Legislative Fiscal Office recommends the Department of the State Fire Marshal consider and develop additional Key Performance Measures designed to demonstrate the efficiency and effectiveness of their programs and services. At a minimum, the Department should identify meaningful measurements, methods of quantifying the results, and appropriate performance targets for activities including, but not limited to, prevention education, inspections, code enforcement, and preparedness and response activities. LFO recommends the Department work with the Department of Administrative Services, Chief Financial Office, as well as the Legislative Fiscal Office to develop these Key Performance Measures for proposal during the 2025-27 budget development process.

SubCommittee Action:

The Public Safety Subcommittee approved the LFO recommendation.