

# Minnesota Department of Public Safety



## **Fire Safety Account** *Financial Report for* *Fiscal Year 2018*

December 2018



## Fire Safety Account — Fiscal Year 2018

### Overview

The 2006 Minnesota State Legislature passed a bill establishing a fire-safety surcharge on homeowner and certain commercial insurance policies. The Fire Safety Account (FSA) was created to hold revenue generated by that surcharge. The bill abolished the fire insurance tax that had been in law for decades, the proceeds of which went into the state general fund. Insurance companies submit their surcharge collections monthly and are required to submit quarterly on or before May 15, Aug. 15, Nov. 15 and Feb. 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 FSA money. These revenues may be allotted only to:

1. The Minnesota Board of Firefighter Training and Education.
2. Programs and staffing for the Minnesota Department of Public Safety State Fire Marshal Division.
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.

### Fiscal Year 2018 (FY18) Budget

Transfers from the FSA as established in the base FY18 budget:

- State Fire Marshal Division — \$6,274,000
- Homeland Security and Emergency Management Division — \$1,525,000
- Board of Firefighter Training and Education — \$4,265,000
- Minnesota Air Rescue Team (MART) — \$ 250,000
- Minnesota Task Force 1 (MN TF-1) — \$ 500,000
- State Fire Marshal Division (special project) — \$ 282,670

#### *FY18 Activity Summary*

Balance forward from FY17	\$ 7,005,671
Collections from FSA premiums	\$13,731,938
Returned to the FSA	\$ 4,072
Resources available	\$20,741,681
Transfer to general fund	\$0
Transfer to State Fire Marshal Division	\$6,274,000
Transfer to Board of Firefighter Training and Education	\$4,265,000
Transfer to Homeland Security and Emergency Management Division	\$1,525,000
Transfer to Board of Firefighter Training and Education for MART base budget	\$250,000
Transfer to Board of Firefighter Training and Education for MN TF-1 base budget	\$500,000
Transfer to State Fire Marshal Division for service planning grants and special projects	\$282,670
Total transfers	\$13,096,670
Account balance end of FY18	\$ 7,645,011

## **Board of Firefighter Training and Education (MBFTE)**

The MBFTE received a base budget of \$4.265 million in FY18. Approximately \$2.247 million was available for training reimbursements to Minnesota fire departments. The MBFTE did not require departments formally apply to receive training reimbursements. Each of Minnesota's 778 departments was notified in August of 2017 that they were eligible for \$105.50 for each firefighter on their roster for firefighter training.

A record number of fire departments (90 percent) submitted training reimbursement documentation to the MBFTE in FY18 — a 3 percent increase over FY17. There were five first-time training reimbursement program applicants and all but 15 fire departments have now submitted for training reimbursements in at least one of the first 10 rounds since this program began in 2009. Minnesota fire departments requested nearly \$4 million in training reimbursements with each reimbursement averaging approximately \$2,550.94.

Other FY18 highlights:

- The MBFTE provided \$1.4 million in reimbursements directly to trainers and academies that provided National Fire Protection Association (NFPA) 1001 basic training to 919 Minnesota firefighters.
- The MBFTE provided more than \$65,000 in reimbursement grants to local, regional and statewide fire service organizations for unique training events. These awards helped 20,600 firefighters attend a total of 21 different training opportunities at a significantly reduced rate.
- Approximately \$174,000 funded 106 live-burn training events across Minnesota. Live-burn training is conducted in accordance with NFPA 1403 standards, which ensure all burns were conducted in a safe manner, met a nationally recognized standard and the statutory requirements of the Minnesota Department of Natural Resources.
- The MBFTE provided more than \$36,000 to fund two Fire Service Leadership Development courses held at Camp Ripley. Each 32-hour course helped a cross-section of fire service leaders from across the state — at no cost to them or their department — develop skills and address key leadership issues specific to the Minnesota fire service. More than 130 firefighters have now completed this course over the last four years.

The MBFTE continues educating fire departments, fire training providers, and fire service organizations across Minnesota on the resources available to them from the FSA. The MBFTE continues to maintain a simplified website and reimbursement process that allows for online management of training reimbursements for all departments.

## **State Fire Marshal Division (SFMD)**

Approximately 70 percent of the SFMD budget comes from the FSA. The remaining 30 percent comes from fees and contracts for health care, daycare, school, and motel inspections.

FY18 monies provided operational funding for the SFMD:

- Health Care and Department of Corrections Facilities Inspection Team
- Public and Charter School Inspection Team
- Residential Care and Lodging Inspection Team
- Fire Protection Systems Plan Review and Inspection Team
- Fire Investigation Team
- Administrative, management and other support services (fire service specialists)
- Fire and life safety education
- Youth firesetter intervention
- Fire incident data collection and analysis

FSA funding has helped the SFMD significantly improve training opportunities for local fire marshals, inspectors and firefighters. One example is the addition of the Fire Protections Systems Demonstration Trailer, a mobile training prop containing seven complete, working fire protection (sprinkler) systems in a variety of configurations. This demonstration trailer provides students a “hands-on” demonstration of the internal operations of these systems and helps them gain a better understanding of how individual components function during a fire. Since this unit was placed in service in August 2012, approximately 3,800 fire service personnel have attended 201 classes statewide.

Another training aid is the Fire Code Training Trailer. This unit contains a variety of training props including a working fire alarm system, kitchen hood fire protection system, several fire doors and egress devices, escape window, and other fire safety and protection features commonly found in buildings. This unit will give fire marshals and inspectors — particularly those new to the job — hands-on experience with the props, and a functional understanding of their operation and purpose.

## **Fire Marshal Conference**

The SFMD has sponsored a State Fire Marshal Conference in April since 2012. Attendance has grown from 160 the first year to over 225 in recent years. The conference has brought national fire service experts to Minnesota to share the most up-to-date information for those involved in fire prevention, fire safety education, and fire investigation.

## **Training Efforts**

Since the implementation of the FSA, the SFMD has been able to provide fire investigation, fire code, fire protection system, and fire safety education training to the Minnesota fire service at no cost. This has helped local government budgets, especially training dollars that are often in short supply on a local level. In FY18, the SFMD provided 16 classes for 280 students. These classes involved 170 hours of instruction and 1,624 student contact hours and were provided free of charge to attendees.

## **Records Management**

One of the first purchases made with FSA funding was an online records management system accessible to any of Minnesota’s 775 fire departments. The system was developed by ImageTrend out of Lakeville, Minnesota. Although primarily developed as a fire reporting tool for fire departments, the system also includes modules for training, personnel, payroll, inventory, inspections and investigations. A significant software upgrade called ImageTrend Elite was initiated by the company in FY17 and FY18. The system was used by 89 percent of the state’s fire departments in FY18.

## **2018 Report to the Legislature**

*Fire Safety Account*

### **Service Planning Grant Program (Old Shared Services Program)**

The Service Planning Grant Program moved into another round of awards with \$265,000 available for FY18. Our fire service specialists continue to work with those recent award recipients. When studies are completed, fire departments may use Service Planning Grant funding to help implement agreed-upon recommendations.

“Sharing services” refers to a number of ways in which fire-and-rescue organizations are working together to become more efficient and effective. The sharing of services may result in cost savings for fire organizations — but it doesn’t always have that result, nor does it mean that fire departments must formally merge to “share services.” The goals are efficiency and effectiveness.

### **Homeland Security and Emergency Management Division (HSEM)**

HSEM continued its focus in FY18 on upgrading and sustaining equipment for Chemical Assessment Teams (CAT) along with St. Paul, Duluth, St. Cloud and Moorhead Fire Department’s Emergency Response Teams (ERT) 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, other state agencies, and federal partners allowed us to evaluate, improve and streamline response procedures across the state.

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