

# Minnesota Department of Public Safety



## *Fire Safety Account* *Financial Report for Fiscal Year* *2011*



## Fire Safety Account – Fiscal Year 2011

### Overview:

The 2006 Legislature established a fire safety insurance surcharge on homeowner and certain commercial insurance policies. The fire safety account was created to hold the revenues from this 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 submit their surcharge collections on a quarterly basis, on or before May 15, August 15, November 15 and February 15 each year.

The legislation created a Fire Service Advisory Committee to make recommendations to the Commissioner of Public Safety on how to spend the money in the account. These revenues may only be spent (1) for the Minnesota Board of Firefighter Training and Education, (2) for programs and staffing for the State Fire Marshal Division, and (3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact. The committee is made up of representatives of the 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 use of the funds. This committee forwards their biennial budget recommendations to the commissioner.

### Fiscal Year 2011 Budget:

Transfers from the account as established in the base FY2011 budget were as follows: General Fund - \$2,368,000; State Fire Marshal Division - \$3,737,000 (after a reduction of \$550,000 to cover a shortfall in revenue collections in FY2010); Homeland Security & Emergency Management Division - \$604,000; and Board of Firefighter Training & Education - \$1,470,000.

In addition, the 2010 Legislature imposed a one-time FY2011 transfer of \$3,600,000 to the General Fund and also granted a one-time appropriation of \$2,000,000 from the account for these specified uses: Board of Firefighter Training & Education - \$950,000 for training reimbursements and \$50,000 for the development of a Live Burn Training Standard; State Fire Marshal Division - \$200,000 for a Shared Fire & Rescue Services grant program and \$160,000 for general division operations; and Homeland Security & Emergency Management Division - \$640,000 for the Hazardous Materials Response Teams and Task Force One (technical rescue operations).

### *Fiscal Year 2011 Activity Summary:*

Balance Forward from FY2010	\$1,107,614
Collections from Fire Safety Premiums	\$12,908,084
Resources available	\$14,015,698
Transfer to General Fund	\$5,968,000
Transfer to State Fire Marshal Division	\$4,097,000
Transfer to Board of Firefighter Training & Education	\$2,470,000
Transfer to Homeland Security & Emergency Management Division	\$1,244,000
Total Transfers	\$13,779,000
Account Balance end of FY2011	\$236,698

### **Board of Firefighter Training & Education (MBFTE):**

In fiscal year 2011, approximately \$2,640,000 was available to the fire departments and was awarded based on applications submitted to the MBFTE. 44% of the 785 Minnesota fire departments submitted applications for the use of the training reimbursement funding dedicated to fire training throughout the state.

The average request from the fire department applications was \$9,178.00. In fiscal year 2011, 344 fire departments submitted reimbursement documentation and the average reimbursement was \$3,512.00. In fiscal year 2011, the training reimbursement program saw 68 first time applicants.

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

Approximately 70% of the division budget comes from the Fire Safety Account. The remaining 30% comes from fees and contracts for inspections of health care facilities, schools, day care facilities, and motels. FY2011 funding provided operational costs for the Health Care & Corrections Facilities Inspection Team, the Public & Charter School Inspection Team, the Residential & Day Care Inspection Team, the Fire Protection Systems Plan Review & Inspection Team, the Fire Investigation Team as well as administrative, management and other support functions.

In FY2011 a Fire & Rescue Shared Services grant program was initiated with a \$200,000 appropriation from the Legislature. Eight applicants (two or more fire departments) applied for over \$200,000 in grants. A review committee established the grant amounts – giving all 8 applicants nearly everything they applied for. The grants could be used to hire a 3<sup>rd</sup> party consultant to conduct a feasibility study of ways the (two or more) fire departments could become more efficient, effective and possibly less costly. The 8 studies were completed and have been published on the Fire Marshal web site for review.

### **Homeland Security & Emergency Management Division (HSEM):**

In FY2011 HSEM was able to upgrade our current statewide decontamination system with funds provided through the Fire Safety Account. This was done by refurbishing the 15 current decontamination shower trailers, creating a user friendly “how to” video that was distributed to all fire departments and emergency managers in Minnesota. HSEM also added 8 smaller quick response decontamination “push packs” to supplement the 15 shower trailers. These were distributed to 8 fire departments in outstate Minnesota.

In addition to the upgrades to the statewide decontamination system, additional funds were used to upgrade current Chemical Assessment Teams and Task Force 1 equipment with next-generation technology for communications and chemical identification.