

- Local courts may experience minimal expenditure increases for appeal proceedings, regarding the provision that states that for individuals who are in violation of the state fire code or have created a building fire hazard, notice must be sent by the State Fire Marshal, Assistant Fire Marshal, or Certified Fire Inspector in accordance with the Administrative Procedure Act. Any expenditures are likely to be offset by court costs.
- Townships and villages that employ a Certified Fire Safety Inspector may experience a minimal savings because the bill no longer requires the inspector to notify individuals by certified mail of a citation for violation of the state fire code.

Detailed Fiscal Analysis

State Fiscal Impact

State Fire Marshal

The State Fire Marshal's office (SFM) notes many of the provisions in the bill codify existing practices and procedures currently undertaken by the SFM and the State Fire Commission. The SFM does not expect any associated costs with these codifying provisions. These provisions include: creating the Fire and Explosions Investigations Bureau, Forensic Laboratory, and the Bureau of Code Enforcement; providing fire protection and emergency medical services to governmental entities; maintaining the State Fire Commission's Ohio Fire Hall of Fame; keeping official commendation that recognizes and commemorates certain individuals; and conducting licensing examinations and establishing and collecting fees for conducting these examinations. The SFM notes that they do not expect the examination fees to exceed the costs to administer the exams. Also, the SFM does not anticipate any costs for the development of uniform standards for the reporting of burn injury information. Furthermore, the SFM does not expect any cost increases to the state or local governments from the provision that provides civil immunity to a person teaching at the Ohio Fire Academy.

The SFM does not anticipate any savings for no longer being required to investigate every fire or explosion because they currently do not investigate each fire or explosion in the state. In most cases, local authorities conduct most of the investigations, yet the Fire Marshal's office may be called to assist in the investigation. Also, the SFM does not anticipate any savings from the provision no longer requiring the development or provision of burn injury forms. Furthermore, the bill no longer requires the SFM to conduct tests of fire protection systems, devices, and firefighting equipment. The SFM does not anticipate any savings from this provision because they are not currently conducting these tests because of funding and personnel constraints. Ultimately, any savings experienced by the SFM for the provision no longer requiring an inspector to notify individuals by certified mail of a citation for violation of the state fire code, is expected to be minimal.

The SFM may experience expenditure increases as the bill requires the office to provide increased benefit disbursements to survivors of volunteer firefighters from the Volunteer Fire Fighters' Dependent Fund Group. The SFM estimates administrative costs, not including personnel costs, would be less than \$1,000. The SFM currently does not have an estimate of personnel costs.

The State Board of Building Appeals

The State Board of Building Appeals may experience expenditure increases to hear appeals of orders by the board regarding citations issued by the Fire Marshal, Assistant Fire Marshal, or a Certified Fire Safety Instructor. A history of appeals to the board is currently unknown.

The General Revenue Fund and various state agencies

The General Revenue Fund (GRF) and various state agencies may experience expenditure increases due to increased benefit disbursements to survivors of volunteer firefighters. Under the bill, persons who are EMT-basic, EMT-I, first responders, and volunteer firefighters shall be compensated for 40 hours of leave to perform related duties in the field. Compensation is granted at the regular rate of pay for these individuals. With this new provision, the state *may* incur costs if the duties and responsibilities of absent individuals is shouldered by other staff members. If this is the case, then the state *may* experience a loss of productivity in a certain function of state government and may experience an increased distribution of compensation and overtime awards.

The Ohio Department of Administrative Services (DAS) reports there are approximately 91 state employees employed in a fire safety, fire training, EMS, or firefighting capacity. These employee classifications may be Fire Safety Educator, Firefighter, Fire Safety Inspector, Fire Training Officer, and Emergency Medical Technician – Ambulance [1]. DAS notes that there are approximately 50 employees at the Adjutant General's Office that are classified as Firefighters, 40 at the Department of Commerce holding fire-related classifications, and one employee at the Capitol Square Review and Advisory Board classified as an Emergency Medical Technician – Ambulance. DAS notes that there may be other state employees in the health field that may also be certified EMTs, however, the number of such employees is currently unavailable.

The average range of compensation for Fire Safety Educators, Firefighters, Fire Safety Inspectors, Fire Training Officers, and Emergency Medical Technicians – Ambulance, including fringe benefits (at 33%), is approximately \$39,726 to \$49,158, or \$19.09 to \$23.63, respectively [2]. Since the bill grants 40 hours of leave to state employees certified as EMT-basic, EMT-I, first responder, paramedic, or are volunteer fighters, the additional grant of 40 hours may result in a potential expenditure increase to the GRF and/or various state agency funds of

approximately \$69,488 to \$86,013, annually. This increase may vary pending additional information revealing additional employees in different classifications holding such certifications.

Volunteer Fire Fighters' Dependent Fund

Pursuant to 146.02 of the Revised Code, each political subdivision or fire district having a fire department employing volunteer firefighters is a member of the Volunteer Fire Fighters' Dependents Fund (VFFDF) and shall establish a Volunteer Fire Fighters' Dependent Fund board. The VFFDF is considered a revenue distribution fund and is administered by the SFM. The primary purpose of this fund is to account for fire district and political subdivision premiums for distribution in support of compensation to disabled firefighters and to surviving spouses and families in the case of death. Annual appropriations for the fund in FY 2002 and FY 2003 are \$200,000.

The following table lists the annual appropriations to the fund from 1998-2003:

FY 1998	\$196,770
FY 1999	\$185,585
FY 2000	\$188,690
FY 2001	\$181,465
FY 2002	\$200,000
FY 2003	\$200,000

Increased Benefit Costs

For a surviving spouse of a deceased volunteer firefighter, current law provides a lump sum of \$1,000 and a monthly payment of \$200 or \$2,400 per year. Under the bill, surviving spouses will still receive a lump sum of \$1,000, but will receive a monthly payment of \$300 or \$3,600 per year, a difference of \$1,200. For a surviving child of a deceased volunteer firefighter, and who is dependent for chief support, up to the age of 18, current law provides a monthly payment of \$65 or \$780 per year. Under the bill, surviving children up to the age of 18 will receive a monthly payment of \$125 or \$1,500 per year, a difference of \$720. Furthermore, the bill states that monthly payment shall continue to individuals beyond the age of 18, up to the age of 23, if the child is attending a post secondary educational institution. To qualify for the continued monthly compensation, the individual must successfully maintain at least two-thirds of the full-time curriculum requirements of the institution. Under the bill, if the child pursues higher education, he or she may qualify for an additional \$7,500, over 5 years. For a volunteer firefighter, totally and permanently disabled, and who is not receiving a current full salary, current law provides a sum of \$200 or \$2,400 per year. Under the bill, totally and permanently disabled firefighters will receive \$300 per month or \$3,600 per year, a difference of \$1,200.

According to the Ohio Retirement Study Council (ORSC), the VFFDF is financed by assessments on political subdivisions and fire districts having volunteer firefighter as well as private volunteer fire companies that elect membership. The assessments are levied by the SFM whenever the claims against the fund reduce the balance of the fund to 95% or less of the initial basic capital account. The assessments for political subdivisions and fire districts of the state range from \$90 to \$150 based on the current property valuation of the subdivision or district; the assessments for private volunteer fire companies is \$150. Assessments are generally levied twice a year and generate approximately \$108,000. Annual interest currently earned on the capital account balance is approximately \$20,000. The current balance in the fund is approximately \$400,000 and whenever the balance falls below \$340,000 an assessment will be levied. Currently, there are 82 benefit recipients, which include 6 disabled volunteer firefighters, 66 surviving spouses, and 10 dependent children. ORSC notes that the bill would create an additional expenditure increase to the fund of approximately \$86,400^[3], assuming that the number of surviving spouses and dependent children remains at current levels. The increase in the surviving spouse benefit adds \$79,200 per year, and the dependent child benefit \$7,200 per year. However, considering an additional benefit of \$1,200 per year for six permanently disabled firefighters, LSC calculates the total expenditure increase to be \$93,600. ORSC notes that the increased benefit disbursements would necessitate and trigger an additional assessment.^[4] The Department of Commerce notes there are 804 political subdivisions contributing to the fund, thus the average annual increase in cost to a member subdivision would be approximately \$107. However, taking into account the increased benefit to permanently disabled firefighters, LSC estimates the annual increase to the 804 political subdivisions to be approximately \$116.

Local Fiscal Effects

Local courts

A local court may experience potential expenditure increases for the adjudication of civil action cases against the SFM. These cases may be brought forth on the basis that the operation of a motor vehicle was manifestly outside the scope of the SFM employee's employment or official responsibilities, or the operation of a motor vehicle constituted willful or wanton misconduct. However, since the bill narrows the scope of liability of the SFM, the number of cases brought forth is likely to be low. However, for those cases that are brought forth, any potential expenditures are likely to be offset by revenue from court costs.

Also, local courts may experience minimal expenditure increases for appeal proceedings regarding the provision stating that for individuals who are in violation of the state fire code or have created a building fire hazard, notice must be sent by the State Fire Marshal, an Assistant Fire Marshal, or Certified Fire Inspector in accordance with the Administrative Procedure Act. Any expenditures are likely to be offset by court costs.

Townships and Villages

Townships and villages that employ a Certified Fire Safety Inspector may experience minimal savings because the bill no longer requires the inspector to notify individuals by certified mail of a citation for violation of the state fire code. Any savings is expected to be minimal.

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[1] Please note that this list may not be all-inclusive and there may be several other state employees in other classifications holding such certifications and/or are volunteer firefighters. However, for this analysis, LSC assumes of all state employees, those classified as Fire Safety Educator, Firefighter, Fire Safety Inspector, Fire Training Officer, and Emergency Medical Technician – Ambulance, would be the most likely to be certified EMT-basic, EMT-I, first responders, paramedics, and or volunteer firefighters.

[2] These classifications are reported from DAS's Office of Classification and Compensation – State of Ohio classification specifications list. The average range of compensation for the classifications are reported from the pay rate tables provided by DAS's office of Payroll Administration.

[3] \$86,400 is computed by multiplying the annual amount of additional benefit to surviving spouses of deceased firefighters (\$1,200) times (x) the numbers of surviving spouses (66), plus (+) the annual amount of additional benefit to surviving children of a deceased firefighter (\$720) times (x) the number of surviving children (10). Please note that the \$86,400 does not include any additional compensation for children pursuing higher education (a potential increase of \$7,500 over 5 years).

[4] Information provided by the Ohio Retirement Study Council Analysis of S.B. 115 and H.B. 267 (As Introduced), October 10, 2001.