

Commission on Fire Protection  
Summary of Recommendations - Senate

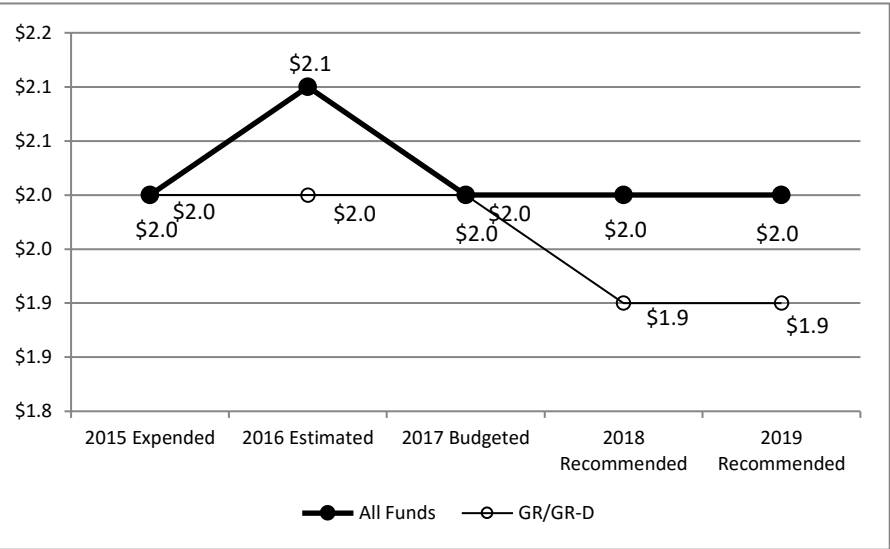
Page V-23  
Tim Rutland, Executive Director  
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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$3,933,652	\$3,776,304	(\$157,348)	(4.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$3,933,652	\$3,776,304	(\$157,348)	(4.0%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$171,857	\$145,000	(\$26,857)	(15.6%)
All Funds	\$4,105,509	\$3,921,304	(\$184,205)	(4.5%)

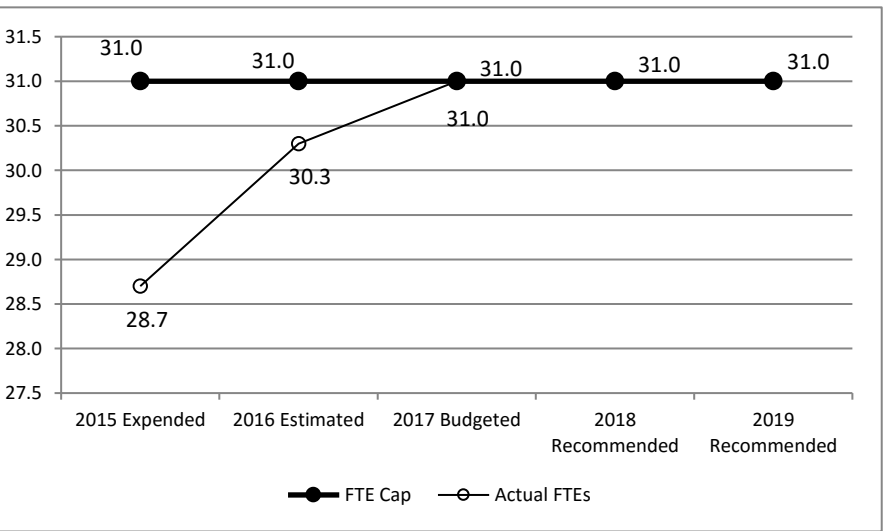
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	31.0	31.0	0.0	0.0%

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



FY 2016 FTE level is average of first 3 quarters of FY 2016

**Commission on Fire Protection**  
**Summary of Funding Changes and Recommendations - Senate**

**Section 2**

Funding Changes and Recommendations for the 2018-19 Biennium Compared to the 2016-17 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>Funding Changes and Recommendations:</i>							
A)	Reduction to administration and to both the educational and certification/regulation programs; amounts were included in the 4 percent reduction submission.	(\$157,348)	\$0	\$0	\$0	(\$157,348)	A.1.1, B.1.1, C.1.1
B)	Agency projected decrease of \$15,000 in estimated Other Funds (Appropriated Receipts) generated from the agency's issuance of non-mandatory International Fire Service Accreditation Congress (IFSAC) certification seals.	\$0	\$0	\$0	(\$15,000)	(\$15,000)	B.1.1
C)	Agency projected decrease of \$11,857 in estimated Other Funds (License Plate Trust Fund Account 802).	\$0	\$0	\$0	(\$11,857)	(\$11,857)	B.1.1
<b>TOTAL Funding Changes and Recommendations</b>		<b>(\$157,348)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$26,857)</b>	<b>(\$184,205)</b>	As Listed

**Commission on Fire Protection  
Selected Fiscal and Policy Issues - Senate**

1. **Appropriations Limited to Revenue Collections - Rider 2:** Rider 2 of the Texas Commission on Fire Protection's (TCFP) bill pattern requires the agency to use fee revenues to cover appropriations (i.e., requires TCFP to be self-funding). In the current biennium, Rider 2 also requires TCFP to generate an additional \$1.5 million in revenue above the agency's appropriation level. The Commission raises this \$1.5 million through increased fees for fire protection personnel. The agency is requesting deletion of the portion of Rider 2 that requires it to collect \$1.5 million in excess of the agency's operating expenses. This request would result in a \$1.5 million revenue loss to the state. Board recommendations maintain this revenue requirement. Please see page 4 for options on reducing or eliminating this additional revenue requirement.

Background: In the Eighty-second Legislature, 2011, recommendations administratively attached TCFP to the Department of Insurance as the result of administrative issues within the agency. The Eighty-second Legislature, 2011, elected to maintain TCFP as a stand-alone agency, but establish a revenue target of \$3.4 million, and the agency's fees were raised from \$35 to \$85 starting in fiscal year 2012. The subsequent two Legislatures have reduced the additional revenue requirement to \$1.5 million. This reduction to \$1.5 million resulted in a \$10 decrease to one of the agency's three fees (renewal fees). This relatively small fee decrease was based on a concern by the agency that excessive fee reductions might result in insufficient revenues. As a result of limiting fee reductions, as well as a higher than anticipated number of renewals, the agency estimates it will provide additional revenue of \$2.4 million in the 2016–17 biennium, after netting out costs for the agency's regular appropriations and associated benefits. This means the agency provided an additional \$0.9 million in revenue to the state over the \$1.5 million revenue requirement in the 2016–17 biennium.

Section 3-1 (Senate)

Texas Commission on Fire Protection

Estimates of Biennial Fee Revenue (by Major Source)

FY 2017 (Current) Fee Structure					
Type	No. (Biennium)	\$ per Fee	Biennial \$ per Fee	Predictable?	
Renewal	60,000	\$ 75.0	\$ 4,500,000	Yes	
Certification	20,000	85.0	1,700,000	No	
Testing	16,000	85.0	1,360,000	No	
			<u>\$ 7,560,000</u>		
<i>Option 1 - eliminate all \$1.5 million (new revenue target):</i>				<b>\$ 6,060,000</b>	
<i>Option 2 - eliminate half \$1.5 million (new revenue target):</i>				<b>\$ 6,810,000</b>	

Option 1a - All \$1.5 million Waived (Reduce Renewal Only)					
Type	No. (Biennium)	\$ per Fee	Biennial \$ per Fee	Predictable?	
Renewal	60,000	\$ 50.0	\$ 3,000,000	Yes	
Certification	20,000	85.0	1,700,000	No	
Testing	16,000	85.0	1,360,000	No	
<i>This option drops the renewal fee by one-third, from \$75 to \$50.</i>				Total: <b>\$ 6,060,000</b>	

Option 1b - All \$1.5 million Waived (Reduce All Fees, as Pro Rata Share of Revenues)					
Type	No. (Biennium)	\$ per Fee	Biennial \$ per Fee	Predictable?	
Renewal	60,000	\$ 60.1	\$ 3,607,143	Yes	
Certification	20,000	68.1	1,362,698	No	
Testing	16,000	68.1	1,090,159	No	
<i>This option drops each fee by 19.8 percent.</i>				Total: <b>\$ 6,060,000</b>	

Option 2a - \$750,000 Waived (Reduce Renewal Only)					
Type	No. (Biennium)	\$ per Fee	Biennial \$ per Fee	Predictable?	
Renewal	60,000	\$ 62.5	\$ 3,750,000	Yes	
Certification	20,000	85.0	1,700,000	No	
Testing	16,000	85.0	1,360,000	No	
<i>This option drops the renewal fee by 16.7 percent, from \$75 to \$62.5.</i>				Total: <b>\$ 6,810,000</b>	

Option 2b - \$750,000 Waived (Reduce All Fees, as Pro Rata Share of Revenues)					
Type	No. (Biennium)	\$ per Fee	Biennial \$ per Fee	Predictable?	
Renewal	60,000	\$ 67.6	\$ 4,054,200	Yes	
Certification	20,000	76.6	1,531,000	No	
Testing	16,000	76.6	1,224,800	No	
<i>This option drops each fee by 9.9 percent.</i>				Total: <b>\$ 6,810,000</b>	

Commission on Fire Protection  
Items Not Included in Recommendations - Senate

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Revenue Impact: Agency's request to delete the portion of Rider 2 that requires the agency to collect \$1.5 million in excess of agency's operating expenses would result in a \$1.5 million General Revenue Fund revenue loss to the state.	\$1,500,000	\$1,500,000	0.0	No	No	\$1,500,000
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TOTAL Items Not Included in Recommendations		\$1,500,000	\$1,500,000	0.0			\$1,500,000
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**Commission on Fire Protection  
Appendices - Senate**

<b>Table of Contents</b>		
<b>Appendix</b>	<b>Appendix Title</b>	<b>Page</b>
<b>A</b>	Funding Changes and Recommendations by Strategy	7
<b>B</b>	Summary of Federal Funds	*
<b>C</b>	FTE Highlights	8
<b>D</b>	Performance Measure Highlights	9
<b>E</b>	Summary of Ten Percent Biennial Base Reduction Options	10

\* Appendix is not included - no significant information to report

Commission on Fire Protection  
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FIRE SAFETY INFO & EDUC PROGRAMS A.1.1	\$238,294	\$280,926	\$42,632	17.9%	
<b>Total, Goal A, EDUCATION &amp; ASSISTANCE</b>	<b>\$238,294</b>	<b>\$280,926</b>	<b>\$42,632</b>	<b>17.9%</b>	Recommendations include the following changes: <ul style="list-style-type: none"><li>• An increase of \$74,917 to pay the increased salaries of staff being moved into different positions (same overall FTE count).</li><li>• A decrease of \$32,285 to reflect the required 4 percent reduction.</li></ul>
CERTIFY & REGULATE FIRE SERVICE B.1.1	\$2,134,767	\$2,325,404	\$190,637	8.9%	
<b>Total, Goal B, FIRE DEPARTMENT STANDARDS</b>	<b>\$2,134,767</b>	<b>\$2,325,404</b>	<b>\$190,637</b>	<b>8.9%</b>	Recommendations include the following changes: <ul style="list-style-type: none"><li>• A decrease of \$15,000 in estimated Other Funds (Appropriated Receipts). The Appropriated Receipts are generated from the agency's issuance of non-mandatory International Fire Service Accreditation Congress (IFSAC) certification seals. The Eighty-fourth Legislature increased this appropriation by \$15,000 based on the agency's estimate of increased demand for these IFSAC seals. However, demand for the ISFAC seals did not rise in fiscal year 2016, and now the agency's 2018-19 estimate equals the 2014-15 appropriation level.</li><li>• A decrease of \$11,857 in Other Funds (License Plate Trust Fund Account 802).</li><li>• An increase of \$255,428 to support the transfer of an additional 3.0 FTEs (1 FTE from A.1.1 and 2.0 FTES from C.1.1) to this strategy to augment the agency's compliance activities.</li><li>• A decrease of \$37,934 to reflect the required 4 percent reduction.</li></ul>
INDIRECT ADMINISTRATION C.1.1	\$1,732,448	\$1,314,974	(\$417,474)	(24.1%)	
<b>Total, Goal C, INDIRECT ADMINISTRATION</b>	<b>\$1,732,448</b>	<b>\$1,314,974</b>	<b>(\$417,474)</b>	<b>(24.1%)</b>	Recommendations include the following changes: <ul style="list-style-type: none"><li>• A decrease of \$330,346 to reflect the costs of transferring 3.0 FTEs to new functions within the agency.</li><li>• A decrease of \$87,128 to reflect the required 4 percent reduction.</li></ul>
<b>Grand Total, All Strategies</b>	<b>\$4,105,509</b>	<b>\$3,921,304</b>	<b>(\$184,205)</b>	<b>(4.5%)</b>	

Commission on Fire Protection  
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	31.0	31.0	31.0	31.0	31.0
Actual/Budgeted	28.7	30.3	31.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$92,600	\$115,174	\$115,174	\$115,174	\$115,174
Agency did not include the 2.5 percent salary raise starting in FY 2016 when requesting the salary for its Exempt Position (requested \$112,295 in FY 2016).					

Notes:

- a) State Auditor's Office is the source for the FY 2015 and FY 2016 annual averages (actual).
- b) The State Auditor's Office report entitled Executive Compensation at State Agencies (Report No. 16-706, September 2016) indicates a market average salary of \$130,114 for the Executive Director position at the Texas Commission on Fire Protection and does not recommend changing the Group classification for the position. The agency is not requesting any changes to its Exempt Position.



**Commission on Fire Protection  
Performance Measure Highlights - Senate**

	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
<ul style="list-style-type: none"> <li>Number of Inspections of Regulated Entities</li> </ul> <p><i>Measure Explanation: This measure reflects the quantity of work performed by the agency's compliance function. The agency is required by statute to conduct biennial inspections of regulated entities. Inspections include unannounced inspections of training programs in progress, inspections conducted following reports of possible rule violations, and risk-based inspections.</i></p>	965	1,093	1,120	1,120	1,120
<ul style="list-style-type: none"> <li>Number of Individuals Certified</li> </ul> <p><i>Measure Explanation: This measure reflects the total number of individuals certified and renewed as fire protection personnel on an annual basis, including paid fire protection personnel, volunteer fire protection personnel, fire protection personnel instructors, and individuals certified without regard to their employment status. The agency's statute requires all paid fire protection personnel in Texas to be certified, and allows volunteer fire protection personnel, state/federal personnel, and individuals regardless of employment to participate in the state certification program on a voluntary basis.</i></p>	31,980	31,759	31,600	31,600	31,600
<ul style="list-style-type: none"> <li>Number of Training Providers Certified</li> </ul> <p><i>Measure Explanation: This measure reflects the growth or decline in the number of training providers certified to meet the state's minimum standards for training fire service, and other emergency personnel. It also represents the number of providers that the agency is responsible for regulating. The agency's statute requires all paid fire protection personnel in Texas to complete training (or the equivalent) by an agency-certified training provider.</i></p>	262	260	260	260	260

Commission on Fire Protection  
Summary of Ten Percent Biennial Base Reduction Options - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in LBB Recs?
			GR & GR-D	All Funds	FTEs			
1)	First 5% Reduction Item	The Commission would enact a 5 percent reduction in its base appropriation totaling at least \$94,408 in General Revenue Fund expenses for each of the fiscal years 2018 and 2019. This reduction would be realized through a loss of personnel by way of a reduction in force, attrition, or hiring freeze. The TCFP reports that a reduction in its workforce would hamper the agency's ability to meet its mandated performance measures, provide adequate services and oversight, and fulfill its mission. Further, the agency notes revenue generation could be negatively impacted because of increased delays in fulfilling regulatory responsibilities such as certification issuance, renewal, and testing.	\$188,816	\$188,816	2.0	\$0	N/A	No
2)	Second 5% Reduction Item	The Commission would enact a 5 percent reduction in its base appropriation totaling at least \$94,407 in General Revenue Fund expenses for each of the fiscal years 2018 and 2019. This reduction would be realized through a loss of personnel by way of a reduction in force, attrition, or hiring freeze. TCFP reports that a reduction in its workforce would hamper the agency's ability to meet its mandated performance measures, provide adequate services and oversight, and fulfill its mission. Further, the agency notes revenue generation could be negatively impacted because of increased delays in fulfilling regulatory responsibilities such as certification issuance, renewal, and testing.	\$188,815	\$188,815	2.0	\$0	N/A	No
TOTAL, 10% Reduction Options			\$377,631	\$377,631	4.0	\$0		