

STATE FIRE MARSHAL

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	6,222,344	6,342,882	6,392,255	6,950,518	6,448,995
<i>Subtotal</i>	<i>\$ 6,222,344</i>	<i>\$ 6,342,882</i>	<i>\$ 6,392,255</i>	<i>\$ 6,950,518</i>	<i>\$ 6,448,995</i>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 6,222,344</u>	<u>\$ 6,342,882</u>	<u>\$ 6,392,255</u>	<u>\$ 6,950,518</u>	<u>\$ 6,448,995</u>
Percentage Change:					
Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	6.0	1.9	2.7	9.6	0.9
FTE Positions	69.8	69.8	69.8	69.8	69.8

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Office of the Kansas State Fire Marshal was originally established in 1913, abolished in 1933, and re-established in 1939. The mission of the Office of the State Fire Marshal is to protect lives and property from the hazards of fire, explosion, and natural disaster and promote prevention, educational, and investigative activities to mitigate incidents, promote life safety, and deter crimes. Four agency programs assist with the agency's mission: Administration, Investigation, Fire Prevention, and Emergency Response. The agency also contracts with the Kansas Department for Aging and Disability Services to conduct fire and life safety surveys of Medicare and Medicaid nursing facilities, and with the Kansas Department of Health and Environment to conduct fire and life safety surveys of Medicare and Medicaid medical facilities. The agency receives no State General Fund (SGF) appropriation and is primarily funded through a levy on fire insurance premiums collected in the state.

Administration Division. The Administration Division provides administrative, communications, fiscal, and legal support and oversight for the Office of State Fire Marshal's program divisions in the following major areas: personnel, fiscal, facilities, and technology.

Investigation Division. The goal of the Investigation Division is to provide thorough, effective, efficient, and reliable investigation of any fire, explosion, or attempt to cause a fire,

explosion, or both that occurred within the state as mandated by KSA 31-137, and to provide statewide explosive/post-blast response and investigations, explosive permitting, and inspection of explosive sites within the state.

The Investigation Division provides fireworks permitting and inspection of fireworks storage sites within the state as mandated by KSA 31-501 through KSA 31-506. The Investigation Division provides the oversight and enforcement for the Fire Safe Cigarette program mandated by KSA 31-601 through KSA 31-613.

Fire Prevention Division. The goal of the Fire Prevention Division is to reduce the potential impact of fire and explosion hazards where people live, work, and congregate through code enforcement, inspections, plans review, licensing, and public education. Its major goal is to reduce deaths, injuries, and property losses that result from fire, explosion, and hazardous materials incidents.

Emergency Response Division. The emergency response division includes two major programs: the Hazardous Materials program and the Search and Rescue program:

- The goal of the Hazardous Materials response program is that all hazardous materials, weapons of mass destruction, toxic industrial chemicals, and radiological spills, releases, and fires, explosions, or both are handled quickly and safely with minimal exposure to the citizens of Kansas and minimal threat to lives and property; and
- The Search and Rescue program began with the passage of 2015 HB 2097, which gave the Office of the State Fire Marshal the authority to enter into contracts to establish regional search and rescue teams to provide a response to search and rescue incidents. The goal of the program is to provide a coordinated response to man-made or natural disasters and to bring relief to affected communities by providing search and rescue, medical support, damage assessment, and other humanitarian assistance throughout the state.

MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** added language to House Sub. for SB 572 adjusting the statutory distribution (KSA 75-1508) of the 1.25 percent levy on fire insurance premiums in order to distribute the SGF administrative services fee across the three agencies the levy supports rather than being solely charged to the State Fire Marshal in fiscal year (FY) 2011. The language distributed the \$200,000 fee across the three agencies by the proportion of the levy each agency receives.

The **2012 Legislature** passed SB 387, which changed the State Fire Marshal's qualifications. The qualifications no longer require the State Fire Marshal to have knowledge of building construction, but require the individual to have no less than five years of experience in fire prevention and inspection, safety inspection, investigation, or any combination of experience.

The **2013 Legislature** added \$582,652 and 7.0 FTE positions for FY 2014 and \$565,618 and 7.0 FTE positions for FY 2015, all from the Boiler Inspection Fee Fund, for the Boiler Inspection program, which was transferred from the Kansas Department of Labor to the State Fire Marshal under 2013 SB 135. The Legislature also appropriated the Explosives Regulatory

and Training Fund, which is funded through fees collected by the State Fire Marshal from those who sell or manufacture bottle rockets at wholesale.

The **2014 Legislature** transferred \$2.5 million from the unencumbered balance of the Fire Marshal Fee Fund to the SGF for FY 2015 pursuant to HB 2506.

The **2015 Legislature** passed HB 2097, which permits the State Fire Marshal to enter into contracts to establish regional emergency response, search, and rescue teams to respond to hazardous materials or search and rescue events. The bill also renamed the Hazardous Materials Emergency Fund to the Emergency Response Fund. In House Sub. for SB 112, the Legislature added an additional \$200,000 for FY 2016 and \$250,000 for FY 2017, all from the Fire Marshal Fee Fund, and 2.0 non-FTE positions to fund the amounts denoted by the fiscal note attached to HB 2097. House Sub. for SB 112 also increased the maximum transfer amount allowable from the Fire Marshal Fee Fund to the Emergency Response Fund from \$50,000 to up to \$500,000.

The **2015 Legislature** authorized the transfer of \$1.0 million from the unencumbered balance of the Fire Marshal Fee Fund to the SGF for both FY 2016 and FY 2017, pursuant to House Sub. for SB 112.

The **2016 Legislature** transferred \$1.0 million in FY 2016 and \$750,000 for FY 2017 from the Fire Marshal Fee Fund to the SGF; deleted 4.0 unfunded FTE positions in FY 2016 and for FY 2017; and added \$200,000, all from special revenue funds, for FY 2017 to implement a grant program to assist local fire departments.

The **2017 Legislature** added \$75,000 for FY 2018 and \$100,000 for FY 2019, all from the Fire Marshal Fee Fund, to provide additional training and equipment that can be sustained and replaced for search and rescue; transferred \$2.0 million from the Fire Marshal Fee Fund to the SGF for both FY 2018 and FY 2019; and added \$43,376, all from special revenue funds, for a 2.5 percent salary adjustment for all state employees with less than five years of service (except for Highway Patrol law enforcement personnel, legislators, teachers and licensed personnel and employees at the Schools for the Deaf and the Blind, employees at the Kansas Bureau of Investigation who are part of the Recruitment and Retention Plan, and other statewide elected officials), a 5.0 percent salary adjustment for state employees who have not had a pay adjustment in five years, and a 2.5 percent salary adjustment for judges and non-judicial staff for FY 2018 and FY 2019.

The **2018 Legislature** added \$77,807, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018, and added \$200,000, all from the Fire Marshal Fee Fund, to provide a total of \$400,000 to cover grant requests for FY 2019 (this funding provides for no-match grants to volunteer/part-time fire departments across the state for personal protection equipment, physicals not covered by insurance, and support of junior firefighter programs).

The **2019 Legislature** added \$324,239, all from the Fire Marshal Fee Fund, and 4.0 FTE positions for inspections and enforcement duties for FY 2020.

The **2019 Legislature** also added \$90,882, all from special revenue funds, for a 2.5 percent salary adjustment for most state employees for FY 2020.

The **2020 Legislature** approved FY 2020 expenditures of \$245,694, all from special revenue funds, to account for 42 individuals and agencies who were dispatched during Hurricane Dorian. In addition, the **2020 Legislature** added language to allow the agency to utilize the Boiler Inspection Fee Fund for agency operating expenditures for FY 2021.

The **2020 Legislature** added language to require the agency to assume the duties of regulation for hemp processors and related fingerprinting duties. The Fire Marshal shall be able to charge an annual registration fee not to exceed \$1,000 through rules and regulations for FY 2021.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** requests a FY 2021 revised estimate totaling \$6.3 million, all from special revenue funds. The revised estimate is the same as the amount approved by the 2020 Legislature. The revised estimate includes 69.8 FTE positions, which is an increase of 3.0 FTE positions above the number approved by the FY 2020 Legislature. This increase reflects the hiring of 2.0 FTE positions as temporary internships and 1.0 FTE position for an Information Technology position.

The **Governor** recommends FY 2021 operating expenditures totaling \$6.4 million, all from special revenue funds. The FY 2021 recommendation is an increase of \$49,373, or 0.8 percent, above the agency's FY 2021 revised estimate. This increase is due to the Governor's Recommendation to add \$49,373 from the federal Coronavirus Relief Fund (CRF) for operating expenditures and projects related to the COVID-19 pandemic in FY 2021. These CRF funds included salaries and wages (\$1,950), contractual services (\$34,575), and commodities (\$12,848) for project expenditures to address a security incident (\$35,000), personal protective equipment (\$10,000), and video conferencing equipment (\$4,373) in FY 2021.

FY 2022 – Budget Year. The **agency** requests FY 2022 operating expenditures totaling \$7.0 million, all from special revenue funds. The FY 2022 request is an increase of \$607,636, or 9.6 percent, above the agency's FY 2021 revised estimate. This increase is primarily due to the agency's three enhancement requests totaling \$651,523, all from special revenue funds, for FY 2022. The request includes 66.8 FTE positions, which is no change from the agency's FY 2021 revised estimate.

The **Governor** recommends FY 2022 operating expenditures totaling \$6.4 million, all from special revenue funds. The FY 2022 recommendation is an increase of \$56,740 above the FY 2021 recommendation, but a decrease of \$501,523, or 7.2 percent, below the agency's FY 2022 request. This decrease is due to the Governor recommending partial funding for the agency's FY 2022 enhancement requests for the Kansas Firefighting Retention and Safety Grant (\$300,000), and not recommending the agency's enhancement request for staff recruitment and retention (\$201,523).

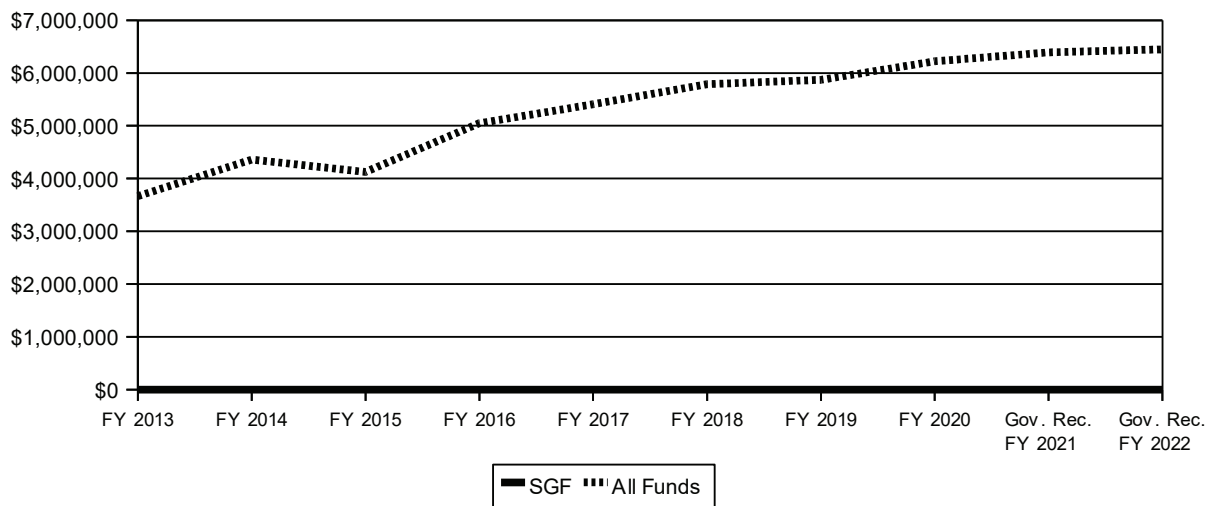
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Investigative Hours	21,658	21,126	20,000	18,064	21,500	21,500
Number of Requests for Investigation	425	373	400	367	400	400
Number of Search and Rescue Responses	483	725	750	694	700	700
<u>Agency Expenditures</u>						
All Funds (Dollars in Thousands)	\$ 5,789.0	\$ 5,872.2	\$ 6,734.5	\$ 6,222.3	\$ 6,392.3	\$ 6,449.0
FTE Positions	62.5	62.8	66.8	69.8	69.8	69.8

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 3,664,916	5.1 %	56.5
2014	0	--	4,359,397	18.9	62.5
2015	0	--	4,124,256	(5.4)	57.0
2016	0	--	5,048,598	22.4	60.5
2017	0	--	5,409,341	7.1	60.5
2018	0	--	5,789,018	7.0	62.5
2019	0	--	5,872,201	1.4	62.8
2020	0	--	6,222,344	6.0	69.8
2021 Gov. Rec.	0	--	6,392,255	2.7	69.8
2022 Gov. Rec.	0	--	6,448,995	0.9	69.8
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 2,784,079	76.0 %	13.3

Summary of Operating Budget FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 6,222,344	\$ 6,342,882	\$ 6,950,518	\$ 607,636	9.6 %	\$ 6,392,255	\$ 6,448,995	\$ 56,740	0.9 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 3,948,621	\$ 4,462,218	\$ 4,668,353	\$ 206,135	4.6 %	\$ 4,464,168	\$ 4,466,830	\$ 2,662	0.1 %
Contractual Services	1,270,286	1,161,069	1,166,540	5,471	0.5	1,195,644	1,166,540	(29,104)	(2.4)
Commodities	254,890	319,800	403,975	84,175	26.3	332,648	403,975	71,327	21.4
Capital Outlay	357,582	399,795	311,650	(88,145)	(22.0)	399,795	311,650	(88,145)	(22.0)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 5,831,379	\$ 6,342,882	\$ 6,550,518	\$ 207,636	3.3 %	\$ 6,392,255	\$ 6,348,995	\$ (43,260)	(0.7) %
Aid to Local Units	390,965	0	400,000	400,000	--	0	100,000	100,000	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 6,222,344	\$ 6,342,882	\$ 6,950,518	\$ 607,636	9.6 %	\$ 6,392,255	\$ 6,448,995	\$ 56,740	0.9 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Boiler Inspection Fee Fund	513,249	577,503	637,688	60,185	10.4	577,503	618,874	41,371	7.2
Fire Marshal Fee Fund	5,232,532	5,740,379	6,287,830	547,451	9.5	5,740,379	5,805,121	64,742	1.1
Emergency Response Fund	278,938	0	0	0	--	0	0	0	--
Fire Safety Standard and Firefighter Protection and Enforcement Fund	113,743	25,000	25,000	0	0.0	25,000	25,000	0	0.0
Hazardous Materials Emergency Preparedness Grant (Federal)	67,120	0	0	0	--	0	0	0	--
Coronavirus Relief Fund (Federal)	16,762	0	0	0	--	49,373	0	(49,373)	(100.0)
TOTAL	\$ 6,222,344	\$ 6,342,882	\$ 6,950,518	\$ 607,636	9.6 %	\$ 6,392,255	\$ 6,448,995	\$ 56,740	0.9 %

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund (SGF) expenditures.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	6,342,882	6,342,882	0	6,392,255	49,373
TOTAL	\$ 6,342,882	\$ 6,342,882	\$ 0	\$ 6,392,255	\$ 49,373
FTE Positions	66.8	69.8	3.0	69.8	3.0

The **agency** requests a FY 2021 revised estimate totaling \$6.3 million, all from special revenue funds. The revised estimate is the same as the amount approved by the 2020 Legislature. The revised estimate includes 69.8 FTE positions, which is an increase of 3.0 FTE positions above the number approved by the FY 2020 Legislature. This increase reflects the hiring of 2.0 FTE positions as temporary internships and 1.0 FTE position for an Information Technology position. Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency's FY 2021 revised estimate includes \$4.5 million, all from special revenue funds, for salaries and wages. The FY 2021 revised estimate is the same as the amount approved by the 2020 Legislature. Funding supports 69.8 FTE positions;
- **Contractual Services.** The agency's FY 2021 revised estimate includes \$1.2 million, all from special revenue funds, for contractual services. The FY 2021 revised estimate is the same as the amount approved by the 2020 Legislature. Other expenditures in this category include communication, travel, internal and external agency training, safe cigarette testing, vehicle service, and attorney services received through an agreement with the Office of the Attorney General;
- **Commodities.** The agency's FY 2021 revised estimate includes \$319,800, all from special revenue funds, for commodities. The FY 2021 revised estimate is the same as the amount approved by the 2020 Legislature;
- **Capital Outlay.** The agency's FY 2021 revised estimate includes \$399,795, all from special revenue funds, for capital outlay. The FY 2021 revised estimate is the same as the amount approved by the FY 2020 Legislature; and

- **Aid to Local Units of Government.** The agency's FY 2021 revised estimate does not include a request for aid to local units of government. This funding had been used to provide no-match grants to volunteer/part-time fire departments across the state for personal protection equipment, physicals not covered by insurance, and support of junior firefighter programs in the FY 2020 actual budget.

The **Governor** recommends FY 2021 operating expenditures totaling \$6.4 million, all from special revenue funds. The FY 2021 recommendation is an increase of \$49,373, or 0.8 percent, above the agency's FY 2021 revised estimate. This increase is due to the Governor's Recommendation to add \$49,373 from the federal Coronavirus Relief Fund (CRF) for operating expenditures and projects related to the COVID-19 pandemic in FY 2021. These CRF funds included salaries and wages (\$1,950), contractual services (\$34,575), and commodities (\$12,848) for project expenditures to address a security incident (\$35,000), personal protective equipment (\$10,000), and video conferencing equipment (\$4,373) in FY 2021.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,950,518	\$ 6,448,995	\$ (501,523)
FTE Positions	69.8	69.8	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	607,636	56,740	
TOTAL	\$ 607,636	\$ 56,740	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	9.6	0.9	
TOTAL	9.6 %	0.9 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2022 operating expenditures totaling \$7.0 million, all from special revenue funds. The FY 2022 request is an increase of \$607,636, or 9.6 percent, above the agency's FY 2021 revised estimate. This increase is primarily due to the agency's three enhancement requests totaling \$651,523, all from special revenue funds, for FY 2022. The request includes 69.8 FTE positions, which is no change from the agency's FY 2021 revised estimate. Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency's FY 2022 request includes \$4.7 million, all from special revenue funds, for salaries and wages. The FY 2022 request is an increase of \$206,135, or 4.6 percent, above the agency's FY 2021 revised estimate. The primary increase is due to the agency's enhancement request for a

five-year recruitment and retention plan. Funding supports 69.8 FTE positions, which is no change from the FY 2021 revised estimate;

- **Contractual Services.** The agency's FY 2022 request includes \$1.2 million, all from special revenue funds, for contractual services. The FY 2022 request is an increase of \$5,471, or 0.5 percent, above the agency's FY 2021 revised estimate. Funding supports rent expenditures for the agency's main offices, information technology services and support, attorneys and lawyers expenditures through an agreement with the Office of the Attorney General, copier rentals, and postage;
- **Commodities.** The agency's FY 2022 request includes \$403,975, all from special revenue funds, for commodities. The FY 2022 request is an increase of \$84,175, or 26.3 percent, above the agency's FY 2021 revised estimate. The increase is primarily due to the agency's FY 2022 enhancement request for the restoration of the Get Alarmed Kansas smoke alarm program (which was suspended in FY 2021 due to cash-flow issues), uniform purchases for the agency's search and rescue teams, and specialized hazardous materials equipment with warranties;
- **Capital Outlay.** The agency's FY 2022 request includes \$311,650, all from special revenue funds, for capital outlay. The FY 2022 request is a decrease of \$88,145, or 22.0 percent, below the agency's FY 2021 revised estimate. Primary decreases are due to less Get Alarmed Kansas smoke alarm program due to its FY 2021 suspension and associated supplies and equipment due to cash flow issues, as well as decreases to desktop and laptop computer purchases, and fewer vehicles being purchased with anticipated price increases. The agency's FY 2022 enhancement request would seek to restore the Get Alarmed Kansas smoke alarm program; and
- **Aid to Local Units of Government.** The agency's FY 2022 request includes \$400,000, all from special revenue funds, for aid to local units of government. This funding is requested as an enhancement for the Kansas Firefighter Retention and Safety Grant program for FY 2022.

The **Governor** recommends FY 2022 operating expenditures totaling \$6.4 million, all from special revenue funds. The FY 2022 recommendation is an increase of \$56,740 above the FY 2021 recommendation, but a decrease of \$501,523, or 7.2 percent, below the agency's FY 2022 request. This decrease is due to the Governor recommending partial funding for the agency's FY 2022 enhancement requests for the Kansas Firefighting Retention and Safety Grant (\$300,000), and not recommending the agency's enhancement request for staff recruitment and retention (\$201,523).

Enhancement Detail

Enhancements	FY 2022 ENHANCEMENTS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KS Firefighter Retention and Safety Grant	\$ 0	\$ 400,000	0.0	\$ 0	\$ 100,000	0.0
Staff Recruitment and Retention	0	201,523	0.0	0	0	0.0
Get Alarmed Kansas Smoke Alarm Program	0	50,000	0.0	0	50,000	0.0
TOTAL	\$ 0	\$ 651,523	0.0	\$ 0	\$ 150,000	0.0

The agency requests three enhancements totaling \$651,523, all from the Fire Marshal Fee Fund, for FY 2022. These enhancements include:

Kansas Firefighter Recruitment and Safety Grant. The agency requests \$400,000, all from the Fire Marshal Fee Fund, by reinstating the Kansas Firefighter Recruitment and Safety Grant Program for FY 2022. This program awards no-match grants to volunteer/part-time fire departments across the state for personal protection equipment including bunker gear, fire helmets, fire boots, hoods and gloves, new masks for self-contained breathing apparatus (SCBA) units, and extractor-type washing machines. The program also supports physicals not covered by insurance and junior firefighter programs.

The **Governor** recommends \$100,000, all from the Fire Marshal Fee Fund, to partially restore the Kansas Firefighter Recruitment and Safety Grant for FY 2022.

Staff Recruitment and Retention. The agency requests \$201,523, all from the Fire Marshal Fee Fund, for the agency's recruitment and retention plan for FY 2022. This plan would continue from FY 2022 into FY 2026. The agency states it has experienced recruitment and retention issues over the last few years, and the agency's enhancement request, if approved, would provide funding for agency-wide salary increases for all agency personnel across the next five years. The agency notes this plan would be different from the Governor's or Legislature's plan for statewide salary increases, but the agency's plan would also seek to incorporate any potential statewide increases should they be implemented. The first year of salary increases would be for FY 2022 at 5.0 percent, and then would increase at a rate of 2.5 percent in each of the following four years, through FY 2026 for the agency. The agency provided the following expenditure estimates over the course of the enhancement for recruitment and retention funding:

- FY 2022, 5.0 percent increase: \$201,523;
- FY 2023, 2.5 percent increase: \$105,771;
- FY 2024, 2.5 percent increase: \$108,415;
- FY 2025, 2.5 percent increase: \$111,125; and
- FY 2026, 2.5 percent increase: \$113,904.

The **Governor** does not recommend the staff recruitment and retention enhancement for FY 2022.

Get Alarmed Kansas Smoke Alarm Program. The agency requests \$50,000, all from the Fire Marshal Fee Fund, to restore the Get Alarmed Kansas smoke alarm program. The agency notes that this program provides smoke alarms and their installation, free of charge, to Kansas homeowners.

The **Governor** recommends the Get Alarmed Kansas Smoke Alarm Program enhancement for FY 2022.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$840, all from special revenue funds, and FY 2022 longevity payments total \$880, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	0.0 %	0.0 %
Fire Marshal Fee Fund	90.5	90.0
Boiler Inspection Fee Fund	9.2	9.6
Fire Safety Standard/Fire Fighter Protection and Enforcement Fund	0.4	0.4
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

Fire Marshal Fee Fund Analysis

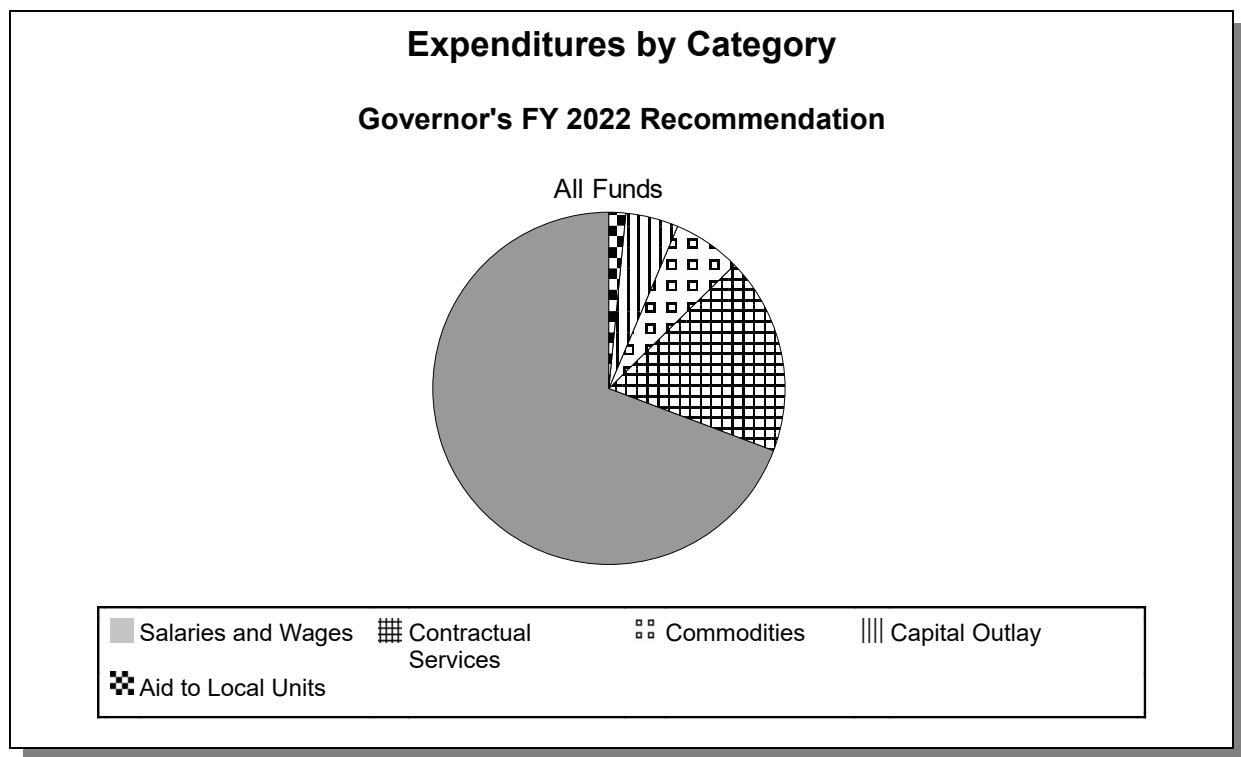
The Fire Marshal Fee Fund is the primary source of funding for the agency. KSA 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance. Pursuant to the statute, the levy shall not exceed 0.8 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year. This levy on fire insurance premiums totals 1.25 percent and supports three agencies as follows: The State Fire Marshal receives 64.0 percent, the Board of Emergency Medical Services receives 20.0 percent, and the University of Kansas Fire and Rescue Training Institute receives 16.0 percent.

KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the SGF, up to a maximum of \$100,000 per fiscal year per fund. Starting in FY 2011, this transfer has been split, by appropriations proviso, amongst the three agencies receiving fire insurance premiums by the amount of the levy they receive.

The Fire Marshal Fee Fund receives the majority of the transfers of receipts from the insurance premium fund in the months of December and June. The June transfer funds the agency for the first six months of the next fiscal year. Transfers to the SGF from the Fire Marshal Fee Fund have periodically occurred.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 3,183,959	\$ 3,921,431	\$ 3,921,431	\$ 4,047,052	\$ 4,047,052
Revenue	5,970,004	5,866,000	5,866,000	5,926,000	5,926,000
Transfers in	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 9,153,963</u>	<u>\$ 9,787,431</u>	<u>\$ 9,787,431</u>	<u>\$ 9,973,052</u>	<u>\$ 9,973,052</u>
Less:					
Expenditures	\$ 5,232,532	\$ 5,740,379	\$ 5,740,379	\$ 6,287,830	\$ 5,805,121
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 3,921,431</u>	<u>\$ 4,047,052</u>	<u>\$ 4,047,052</u>	<u>\$ 3,685,222</u>	<u>\$ 4,167,931</u>
Ending Balance as Percent of Expenditures	74.9%	70.5%	70.5%	58.6%	71.8%
Month Highest Ending Balance	June <u>\$ 3,949,843</u>	June <u>\$ 4,864,709</u>	June <u>\$ 4,864,709</u>	June <u>\$ 5,020,548</u>	June <u>\$ 5,020,548</u>
Month Lowest Ending Balance	November \$ 1,162,315	November \$ 1,431,532	November \$ 1,431,532	November \$ 1,477,390	November \$ 1,477,390

CATEGORY DETAIL



Category	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Salaries and Wages	\$ 4,466,830	69.3 %	\$ 0	-- %
Contractual Services	1,166,540	18.1	0	--
Commodities	403,975	6.3	0	--
Capital Outlay	311,650	4.8	0	--
Aid to Local Units	100,000	1.6	0	--
TOTAL	\$ 6,448,995	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022

Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Administration	66.6	66.7	66.7	66.7	66.7
Off-Budget	3.2	3.1	3.1	3.1	3.1
TOTAL	69.8	69.8	69.8	69.8	69.8

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

A. Contract Inspections (Off-Budget)

The Fire Prevention Division contracts with the Kansas Department for Aging and Disability Services (KDADS) to conduct fire and life safety surveys of Medicare- and Medicaid-eligible nursing facilities, and with the Kansas Department of Health and Environment (KDHE) to conduct fire and life safety surveys of Medicare- and Medicaid-eligible medical facilities. The funds received each year help cover payroll expenses for a number of the Fire Prevention Inspectors that perform the inspections. In late FY 2009, the Division transitioned from having dedicated inspectors doing these inspections to expanding training and education to all inspectors to save on travel and other costs. The contracts are negotiated annually based on inspection levels.

Expenditures for FY 2020, FY 2021, and FY 2022 are funded out of the Off-Budget Contract Inspections Fund. Off-budget FTE positions are reflected in the "FTE Positions By Program" table above, but off-budget expenditures for investigations are only reflected within the "Contract Inspections (Off-Budget)" table.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
There are no performance measures submitted for this program.						
Agency Expenditures						
All Funds	\$ 186,332	\$ 287,654	\$ 230,000	\$ 287,860	\$ 230,000	\$ 240,000
FTE Positions	3.2	3.2	3.1	3.2	3.1	3.1

CONTRACT INSPECTIONS (OFF-BUDGET) SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 287,860	\$ 230,000	\$ 230,000	\$ 240,000	\$ 240,000
Contractual Services	0	0	0	0	0
Commodities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 287,860</i>	<i>\$ 230,000</i>	<i>\$ 230,000</i>	<i>\$ 240,000</i>	<i>\$ 240,000</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	\$ 287,860	\$ 230,000	\$ 230,000	\$ 240,000	\$ 240,000
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	287,860	230,000	230,000	240,000	240,000
TOTAL	\$ 287,860	\$ 230,000	\$ 230,000	\$ 240,000	\$ 240,000
FTE Positions	3.2	3.1	3.1	3.1	3.1

The **agency** requests off-budget contract inspections expenditures of \$230,000 in FY 2021 and \$240,000 for FY 2022, all from the Contract Inspections Fund. The agency anticipates inspections performed will total \$200,000 for KDADS in both FY 2021 and FY 2022 years; and \$30,000 for KDHE in FY 2021, and then \$40,000 for FY 2022.

The **Governor** concurs with the agency's off-budget contract inspections requests in FY 2021 and for FY 2022.