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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
LANSING

STANLEY "SKIP" PRUSS
DIRECTOR

DELEG Fee Proposals for the Bureau of Fire Services (BFS)

Consultations:

Consultations are conducted by plan review staff with Architectural firms to discuss special issues in building projects prior to submittal for Plan Review examination.

BFS currently charges \$155 for this service. BFS is proposing a charge of \$300 for this service.

Substantiated Complaint/Fire:

BFS is notified of fires and/or potential fire hazards in regulated facilities. BFS must send field inspection staff to investigate. BFS inspections staff must give full approval on the inspection prior to reoccupancy of a fire affected area of the facility or at times the entire facility. BFS will assure that staff reacted appropriately to the situation according to the facility fire plan. BFS staff will also assure that all systems (fire alarm, fire suppression) are back on line and fully functioning. In some instances more than one inspection may be necessary.

Currently there is no fee for this service. BFS is proposing to charge facilities \$500 for this inspection process each additional reinspection will be billed at \$100/hour.

Act 144 Certified Firm/Person:

Firm - PA 207, 29.26(2)(b); The BFS shall certify a firm that submits a drawing, plan, or specification of a fire alarm system or a fire suppression system or that installs, modifies, tests, services, inspects, maintains, or documents the installation or modification of a fire alarm system or a fire suppression system. BFS currently charges a fee of \$150 for a 3 year cycle. BFS is proposing to increase that fee to \$250 for the 3 year cycle

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

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12A system documentation – PA 207 29.29(2)(3); A qualified person must document that the system has been tested and is installed and functioning properly. The current cost to document a system is \$40; BFS is proposing to increase that fee to \$60.

Certified Fire Inspector Program:

Certified Fire Inspectors – Applications are received by BFS requesting a fire inspector be listed as a Michigan Certified Fire Inspector in accordance with PA 207/1941 – section 29-2b(2). Applications are reviewed in accordance with Adopted Rules. It is recommended that BFS charge a \$50 first time Application fee and charge \$90 for certification based on a 3 year certification cycle (\$30 per year). The \$90 will also be assessed for Inspectors wishing to re-certify at the end of the 3 year cycle.

Program Approvals – Applications are received by BFS requesting a Program Approval Number and Continuing Education Points be assigned for Certified Fire Inspectors. It is proposed BFS charges \$50 per program approval.

Qualified Fire Inspector (QFI):

PA 116

QFI's conduct annual maintenance inspection for licensure for Child Caring Institutions. Child caring institutions pay a direct fee to the QFI for this service. BFS certifies the QFI for no fee. BFS is proposing to charge the same fee as the Certified Fire Inspector's.

Applications are received by BFS requesting a fire inspector be listed as a Michigan Qualified Fire Inspector. Applications are reviewed in accordance with adopted rules. It is recommended that BFS charge a \$50 first time application fee and charge \$90 for certification based on a 3 year certification cycle (\$30 per year). The \$90 will also be assessed for inspectors wishing to re-certify at the end of the 3 year cycle.

Modification Requests:

PA 207, 29.3c(6); A person may request a variance of the application of a rule promulgated under PA 207 by applying to the State Fire Marshal (SFM). The SFM may grant a variation upon a finding that the variation does not result in a hazard to life or property. Currently there is no fee for this service. BFS is proposing a fee of \$300.

State Fire Safety Board Appeal:

PA 207, 29.3c(7); The entire board shall act as a hearing body in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to review and decide a contested case or ruling of the SFM interpreting or applying the rules. After a hearing, the board may vary the application of a rule or may modify the ruling or interpretation of the SFM if the enforcement of the ruling or interpretation would do manifest injustice and would be contrary to the spirit and purpose of the rules or the public interest. Currently there is no fee for this service. BFS is proposing a charge of \$500.

Testing Lab Approvals:

Testing laboratories must meet specific criteria to assure independent, qualified testing of building materials in matters of fire safety. BFS reviews applications submitted by laboratories to determine eligibility. Currently there is no fee for this service. BFS is proposing to charge an initial \$500 for approval with a renewal fee of \$300 for a 3 year cycle.

Annual Maintenance Inspections:

PA 207, 29.2c(1), Annual Maintenance Inspections are required in a variety of facilities by statute for relicensure. These inspections cover an array of safety features within an existing building. Currently BFS only charges for these inspections in Hospitals. BFS is proposing to charge all facilities receiving these inspections. BFS is also proposing to increase the current per bed fee for annual maintenance inspections from \$8 to \$12.

Plan Review:

PA 207, 29.3c, The BFS shall promulgate rules as provided under section 2a pertaining to fire safety requirements for the construction, operation or maintenance of regulated facilities. Architectural drawings are submitted for review and approval.

Currently fees are only charged for two facility types Schools and Hospitals. It is proposed that fees be charged for all facility types. It is also recommended that the current fee structure be revised as follows:

Current Fee Schedule

<u>Project Cost Range</u>	<u>Fee</u>
\$101,000.00 or less	Minimum fee of \$155
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000
\$10,000,001.00 or more	\$1.10 per \$1,000 - Maximum fee \$60,000

Proposed New Fee Schedule

<u>Project Cost Range</u>	<u>Fee</u>
\$150,000.00 or less	Minimum fee of \$225
\$150,001.00 to \$1,500,000.00	\$1.60 per \$1,000
\$1,500,001.00 to \$10,000,000.00	\$1.80 per \$1,000
\$10,000,001.00 or more	\$2.00 per \$1,000.00 - <u>No Maximum Fee Cap</u>

By removing the cap or maximum fee on plan review examinations along with the other fees proposed, it is believe BFS will meet the \$2.6 million GF/GP.

This process includes two field inspections, a 50% and a final inspection. It is proposed each additional inspection be billed at \$100/hour.

These fees would require amending 1941 PA 207.

DELEG BFS PS Plan Review:

Facility type	Current Fee schedule	Transactions	Current fee	New Fee schedule	New fee	\$
Hospitals	\$101,000 or less = Minimum \$155	426	\$64,432	Minimum \$225	\$95,850	\$31,418
	\$101,001 - 1,500,000 = \$1.60 per \$1,000	386	\$108,226	\$1.60 per \$1,000	Same	0
	\$1,500,001 – 10,000,000 = \$1.30 per \$1,000	102	\$66,806	\$1.80 per \$1,000 (+28%)	\$84,480	\$17,674
	\$10,000,001 or more = \$1.10 per \$1,000 Maximum fee \$60,000	81	\$126,365	\$2.00 per \$1,000 (+45%) No Cap/Maximum Fee	\$183,229	\$56,864
Total						\$105,956
Schools	\$101,000 or less = Minimum \$155	1027	\$172,710	Minimum \$225	\$231,075	\$58,365
	\$101,001 - 1,500,000 = \$1.60 per \$1,000	871	\$354,235	\$1.60 per \$1,000	Same	0
	\$1,500,001 – 10,000,000 = \$1.30 per \$1,000	461	\$572,289	\$1.80 per \$1,000 (+28%)	\$715,361	\$143,072
	\$10,000,001 or more = \$1.10 per \$1,000 Maximum fee \$60,000	162	\$530,821	\$2.00 per \$1,000 (+45%) No Cap/Maximum Fee	\$730,540	\$226,719
Total						\$428,156
All other non-paying facilities	0	338	0	Min. \$225	76,050	\$76,050
GRAND TOTAL						\$610,162

BFS is proposing to reverse the fee schedule increasing the fee as the project costs, size and complexity increases as apposed to reducing the fee as the project cost increases. This is in line with other state agencies conducting plan review examinations. BFS is also proposing to charge all facility types for plan review and to remove the Cap/maximum on fees. By removing the cap or maximum fee on plan review examinations along with the other fees proposed, it is believe BFS will meet the \$2.6 million GF/GP. Each plan review examination includes two field inspections a 50% and a final. It is proposed that each additional inspection be billed at \$100/hr.

DELEG BFS Plan Review life safety system reviews/12A:

System	Current Fee schedule	Transactions	Current fee	New Fee schedule	New fee	NEW \$
Fire Alarm current paying facs	\$155	1063	164,765	\$225	239,175	\$74,410
FA non-pay	0	348	0	\$225	78,300	\$78,300
Sprinkler pay	\$155	593	91,915	\$225	133,425	\$41,510
SPK non-pay	0	189	0	\$225	42,525	\$42,525
Hood Supp. pay	\$155	154	23,870	\$225	34,650	\$10,780
HS non-pay	0	60	0	\$225	13,500	\$13,500
12A doc.	\$40	2,043	81,720	\$60	122,580	\$40,860
TOTAL						\$301,885

BFS is proposing to increase the current fee for system reviews from \$155 to \$225 and to charge all facility types for system reviews. BFS is also proposing to increase the fee for P.A. 144 documentation of each system from \$40 to \$60.

Annual/Maintenance Inspections:

Facility type	Current Fee schedule	Transactions	Current fee	New Fee schedule	New fee	NEW \$
FSOF	0	113 facs.	0	\$250/fac.	28,250	\$28,250
Hospital	\$8/bed	28,596 beds	228,768	\$12/bed	343,152	\$114,384
Hospice Residence	0	22 facs.	0	\$250/fac.	5,500	\$5,500
AFC 7-20	0	16,308 beds	0	\$4/bed	65,232	\$65,232
HFA	0	14,870 beds	0	\$6/bed	89,220	\$89,220
NH	0	47,524 beds	0	\$6/bed	285,144	\$285,144
VA I.A.	\$8/bed	998 beds	7,984	\$12/bed	11,976	\$3,992
TOTAL						\$591,722

Annual Maintenance Inspections are required in a variety of facilities by statute for licensure. These inspections cover an array of safety features within an existing building. Currently BFS only charges for these inspections in Hospitals. BFS is proposing to charge all facilities receiving these inspections. BFS is also proposing to increase the current per bed fee for annual maintenance inspections from \$8 to \$12. Two facility types listed above are not licensed by bed so a per facility charge has been assessed.

DELEG BFS other services/fees

Service	Current Fee schedule	Transactions	Current fee	New Fee schedule	New fee	NEW \$
Consultations	\$155	41	6,355	\$300	12,300	\$5,945
<i>Substantiated</i> Complaint/Fire	0	80	0	\$500/initial insp.; \$100/hr. for reinspection	40,000	\$40,000
Act 144 certified firm	150/3 yrs.	422	63,300/3 yrs. 21,100/yr.	\$250/3 yrs.	105,000/3 yrs. 35,166/yr.	\$14,066
CFI: Person	0	643	0	\$90/3 yrs. + \$50 app fee	57870/3yrs. 19,290/yr.	\$19,290
Program	0	100	0	\$50 + \$50 app fee	5,000	\$5,000
QFI (childcare)	0	30	0	\$90/3 yrs. + \$50 app fee	2,700/3 yrs. \$900/yr.	\$900
Modification Req.	0	41	0	\$300	12,300	\$12,300
SFSB Appeal	0	4	0	\$500	\$2,000	\$2,000
Lab approval	0	40	0	\$500 Initial \$300/3 yrs.	12,000/3 yrs. \$4,000 yr.	\$4,000
TOTAL						\$103,501

BFS provides a variety of additional services to the public. In order to effectively cover costs BFS must charge a reasonable fee for these services.

\$1,607,270 Total of Above



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DELEG Fee Proposals for The Office of Fire Fighter Training FY 2011

Fire Fighter Examinations

In fiscal year 2008, 2,266 persons took the fire fighter examination. In 2009, 2,020 have taken the examination with a limited number yet to be entered into the system. Historically, we deliver about 2,200 fire fighter examinations a year.

We are proposing that a charge of \$85.00 be placed on everyone who undertakes the fire fighter examination. This would include ff I, ff II, ff I & II, and all challengers. The fee would be for the cost of administering the examination and would be charged whether the person passed or failed. Those that fail and wish to retest would pay an additional \$85.00

It should be assumed that there would be a slight reduction of the number of test takers due to the cost so we estimate an average of 2,000 examinations a year.

Fire Fighter Examination Fees

<i>Current Number of Participants (2009)</i>	2,226
<i>Proposed Fee</i>	\$85.00
<i>Expected Participants</i>	2,000
<i>Projected Income per Year</i>	\$170,000.00

Instructor Certification

In FY 2009, the MFFTC approved and certified 112 instructors. Under the current policy of probationary instructors paying for their evaluations, it is likely that the number of instructors to be certified would be closer to 80 per year. With the potential of the instructor evaluations being reduced to just one or eliminated altogether, this figure could change. For the purpose of providing an estimate of potential income, we will assume 75 applicants a year at \$250.00 per certificate.

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New Instructor Certification Fee

<i>Current Number of Applicants (2009)</i>	112
<i>Proposed Fee</i>	\$250.00
<i>Expected Participants</i>	75
<i>Projected Income per Year</i>	\$18,750.00

There are over 1100 instructors currently recognized by the MFFTC. These current instructors would be allowed to purchase an Instructor I certificate for \$250.00. We will estimate that 400 of these instructors would apply for certified instructor status.

Current Instructor Certification Fee

<i>Expected number of Applicants</i>	400
<i>Proposed Fee</i>	\$250.00
<i>Projected One Time Income</i>	\$100,000.00

Instructor Recertification

It is proposed that each instructor would pay an annual fee to retain their instructor status. The fee would be \$25.00 per year for a total of \$75.00, payable at the end of the third year.

Instructor Recertification Fee

<i>Expected Number of Instructors</i>	600
<i>Proposed Annual Fee</i>	\$25.00
<i>Projected Income (Third Year)</i>	\$45,000.00

Drivers Training

Under PA. 300, fire fighters can obtain a waiver to the requirement to hold a CDL license by successfully completing the MFFTC Drivers Training Course. In 2008, 1,958 received this waiver. We are proposing that we charge a fee of \$100.00 for those that apply and receive this waiver. This charge is less than what would be charged for a CDL and is a one time requirement. Although there would be a slight drop off in the number of applicants if this fee was instituted, We believe that for estimation purposes, we would process 800 applications a year.

Drivers Training Certificate Fee

<i>Number of Certificates Issued (2009)</i>	1958
<i>Proposed Fee</i>	\$100.00
<i>Expected Annual certificate Requests</i>	800
<i>Projected Annual Income</i>	\$80,000.00

Course Applications

In FY 2009, there were 829 course applications made. In FY 2008, there were 887 course applications. Each of these courses requires support from the OFFT, whether it is shipment of exams and scan sheets to the actual entering of the course results. It is being proposed that a \$50.00 fee be established, due at application, to cover these costs. Historically, approximately 20% of these courses cancel prior to completion. These course applicants would receive a 50% rebate upon properly closing their course before completion. Establishing a fee for conducting a course through the OFFT will likely reduce the number of applicants. To estimate actual income, we will assume there would be 650 applications with 100 cancelations.

Course Application Fees

<i>Current average of Course Applicants</i>	850
<i>Proposed Fee</i>	\$50.00 (\$25.00 for cancelled class)
<i>Expected Course Applications (Completed)</i>	550
<i>Expected Course Applications (Cancelled)</i>	100
<i>Projected income per year</i>	\$30,000.00

Total Projected Income

<i>One Time Accrual</i>	\$100,000.00
<i>Annual Accrual</i>	\$298,750.00
<i>Every third Year</i>	\$45,000.00

In conclusion, each of these proposals and the potential gain to the Bureau are estimates and do not take into consideration additional costs that might be required for fee processing.

(NOTE) A revision to 1966 PA 291 as amended would be required to allow implementation of these proposed fees.

DELEG BFS/OFFT SERVICE FEE PROPOSAL FY 2011						
<i>Service</i>	<i>Current # of Participants</i>	<i>Current Income</i>	<i>Proposed Fee</i>	<i>Expected Participants</i>	<i>Income First Year</i>	<i>Every Third Year</i>
Fire Fighter Examinations	2,226	0	\$ 85.00	2,000	\$ 170,000.00	
New Instructor Certification	112	0	\$ 250.00	75	\$ 18,750.00	
Current Instructor Certification	1200	0	\$ 250.00	400	\$ 100,000.00	
Instructor Recertification	1200	0	\$ 75.00	600		\$ 45,000.00
Drivers Training Certification	1958	0	\$ 100.00	800	\$ 80,000.00	
Course Application Fee	850	0	\$ 50.00	550	\$ 27,500.00	
Course App Fee (Cancelled)	N/A	0	\$ 25.00	100	\$ 2,500.00	
Total Projected Income					\$ 398,750.00	\$ 45,000.00