

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	State Fire Marshal's Office, General Management
Location/Division	William P. Hobby Building, Tower I, 12th Floor
Contact Name	Paul Maldonado, State Fire Marshal
Actual Expenditures, FY 2006	\$350,747.91
Number of FTEs as of August 31, 2006	7

B. What is the objective of this program or function? Describe the major activities performed under this program.

The State Fire Marshal leads the State Fire Marshal's Office (SFMO) general management. The primary objective of general management is to provide program-wide management and operational support for the SFMO program and its four divisions. Program-wide management and operational support activities include strategic and budget planning; responding to field staff needs; responding to legislative requests; research assistance; project management; and various administrative support duties. The four SFMO divisions, which are described in greater detail in separate Section VII responses, are the following:

- Fire Safety Inspections ("Inspections")
- Arson Investigation Services ("Investigations")
- Fire Industry Licensing Services and Investigations ("Licensing")
- Fire Prevention and Outreach ("Outreach").

As the state agency authorized to protect citizens from fire and fire-related tragedy, SFMO accomplishes its statutory duties by:

- inspecting and correcting hazards in buildings and situations involving dangerous fire conditions
- investigating cause and, in the event of arson, assisting with the prosecution of alleged arsonists
- regulating the fire extinguisher, alarm, sprinkler and fireworks businesses to assure that the public is served by competent firms and individuals, and
- providing education and outreach to the public to further prevent fire emergencies.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

SFMO's general management contributes to the overall effectiveness and efficiency of the program's divisions. Although general management does not report key statistics or performance measures, the State Fire Marshal works with division directors to gain a greater understanding of the problems and trends associated with fires and to identify opportunities for improving program effectiveness. Specifically, the State Fire Marshal's Office recently shifted its service delivery model to be more proactive. The strategy includes reprioritizing operations to enhance service quality, with the goal of

reducing the loss of life and property on the broadest scale possible. The delivery model encompasses all areas of the state, not just those communities that receive direct inspection or investigation services.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

1910 – The 31st Texas Legislature established the duties of the State Fire Marshal. The duties were to investigate fires to determine causes, inspect buildings to identify fire hazards, and to ensure hazards were removed or corrected.

1975 – The 64th Texas Legislature established the State Fire Marshal's Office (SFMO) separate from the Insurance Department (SB 925).

1991 – The 72nd Texas Legislature removed the SFMO from the Texas Department of Insurance (TDI) and merged it with the Texas Commission on Fire Protection (SB 383).

1997 - The 75th Texas Legislature returned SFMO to TDI (SB 371).

2001 – The 77th Texas Legislature empowered the SFMO to investigate the manner and cause of firefighter line-of-duty deaths (HB 1450).

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

SFMO's general management affects all SFMO divisions by providing administrative support and coordination of resources within the program. Additionally, SFMO's general management works with TDI support services and TDI programs to coordinate resources and manage projects at the agency level.

All SFMO divisions, including general management, ultimately affect the general public. SFMO's fire safety and prevention programs directly target the fire service and safety industries, and the general public. SFMO's receptionist position is often the first point of contact for customers needing to reach the program via phone and in person.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Based on the February 2007 organizational chart, five administrative staff support the State Fire Marshal. Additionally, a Special Assistant State Fire Marshal and four Assistant State Fire Marshals report to the State Fire Marshal on matters related to the operations of the program's regulatory activities. The SFMO also has 37 field employees working throughout the state.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The primary funding sources are general revenue and dedicated general revenue funds, which finance over 96 percent of the agency's operations. Maintenance taxes and fees are the two main revenues that fund the agency's appropriations to regulate the insurance and workers' compensation industries.

Additionally, the SFMO received federal grant funds during FY 2004 and FY 2005 to procure a new fire safety house and fire safety educational materials.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

All programs within TDI perform general management functions. Additionally, SFMO's general management performs administrative duties in coordination with TDI's Administrative Operations program.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

By coordinating with TDI's Administrative Operations program, SFMO's general management is able to administer operational expenses and program business needs allowing division staff to focus on regulatory duties.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The State Fire Marshal works with the fire service industry as well as state, local, and federal entities on fire protection issues.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

An attachment to TDI's Self-Evaluation Report provides agency contract expenditures by program.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The State Fire Marshal's Office mission is to prevent and reduce the loss of life and property due to fire. While this mission is designed to protect the citizens of the state, it simultaneously benefits the insurance industry in Texas. When fires are prevented or fire loss is reduced, the number and the amount of insurance claims are also reduced, resulting in overall cost savings to the industry and its customers. In this capacity, the missions of TDI and the SFMO are mutually supportive.

At times, TDI's focus on insurance regulation overshadows SFMO's goals to serve Texans by upholding life safety standards through inspections, investigations, licensing, and outreach and education. Furthermore, the SFMO's position as a program within TDI often results in other government officials not recognizing TDI as a public safety authority and consequently failing to consult SFMO on major fire safety and other public safety issues. The lack of consultation hinders SFMO's ability to identify and respond to the needs of the public.

Another challenge of the current structure is that the relationship between TDI and the insurance industry precludes SFMO's acceptance of donations from the industry for outreach and education initiatives. SFMO could increase service delivery to the state by forming a partnership with the insurance industry. A partnership with the insurance industry could assist SFMO in disseminating fire prevention information on a broad scale; however, as a program within TDI, accepting donations and grants from the insurance industry would be perceived as a conflict of interest, as TDI's primary role is to regulate the insurance industry.

Following is a detailed list of possible SFMO organizational arrangements and commentary about their merits.

SFMO as a Program within TDI or Other State Agency

Since returning to TDI in 1997, the SFMO has successfully met performance measures and effectively served the fire protection needs of the state. If the SFMO continues to function as a program within TDI, or as a program of another state agency, SFMO will continue to benefit from the agency's administrative support services, including: legal services, human resources, information technology, budget, purchasing, and strategic and business planning. This model is cost effective to the state and has allowed SFMO to focus on fire prevention and regulatory activities.

SFMO Administratively Attached to TDI or Other State Agency

To eliminate the issues associated with being part of TDI, the legislature could consider making SFMO a separate state agency, which is administratively attached to TDI or another state agency. This organizational design would expedite SFMO's responsiveness to customer needs by eliminating unnecessary reporting command structures. Additionally, the SFMO could benefit from being granted the autonomy to directly represent the needs of the communities it serves. As the SFMO's chief executive and administrative officer, the State Fire Marshal would have full responsibility and control over resources, budget, and strategic direction, allowing SFMO to determine the best approach for meeting its statutory obligations. Under this model, however, the SFMO would also be responsible for providing certain support and administrative services, such as legal services, budget, strategic and business planning, which would require additional staff resources.

Establishing the SFMO as an autonomous entity would also allow SFMO to partner with the insurance industry on fire prevention initiatives without resulting in a conflict of interest. The agency to which the

SFMO is administratively attached would continue to provide administrative assistance and services to the SFMO, including purchasing, personnel and financial services, and computer equipment and support.

SFMO as an Independent Agency

Operating as an independent agency would have similar benefits to the administratively attached organizational structure in that the SFMO would be autonomous; however, SFMO would require additional resources to administer support services. The statewide government philosophy directs that government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes. Expending additional resources to establish the SFMO as a stand-alone agency would be a possible negative impact of this option.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency=s practices.

Not applicable.

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	State Fire Marshal's Office, Fire Safety Inspection
Location/Division	William P. Hobby Building, Tower I, 12th Floor
Contact Name	Richard Bishop, Assistant State Fire Marshal and Division Director
Actual Expenditures, FY 2006	\$756,138.69
Number of FTEs as of August 31, 2006	14

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Inspections Division conducts fire safety inspections of public buildings and private facilities in Texas, including 24-hour care facilities, state buildings, universities, prisons, day-care centers, hotels, and motels. Inspections are conducted based on statutory or contract obligations, hazard mitigation projects, or in response to a request or complaint.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

To optimize fire safety efforts and leverage SFMO resources, the Inspections Division has shifted its service delivery model from solely inspecting facilities to a more holistic approach, which includes physical inspection, evaluation of procedures, policies, maintenance activities, and communications within large entities.

In FY 2006, the Inspections Division inspected or reinspected 5,172 buildings for fire safety hazards, which surpassed the target number of 4,643 inspections. The average cost to conduct a fire safety inspection was \$141.49, which is less than the target cost of \$145 per inspection.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The SFMO General Management's Section VII.D response provides program history.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

All SFMO programs ultimately affect the general public. The SFMO Inspections Division affects business owners and managers, especially those operating under a license issued by the state requiring a

fire inspection, such as state-owned facilities, including facilities operated by the Texas Building and Procurement Commission, State Preservation Board, Texas Youth Commission and Texas Department of Criminal Justice.

No licenses or permits are issued by this division.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Inspections director oversees 14 employees. Three employees located in Austin are tasked with providing fire safety services to state-owned buildings and supporting the Capitol Complex fire safety program. A supervisor, located in the field, oversees nine field employees who provide fire safety inspections to the entire state. An administrative technician at the Austin Headquarters performs clerical, data entry, correspondence management and other duties for the Inspections Division. This information is based on the February 2007 organizational chart.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The primary funding sources are general revenue and dedicated general revenue funds, which finance over 96 percent of the agency's operations. Maintenance taxes and fees are the two main revenues that fund the agency's appropriations to regulate the insurance and worker's compensation industries.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

TDI's OSHCON program conducts non-regulatory occupational safety and health inspections upon request for small, private Texas employers, which includes review of fire safety hazards.

If a city or county has a fire marshal, then the city/county fire marshal conducts inspections. However, city/county fire marshals do not have jurisdiction to perform inspections of state-owned properties.

Some state agencies have employees that evaluate the fire safety of facilities as part of a larger evaluation for compliance with that agency's rules and standards. These agencies include the Department of State Health Services (DSHS) and the Department of Family and Protective Services (DFPS). Additionally, the Texas Department for Aging and Disability Services (DADS) has staff that conduct fire safety inspections as part of that agency's licensing procedures.

State Office of Risk Management (SORM) specialists conduct safety program evaluations to assist state agencies in establishing employee health and safety programs designed to provide a safe and healthful environment for agency employees and the public served by the agencies. These evaluations include fire safety hazards.

The Texas Building and Procurement Commission (TBPC) is responsible for maintaining and operating approximately 15.5 million square feet of state-owned office space, parking garages, and parking lots as

well as commercial lease space occupied by state agencies. As such TBPC is responsible for the safety of employees working in state occupied facilities. The SFMO inspects the buildings for which TBPC is responsible.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

When a request for an inspection is received, SFMO staff first check to see if the affected city/county has a fire marshal. If so, the requester is asked to contact that individual. If the inspection focuses on a state-owned facility, the SFMO conducts the inspection as local fire marshals lack jurisdiction.

SFMO, upon request, provides assistance in code interpretation and technical expertise to DSHS, DFPS, and DADS. These agencies are also used as an alternate resource to facilitate compliance of regulated entities during enforcement proceedings. When a business licensed by a state or federal agency fails to correct fire safety violations, inspectors contact the agency with regulatory authority over the business. SFMO informs the oversight agency that an unsafe situation exists and has not been corrected voluntarily. The licensing or regulatory agency then takes the appropriate action to prompt the regulated entity to correct unsafe conditions.

Additionally, SFMO reports fire safety violations in state buildings to TBPC as well as SORM. TBPC and SFMO coordinate agency responsibilities by means of a memorandum of understanding that specifies each party's role. SFMO has identified an opportunity to improve coordination with SORM on fire safety inspections of state buildings.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Inspectors work with local code enforcement, law enforcement, fire service officials, state agency and university officials, when appropriate, to ensure compliance with applicable fire safety standards. Additionally, the Inspections Division provides consultation services to regional or federal agencies upon request.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

An attachment to TDI's Self-Evaluation Report provides agency contract expenditures by program.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Health and Safety Code 753 provides authority to the SFMO for the inspection of above ground storage tanks for flammable liquids; however, the statute concurrently provides initial licensing authority to the Texas Commission on Environmental Quality (TCEQ), which has not adopted the technical standards for tank installation and operation adopted by the SFMO. This is problematic because businesses do not receive guidance on installing above ground storage tanks in compliance with this statute and adopted rules. This creates an enforcement problem as businesses are operating under the assumption that they are in full compliance because they successfully registered their above ground tank with TCEQ. SFMO recommends a review of this statute.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

The Inspections Division does not license, register, or require a permit from any person, business or other entity. However, the SFMO, by law, is entitled to enter any building or premises in the state in order to assess compliance with fire safety standards. SFMO's Inspections Division performs these duties and may pursue enforcement actions for any fire safety violations against the occupant or owner of the building or premises. Therefore, occupants or owners of buildings in Texas may be considered "regulated entities" when it comes to complying with local and state fire safety standards.

Why the Regulation is Needed

Inspections of public buildings and private facilities in Texas, including 24-hour care facilities, state buildings, universities, prisons, day-care centers, hotels, and motels as well as flammable liquids inspections of retail service stations are necessary to reduce loss of life and property due to fire. In many communities throughout the state, the SFMO's inspections services are vital to mitigating fire-related losses because the communities do not have personnel that provide the services.

Scope of, and Procedures for, Inspections of Regulated Entities

Texas Government Code, Section 417.008 grants the SFMO the right of entry, examination, and correction of dangerous conditions. Inspections are conducted based on statutory or contract obligations, hazard mitigation projects, or in response to a request or complaint. The State Fire Marshal has the authority to order the removal of a building or structure if the building's existing conditions are dangerous or are liable to cause or promote fire or create danger for fire fighters, occupants, or other buildings or structures.

Furthermore, as previously mentioned, the SFMO is charged with the responsibility of inspecting state-owned buildings for existing or eminent fire hazards.

Follow-up Activities Conducted When Non-Compliance is Identified

Each inspection requires an initial survey and subsequent communications to establish timelines for corrections and to establish the methods of correction. Each building is reinspected at various stages of correction and after completion of corrections to verify repairs. On-going communication is essential to ensure cost effective, prompt compliance.

Sanctions Available to the Agency to Ensure Compliance

The State Fire Marshal may, if necessary, apply to a court of competent jurisdiction for writs or orders necessary to enforce this section, and the court may grant appropriate relief. The State Fire Marshal is not required to give a bond.

Additionally, Texas Government Code, Section 417.0082 grants the State Fire Marshal the authority to take any action necessary to protect a public building under the charge and control of the Texas Building and Procurement Commission and the building's occupants, against an existing or threatened fire hazard.

For violations of flammable liquids standards, the Texas Health and Safety Code, Chapter 753 grants the State Fire Marshal the authority to enforce the law and pursue various civil and criminal penalties as necessary.

Procedures for Handling Consumer/Public Complaints against Regulated Entities

Texas Government Code, Section 417.008 on the complaint of any person, the State Fire Marshal, at any reasonable time, is entitled to enter any building or premises in the state.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

As reflected in Section VII.C, SFMO inspected or re-inspected 5,173 buildings in Texas. Some of the inspections may have been initiated as the result of complaints.

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	State Fire Marshal's Office, Arson Investigation Services
Location/Division	William P. Hobby Building, Tower I, 12th Floor
Contact Name	Mark Lockerman, Assistant State Fire Marshal and Division Director
Actual Expenditures, FY 2006	\$1,424,864.69
Number of FTEs as of August 31, 2006	24

B. What is the objective of this program or function? Describe the major activities performed under this program.

The State Fire Marshal is the chief investigator in charge of the investigation of arson and suspected arson in the State of Texas. The State Fire Marshal commissions peace officers to act as fire and arson investigators and to perform other law enforcement duties. Fire/arson investigation assistance to local communities is one of the most critical services provided by the SFMO. Upon a request from an authorized entity, or by order of the State Fire Marshal, the Arson Investigation Services Division dispatches appropriate resources to the scene of a fire. The purpose of these services is to determine the cause and origin of the fire and to assist local officials in the collection and analysis of evidence that may lead to prosecution of an alleged arsonist.

Major activities conducted by the Investigations Division also include responding to Arson Hotline tips, providing arson lab services to the fire service industry and law enforcement entities throughout the state, and investigating firefighter line-of-duty fatalities. The Arson Hotline is a toll-free number for the public to report suspicious activity involving fires. The hotline, 1-877-4FIRE45 (1-877-434-7345) is staffed through the company Stenocall 24 hours a day. Stenocall relays the information received on the hotline to the Director of Investigations via email. The Director of Investigations routes this information to SFMO investigators or to the appropriate local agency.

During a fire/arson investigation, SFMO makes use of specially trained canines to aid with evidence collection. Canine teams consist of a handler, who is a certified peace officer/arson investigator, and a canine that has been certified and trained to detect hydrocarbons. The canines' keen sense of smell helps them identify areas for evidence collection at fire scenes for possible analysis by SFMO's Forensic Arson Laboratory. The arson lab, based in Austin, provides accelerant testing services and analysis of fire scene debris to law enforcement and public safety organizations as well as SFMO investigators. The lab is accredited by the American Society of Crime Laboratories Directors.

As of September 1, 2001, the SFMO investigates firefighter line-of-duty deaths (LODD) in Texas. These investigations are conducted in cooperation with fire-service organizations such as the State Firemen's and Fire Marshals' Association, Texas Fire Chiefs Association, Texas Association of Firefighters, Texas Fire Marshals Association, Texas Commission on Fire Protection (TCFP), Texas Forest Service, and Emergency Services Training Institute. SFMO prepares an annual report on LODD for the Commissioner of Insurance.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In FY 2006, 650 investigations were completed, of which, 130 were referred for prosecution; both measures exceeding expectations of 507 and 110, respectively. Of the criminal investigations referred for prosecution, 74 percent resulted in enforcement or legal action.

To improve effectiveness, in 2003, SFMO established enhanced case management processes, which allow more focus on active investigations and better discernment of evidence. Additionally, the SFMO attributes the better average number of days to complete an investigation to its enhanced case management practices. Furthermore, the SFMO's arson lab has successfully accommodated an increased workload using existing resources. The past five years performance measures are provided below.

4.1.1 efficiency 2 Average time to complete fire investigations					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Actual Performance	363	177	148	123	129
Annual Target	325	325	295	295	180
Percentage of Target	111.79%	54.55%	50.16%	41.69%	71.67%
Analysis/Variance Explanation	Lower than the target is desirable for this measure. SFMO attributes its success to enhanced case management procedures.				

4.1.1 output 3 Number of samples analyzed in the arson lab					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Actual Performance	2,303	2,568	3,315	3,273	3,383
Annual Target	2,000	2,000	2,300	2,300	2,300
Percentage of Target	115.15%	128.40%	144.13%	143.20%	147.09%
Analysis/Variance Explanation	In 2004, City of Houston requested SFMO arson lab services, which significantly increased the number of samples analyzed. In 2005, forensic laboratories were required to be accredited, which resulted in a higher number of requests for the SFMO lab because some private laboratories did not have accreditation.				

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The SFMO General Management's Section VII.D response provides program history.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The SFMO Investigations division works with local prosecutors, law enforcement and fire service personnel, who are all affected by the fire investigations conducted.

No licenses or permits are issued by this division.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

According to the February 2007 organizational chart, one program director oversees 26 employees, 22 of which are stationed in the field, 3 in the arson lab, and 1 administrative support staff in Austin.

The Director of Investigations receives information from the Arson Hotline and routes it to SFMO investigators or the appropriate local agency.

While the Arson Investigation Services Division provides assistance to any community faced with a fire-related incident, given the tens of thousands of fires each year, demand for resources dictates the need for a systematic means of assigning resources in the most effective manner. SFMO uses an investigation protocol to allocate resources. At the top of the protocol are fires that are catastrophic in nature, which are fires resulting in death, significant property damage, or posing a serious threat to public health and safety. The protocol also identifies fires believed to be the work of a serial arsonist, related to hate crime, or where the operation of a vital public institution is compromised.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The primary funding sources are general revenue and dedicated general revenue funds, which finance over 96 percent of the agency's operations. Maintenance taxes and fees are the two main revenues that fund the agency's appropriations to regulate the insurance and worker's compensation industries.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Some local law enforcement officials can conduct fire investigations. Certified investigators are generally only available in larger Texas communities.

SFMO investigates LODD in cooperation with many other entities, including TCFP. TCFP develops and enforces professional standards for the fire service industry. Accordingly, TCFP provides technical expertise regarding firefighter equipment and standards to support TDI's investigation.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Investigations are conducted upon request from local officials, frequently in communities that do not have these resources locally. On occasion, communities that have investigation resources request SFMO personnel to augment their own capabilities. Communities also request services such as canines or the arson lab if they are not available in their own jurisdictions.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Investigators work with local, state, and federal prosecutors, law enforcement and fire service officials. Additionally, the Investigations Division collaborates with federal agencies such as the FBI and the Bureau of Alcohol, Tobacco, and Firearms. Additionally, SFMO provides arson lab services for local governments that do not have access to accredited forensic laboratories.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

An attachment to TDI's Self-Evaluation Report provides agency contract expenditures by program.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Not applicable.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	State Fire Marshal's Office, Fire Industry Licensing Services and Investigations
Location/Division	William P. Hobby Building, Tower I, 12th Floor
Contact Name	Mark Redlitz, P.E., Assistant State Fire Marshal and Division Director
Actual Expenditures, FY 2006	\$517,068.81
Number of FTEs as of August 31, 2006	14

B. What is the objective of this program or function? Describe the major activities performed under this program.

SFMO issues registrations, licenses and permits to individuals and companies working in the fire alarm, extinguisher, sprinkler, and fireworks industries.

SFMO, upon complaint, conducts investigations of fire alarm, extinguisher and sprinkler systems to ensure compliance with state law, thereby providing systems that extinguish fires, saving lives, property, and reducing insurance losses. This section also inspects fireworks retail sites to ensure compliance with adopted safety standards.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In FY 2006, the SFMO Licensing Division issued 11,787 registrations, licenses and permits to fire alarm, fire extinguisher, fire sprinkler, and fireworks firms, individuals and other regulated entities, which surpassed the target number of 11,250. One hundred percent of registrations, licenses, and permits were issued within 20 days from the receipt of a completed application. Additionally, 1,197 licensing investigations or inspections were conducted, exceeding the target of 1,100.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The SFMO General Management's Section VII.D response provides program history.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Although SFMO activities ultimately affect the general public, the program's fire safety and prevention activities directly target the fire service and fire safety industries.

The SFMO Licensing Division affects persons engaged in the business of planning, installation and servicing of fire sprinkler systems, fire extinguishers and fire alarm systems and persons engaged in the wholesale and retail fireworks industries and those conducting public fireworks displays. A checklist of the applicant qualifications and eligibility requirements is available for review.

For FY 2006, the Licensing Division affected a total of 15,694 regulated entities, of which 10,483 were licensed fire alarm, extinguisher, sprinkler and fireworks companies and individuals, and 5,211 were fireworks permit holders. The breakdown is shown below.

- 2,290 companies
- 8,193 individuals
- 589 fireworks display permit holders
- 4,622 fireworks retail permit holders.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

One program director, who is a licensed engineer, oversees 10 employees. Six employees support licensing administration and four staff support licensing investigations. The four investigators are deployed in the field and serve the entire state. This information is based on the February 2007 organizational chart.

The SFMO staff engineer develops technical licensing tests and provides the materials to SFMO's vendor to administer. Licensing applicants are required to independently contact, pay fees to, and schedule tests with the contracted testing vendor. Upon successful completion of the test, the applicant submits official test results with the application and all licensing fees to SFMO.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The primary funding sources are general revenue and dedicated general revenue funds, which finance over 96 percent of the agency's operations. Maintenance taxes and fees are the two main revenues that fund the agency's appropriations to regulate the insurance and worker's compensation industries.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Other TDI programs perform licensing, certification, and registration functions. Like other TDI programs, the SFMO registers and licenses individuals and entities pursuant to the Texas Insurance Code; however, the criteria for the SFMO's licensing process are substantively different. Additionally, individuals and entities licensed by SFMO are part of the construction industry and must pass licensing tests on technical building and fire codes as well as installation trade standards. Furthermore, each licensed individual cannot hold or maintain a license unless employed by a registered firm. Although the process for licensing may be similar, the criteria and areas of expertise are substantively different.

TDI's Consumer Protection Program resolves insurance complaints for consumers. In contrast to insurance complaints, few complaints pertaining to SFMO licensed entities are originated by consumers because the products (fire alarm, sprinkler and extinguishing systems) are too technical for consumers to understand. Complaints stem from local fire marshals, industry competitors and others generally responsible for public safety.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

SFMO's licensing and complaint processes are substantially different from those of other TDI programs, duplication is unlikely.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Licensing investigators work with local and regional fire code enforcement personnel, prosecutors and law enforcement when required.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

An attachment to TDI's Self-Evaluation Report provides agency contract expenditures by program.

SFMO contracts with a third party to administer licensing testing. However there are no expenditures or transfers of state revenue either to or from the outsourced entity, since applicants pay testing fees directly to the vendor. The contract is issued every three years. An RFP is generated and evaluated to solicit competition based on the test cost to the applicant, security issues, and availability of test times and locations. The process was initiated in FY 2006 and has been well received by licensing applicants.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Not applicable.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

The Licensing Division issues registrations, licenses and permits to individuals and companies working in the fire alarm, extinguisher, sprinkler and fireworks industries. This division issues 35 different license types, as required by the enabling statutes and/or detailed by administrative rules proposed by the regulated industry through advisory councils. The Licensing Division conducts investigations of existing fire alarm, extinguisher and sprinkler systems and fireworks stands to ensure compliance with adopted safety standards. Sanctions include license revocations, fines and/or criminal prosecution.

Why the regulation is needed

The regulated industries provide products and services in the health and safety field. These products and services are used under emergency situations and must perform the first time and every time they are needed. The regulations provide checks to ensure firms are legitimate; individuals demonstrate a minimum level of expertise by successfully completing the licensing application process; and fire safety and prevention systems meet minimum nationally accepted standards. Fireworks are regulated to minimize fire hazards.

The scope of, and procedures for, inspections or audits of regulated entities

All firms and individuals are audited to ensure compliance with administrative licensing laws upon initial issuance of a license or registration and at each renewal period. All field inspections or audits are handled under the complaint process.

Follow-up activities conducted when non-compliance is identified

The regulated entity or person may immediately correct a violation. When the violation consists of reasonable human error or misjudgment, the division encourages immediate corrections to the fire protection equipment, and the accused may voluntarily take immediate corrective action.

Sanctions available to the agency to ensure compliance

For major violations or where the accused has not performed with "due diligence" in the prosecution of their work, the case will be forwarded to the Enforcement Program of TDI. Licenses or registrations can

be revoked or a settlement may be negotiated assessing administrative penalties up to \$10,000 per violation.

Procedures for handling consumer/public complaints against regulated entities

Written complaints can be submitted on agency complaint forms by e-mail, fax or mail. An investigation is initiated upon receipt of a complaint. Each complaint is given a number for tracking purposes and assigned to an investigator. The alleged violations are inspected on-site in 80 percent of the cases. A case report of the findings, action and recommended disposition is entered in a database by the investigator and reviewed by the director for completeness and accuracy. Based on the circumstances of the case and its resolution described in the case report, the investigation is closed as:

- Unfounded – No Violations Detected
- Unfounded – No Violations Detected - Fireworks
- Unfounded – Inconclusive Evidence
- Founded – Owner Advised
- Founded and Corrected
- Founded - Fireworks
- Founded - Referred to Enforcement.

Cases sent to Enforcement for administrative action are processed according to the Administrative Procedures Act resulting in loss of license or in lieu of revocation, a negotiated administrative penalty according to the Texas Government Code, Section 417.010. Additional legal actions may include the following: restitution, cease and desist letters, and consent orders.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Upon receipt of complaints, Licensing investigates or inspects regulated entities for compliance with fire safety and prevention requirements pertaining to fire alarms, sprinklers, and extinguishers. Additionally, Licensing performs inspections of retail fireworks sites. For FY 2006, the Licensing Division conducted 1,197 investigations/inspections.

The tables below illustrate the number of resolved complaints/inspections and the disposition of cases referred to Enforcement in FY 2006.

FY 2006 Resolution of Complaints/Inspections			
Unfounded		Founded	
No Violations Detected	72	Owner Advised	11
Inconclusive Evidence	12	Corrected	33
No Violations - Fireworks	350	Fireworks	682
		Referred to Legal	30
Total	434	Total	756

FY 2006 Disposition of Cases Referred to Enforcement	
Restitution	\$31,656
Administrative Penalties	\$56,750
Cease & Desist Letters	13
Consent Orders	41
License Revocations	5

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	State Fire Marshal's Office, Fire Prevention and Outreach
Location/Division	William P. Hobby Building, Tower I, 12th Floor
Contact Name	Ross Coleman, Assistant State Fire Marshal and Prevention and Outreach Division Director
Actual Expenditures, FY 2006	\$357,533.08
Number of FTEs as of August 31, 2006	9

B. What is the objective of this program or function? Describe the major activities performed under this program.

The SMFO's Fire Prevention and Outreach Division administers the Texas Fire Incident Reporting System (TEXFIRS), a program used to collect statewide fire data to determine the major causes of fires, the losses that result from fires, and fire deaths and injuries. It is the only source of information to the public about fire problems in the state and many different businesses, government and service organizations use TEXFIRS data.

The Outreach Division also administers a variety of prevention programs and services, many of which are tailored for juveniles and their families, including:

- assisting fire departments in establishing their own community-based fire setter intervention programs for juveniles
- developing a fire and burn prevention K-12 curriculum guide "Fire Safety for Texans"
- administering the Fire Safety House program to deliver home fire escape training to Texas school children.

Public Protection Classification (PPC) oversight is a method by which SFMO administers the Insurance Services Office (ISO) classification system to reflect a community's local fire protection for property insurance rating purposes.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The Outreach Division offers fire prevention training to TDI and DWC employees. Additionally, the division designed a lesson plan and presented a "train the trainer" class to the State Office of Risk Management, whereby, SORM will deliver the Have an Exit Strategy program to all state employees beginning FY 2008.

SFMO trains the Texas Alcoholic Beverage Commission's (TABC) beverage agents, auditors, inspectors, and general staff on the Have an Exit Strategy Program and how to identify and report fire safety

violations to the SFMO. TABC enforcement guidelines now address the protocol for making safety violation referrals to the SFMO.

In response to the death of two state employees located in a state leased building in Houston, DWC requested that the SFMO provide Have an Exit Strategy training to all DWC employees. All DWC occupancies were inspected by the SFMO and the Have an Exit Strategy presentations were then tailored to address the employees in each building.

The SFMO's Have an Exit Strategy has gained recognition from the National Fire Protection Association. An article detailing the program was posted in their national publication.

The State Fire Marshal is an advocate of the Courage to Be Safe Program, sponsored by the National Fallen Firefighters Foundation. This program advocates "Everyone Goes Home" from the scenes of fire and medical emergencies.

Recent outreach efforts that support the program's overall mission of fire prevention include the following.

- In 2006, Governor Rick Perry officially proclaimed Oct. 8-14 as Fire Prevention Week. In the weeks leading up to Fire Prevention Week, more than 53 cities, schools, universities, and fire departments contacted the SFMO to request Have an Exit Strategy materials to use in their own communities. The SFMO provided more than 18,024 educational items to these partnering organizations.
- The Outreach Division works closely with the Texas Fire Marshal's Association, a non-profit organization, to plan an annual conference for Texas fire industry professionals. Now in its ninth year, the Annual Fire Marshal's Conference provides insight into critical issues affecting fire safety. In addition to thought-provoking sessions, the conference provides attendees with opportunities to meet, mingle, and share expertise with their colleagues. The Outreach Division is responsible for the following duties: selecting speakers and topics, booking speakers, designing the schedule, and publicizing the event.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The SFMO General Management's Section VII.D response provides program history.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

All SFMO programs ultimately affect the general public. Fire safety and prevention programs may be targeted directly at the public, through education and outreach activities. The Outreach Division primarily affects public and private educators, the Texas fire service industry, and the general public.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

One program director oversees seven Austin-based employees and one field employee. In Austin, three employees support the Texas Fire Incident Reporting System (TEXFIRS), one employee supports the ISO function, and three employees support the division's outreach initiatives. The field employee administers the Fire Safety House.

According to Texas Government Code, Section 417.0052, the State Fire Marshal, under the direction of the Commissioner of Insurance is responsible for maintaining and administering TEXFIRS. The program is used as a tool to assess the causes of fires in Texas and to plan and direct the State Fire Marshal's Office's prevention programs as well as fire protection activities at the local and national levels.

SFMO's PPC Oversight Representative supports the ISO function by reviewing each proposed new classification rating. This review may take no longer than 30 days, including 10 days for local officials to comment. If the new rating appears reasonable, TDI authorizes ISO to publish it for use by insurance companies.

To schedule the Fire Safety House community appearances, the SFMO has divided Texas into nine regions. During the school year, the fire safety house visits each of the nine regions for a two-week period.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The primary funding sources are general revenue and dedicated general revenue funds, which finance over 96 percent of the agency's operations. Maintenance taxes and fees are the two main revenues that fund the agency's appropriations to regulate the insurance and worker's compensation industries.

Additionally, the SFMO received federal grant funds during FY 2004 and FY 2005 to procure a new fire safety house and fire safety educational materials to launch the SFMO Fire Safety House program.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

SFMO's Outreach Division focuses its activities on fire prevention and safety education in Texas. Other TDI programs provide education and outreach services.

- TDI's Consumer Protection (CP) program develops and provides Texas consumers with insurance information, coordinates the agency's Speakers Bureau, and distributes publications at outreach events.
- TDI's PIO section also provides information to the public, although its focus is primarily on the media, rather than to consumers and the general public.
- TDI's Division of Workers' Compensation conducts outreach for employers regarding workplace health and safety and return to work.

Various municipal-level outreach programs are available in some communities.

The Texas Commission on Fire Protection (TCFP) assists local governments and other entities by providing materials for use in conducting research on fire protection issues and in developing training resources for fire protection personnel and to assist in providing fire fighting equipment and other resources to local fire departments.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Because SFMO's outreach efforts focus primarily on fire safety and prevention, duplication of services is unlikely with other TDI programs.

The Juvenile Fire Setter Intervention Program and TEXFIRS are coordinated at the state level. Their role is to assist local jurisdictions in providing services.

PPC oversight assists fire departments and communities in obtaining local fire protection for property insurance rating purposes.

The SFMO Fire Safety House provides services to communities who do not have their own program.

TCFP provides fire protection research and educational materials for training programs to fire departments with a focus on professional standards for fire fighters. The SFMO and TCFP education activities do not duplicate one another.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Outreach staff work with local educational and fire service representatives. Upon request, the Outreach Division conducts presentations and provides educational information to regional or federal agencies, such as the Lower Colorado River Authority and National Association of State Fire Marshals.

The division coordinates with a variety of entities to share TEXFIRS information.

- City and fire departments use TEXFIRS data to analyze the demand for resources, determine leading causes of fires, develop prevention programs and plan department activities accordingly.
- Information from the TEXFIRS system is also used to create various public awareness programs and news releases. The information is used by law enforcement organizations to combat arson.
- The Consumer Products Safety Commission uses the data to identify hazardous products, which the commission then makes available to the public through statewide news releases and national fire and insurance publications.
- The National Fire Protection Association uses the data to track the need for changes in the National Fire Code. They also use TEXFIRS data to monitor the need for improvements in firefighter training and protective clothing standards.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2006;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

An attachment to TDI's Self-Evaluation Report provides agency contract expenditures by program.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Not applicable.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

Not applicable.

O. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.