

SB 5538 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Broadman

Joint Committee On Ways and Means

Action Date: 06/06/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, McLane, President Wagner, Smith DB, Sollman

Exc: 1 - Manning Jr

House Vote

Yeas: 11 - Bowman, Breese-Iverson, Cate, Drazan, Evans, Levy E, Owens, Ruiz, Sanchez, Smith G, Valderrama

Exc: 1 - Gomberg

Prepared By: Jonathan Bennett, Department of Administrative Services

Reviewed By: Katie Bannikov, Legislative Fiscal Office

Department of the State Fire Marshal

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 93,244,943	\$ 32,921,013	\$ 38,837,243	\$ (54,407,700)	(58.3%)
Other Funds Limited	\$ 70,662,942	\$ 39,955,687	\$ 53,641,436	\$ (17,021,506)	(24.1%)
Federal Funds Limited	\$ 599,769	\$ 629,349	\$ 629,349	\$ 29,580	4.9%
Total	\$ 164,507,654	\$ 73,506,049	\$ 93,108,028	\$ (71,399,626)	(43.4%)

Position Summary

Authorized Positions	157	157	159	2
Full-time Equivalent (FTE) positions	155.56	157.00	158.76	3.20

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of the State Fire Marshal (DSFM) is supported by General Fund, Other Funds, and Federal Funds revenue. The Department's primary sources of Other Funds revenue are receipts from the fire insurance premium tax (FIPT), hazardous substance waste fee, and petroleum load fee. DSFM also receives a small amount of federal funding for hazardous material emergency preparedness from the U.S. Department of Transportation.

Summary of Public Safety Subcommittee Action

DSFM is charged with protecting people, property, and the environment from fire and hazardous materials and carries out its duties through prevention, preparedness, and response activities. The Department provides expertise, technical assistance, model programs, and materials to local, state, private, and public groups to collaboratively reduce fire losses. The Department develops, adopts, and interprets the State Fire Code and coordinates with other agencies on statewide issues and during conflagrations, mobilizations, and emergency incidents. DSFM also locates and identifies the types and amounts of hazardous substances manufactured, stored, and used within Oregon and responds to hazardous spills and releases as part of its emergency response responsibilities.

The Subcommittee recommended a 2025-27 biennial budget for the Department in the amount of \$93,108,028 total funds. The Subcommittee recommendation includes \$38,837,243 General Fund, \$53,641,436 Other Funds expenditure limitation, \$629,349 Federal Funds expenditure limitation, and 159 positions (158.76 FTE). The budget represents a 43.4% total funds decrease from the 2023-25 legislatively approved budget (LAB). The decrease from the 2023-25 LAB is primarily due to the phase-out of fire costs for the 2023 and 2024 fire seasons.

The Subcommittee also approved the following Budget Note related to the Department's Key Performance Measures.

Budget Note: Department of the State Fire Marshal Key Performance Measures

DSFM was directed by the Legislature in the 2023 session to propose new Key Performance Measures (KPMs), however the Department did not propose any KPMs for the 2025 session. The Department is directed again to propose new KPMs that are relevant to the Regulatory Services, Fire and Life Safety Services, and Fire and Life Safety Education divisions, with specified tracking and methodologies. The Department must submit a report to the Interim Joint Committee on Ways and Means by January 2026 that includes a description of the proposed KPMs, why they would be a meaningful metric of successful performance for the agency, and proposed targets for reporting years 2027 and 2028.

Office of the State Fire Marshal

The Office of the State Fire Marshal sets statewide policy and directs the Department and all divisions and programs; provides guidance and policy resources for the Oregon fire service; oversees biennial budgeting, workforce development, annual reporting, and strategic planning; and leads the response and prevention functions within Oregon's structural fire service jurisdictions, including the wildland-urban interface.

The Subcommittee recommended budget provides \$2,588,904 General Fund, \$2,514,751 Other Funds expenditure limitation, and 12 positions (12.00 FTE). No packages were recommended for this division. The Subcommittee approved the following Budget Note:

Budget Note: Department of the State Fire Marshal Internal Audit

DSFM is directed to fill the Internal Auditor position that was provided at the inception of the agency in House Bill 5036 (2023) and has remained vacant. The Department must report to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office on the recruitment and onboarding plan for the position monthly until filled.

Business Services Division

The Business Services Division provides budget development and oversight, business support, information technology, and human resource services for the Department. The Subcommittee recommended budget provides \$13,051,121 General Fund, \$8,143,111 Other Funds expenditure limitation, and 40 positions (40.00 FTE). The Subcommittee recommended the following packages:

Package 103: Agency-Wide Supports. This package increases Other Funds expenditure limitation by a total of \$2,581,522, which is funded by the FIPT revenue. This includes a one-time \$1,350,000 investment for consultant contracting costs associated with business process mapping and phase one of an information technology project intended to modernize the mutual aid tracking system and establish an electronic submission process for local entity emergency response cost reimbursements. The package also includes \$1,231,522 in ongoing Other Fund expenditure limitation for agency information technology operations including hardware lifecycle replacement, software licensing costs, data processing costs, and employee training.

Package 804: Position Rebalance. This package is a net-zero position rebalance intended to right size the Department's procurement team. It includes the reclassification of one Procurement and Contract Specialist 3 position to a Procurement and Contract Specialist 2 position, the elimination of one vacant Procurement and Contract Specialist 3 position, and the establishment of one permanent, full-time Procurement Manager 1 position.

Emergency Response Division

The Emergency Response Division facilitates emergency response planning and resource coordination efforts to protect citizens, their community and the environment from the negative consequences of fires, hazardous materials spills and releases, train derailments involving hazardous materials, and natural hazard events. The Subcommittee recommended budget provides \$11,313,068 General Fund, \$21,563,700 Other Funds expenditure limitation, \$629,349 Federal Funds expenditure limitation, and 23 positions (23.00 FTE). The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package provides \$5,637,773 General Fund and \$10,762,227 Other Funds expenditure limitation and includes the following four components:

- A one-time \$6,000,000 General Fund appropriation for 2026 Wildfire Season Staffing grants.
- A fund shift of \$362,227 from General Fund to Other Funds for an existing Program Analyst 3 position.
- A one-time increase of \$400,000 Other Funds expenditure limitation to extend one limited duration Training Specialist 2 position (1.00 FTE) through the end of the 2025-27 biennium. This position is expected to be funded by the extension of the high hazard oil by railroad fee from House Bill 2384 (2025).
- A \$10.0 million one-time increase in Other Funds expenditure limitation for fire costs incurred by the State Fire Marshal Mobilization Fund. Of this amount, \$6.0 million is intended for readiness response activities with the remaining \$4.0 million intended for mobilization costs related to wildfire response. The Department received \$18.2 million General Fund while waiting for federal reimbursement for Federal Emergency Management Agency (FEMA) eligible fires in the 2024 special session. With the \$10 million deposited to the Fund, \$8.2 million is the remaining amount due to the General Fund based on the cash float provided to the Department in Senate Bill 5801 (2024 first special session).

Regulatory Services Division

The Regulatory Services Division administers seven regulatory programs by conducting tests, issuing permits and licenses, and conducting inspections to ensure fire and life safety protection for fireworks, liquefied petroleum gas, non-retail fuel dispensing, fire standard compliant cigarettes, and novelty lighters. The Subcommittee recommended budget provides \$5,403,945 Other Funds expenditure limitation and 18 positions (18.00 FTE). No packages were recommended for this division.

Fire and Life Safety Services Division

The Fire and Life Safety Services Division provides technical support and guidance to assist with fire prevention in public and private buildings. The Division also ensures compliance with fire and life safety standards for facilities receiving Medicare and Medicaid funding. The Subcommittee recommended budget provides \$6,275,378 General Fund, \$10,466,794 Other Funds expenditure limitation, and 38 positions (38.00 FTE). The Subcommittee recommended the following package:

Package 802: Vacant Position Reductions. This package reduces General Fund by \$288,910 through the elimination of one Deputy State Fire Marshal position (1.00 FTE). This position has been vacant for 23 months.

Fire and Life Safety Education Division

The Fire and Life Safety Education Division is responsible for statewide programs in fire data and analytics, fire prevention and safety, and community risk reduction. The Division's programs target fire reduction and fire-related deaths, injury, and property loss through educational practices to encourage behavior change and increase awareness of fire-safe practices and regulations.

The Subcommittee recommended budget provides \$5,608,772 General Fund, \$5,549,135 Other Funds expenditure limitation, and 28 positions (27.76 FTE). The Subcommittee recommended the following packages:

Package 103: Agency Wide Supports. This package provides \$611,264 General Fund and establishes two permanent, full-time Fire Risk Reduction Specialist positions (1.76 FTE). Of the total, \$72,940 is provided on a one-time basis for the purchase of two vehicles for the positions. The positions will provide support to local entities in the development of community risk reduction strategies, grant development, education, mitigation, and in the identification of ways to support socially vulnerable populations.

Package 801: LFO Analyst Adjustments. This package provides \$342,000 Other Funds expenditure limitation, on a one-time basis, for the Community Risk Reduction Fund established by Senate Bill 762 (2021) to support community risk reduction and provide local government financial assistance. The revenue source for this investment is interest earnings credited to the fund. This package also includes a technical adjustment resulting in a \$43,897 General Fund reduction.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of the State Fire Marshal
Jonathan Bennett -- 971-446-1708

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 93,244,943	\$ -	\$ 70,662,942	\$ -	\$ 599,769	\$ -	\$ 164,507,654	157	155.56
2025-27 Current Service Level (CSL)*	\$ 32,921,013	\$ -	\$ 39,955,687	\$ -	\$ 629,349	\$ -	\$ 73,506,049	157	157.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 015 - Business Services Division									
Package 103: Agency-Wide Supports									
Services and Supplies	\$ -	\$ -	\$ 2,581,522	\$ -	\$ -	\$ -	\$ 2,581,522		
Package 804: Position Rebalance									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00
SCR 020 - Emergency Response Division									
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (347,296)	\$ -	\$ 709,725	\$ -	\$ -	\$ -	\$ 362,429	1	1.00
Services and Supplies	\$ (14,931)	\$ -	\$ 10,052,502	\$ -	\$ -	\$ -	\$ 10,037,571		
Special Payments	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
SCR 030 - Fire and Life Safety Division									
Package 802: Vacant Position Reductions									
Personal Services	\$ (288,910)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (288,910)	(1)	(1.00)
SCR 035 - Fire and Life Safety Education Division									
Package 103: Agency-Wide Supports									
Personal Services	\$ 476,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,788	2	1.76
Services and Supplies	\$ 61,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,536		
Capital Outlay	\$ 72,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,940		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ -	\$ -	\$ 342,000	\$ -	\$ -	\$ -	\$ 342,000		
Special Payments	\$ (43,897)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,897)		
TOTAL ADJUSTMENTS	\$ 5,916,230	\$ -	\$ 13,685,749	\$ -	\$ -	\$ -	\$ 19,601,979	2	1.76
SUBCOMMITTEE RECOMMENDATION *	\$ 38,837,243	\$ -	\$ 53,641,436	\$ -	\$ 629,349	\$ -	\$ 93,108,028	159	158.76
% Change from 2023-25 Leg Approved Budget	(58.3%)	0.0%	(24.1%)	0.0%	4.9%	0.0%	(43.4%)	1.3%	2.1%
% Change from 2025-27 Current Service Level	18.0%	0.0%	34.3%	0.0%	0.0%	0.0%	26.7%	1.3%	1.1%

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 6/4/2025 8:37:57 AM

Agency: Department of the State Fire Marshal

Mission Statement:

The Oregon Department of the State Fire Marshal's mission is to protect people, property, and the environment from fire and hazardous materials. The department carries out these duties through prevention education, inspections, code enforcement, and preparedness and response activities. Our vision is to provide premier public safety services.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. AVERAGE PERCENTAGE OF STRUCTURES SAVED AFTER DECLARED CONFLAGRATION - based on the number of residential and commercial properties "at risk" or "threatened" during wildland fires as compared to those lost to fire.		Approved	100%	100%	100%
2. OREGON RESIDENTIAL FIRE DEATH RATE - Per 1 million population, with a target to position Oregon among the twelve lowest fire death rates in the nation.		Approved	5.35	5	5
3. CUSTOMER SERVICE SATISFACTION SURVEY - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	a) Overall	Approved	98%	95%	95%
	b) Timeliness		100%	95%	95%
	c) Accuracy		95%	95%	95%
	d) Helpfulness		96%	95%	95%
	e) Expertise		100%	95%	95%
	f) Availability of Information		93%	95%	95%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

SubCommittee Action:

The Public Safety Subcommittee approved the Key Performance Measures and targets, as presented.