

Fire Department Dues Program



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Introduction

The state administers a fire department dues program, which uses revenues collected from insurers doing a fire insurance business in the state to fund state and local fire prevention and fire protection programs. The program is often referred to as the "2% fire dues program" because the revenue collected by the state from insurers to support the program is equal to 2% of the fire insurance premiums received by the insurers.

The Department of Safety and Professional Services (DSPS) distributes most of the 2% fire department dues revenues to each city, village, or town maintaining a local fire department that complies with state law. The program was administered by the Department of Commerce prior to 2011-12. The Department of Commerce was repealed under 2011 Act 32 (the 2011-13 biennial budget act), and the program and staff were transferred to DSPS (the former Department of Regulation and Licensing).

Municipalities must use the fire dues payments they receive from the state only for eligible activities related to operation of a fire department. In addition, state revenues received under the fire dues program are used for DSPS administration of statewide fire prevention and fire protection programs, state administration of fire dues eligibility and payments, and Wisconsin Technical College System (WTCS) support of firefighter training programs.

This paper describes fire department dues program revenues collected by the state. It also describes expenditures made from fire department dues revenues, including: (a) DSPS distribution of fire dues payments to local govern-

ments that maintain fire departments; (b) DSPS administration of fire prevention and fire protection programs; (c) WTCS administration of firefighter training programs; and (d) WTCS firefighter school training program local assistance (tuition payments for fire fighters).

The DSPS fire prevention program is authorized under section 101.14 of the statutes, and the fire dues program is authorized under s. 101.573 and 101.575 of the statutes. DSPS administers the fire prevention and fire dues programs under administrative rules SPS 314 of the Wisconsin Administrative Code. DSPS renumbered the rules from the former Comm 14, effective December 1, 2011.

Revenue

Any insurer doing a fire insurance business in Wisconsin must pay to the state, under s. 601.93 of the statutes, fire department dues equal to 2% of the amount of all Wisconsin based premiums paid to the company during the preceding calendar year for insurance against loss by fire, including insurance on property exempt from taxation. In addition, under s. 101.573 (1) of the statutes, fire department dues also include 2% of the premiums paid to the local government property insurance fund for the insurance of any public property, other than state property.

Fire department dues revenues are collected by the Office of the Commissioner of Insurance (OCI). Every insurer doing a fire insurance business in the state is required to file a statement with OCI by March 1 each year. The statement

Table 1: Fire Department Dues Revenues Reported by the Office of the Commissioner of Insurance

Fiscal Year	Amount	% Change
2002-03	\$13,340,000	
2003-04	14,767,800	10.7%
2004-05	15,034,700	1.8
2005-06	16,151,300	7.4
2006-07	15,361,000	-4.9
2007-08	15,467,300	0.7
2008-09	15,758,000	1.9
2009-10	16,167,200	2.6
2010-11	16,549,600	2.4
2011-12	17,675,700	6.8

must show the amount of premiums for fire insurance for the preceding calendar year. Before May 1 of each year, OCI reports to DSPS on the amount of fire department dues received from insurers during the prior calendar year. Table 1 shows the amount of fire department dues reported by OCI to DSPS (or Commerce, prior to 2012) for the past 10 fiscal years. Wisconsin domiciled companies are known as "domestic" insurers and account for approximately half of the total fire insurance coverage in the state, and thus for approximately half of the total fire department dues revenues received by the state. Companies based in other states are termed "nondomestic" or "foreign" companies and pay the remainder of the fire dues.

In addition to the fire dues assessed on insurance companies, Wisconsin imposes taxes on insurance companies. (See the Legislative Fiscal Bureau informational paper entitled, "Taxation of Insurance Companies" for more information.) Wisconsin taxes on insurance premiums employ both "retaliatory" and "reciprocal" provisions, intended to equalize the state tax treatment of insurers operating in more than one state. The 2% fire dues are included in the calculation of retaliatory and reciprocal taxation. Most other states utilize retaliatory taxation but do not provide reciprocity. The retaliatory statute specifies that Wisconsin may impose higher taxes than its statutory rate on a foreign insurer doing business in

the state, to the extent that the insurer's home state imposes a tax on Wisconsin firms operating there that is higher than Wisconsin's statutory rate. The reciprocal statute provides that foreign (non-Wisconsin) insurers doing business in the state shall pay no additional and no higher taxes, fees or other charges than their home state imposes on similar Wisconsin insurers operating there. This provision allows a foreign insurer to be taxed at rates lower than those specified in the Wisconsin statutes, if its home state imposes a lower tax. Under the retaliatory statute, if, for example, the fire dues rate would be increased, it could potentially trigger retaliatory tax provisions in other states that would increase the taxes Wisconsin domiciled insurers pay in the other states. However, it could be argued that such a response would be improper, if Wisconsin would impose the fee uniformly on domestic and foreign insurers. In addition, if an increase were included under the reciprocal statute, a fire dues rate increase levied against foreign insurers in Wisconsin could potentially be offset by lower general fund revenue collections under Wisconsin's other insurance taxes.

Summary of Expenditures

The Department of Safety and Professional Services is required to calculate, by May 1 each year, the proper amount of fire dues to be paid to each qualifying city, village or town. The statutes direct DSPS to calculate this by adding unexpended funds from the prior year to the fire department dues revenues reported by OCI. Then DSPS subtracts the appropriated amounts for the DSPS administrative appropriation and the two WTCS fire fighter training appropriations. Finally, DSPS withholds 0.5% of the remaining fire dues funds. The resulting amount is distributed to municipalities. The 0.5% of fire dues funds that is withheld from distribution is disbursed in the following fiscal year if needed to correct errors of

DSPS or OCI, or to correct payments to municipalities. Any of the 0.5% of revenues that is withheld but not distributed is added to the revenue available in the subsequent year for distribution to municipalities.

Any unencumbered funds at the end of the fiscal year in the annual DSPS administrative appropriation, WTCS operations appropriation, or the WTCS fire fighter school training program local assistance appropriation revert back to the fire dues distribution appropriation and are available for distribution to municipalities in the subsequent year. Prior to enactment of 2007 Act 20, unencumbered funds in the WTCS operations appropriation remained in that appropriation account.

Table 2 illustrates the calculation made by DSPS of the fire department dues revenues available for distribution to municipalities in 2011-12.

Table 3 shows the actual expenditures of fire dues revenues for the four appropriations from fiscal years 2002-03 through 2011-12. Table 3

Table 2: Fire Dues Revenues Available for Distribution to Fire Departments, Calculation on May 1, 2012 for 2011-12 Distribution

Revenues	
Remaining 0.5% funds withheld in the prior year	\$65,555.76
Prior year unexpended administrative Funds - DSPS	53,484.43
Prior year unexpended funds - WTCS	0.00
Fire Department Dues Reported by OCI	<u>17,675,721.66</u>
Total Program Revenue	<u>\$17,794,761.85</u>
Less Program Appropriations	
DSPS fire prevention and fire dues administration	- \$608,900.00
WTCS fire schools local assistance	- 600,000.00
WTCS fire schools administration	<u>- 406,200.00</u>
Total Program Appropriations	<u>- \$1,615,100.00</u>
Gross Amount Available for Distribution	\$16,179,661.85
Less 0.5% Withheld	- \$80,898.31
Final Amount Available for Distribution to Municipalities*	\$16,098,763.54

*In 2011-12, the actual amount distributed in July, 2012, was \$16,098,610, because \$154 was not paid due to a last-minute determination of ineligibility.

Table 3: Expenditures of Fire Department Dues Revenues

Fiscal Year	Fire Dues Distribution to Municipalities(1)	Percent Change in Distribution	DSPS Fire Prevention and Fire Dues Administration (2)	WTCS Fire Schools Local Assistance	WTCS Fire Schools Administration	Lapse to General Fund	Total Fire Dues Expenditures
2002-03	\$12,016,300		\$552,800	\$499,900	\$245,800	\$700 (3)	\$13,315,500
2003-04	13,137,400	9.3%	717,000	599,800	269,700	12,500 (4)	14,736,400
2004-05	13,332,500	1.5	640,700	600,000	290,800		14,863,900
2005-06	14,503,600	8.8	642,000	600,000	435,000		16,180,600
2006-07	13,612,800	-6.1	673,100	600,000	431,700		15,317,600
2007-08	13,712,100	0.7	738,500	600,000	667,800 (5)		15,718,300
2008-09	13,982,400	2.0	715,700	600,000	533,800 (5)		15,831,900
2009-10	14,410,800	5.2	668,400	600,000	437,900		16,417,100
2010-11	14,840,600	0.9	626,900	600,000	437,900		16,505,400
2011-12	16,098,600	8.5	540,500	600,000	406,200		17,645,300
2012-13 est.	16,400,000	1.9	608,900	600,000	406,200		18,015,100

(1) Fire dues are distributed for municipality eligibility in the preceding calendar year. For example, the 2011-12 fire dues were distributed for calendar year 2011 activities.

(2) Department of Commerce prior to 2011-12, Department of Safety and Professional Services (DSPS) as of 2011-12.

(3) \$700 was lapsed from the former Commerce administrative appropriation to the general fund under 2001 Act 25, which required agencies to lapse certain amounts related to membership dues to the general fund.

(4) \$12,500 was lapsed from the former Commerce administrative appropriation to the general fund under 2003 Act 33 provisions for allocation of state operations reductions related to information technology cost savings, state employee health insurance costs, and other compensation costs.

(5) In 2007-08, WTCS expenditures exceeded the appropriated amount because WTCS received approval under s. 16.515 of the statutes for an additional \$316,600 in expenditures for equipment and for fire fighter training programs. This amount had been in the unencumbered balance from funds appropriated in prior years (\$91,300 of this amount was committed in 2007-08, but was spent in 2008-09).

also shows the appropriated amounts for 2012-13 for the DSPS and the two WTCS appropriations, and the estimated amount available for distribution to municipalities. The annual expenditures differ from the revenues reported by OCI in Table 1 because of the impact of withholding 0.5% of revenue each year for subsequent corrections and for the expenditure of prior year's committed, but unspent, funds.

Fire Dues Distribution to Municipalities

The Department of Safety and Professional Services is responsible for the distribution of fire department dues under ss. 101.573 and 101.575 of the statutes to cities, villages, and towns that maintain fire departments or contract for fire protection if the municipalities meet specific criteria. DSPS distributes a proportionate share of the revenues based on the equalized valuation of real property improvements on land within the qualifying cities, villages and towns. If a municipality had 1% of the equalized value of real property improvements in the state, the municipality would receive 1% of the fire dues distributed in that year. However, qualified municipalities may not receive less than they received in fiscal year 1978-79 for calendar year 1978 (a total of \$3.5 million statewide). In 2010-11, a total of \$10,000 was distributed to 19 municipalities under the hold harmless provision. In 2011-12, \$9,300 was distributed to 16 municipalities under the provision.

OCI reported to DSPS by May 1, 2012, on the amount of 2011 fire dues paid by insurers. DSPS then calculated the fire dues distribution to municipalities to be paid in 2011-12. The January 1, 2011, equalized valuation was used to calculate the fire dues distributed from the 2011-12 appropriation. The Department of Administration paid the amounts determined by DSPS by August 1. Payments to local governments for calendar year

2011 fire dues were compiled in May, 2012, and paid in July, 2012, from the 2011-12 appropriation. The distribution of 2011-12 (calendar year 2011) fire dues to 1,842 municipalities was \$16.1 million.

Table 4 shows the fire dues payments distributed in every county in the three most recent fiscal years of 2009-10 (calendar year 2009 dues), 2010-11 (calendar year 2010) and 2011-12 (calendar year 2011, paid to the municipality in July, 2012). The table shows the number of towns, villages, and cities in every county that received fire dues payments in 2011-12, and the total amount of payments distributed. The payment for 2011-12 is \$154 less than the available amount shown in Table 2 because one municipality (Village of Couderay in Sawyer County) was determined to be ineligible shortly before the payments were mailed, and the total distribution was not recalculated.

Eligibility Requirements

Every city, village, or town that maintains a fire department that complies with statutory requirements is entitled to receive a proportionate share of fire department dues. DSPS is responsible for determining whether a local government is entitled to receive a fire dues payment.

Any city, village, or town may receive fire dues if it has a fire department which meets all of the following requirements:

- a. Is organized to provide continuous fire protection in the city, village, or town and has a designated chief;
- b. Singly, or in combination with another fire department under a mutual aid agreement, can ensure the response of at least four fire fighters, none of whom is the chief, to a first alarm for a building;

Table 4: Fire Dues Payments to Municipalities, by County (Fiscal Years 2009-10 through 2011-12)

County	Number of 2011-12 Recipient Municipalities	2009-10 (CY2009)	2010-11 (CY2010)	2011-12 (CY2011)	County	Number of 2011-12 Recipient Municipalities	2009-10 (CY2009)	2010-11 (CY2010)	2011-12 (CY2011)
Adams	19	\$62,938	\$61,909	\$66,281	Manitowoc	30	\$172,416	\$178,824	\$196,829
Ashland	16	30,602	31,999	35,778	Marathon	57	291,208	303,378	337,637
Barron	35	105,737	104,411	117,120	Marinette	24	93,376	98,173	104,282
Bayfield	28	51,037	53,752	58,488	Marquette	19	42,453	44,534	48,879
Brown	24	566,783	590,276	652,620	Menominee	1	7,424	6,672	7,517
Buffalo	23	26,312	28,128	31,237	Milwaukee	19	2,078,086	2,095,763	2,206,670
Burnett	24	58,912	60,967	65,429	Monroe	33	76,521	82,799	95,348
Calumet	16	81,831	86,088	94,412	Oconto	27	94,115	99,779	108,226
Chippewa	31	124,804	134,083	150,437	Oneida	21	154,439	156,772	168,133
Clark	44	56,019	57,684	62,928	Outagamie	31	433,475	458,776	506,417
Columbia	34	155,295	157,260	172,824	Ozaukee	14	303,249	313,048	340,337
Crawford	21	28,450	31,855	35,480	Pepin	11	15,591	16,481	19,016
Dane	59	1,469,834	1,528,047	1,694,014	Pierce	25	96,431	98,422	106,230
Dodge	41	179,622	187,465	204,748	Polk	35	122,850	121,355	126,067
Door	19	169,452	176,566	195,019	Portage	27	148,788	156,246	173,246
Douglas	22	93,678	98,279	110,338	Price	22	32,801	34,013	38,172
Dunn	30	83,651	87,058	95,410	Racine	17	484,867	491,812	526,300
Eau Claire	18	201,868	212,575	237,763	Richland	22	31,173	33,221	36,699
Florence	8	12,905	13,915	16,071	Rock	28	320,527	322,707	352,459
Fond du Lac	32	209,179	221,121	243,256	Rusk	33	26,867	27,350	30,996
Forest	15	23,629	24,893	28,518	Saint Croix	33	217,241	214,071	233,959
Grant	52	83,600	89,486	100,765	Sauk	37	196,401	207,515	224,707
Green	23	85,028	88,094	96,654	Sawyer	20	67,426	70,130	75,642
Green Lake	16	55,609	59,745	64,894	Shawano	35	80,951	84,362	95,501
Iowa	25	54,060	56,883	62,751	Sheboygan	28	280,878	289,426	313,007
Iron	12	19,330	19,829	21,904	Taylor	25	34,649	35,942	39,233
Jackson	26	35,782	37,955	42,563	Trempealeau	26	52,693	56,111	63,683
Jefferson	24	212,927	217,285	234,424	Vernon	32	50,525	53,953	60,233
Juneau	28	54,684	56,032	60,473	Vilas	15	145,270	141,371	155,927
Kenosha	12	435,407	429,180	432,770	Walworth	27	399,476	412,512	430,452
Kewaunee	14	45,965	47,717	53,396	Washburn	25	57,195	59,045	64,409
La Crosse	18	232,091	246,464	276,631	Washington	20	404,883	419,376	446,983
Lafayette	26	30,808	31,916	35,178	Waukesha	37	1,468,399	1,495,994	1,584,914
Langlade	19	43,442	46,130	50,894	Waupaca	34	113,871	117,501	129,654
Lincoln	18	61,402	64,012	71,828	Waushara	25	63,711	67,005	73,151
					Winnebago	21	364,746	382,959	429,790
					Wood	34	143,114	154,142	174,611
					Total	1,842	\$14,410,762	\$14,840,602	\$16,098,610

c. Provides a training program in accordance with DSPS rules;

d. Provides facilities capable, without delay, of receiving an alarm and dispatching fire fighters and apparatus; and

e. Maintains either a voluntary fire department that holds a meeting at least once each month or a paid or partly paid fire department with sufficient personnel ready for service at all times.

The city, village, or town maintaining a fire department may only use fire dues for the direct provision of the following four activities:

- a. The purchase of fire protection equipment;
- b. Fire inspection and public education;
- c. Training of fire fighters and fire inspectors performing public fire education and fire inspection duties; and
- d. Whole or partial funding of fire fighters' pension funds or other special funds for the benefit of disabled or retired fire fighters.

In order for any city, village, or town which contracts with another municipality for fire protection to be eligible for fire dues payments, the contract with the other municipality must be sufficient to provide fire protection to the entire city, village, or town. Any city, village, or town that contracts for fire protection service must give the fire department dues payments received from the state to the municipality or fire department providing the fire protection service, and that municipality or fire department must use those payments only for the four eligible activities specified above.

In addition to these requirements, the municipality must be in substantial compliance with all program requirements. Before DSPS pays fire department dues to a city, village or town, the Department is required to determine that the city, village, town, or fire department is in substantial compliance with the program requirements to: (a) spend fire dues only on permitted uses; (b) comply with program requirements; and (c) provide for fire inspections of every public building and place of employment in the fire department's territory, generally at least once in each non-overlapping six-month period per calendar year, or two inspections per year, except in the City of Milwaukee, which establishes its own inspection

schedule.

The statutes authorize DSPS to promulgate rules that allow for less frequent inspections, based on the type of occupancy or use of the premises. Administrative rule SPS 314.01 (13)(b) 7., effective March 1, 2008, authorizes municipalities to pass an ordinance under which the municipality conducts one fire inspection per calendar year instead of two, provided the interval between those inspections does not exceed 15 months. DSPS does not keep records of which municipalities have adopted such an ordinance.

DSPS utilizes a self-certification process whereby, on or before April 1 of every year, the city, village, or town clerk, and the chief of the fire department providing fire protection to the municipality, must complete an online registration and certification process. The officials must certify that the fire department is in substantial compliance with the fire dues program requirements. Prior to January 1, 2011, the self-certification process required the city, village, or town, and fire department chief to submit a paper form to DSPS.

Determination of Substantial Compliance

The requirement of "substantial compliance" was established by 2003 Act 219. Prior to Act 219, the statutes required a determination that the city, village, town, or fire department "has complied" instead of "is in substantial compliance." Administrative rules effective January 1, 2005, define "substantial compliance" under administrative code section SPS 314.03 (1)(i) as:

""Substantial compliance," for the purposes of s. 101.575 (4)(a)1. and 2., Stats., means an ample amount of the required activity was performed through a concerted effort aimed at total compliance. A determination of substantial compliance is obtained through a common-sense approach to evaluating whether enough effort was made to comply with the applicable statute or code requirements.

Table 5: Municipalities Determined to be Noncompliant With Fire Dues Requirements

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Number of Noncompliant Municipalities	71	45	38	25	65	76
On-Site Audits Performed by Commerce/DSPS	53	85	17	0	2	0
Number of Municipalities That Did Not Receive Payment Due to Noncompliance	5	3	4	5	1	8

Substantial compliance is not a specific number or percent of compliance. A determination of substantial compliance in any one year or regulatory standard does not mean that the same amount of compliance or effort in the following year or in another area of the code automatically equals substantial compliance."

If DSPS determines that a city, village, or town does not meet the "substantial compliance" eligibility requirements, DSPS pays the fire dues to the municipality for that calendar year and issues a notice of noncompliance to the chief of the fire department, the governing body and the highest elected official of the municipality. If the municipality does not meet the requirements within one year after receipt of the notice or prior to the next audit by DSPS, whichever is later, the city, village, or town will not be entitled to fire dues for that year and for all subsequent calendar years until the requirements are met.

The definition of substantial compliance began to be used in 2005-06. As of that year, municipalities were required to submit a self-certification form to Commerce that certified the municipality and fire department met the substantial compliance requirements of the fire dues statutes. Table 5 includes information about non-compliance with fire dues requirements from 2006-07 through 2011-12. During the six years, all determinations of noncompliance have been based on the municipality's self-certification of noncompliance, a failure to self-certify compliance, or that it indicated it did not provide fire prevention services. The table shows the number of municipalities that received notices of non-compliance.

Table 5 also shows the number of on-site audits performed by DSPS, and the number of municipalities that did not receive fire dues payments due to noncompliance.

In 2010-11, the former Commerce issued notices of noncompliance for 65 municipalities. Of the 65 noncompliant municipalities, 52 failed to self-certify compliance, 12 self-certified as non-compliant, and one had two fire protection providers where one failed to self-certify and the other self-certified non-compliance. One municipality did not receive fire dues payments due to noncompliance. The municipality is the Village of Couderay in Sawyer County.

In 2011-12, DSPS issued notices of noncompliance for 76 municipalities. Of the 76 noncompliant municipalities, 57 failed to self-certify, 18 self-certified as noncompliant, and one had two fire protection providers where one failed to self-certify and the other self-certified non-compliance. Eight municipalities did not receive fire dues payments due to noncompliance. The eight municipalities are the Town of City Point in Jackson County, Town of Beaver in Marinette County, Village of Melvina in Monroe County, Town of Little River in Oconto County, Village of Couderay in Sawyer County, Town of Bartelme in Shawano County, and the Towns of Maplehurst and Roosevelt in Taylor County.

In 2006-07 through 2008-09, Commerce audits of municipalities which self-certified non-compliance with program requirements generally found the same status as the municipality certified. Commerce officials found some municipali-

ties that self-certified compliance had problems with compliance, but most of the municipalities were able to develop a plan to address compliance problems quickly. Prior to 2009-10, the main compliance problem was with conducting two fire inspections per year. DSPTS believes that the 2008 administrative code change that allows municipalities to pass an ordinance to conduct one fire inspection per year is decreasing instances of self-certification of noncompliance. However, DSPTS does not keep data about how many municipalities have passed such an ordinance.

During the 2009-11 biennium, Commerce fire prevention coordinators stopped performing on-site audits because of a vacancy. In the 2011-13 biennial budget act, the vacant fire prevention coordinator position was eliminated, and DSPTS did not resume performing onsite audits. However, the statutory requirement that DSPTS make a determination of substantial compliance for each municipality remains.

Administrative rules in SPS 314.01 establish an appeals process to be followed if DSPTS determines a municipality is not in substantial compliance with the fire dues requirements. The appeals process does not apply in situations where the noncompliance is based on the self-certification by the fire department and municipality. A fire department or a municipality served by the fire department may submit an appeal within 30 days after DSPTS's determination of ineligibility. An appeals board appointed by DSPTS would consider the appeal and forward its findings to the Secretary of DSPTS within 30 days. The DSPTS Secretary would uphold or overturn the Department's initial determination of failure. Commerce and DSPTS have not used this appeals procedure yet because all determinations of non-compliance have been based on the municipality's self-certification of noncompliance or two or more years of the municipality failing to submit a self-certification form.

If DSPTS withholds payments of any fire dues

to a municipality that would have used the dues for payments into any fire fighter's pension fund or other special funds for disabled or retired fire fighters, the municipality would be required to make a payment to the pension fund or other special fund from any other available fund of the municipality. If no other fund would be available, the municipality would be required to make the payment from the next taxes levied and collected for the city, village, or town.

DSPTS Administrative Appropriation

DSPTS is responsible for administering a statewide fire prevention program. In each of 2011-12 and 2012-13, DSPTS is appropriated \$608,900 from fire dues revenues with 5.5 positions. The Department uses the funds for activities such as: (a) conducting annual training sessions for local fire inspectors; (b) providing on-site consultations and technical assistance to fire department officials and inspectors related to fire prevention and fire safety elements of the state building and fire prevention codes; (c) administering code provisions related to fire prevention; (d) determining eligibility of municipalities to receive fire dues distribution; (e) calculating payments of fire dues; (f) verifying compliance of fire municipalities with the fire dues program criteria; (g) maintaining a database of fire incident reporting records of all fires occurring in the state; and (h) providing information related to fire safety.

The 5.5 full-time equivalent (FTE) DSPTS positions include: (a) 4.0 FTE fire prevention coordinators whose duties include to audit municipalities for fire dues grant eligibility, assist municipalities and local fire departments to meet state requirements, and provide technical support, onsite consultations, and training regarding fire prevention; and (b) 1.5 FTE program support positions who are responsible for entering fire pre-

vention data into databases, providing information related to fire prevention programs, and managing the fire incident reporting and self-certification activities of the fire prevention program.

During 2009-11, the fire prevention coordinators continued to consult with local fire department and municipal officials regarding fire dues compliance requirements, and the fire prevention code and commercial building code requirements for new buildings and changes of use in existing buildings. During 2011-13, the four fire prevention coordinators spent the majority of their time providing onsite consultations and training for municipal fire departments.

In 2003 Act 219, Commerce was directed to promulgate an administrative rule that defines "administrative expenses" for expenditures under the administrative appropriation. Administrative rule changes enacted in 2004, and included in SPS 314.03 (1), define "administrative expenses" as expenditures for the direct costs and indirect costs of administering s. 101.14 (fire inspections, prevention, detection and suppression), s. 101.141 (record keeping of fires) and s. 101.573 (fire dues distribution) of the statutes, as follows:

a. "Direct costs" means the cost of salaries, limited-term employees, fringe benefits, and supplies to administer the three statutes.

b. "Indirect costs" means the cost, determined on a pro rata basis, of management and administrative services provided to administer

the three statutes.

c. "Supplies" means equipment, memberships, postage, printing, rent, subscriptions, telecommunications, travel, utilities, and similar outfitting and services, directly related to administering the three statutes.

Wisconsin Technical College System Programs

The Wisconsin Technical College System (WTCS) is responsible for fire fighter training programs in the WTCS districts. In each of 2011-12 and 2012-13, \$600,000 of fire dues revenues is appropriated for tuition for members of volunteer and paid fire departments to attend fire fighter training programs. WTCS reimburses technical college districts for their training costs. In 2011-12, funding supported training for 4,795 fire-fighters in programs conducted by WTCS districts.

In addition, the WTCS was appropriated \$406,200 with 3.0 permanent positions from fire dues revenues in each of 2011-12 and 2012-13 for: (a) development and purchase of curriculum materials; (b) workshops for fire fighters; (c) an annual workshop for WTCS fire fighter instructors and trainers from fire departments; (d) technical assistance to WTCS districts; and (e) testing and certification of fire fighters.