

Study Regarding Administrative Attachment
of the
Texas Commission on Fire Protection
to Another State Agency



TEXAS COMMISSION ON FIRE PROTECTION

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Executive Summary

The Texas Commission on Fire Protection (TCFP) has completed its study to explore the feasibility of administrative attachment of the Commission to another state agency. The Commissioners and staff wish to thank all the individuals and organizations who volunteered their time and expertise toward this project. Without their work, it simply would not have been possible.

From start to finish, the project represented a collaborative effort involving personnel from TCFP and several key fire service stakeholder organizations, including the Texas State Association of Fire Fighters, the Texas Fire Chief's Association, the State Firemen's and Fire Marshals' Association, and the State Association of Fire and Emergency Districts. Members from these organizations comprised the Study Team. The Study Team performed all of the work of this project, which included developing a plan for conducting and completing the study; interviews of agency personnel; developing a questionnaire to be completed by other agencies; analysis of information received; and developing a set of findings based upon the data. In addition to these key participants, a much larger group played an important role early in the process to help define and focus the study. Members of this group represented the fire service, emergency management, training and education, state government, and other professional organizations.

The decision to conduct the study had its genesis in a resolution brought before the Commission board in July of 2013 by the Texas State Association of Fire Fighters. The resolution called for TCFP to conduct a study to determine if administrative attachment to another state agency could meet the following objectives:

1. Reduce the costs associated with TCFP
2. Improve the provision of services
3. Lower the fees set and collected by TCFP

The Study Team conducted interviews with TCFP personnel assigned to the administrative support functions of the organization: budget/finance, human resources, and information technology. From these interviews, the team developed a basic "profile" of the agency to use for comparison purposes. A questionnaire developed by the team was then sent to three state agencies: the Texas Department of Insurance, the Texas Department of Licensing and Regulation, and the Texas Engineering Extension Service of the Texas A&M system. The questionnaire responses were reviewed and compared to TCFP's current programs and practices, and the following general conclusions were reached:

- Reducing Costs: While there may be some opportunities for cost savings to be realized, none were identified by the contacted agencies. An analysis of the responses leads to the conclusion that administrative attachment might actually have the opposite effect of the desired goal. Costs mentioned included the potential need for additional personnel to handle the increased workload brought on by attachment, training, relocation, and the need to transition computer software from the TCFP-based systems to the various agencies' systems.
- Improvement of Services: A number of complications were expressed by the contacted agencies that could serve to negatively impact TCFP's existing functions, and ultimately its provision of

services. The analysis concluded that “...inefficiencies that would be created through an attempt to conform the administrative functions of TCFP to the incongruent functions of another agency would possibly damage the Commission’s ability to provide services to the members of the Texas fire service and in turn have negative consequences for the citizens of Texas in general.”

- Lower Fees Set and Collected by TCFP: Although specific data regarding this objective was not gathered from the contacted agencies, none indicated an overall cost savings as a result of administrative attachment. Nonetheless, this specific question cannot be answered based upon analysis of the current data. However the analysis does reference the existence of the current appropriations rider attached to TCFP’s budget. The analysis suggests that repeal of the rider would substantially reduce the agency’s budget burden, thus making it possible to explore the opportunity for an overall reduction in fees charged by the Commission.

The overall conclusion reached by an analysis of the data is that administrative attachment would likely not serve to meet the stated objectives.

Due to resource limitations, this study was designed to pose general questions to which general answers were anticipated and received. Given the limitations, it simply was not possible to perform extremely in-depth analyses of the issues at hand. Conclusions reached by the study do not necessarily indicate that administrative attachment *cannot* work. On the contrary it is possible that some forms of organizational attachment, *if addressed correctly*, can certainly have a beneficial impact to both the organization(s) and ultimately to the citizens of the state. It is important, however, to carefully consider and analyze any type of potential arrangement so that the state and its people can ultimately enjoy a net gain in services, efficiency, and effectiveness.

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Background: Challenges for Small Agencies, and Proposed Remedies

In December of 2000, the State Comptroller's office issued a report discussing challenges facing small state agencies. According to the report, those agencies with 100 or fewer employees face special challenges in carrying out what are considered administrative support functions such as accounting and budgeting, purchasing, human resources, and information technology (IT) support and maintenance.

These small agencies are required to perform the same administrative tasks as larger agencies, but with fewer people and less money. The report concludes that this can result in situations where individual employees are required to handle multiple administrative functions often managed by separate personnel in larger agencies, thus exposing the small agency to risks resulting from poor performance. It was also discovered that small agencies experience higher employee turnover rates than larger agencies, exacerbating the problem. State requirements calling for all agencies to submit as many as 25 different administrative reports during the year to oversight bodies also serve to compound the challenges for the smaller organizations.

The Comptroller's report indicated that sixty-six, or about 60% of the state's executive-branch and selected judicial-branch agencies employ 100 or fewer personnel. Of those, forty-nine (approximately 74%) had less than 40 employees, and nearly half of the total number had 20 or fewer employees.

The report went on to describe some methods for providing relief to these agencies in the area of administrative support functions:

1. Training – The Comptroller's office provides training in the use of the state's automated payroll and accounting systems and in required financial report preparation, as well as other subjects.
2. The General Services Commission also provides training in the state's purchasing requirements.
3. The legislature has at times moved a smaller agency under the administrative umbrella of another larger agency.
4. The legislature has promoted co-location of agencies, allowing multiple agencies to share facilities and administrative functions.
5. The report indicated that many small agencies often contract with private companies for assistance with some of their administrative support functions.

Two recommendations came out of the Comptroller's report:

1. State law should be amended to direct the State's Council on Competitive Government to review the administrative functions of small state agencies to determine the cost-effectiveness of acquiring these services through group contracts.
2. The Legislative Budget Board, the Governor's Office of Budget and Planning, the State Auditor's Office, the Comptroller's Office, and the General Services Commission should work together to simplify reporting processes for small state agencies.

Despite these recommendations, the same challenges still face smaller agencies today, and the Texas Commission on Fire Protection is not immune from those challenges.

Organizational History of the Texas Commission on Fire Protection

The Texas Commission on Fire Protection Personnel Standards and Education was created in 1969 by the 61st Legislature. The authority for the commission was originally codified in Article 4413(35), V.T.C.S.

In 1991, Senate Bill 383 72(R) merged the Texas Commission on Fire Protection Personnel Standards and Education with the State Fire Marshal's Office and the Key Rate Section, which at that time were administered by the Texas Department of Insurance. The legislation also assigned the Fire Department Emergency Board (formerly an adjunct of the State Fire Marshal's Office) to the expanded Texas Commission on Fire Protection. The Emergency Board was originally established to provide grants, loans and scholarships to fire departments for fire protection training, equipment and facilities. It was also decided that the commission should have additional responsibilities via the establishment of a volunteer standards and certification program. These standards were developed, and have been continually refined, amended, and clarified over the years since their introduction.

In 1997, TCFP was reviewed by the Sunset Advisory Commission. Following the review, Senate Bill 371 75(R) (the commission's sunset legislation) again revised the agency's scope. Among the changes enacted was the return of the State Fire Marshal's Office to the Texas Department of Insurance. SB 371 also abolished the commission's authority to conduct key rate inspections in response to the Texas Department of Insurance's 1997 repeal of the key rate system in Texas (the key rate system was replaced by the Insurance Services Office's Fire Suppression Rating Schedule). SB 371 also transferred the agency's engineering assistance program, designed to assist fire departments with the transition to the Fire Suppression Rating Schedule, to TDI. The sunset legislation left the Fire Department Emergency Program under TCFP authority. These changes substantially reduced the overall staff of the Texas Commission on Fire Protection from 132 to 37. The staff was further reduced in the next legislative session to 35 full-time personnel.

Over the next several legislative sessions, the commission's authority and responsibilities toward fire protection personnel safety were further delineated and refined. These refinements included statutory language addressing personal protective equipment, and fire department responsibilities for safety systems, programs and procedures.

In 2009 the commission again underwent a review by the Sunset Advisory Commission. The review recommended continuation of the agency through 2021. The Sunset staff report made several notable comments regarding the commission's organization and functions, including:

- The state has a continuing interest in ensuring that the paid fire service is trained, certified, and equipped to safely protect local communities (Page 35, Sunset Staff Report).
- The Commission is uniquely positioned to establish standards for certifying paid fire service personnel and training providers, and should be continued for another 12 years (Page 33, Report).
- The Commission does not have the significant problems to justify changing its organizational structure (Page 33, Report).
- Little benefit would result from transferring the TCFP's functions to another agency (Page 37, Report).

Senate Bill 1011 81(R), the resulting Sunset legislation, also called for new commission responsibilities that had been recommended in the report.

The legislation called for expansion of the Commission's authority and responsibility to:

- Perform risk-based inspections of regulated entities.

- Perform fingerprint-based criminal background checks for applicants and regulated personnel.
- Collect, track, and report injury data related to fire protection personnel statewide.
- Use appropriate technological solutions to enhance the ability of the public (and regulated personnel/entities) to interact with the agency.
- Maintain a complaint tracking system.

Also included in the Senate bill was the transfer of the Fire Department Emergency Program and its appropriated funds to the Texas Forest Service. The Forest Service was organized to manage a program such as this, as it was already administering a large fund with similar purposes. This allowed the Commission the opportunity to re-allocate the staff position responsible for the program toward its core functions of testing, certification, and compliance.

In 2011, the 82nd Legislature made the Texas Commission on Fire Protection a self-funded agency. Whereas the agency's funding had previously been almost entirely from taxes collected on insurance policies, the agency was now expected to generate funding primarily through revenue collected from examination, certification, and renewal fees. The Commission would be expected to generate enough revenue to cover the funds appropriated by the legislature for its operations, plus an additional amount set forth in an appropriation rider.

A substantial consequence of this funding arrangement was the necessity to increase fee amounts in order to cover the costs above. Several of the commission's primary fees were increased from \$35 to \$85, a 142% increase. The fee increase had a direct and immediate impact on commission-regulated organizations throughout the state, as these entities are required by statute to pay the annual certification renewal fee for each person assigned to fire protection duties with their organization. Other fees may be borne by either organizations or individuals depending upon the circumstances. The agency continues to receive regular negative feedback from the Texas fire service regarding fee amounts.

The 82nd Legislature set TCFP's appropriated staff at 31 full-time employees, where it currently stands.

Recent Attachment Proposals and the Call for a Study

In the 83rd legislative session, three different bills were proposed calling for the “administrative attachment” of the Texas Commission on Fire Protection to another state agency. Each bill named a different agency to which TCFP would be attached. The agencies identified in the bills were: the Texas Department of Insurance, the Texas Department of Licensing and Regulation, and the Texas Engineering Extension Service of the Texas A&M System. Apparently it was felt that some of the same types of problems identified in the original Comptroller report of 2000 existed in TCFP’s operations, namely that the agency was experiencing problems managing some of its administrative support responsibilities. As the Texas fire service became aware of the proposed legislation, various organizations began expressing concern about how it might ultimately affect the agency’s organization, operations, and ability to provide oversight. Ultimately none of the bills passed.

In the latter part of the legislative session, a bill was proposed calling for the Commission on Fire Protection to undertake a study regarding possible administrative attachment. The purpose of the study would have been to determine if administrative attachment to another agency would meet the following objectives:

- **Reduce the costs associated with TCFP**
- **Improve the provision of services**
- **Lower the fees set and collected by TCFP**

Again, this bill did not pass prior to the end of the session.

However in an effort to remain proactive regarding the issue, TCFP and several key stakeholder groups chose to join together and undertake this same type of study. The language from the previously-proposed legislation was adopted as the guide for the study.

To begin the process, TCFP brought together representatives from a broad range of interest groups:

- Office of the Governor
- Office of State Representative Ron Simmons (sponsor of the bill calling for a study)
- Legislative Budget Board
- State Fire Marshal
- Texas Division of Emergency Management
- Texas A&M Forest Service
- Texas Engineering Extension Service (Texas A&M System)
- Texas State Association of Fire Fighters
- Texas Fire Chief’s Association
- State Firemen’s and Fire Marshals’ Association
- State Association of Fire and Emergency Districts
- State Fire Marshal’s Association

The goal of the initial meeting was to receive input from the various entities, obtain “buy-in” and consensus, and establish a general working plan moving forward. From this larger group, a core “study team” was chosen and formed. The study team included TCFP staff and two representatives from each of the following organizations: the Texas State Association of Fire Fighters (TSAFF), the Texas Fire Chiefs’ Association (TFCA), the State Firemen’s and Fire Marshals’ Association (SFFMA), and the State Association of Fire and Emergency Districts (SAFE-D).

The team began its work by establishing a framework for the study which included agreement concerning its scope, how it should be accomplished, and the anticipated timeline from beginning to completion. The team elected to publish a request for proposals via the state’s vendor database system and through direct contact with a few pre-identified candidate organizations. Proposals were received from two organizations and reviewed by the team. However due to the level of cost reflected in the submitted proposals, the study team ultimately chose not to hire a firm, and instead elected to take on the work of the study as a group.

The team conducted interviews with TCFP personnel assigned to the human resources, budget/finance, and information technology sections of the agency. The interviews were designed to gain a better understanding of those specific agency operations and create a “profile” of the functions. Information such as the number of personnel assigned to the functions, type(s) of computer software used, and processes and procedures used for different activities was obtained. This would be used for comparative purposes when placed against the operations of other targeted agencies.

Initially, the team proposed to schedule and conduct the same types of interviews with personnel at the Texas Department of Insurance, the Texas Department of Licensing and Regulation, and the Texas Engineering Extension Service. However, it was later decided that a questionnaire should be developed and sent to the agencies for their response. The questionnaire was distributed in early August, 2014, with the team hoping to get responses from the agencies within about 45 days. By the third week of October, two completed questionnaires had been received. TDI submitted a letter of response indicating that they would need more information and time for analysis in order to properly answer many of the questions posed, and therefore would be unable to respond by the requested deadline.

The study team met in early November 2014 to analyze and discuss the findings, and to develop a final report with recommendations. The goal was to have a report completed prior to the start of the 84th Legislative session in January of 2015.

PROFILE OF ADMINISTRATIVE SUPPORT SECTIONS
of the
TEXAS COMMISSION ON FIRE PROTECTION

The Texas Commission on Fire Protection has been approved for 31 FTE's (full time employees) to fulfill its current mission. This number was set by the 83rd Legislature for the 2014/2015 biennium.

Financial Services Section

The Financial Services Section is responsible for budget management, accounting, and purchasing activities. The section is currently staffed by a manager and three additional personnel. One staff member serves as the senior accountant, and assists the manager with budget functions. Another staff member is primarily devoted to the processing of travel vouchers submitted by agency personnel. The agency has six compliance officers who travel extensively as part of their job. In addition, personnel at the main office in Austin travel on a regular basis for other agency-related purposes. The fourth member of the Financial Services staff has primary responsibility for all procurement functions, management of the agency's equipment/furnishings inventory, as well as other responsibilities.

Software:

- Microsoft Access is used for the initial processing of revenue received by mail and direct submission to the agency office, and also for reconciling revenue on a monthly basis.
- Online payments are currently being accepted for annual certification renewals via the Texas.gov portal, with other types of payments to be accepted in the future as the agency continues with the transition of its data management system. The agency accesses activity reports from Texas.gov, and these reports are reconciled with deposit information from the State Comptroller's Office.
- AbilaMIP is utilized for tracking and processing requisitions, purchase orders, and other types of purchases and agency expenses. The software interfaces with the Uniform Statewide Accounting System (USAS).

Human Resources Section

The section is staffed primarily by one person who is responsible for all aspects of human resource management. Duties include coordination of the recruiting/hiring/termination process; employee evaluations and discipline; employee relations activities; and submission of monthly payroll and required HR reports. Another staff member whose primary responsibilities are in the Certification Section of the agency also assists the HR manager with non-confidential activities such as collection and processing of employee time sheets.

Software:

- Payroll is tracked, recorded, and reported using the Uniform Statewide Payroll/Personnel System (USPS).
- In addition to hard-copy files, employee records are compiled and maintained electronically using FileMaker Pro software.

Information Technology

The agency has allotted a total of four personnel for the IT Section: A lead programmer acting as team lead, two additional programmers, and a desktop/network support specialist.

In addition to daily maintenance of the agency's resources, the IT section is taking the agency through a major transition of its entire data management system. The project involves a complete redesign of both the database (back end) and the user interface (front end) of the system, moving the agency away from an older Access-based system to a dynamic web-based format. For the most part the new system is highly customized to reflect the specific processes of the agency, and is being designed to allow as much automation as possible. The new data management system will better serve the purposes of the agency, and the user interface for both customers and agency personnel will be substantially enhanced.

About half of the agency's system has been transitioned to the new format, with development continuing on the additional components. As they are completed, new features are introduced and launched as "modules". This type of implementation has substantially complicated the development process for the IT team, since newly-introduced modules must often interface with both the old system and the new database architecture.

Objective 1: Reducing costs associated with TCFP

One of the primary objectives of administratively attaching the Texas Commission on Fire Protection (TCFP) to another state agency would be to achieve a reduction in costs associated with the TCFP. The Texas Department of Insurance, Texas Department of Licensing and Regulation (TDLR), and Texas Engineering Extension Service were sent questionnaires to determine if this objective could be met through attachment to their agency. The response from TDI indicated that they could not provide “definitive answers” to the questions without an understanding of the legislation that would enact the attachment. Responses from both TDLR and TEEEX indicated that they did not see any potential savings through this attachment.

Within the TDLR response several items addressed would result in the opposite effect, and increase the costs associated with TCFP. TDLR would request to transfer the full time employee (FTE) positions, not the personnel, from the commission to TDLR. While transferring the positions should be effectively cost neutral, the actions associated with the hiring process would not. Additionally, these personnel would require a certain amount of training to their new environment. The response also indicated that an evaluation of processes would be needed to determine if the staffing level was adequate. Transferring the Information Technology (IT) department would require an in depth analysis of the software and systems utilized by TCFP. The responses did not indicate a cost or time that would be required to accomplish this analysis. TDLR also responded that they “do not have the staff and resources at this time to provide the quality administrative support that the Commission deserves.”

The TEEEX response indicated that they would have to evaluate personnel needs in all three areas. The determination of possible cost savings would require evaluation to determine needs. The positions, if retained, would be relocated from Austin to College Station. The cost of relocation could not be estimated until the number of positions being moved is determined. TEEEX would require TCFP to convert to the accounting system used by TEEEX. This conversion could require additional software licensing fees and training for personnel. TEEEX would also require TCFP to “modernize the software to meet TEEEX, Texas A&M University System and state goals and initiatives prior to attachment.” Once again, this could be a costly endeavor with licensing fees and training. Should the computer hardware used by TCFP not be adequate to handle this modernization, the costs associated with this item would be even greater. In addition to costs associated with software, TEEEX believes potential issues could exist in the areas of contracts, grants, and use of TAMUS resources.

While opportunities for cost savings might exist, none of the contacted agencies identified opportunities in the three areas discussed. Definitive answers to questions in these areas would require in-depth analysis of functions, needs, and existing resources. There appears to be a high potential that administrative attachment could have the opposite effect of the desired goal. Software licensing fees, hardware needs, and training could be costly unintended but necessary consequences of attachment.

Objective 2: Improve the provision of TCFP services

Introduction/TCFP's Mission

The second stated objective of any proposed administrative attachment is to “improve the provision of services” rendered by the Commission. The mission of the Texas Commission on Fire Protection is “to aid in the protection of lives and property of Texas citizens, through the development and enforcement of recognized professional standards for individuals and the fire service.” **TCFP ultimately serves Texas fire departments by:**

- Providing resources to Texas fire departments with critical equipment and training needs, and
- Establishing and enforcing standards for fire protection personnel training, protective clothing, and self-contained breathing apparatus.

The agency meets its educational resource goals primarily through the provision and maintenance of the **fire protection resource library**. The agency's enforcement responsibilities are met through four different program areas: **certification, training approval and testing, standards compliance, and curriculum development**.

Identification of stakeholders/recipients of TCFP services

TCFP is an integral part of the larger fire protection community operating within the State of Texas. Even regarding issues that may fall outside of TCFP's direct jurisdiction, the agency integrates with other state and local entities to be a resource on those matters. TCFP's role in the fire protection community as a whole is an important aspect of its service function.

The direct recipients of TCFP's services are the members of the Texas fire service – men and women who are often called upon to risk their personal safety in their service duties. **The ultimate recipient of TCFP's services are all Texas citizens**, who deserve to know that the people responding to fires and related hazards have the best training, the sharpest skills, and the safest equipment to ensure their protection.

Summary of Survey Responses

In trying to determine whether the goal of enhanced service provision could be met through administrative attachment, the study group asked targeted questions of the three proposed attachment agencies in order to determine those agencies' ability to allow the TCFP to better carry out its duties. The responses of those agencies along with their indicated impact on TCFP are discussed below:

- Texas Department of Insurance (TDI) – As has been previously discussed in this report, TDI felt it was unable to respond to the study group's questions without having more information regarding the details of the actual legislation that would attach TCFP's administrative functions. While this is likely a prudent and understandable response, the study team is left to surmise that, in the absence of clear and convincing evidence stating otherwise, administrative attachment to TDI would not result in the improvement of TCFP services. To assume otherwise would be irresponsible.
- Texas Department of Licensing & Regulation (TDLR) – TDLR provided in-depth answers to the group's survey. With respect to the three core administrative functions (Finance/Budgeting, Human Resources, and Information Technology) TDLR identified different problem areas that could negatively impact the downstream provision of services by TCFP:
 - Transference of Full Time Equivalent Positions (FTEs) – TDLR indicated that, under any attachment scenario, the agency would request that TCFP's FTEs be transferred to TDLR in lieu of the employees themselves. While TDLR stated that any TCFP employee would be able to then apply for the positions in question, this issue **could result in an interruption of service provision and a destruction of TCFP's consistency due to the loss of corporate knowledge**. Simply put, it's difficult to envision how the potential overhaul of TCFP staff would not negatively impact service provision.
 - Software Integration – TCFP's primary source of interaction with its direct customers is through **specialty customized software that was pioneered and developed by TCFP staff for TCFP services**. This software is uniquely tailored to the needs of those in the Texas fire service. In response to the survey question regarding the agency's intention for TCFP's system, TDLR responded with a list of twenty-five (25) detailed questions and indicated that more follow up questions would likely exist to determine the agency's ability to integrate TCFP's software within its normal operations. In addition, TDLR stated that the agency **“does not have adequate staff to dedicate the resources needed to complete the**

transition of the Commission’s data management system.” The logistical implications for any proposed transfer and integration of systems would almost certainly endanger the quality of service provided to TCFP’s end consumers.

- Duplication of Authority/Responsibilities – TDLR indicated that issues such as the hiring, discipline and termination of TCFP employees would need to be transferred to TDLR from the TCFP Executive Director. As TDLR wisely points out, **“avoiding two-headed leadership is especially important for TDLR.”** However, this could serve to undermine TCFP’s Executive Director and cause unneeded confusion that impacts TCFP’s ability to do its job and render services. As TDLR points out in its survey responses, “(attachment) would be a challenge...since the Commission employees would have two leaders and...would have to operate two sets of financial and other records.”
- Overburdening – TDLR indicated in its survey responses that it has **“a proverbial full plate right now...”** TDLR is anticipating having to add up to 14 new programs from other state agencies and noted that it does “not have the staff and resources at this time to provide the quality administrative support that the Commission deserves.” TCFP could end up in a crowded field of other programs and the lack of attention could affect the services that TCFP provides. TDLR went further to say that, should the agency be tasked with supporting the Commission administratively, it would rather have the Commission’s full authority transferred rather than just administrative attachment.
- Lack of Fire Service Knowledge or Experience – TDLR stated in its survey responses that **“TDLR staff does not possess fire service knowledge or experience.”** Such knowledge and experience is vital to understanding TCFP’s core functions and ensuring that TCFP provides its services in the most efficient and effective manner possible. It is beyond comprehension how an agency could administratively control the Texas Commission on Fire Protection without an in-depth knowledge and understanding of what those in the fire protection service (the end consumers) ultimately need from the agency.
- Texas Engineering Extension Service (TEEX) – Unlike TDLR, TEEX does employ personnel who possess fire service knowledge and experience¹. However, the study responses regarding administrative attachment to TEEX led to the identification of several other issues that could affect TCFP service provision. These issues revolve around a central theme of **logistical impracticalities** that generally result from TEEX being a part of the Texas A&M University System. These issues would likely cause attachment to negatively impact services:

¹ It should be noted that TEEX stated, “The IT group does not have detailed fire service experience.” This contrasts with TCFP, whose lead IT manager, and the designer of its fully customized software, is a former fire fighter.

- Location - TEEEX is based in College Station and indicated that **most of TCFP's staff and functions would need to be moved to College Station** upon integration. Aside from the cost implications of such a need (discussed elsewhere in this report) the Commission's functions would be negatively impacted. As a regulatory agency that must be responsive to the Texas Legislature and other state agencies, TCFP would need to have at least some representation in Austin (likely the Executive Director at minimum) and as such could find itself in a divided and fractured location setting. This could restrict TCFP's ability to perform its core functions.

- Operational Integration – As TEEEX is a large, long-standing, and operationally diverse organization, any administrative attachment would require TCFP to conform to already existing TEEEX customs and practices. For example, TEEEX indicated in its survey responses that they have a “pool of customer service representatives and...customers...may or may not get the same representative.” One of TCFP's essential competencies is based in the idea that, should a member of the fire service need help on a Commission issue, they are generally quickly connected with a knowledgeable person with whom they are already well-acquainted. This personalized, intensive service would likely disappear through an administrative attachment with TEEEX. Further, TEEEX indicated that, for some Commission functions, **they may “eliminate...existing Commission positions” and, with respect to IT functions, “current system policy for IT needs would hinder...adding additional IT staff.”** Not only could this jeopardize TCFP's important institutional capital, but also it could further complicate the Commission's software system, which is integral to end consumer interaction (as discussed above).

- Lack of Regulatory Experience – TEEEX indicated it did not currently have software to track regulatory information, as they “**currently are not a regulatory agency.**” As regulating the Texas fire service is a core function for TCFP, this would likely present challenges to any administrative attachment attempts.

Conclusion

The second stated objective for attachment of the administrative services of the Texas Commission on Fire Protection is to improve TCFP services. In attempting to determine whether any such improvement could be gained through administrative attachment, this study examined three proposed agencies and found that severe complications exist that would not only fail to improve services, but could actually negatively impact TCFP's existing functions.

The idea behind administrative attachment is to eliminate redundancies and combine resources so that smaller agencies might realize improved performance through the synergy of sharing administrative duties with a larger entity. It is evident through this study that the proposed administrative attachments would create a “square peg in a round hole problem.” The inefficiencies that would be created through an attempt to conform the administrative functions of TCFP to the incongruent functions of another agency would possibly damage the Commission’s ability to provide services to the members of the Texas fire service and in turn have negative consequences for the citizens of Texas in general.

Objective 3: Lower fees set and collected by TCFP

One of the elements of the study concerns whether the user fees set and collected by the Commission could be lowered as a result of administrative attachment to another agency. Accurate calculation of financial aspects without proper data isn't possible and the responses of the three agencies under consideration show this fact. No response from any of the three agencies surveyed speaks to user fees set and collected by the commission. The Texas Department of Insurance, in addressing any financial savings from administrative attachment replied N/A., while TDLR indicates there would be no savings from attachment. Finally, TEEX states that attachment of the commission would be a financial burden on TEEX.

In summary, the question regarding fees set and collected by the commission cannot be answered due to insufficient response from the three agencies surveyed. We do find however, that the repeal of the appropriation rider requiring more than half of those fees to be sent to GR would result in the opportunity for an overall reduction of those fees.

QUESTIONNAIRE RESPONSES

The following is a compilation of responses to the questionnaire developed by the study team and sent to the following agencies:

- Texas Department of Insurance
- Texas Department of Licensing and Regulation
- Texas Engineering Extension Service (Texas A&M System)

Each question is underlined, with responses from each agency in bold.

I. FINANCIAL SERVICES

What accounting software does your agency currently use?

- TDI – Unable to respond
- TDLR – **The Texas Department of Licensing and Regulation (TDLR) uses the Uniform Statewide Accounting Systems (USAS) with a separate cash-receipt system.**
- TEEEX – **TEEX currently uses Masterpiece accounting software and is expecting to have to move to a Texas A&M University System chosen product within the next 2-5 years.**

Should the commission attach to your agency, would the commission's financial services section have to convert to the software you use, or could the commission continue to use its current software?

- TDI – Unable to respond
- TDLR – **Yes, since this would prevent having to run dual accounting systems. Note that TDLR is scheduled to convert to the Centralized Accounting and Payroll/Personnel System (CAPPS).**
- TEEEX – **We would require the Commission to convert to the TEEEX accounting system. To ensure efficiency of operations and security, TEEEX would not maintain two different accounting software systems. Migrating the current commission system to the TEEEX system could cost up to one million dollars.**

I. FINANCIAL SERVICES, continued

What is your reimbursement policy?

- TDI – Unable to respond
- TDLR – **TDLR’s reimbursement policy is consistent with and within compliance with the state’s reimbursement policies.**
- TEEX – **Reimbursement is performed per State mandated policies for higher education.**

Should the commission attach to your agency, do you anticipate changing the reimbursement policy for its internal and external clients?

- TDI – Unable to respond
- TDLR – **No, since running two separate reimbursement policies is inefficient and since TDLR’s reimbursement policy is consistent with and within compliance with the state’s reimbursement policies.**
- TEEX – **Yes, if the Commission’s reimbursement policy differs from the TEEX policy. TEEX has an internal policy that covers cancellations, reimbursements and refunds. The commission would be expected to comply with the TEEX policy.**

How does your agency handle customer service for the financial needs of internal and external clients?

- TDI – Unable to respond
- TDLR – **The five-member TDLR Expenditures Team handles client inquiries using email and phone calls.**
- TEEX – **The commission would be expected to follow the same practices as the rest of TEEX.**

I. FINANCIAL SERVICES, continued

Are specific staff members assigned to handle specific clients? One concern with attachment is that commission clients may get a different person each time they call, who may or may not know the status of their issue. How would you address this?

- TDI – Unable to respond
- TDLR – **Two members of the TDLR Expenditure Team regularly answer travel-related questions. The remaining three Team members support them if and when they need assistance.**
- TEEEX – **TEEX has a pool of customer service representatives that handle customers and they may or may not get the same representative. As far as budget/finance we have staff assignments broken into bill payment and reimbursement. If someone calls in depending which area they have questions would dictate who they talk to.**

Should the commission attach to your agency, would you anticipate absorbing current staff of the commission or would you anticipate those positions being eliminated? Do you believe you would need to hire additional staff?

- TDI – Unable to respond
- TDLR – **TDLR would seek to have the Texas Commission on Fire Protection (Commission) full-time equivalent (FTE) positions be transferred to our agency in lieu of the employees themselves. This ensures the positions are functionally-aligned into our agency's shared services model and uses a model we have successfully used to absorb other agency programs. Any Commission employee who is interested in the new TDLR position used to support the Commission can then apply for the position through the normal state hiring process. Most, but not all, employees from agencies that have been rolled into TDLR have been employed by TDLR. To determine if we would need to hire additional staff we would further evaluate Commission business processes and would need to know the number of purchase orders by Purchase Category Code for each for the last two fiscal years and the number of travel vouchers and amounts by Comp Object for each of the last two fiscal years.**
- TEEEX – **This would require evaluation. If we felt we could handle with existing staff we would eliminate the existing Commission positions. If we felt we needed additional staff we could possibly retain some.**

I. FINANCIAL SERVICES, continued

Should the commission attach to your agency, would the staff servicing the commission be located onsite at your agency or at the office of the commission?

- TDI – Unable to respond
- TDLR – **Any TDLR staff providing financial services support to the Commission would be located at TDLR.**
- TEEX – **For efficiency and continuity, these functions would be moved to College Station.**

II. INFORMATION TECHNOLOGY

What database software does your agency utilize to track regulatory information?

- TDI – Unable to respond
- TDLR – **TDLR tracks regulatory information using Microsoft SQL Server, versions 2005, 2008 R2, and 2012; Hewlett Packard Image/Allbase; and Microsoft Access.**
- TEEX – **We currently do not have software to track regulatory information. We currently are not a regulatory agency.**

Should the commission attach to your agency, would the commission's IT section need to convert its software to that which your agency uses, or could the commission continue to use it unique and customized software?

- TDI – Unable to respond
- TDLR – **TDLR cannot properly answer this question until it makes a full analysis of the Commission software, including the 2009 study of the same. To determine this, we would need to assess compatibility of systems, personnel requirements, software system requirements scope, current transition and database management systems status, objectives, logistical requirements, technology advances since original and upgrade concepts, resource availability, and costs of both hardware and software.**

II. INFORMATION TECHNOLOGY, continued

Because TDLR is part of the Department of Information Resources Data Center Consolidation, we would need the following information as well to determine how to roll the Commission data into this Consolidation:

1. Identification by position, a summary of the job description, and a description of the practical duties, the Commission software system stakeholders including users, information technology support staff, and management information recipients.
2. An organization chart for the Commission software users.
3. A copy of the 2009 Commission software study.
4. An explanation about why the Commission software system upgrade is a 'pressing need' and is 'not sustainable for the long term.'
5. An explanation about the interfaces for the Commission software system including those for browser, client-server, mainframe console, or a combination.
6. A description of any external customers who provide any data for the Commission software system. 7. A description of Commission external customers who provide any browser-based data entry for the software system.
8. A description of any Commission external website requirements.
9. The location of any Commission software servers.
10. A description, naming, and purpose of any Commission server, including those that are used for production, development, testing, and the Web.
11. Identify the Commission personal computer operating system requirements, by version, that are utilized by the software system.
12. Identify by version what Commission server operating system environments are utilized by the software systems.
13. What personal computer and server software, by version, does the current Commission software system use?
14. Identify where the software system is located with a description of the system if it not in one location.
15. Identify the critical deadlines for the Commission's software system upgrade.
16. List any of the Commission's daily, weekly, monthly, and yearly output requirements.
17. List any Commission performance measure requirements.
18. Identify the required outputs of the Commission software system, including the Extract, Transform & Load processes.
19. List any Extract, Transform & Load data imports into the Commission software system.
20. A description of the Commission software security system including the administrators and their duties.
21. A description of how the Commission promotes the development software to production.
22. Identify the system maintenance hours—those times the software system is unavailable to internal and external customers—used by the Commission's information technology support operations.
23. Identify the aspects of the Commission software system that are considered critical by the Commission leadership.
24. A ranking from highest to lowest of the features of the Commission software system in order of importance to users, information technology staff, and information recipients.

II. INFORMATION TECHNOLOGY, continued

25. Identification of any Commission software system features that would want to be changed by users, information technology support staff, and management information recipients.

****We would likely have follow-up questions based in this first round of inquiries about the Commission's information technology operations.**

- **TEEX – The Commission would be required to modernize the software to meet TEEX, Texas A&M University System and state goals and initiatives prior to attachment.**

Does your agency have adequate staff to dedicate the resources needed to complete the transition of the commission's data management system? Please describe any additional information you would need in order to respond adequately to this question.

- TDI – Unable to respond
- **TDLR – No, TDLR does not have adequate staff to dedicate the resources needed to complete the transition of the Commission's data management system. Even with insufficient information to fully understand the Commission's data management system and its transition plan, we would need additional resources based on the answers and follow-up inquiries relating to Question 2 above.**
- **TEEX – An assessment would be required to determine staffing needs. TEEX would specify the supported operating systems, database and development framework that would be supported.**

Does your staff possess fire service knowledge and/or experience? If so, how would you describe it, particularly as it regards regulatory requirements and rules?

- TDI – Unable to respond
- **TDLR – No, TDLR staff does not possess fire service knowledge or experience.**
- **TEEX – We have experienced staff members who have served in all aspects of the fire service. The IT group does not have detailed fire service experience.**

II. INFORMATION TECHNOLOGY, continued

Should the commission's IT section be attached to your agency, would you anticipate absorbing the commission's current IT staff or would those positions be eliminated? Should attachment occur, would you anticipate needing to hire additional staff?

- TDI – Unable to respond
- TDLR – **TDLR would seek to have the Commission full-time equivalent (FTE) positions be transferred to our agency in lieu of the employees themselves. This ensures the positions are functionally-aligned into our agency's shared services model and uses a model we have successfully used to absorb other agency programs. Any Commission employee who is interested in the new TDLR position used to support the Commission can then apply for the position through the normal state hiring process. Most, but not all, employees from agencies that have been rolled into TDLR have been employed by TDLR. To determine if we would need to hire additional staff, we would need to further evaluate your business processes and would need to evaluate the responses to Question 2 above.**
- TEEX – **Current system policy for IT needs would hinder us from adding IT staff.**

Should the commission's IT section be attached to your agency, would the staff serving the commission be located at your agency or at the offices of the commission?

- TDI – Unable to respond
- TDLR – **Any TDLR staff providing information technology services to the Commission would be located at TDLR.**
- TEEX – **For continuity and efficiency, they would be required to relocate to College Station.**

III. HUMAN RESOURCES

Does your agency have the staff available and resources needed to provide full human resource services for an additional 31 staff members?

- TDI – Unable to respond
- TDLR – **No, TDLR does not have the staff available and resources needed to provide full human resources services for an additional 31 staff members. TDLR’s current employee-to-staff ratio is 105 staff members per one human resource staff member which is well below the 85:1 state goal for this ratio. Adding more responsibility to the five employees in the TDLR Human Resources Division would further dilute the ability of the staff to serve current TDLR employees as well as the Commission’s employees.**
- TEEEX – **An assessment would be required to determine staffing needs within the challenges that these employees would not be TEEEX employees.**

Should the commission’s HR functions be attached to your agency, would you anticipate absorbing the current commission staff member providing this service or would the position be eliminated? Should attachment occur, would you anticipate needing to hire additional staff?

- TDI – Unable to respond
- TDLR – **TDLR would seek to have the Commission full-time equivalent (FTE) positions be transferred to our agency in lieu of the employees themselves. This ensures the positions are functionally-aligned into our agency’s shared services model and uses a model we have successfully used to absorb other agency programs. Any Commission employee who is interested in the new TDLR position used to support the Commission can then apply for the position through the normal state hiring process. Most, but not all, employees from agencies that have been rolled into TDLR have been employed by TDLR. We would want to increase the staff-to-employee ratio by hiring additional human resources staff members if more employees were added to TDLR, our goal being to be at least at the 85:1 ratio state goal. To determine the number and types of human resources staff that would be needed to take on new employees performing the Commission human resources functions we would need to know the amount of transactions during the recent fiscal years regarding administrative processing duties, benefits, leave, Americans with Disability Act accommodations, summer health care enrollment, unemployment, worker’s compensation, representation of the Commission before the U.S. Equal Employment Opportunity Commission and the Texas Workforce Commission, and employee grievances. Based upon State Auditor’s Office information if TDLR were to absorb the one Commission FTE, a Human Resources Specialist V we would declassify the position and decrease the salary for the position.**

III. HUMAN RESOURCES, continued

- **TEEX – An assessment would be required to determine staffing needs within the constraints of the current administration hiring limits within TEEX.**

Should the commission’s HR functions be attached to your agency, would the staff serving the commission be located at your agency or at the offices of the commission?

- TDI – Unable to respond
- **TDLR – Any TDLR staff providing human resources services to the Commission would be located at TDLR.**
- **TEEX – An assessment would be required to determine best location.**

Should the HR functions be attached to your agency, would the authority for hiring and terminating commission employees remain with the commission’s executive director? If not, what could the commission anticipate with regards to this process and its ability to adequately staff the organization?

- TDI – Unable to respond
- **TDLR – The authority for hiring and terminating Commission members would be transferred to the TDLR Executive Director. It would be unmanageable and impractical to have two different leaders over the same employees when determining the hiring and firing of employees and when handling employee grievances. Avoiding two-headed leadership is especially important for TDLR. Only one agency should be responsible for responding to and addressing unemployment claims, allegations of discrimination, and all other grievances.**
- **TEEX – The Commission’s Executive Director would be involved in the hiring and terminating process but would be required to follow TEEX HR processes.**

FINAL QUESTIONS

Do you anticipate any financial savings from the administrative attachment of TCFP's Financial Services, IT, or Human Resources sections to your agency?

- TDI – Unable to respond
- TDLR – **No, TDLR does not anticipate any financial savings from the administrative attachment of the Commission's Financial Services, IT, or Human Resources sections to our agency.**
- TEEX – **No. The administrative attachment of TCFP's FS, IT, and HR would be a financial burden on TEEX.**

What problems would you anticipate with such a transition or attachment?

- TDI – Unable to respond
- TDLR – **TDLR anticipates that oversight of the Commission's administrative functions would be a challenge for our agency since the Commission employees would have two leaders and because we would have to operate two sets of financial and other records: one for the Commission and one for TDLR. Plus, we are extremely busy maintaining support for our 24 current programs while preparing for the possibility of the 84th Texas Legislature sending to our agency 12 Texas Department of State Health Services (DSHS) programs, the Texas Education Agency (TEA) Driver Training Division, and the Texas Lottery Commission (TLC) Charitable Bingo Division. This includes implementing a program integration plan for these 14 programs that includes working with DSHS, TEA, and TLC officials to get to know how their agency programs operate and providing requested information and bill drafts to the Sunset Advisory Commission, the Texas Legislative Council, and the Joint Committee to Review the Texas Lottery and the Texas Lottery Commission.**
- TEEX – **Because we fall under higher education policies, there will be issues associated with the transition such as software licensing, usage of TAMUS resources, contracts and grants, and compliance. TEEX does not have experience managing external agency employees.**

FINAL QUESTIONS, continued

Is there any additional information you can or would like to provide to the group regarding the idea of administrative attachment?

- TDI – Unable to respond
- **TDLR – TDLR has a proverbial full plate right now as we work to support our current 24 programs while preparing to take on up to 14 more programs from three other state agencies. We do not have the staff and resources at this time to provide the quality administrative support that the Commission deserves. Also, TDLR has shown that it can successfully oversee and operate other agency’s programs when a reasonable number of programs are transferred along with the sufficient resources to do the job right. If TDLR were eventually tasked with supporting the Commission administratively we would prefer to have the Commission’s full authority transferred to our agency instead of having the Commission administratively attached to TDLR.**
- **TEEX – We are satisfied with the way the Commission is currently being managed.**

Conclusion

This study was undertaken with the intent to explore the feasibility of administratively attaching the Texas Commission on Fire Protection to another agency.

The study explored the concept at a high level, addressing it from a fairly general perspective as opposed to a highly detailed treatment of the subject. This was necessary because of the significant human and financial resource limitations available for the project. It should be noted that the project was essentially undertaken and completed by volunteers from several Texas fire service organizations, who generously gave of their time, energy, and expertise to see it through. Even given the inherent limitations however, the Study Team believes that some reasonable conclusions can be drawn from the data.

The study was undertaken to see if administrative attachment could serve to meet these objectives:

- Reduce costs associated with the Commission on Fire Protection
- Improve the provision of services
- Lower the fees set and collected by the Commission

Based upon a review of current Commission operations and an analysis of responses from the other agencies contacted, it was felt that administrative attachment would not likely serve to meet the stated objectives. Conclusions reached by the team do not necessarily indicate that administrative attachment *cannot* work, only that the data available to the team did not suggest a viable way forward in light of the objectives.

Nevertheless, the members and staff of the Texas Commission on Fire Protection stand ready to fulfill our mission and to serve the people of Texas in the most efficient and effective manner possible, regardless of organizational design.

The Texas Commission on Fire Protection thanks the men and women who worked so diligently to make this project possible.