



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #696

Industry Services Field Inspection Staff and Municipal Oversight (Safety and Professional Services -- Safety and Buildings Programs)

[LFB 2023-25 Budget Summary: Page 567, #2 & 3]

CURRENT LAW

The Department of Safety and Professional Services (DSPS) is charged under ss. 101.02 and 101.12 of the statutes with administering programs to protect the health, safety, and welfare of the public and employees by establishing minimum standards for the design, construction, maintenance, and inspection of public buildings, including multifamily dwellings and places of employment. Chapters SPS 361 to 366 of the administrative code detail the types of plans subject to review, the types of construction projects that are subject to inspection, and Chapter SPS 302 of the code specifies a list of applicable fees. Trained DSPS review and inspection staff in the Division of Industry Services (DIS) work alongside industry professionals to provide plumbing, commercial building, electrical system, boiler, and other inspections. DSPS is authorized to assign plan review and inspections to delegated municipalities that meet certain requirements. Fees received by DSPS from these activities are deposited as program revenue into the DSPS building trades general operations appropriation.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide ongoing funding of \$315,300 in 2023-24 and \$408,300 in 2024-25 with 5.0 permanent positions to increase departmental oversight of certain plan review activities and building inspections. The 5.0 positions would include: (a) 2.0 commercial building plan inspectors; (b) 1.0 elevator inspector; (c) 1.0 boiler inspector; and (d) 1.0 electrical inspector. All 5.0 positions would be allocated to the appropriation for DSPS safety and buildings general operations. The bill would also provide \$70,800 in 2023-24 and \$90,400 in 2024-25 with 1.0 position for coordinating municipal building inspection programs. The statutes allow

DSPS to delegate certain building plan review and inspection functions to municipalities. The position to be created would provide increased oversight and training to ensure that delegated municipalities are informed of, and implementing, consistent building code standards in the state.

2. By statute and administrative rule, public buildings and places of employment must have plans reviewed and construction activities inspected. The DIS Bureau of Field Services is currently authorized 36.0 positions for various inspection and supervision or consultation activities, including 10.0 universal building inspectors, 2.0 elevator inspectors, 1.0 boiler inspector, and 3.0 electrical inspectors. The DIS Bureau of Technical Services is authorized 46.0 positions for primarily building and building component plan reviews.

3. DIS also has the authority to delegate certain plan review, permitting, and inspection responsibilities to municipalities (termed "delegated agents"). If approved, the delegated agents perform regulatory responsibilities on behalf of the state and share in the associated fee revenue. Municipalities may seek delegation for commercial building and heating/ventilation/air conditioning systems, as well as other individual building components, such as electrical systems or fire suppression systems. A substantial number of municipalities currently carry some type of delegation. For example, as of May 3, 2023, the most recent publication of updated delegation lists, DSPP reported 343 municipalities had been delegated plan review authority for commercial buildings, and 430 municipalities had been delegated commercial building inspection authority. Commercial building electric system delegations had been made to 574 municipalities.

4. In addition to DSPP and local entities, various private firms provide inspection services for such systems as boilers, gas systems, mechanical refrigeration, elevators or other conveyances, and electrical systems in non-delegated municipalities. Private firms conduct this work at the direction of both DSPP and municipalities, depending on the system involved and the delegation status of a municipality in which a building site is located.

5. DSPP contends local delegation is generally preferable for municipalities and for the construction and trades industry, and the Department indicates it has been working to increase the number of delegated municipalities. However, DSPP states that levels of service and expertise may vary based on program area, staffing capacity, and turnover within each municipality and with third-party providers. The Department must ensure that delegated authorities have staff members who are properly licensed and qualified to handle the delegated work. DSPP states that this work is an essential component of delegation and helps ensure that delegated municipalities are adequately protecting the public.

6. To fulfill the need for oversight of municipal and third-party contractor delegates, DSPP reports it is developing an audit program. The program would assign the 5.0 inspectors under the bill to review the application of statutes and codes by delegated and contracted agents. DSPP aims to audit 100% of contracted agents every five years, or 20% of contracted agents per year. The Department reports an audit staff need of 5.0 positions to account for at least one inspector in each of the electrical, boiler, and elevator service areas, and 2.0 for commercial buildings. DSPP expects that the 5.0 inspectors would achieve the suggested audit cycle of 20% per year.

7. In addition to the audit inspectors, AB 43/SB 70 would include 1.0 position for outreach

and coordinating with delegated municipalities. The Department reports that existing delegated municipal partners have sought additional training to ensure that the municipalities are aware of, and enforcing, current standards. Additionally, DSPS indicates that the position would assist in accommodating complex projects, which municipalities occasionally forward to the Department for review if local authorities have insufficient capacity or expertise. Currently, DSPS indicates state staff cannot reasonably absorb such work from municipalities without affecting other DSPS services.

8. Given the Department's desire to improve inspections and increase efficiency, the Committee could approve 5.0 inspector positions as outlined under the provision [Alternative 1]. These positions would be intended to oversee plan review and inspections that are done by delegated agents across the state.

9. Considering that DSPS reports a demonstrated need for a municipal building inspection oversight coordinator, the Committee could approve 1.0 permanent position and funding [Alternative 2]. The Committee could take no action [Alternative 3].

ALTERNATIVES

1. Provide ongoing funding of \$315,300 in 2023-24 and \$408,300 in 2024-25 with 5.0 permanent positions to implement an audit program for certain plan review activities and inspections oversight. The 5.0 positions would include: (a) 2.0 commercial building plan inspectors; (b) 1.0 elevator inspector; (c) 1.0 boiler inspector; and (d) 1.0 electrical inspector. All 5.0 positions would be allocated to the appropriation for DSPS safety and buildings general operations.

ALT 1	Change to Base	
	Funding	Positions
PR	\$723,600	5.00

2. Provide \$70,800 in 2023-24 and \$90,400 in 2024-25 with 1.0 permanent position for coordinating municipal building inspection programs. (This alternative could be selected in addition to Alternative 1.)

ALT 2	Change to Base	
	Funding	Positions
PR	\$161,200	1.00

3. Take no action.

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