



**DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
OFFICE OF THE STATE FIRE MARSHAL  
FIRE ENGINEERING AND INVESTIGATIONS**

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**Date:** July 17, 2024

**To:** Automatic Extinguishing Systems Committee

**From:** Greg Andersen, Chief of Fire Engineering & Investigations

**SUBJECT/AGENDA ACTION ITEM:**  
Proposed regulations for fee increases

**Recommended Actions:**  
Information Only

**Background Information:**

CAL FIRE Office of the State Fire Marshal's (OSFM) Automatic Extinguishing Systems Program plays a critical role in the professionalism in the Automatic Extinguisher Industry. The Office of the State Fire Marshal (OSFM) certifies the qualified individuals who install and service these systems. The AES program includes certifications for fire sprinkler pipe fitters, engineered and pre-engineered testing, fire sprinkler testing and fire pump testing. This ensures that system that provide life safety, are installed and service properly and will function correctly and protect the citizens of California.

The fees for the AES program go into the Licensing and Certification Fund. Health and Safety Code Section 13137 governs the use of the State Fire Marshal Licensing and Certification Fund. Section 13137 specifies that the fees may not exceed the actual cost of administrating the OSFM's Licensing and Certification programs, and fees must be used for the benefit of the same group they are collected from.

**Analysis/Summary of Issue:**

The Automatic Extinguishing System (AES) program is a self-funded. The current levels of funds from the current fee are insufficient to sustain the Automatic Extinguishing Systems Program without incurring a deficit.

The proposed fee increase for the Fire Sprinkler Fitter Certification would be a 10% increase. These fees were set in 2017, and in the last seven years there has been an increase in cost due to inflation. The fee increases with an increase of 1600 certified fitters will be needed to recover the program costs.

## AUTOMATIC EXTINGUISHING SYSTEMS

Sources of Revenue	Current Number of Licenses	Current Fee	Current Late Fee	Current Projected Total Revenue	Proposed Fee	Proposed Late Fee	Proposed Revenue	Fee Increase Percentage
Type 1 New	4	\$500		\$2,000	\$635		\$2,540	27%
Type 1 Renewal	17	\$500	\$250	\$8,500	\$635	\$317.50	\$10,795	27%
Type 1 Additional Locations	0	\$100		\$0	\$125		\$0	25%
Type 1 Reinspection	5	\$200		\$1,000	\$250		\$1,250	25%
Type 2 New	0	\$500		\$0	\$635		\$0	27%
Type 2 Renewal	43	\$500	\$250	\$21,500	\$635	\$317.50	\$27,305	27%
Type 2 Additional Locations	0	\$100		\$0	\$125		\$0	25%
Type 2 Reinspection	5	\$200		\$1,000	\$250		\$1,250	25%
Type L New	49	\$335		\$16,415	\$425		\$20,847	27%
Type L New Inspection by Local Authority	10	\$135		\$1,350	\$170		\$1,700	26%
Type L Renewal	556	\$135	\$68	\$75,060	\$170	\$85.00	\$94,520	26%
Type L Additional Locations	0	\$100		\$0	\$125		\$0	25%
Type L Reinspection	5	\$200		\$1,000	\$250		\$1,250	25%
Weekly Fire Pump New	280	\$80		\$22,400	\$100		\$28,000	25%
Weekly Fire Pump Renewal	1596	\$80	\$40	\$127,680	\$100	\$50.00	\$159,600	25%
Fire Sprinkler Fitter New	217	\$150		\$32,550	\$170		\$36,890	13%
Fire Sprinkler Fitter Cert Renewal	3550	\$150	\$75	\$532,500	\$170	\$85.00	\$603,500	13%
Fire Sprinkler Fitter Apprentice New	309	\$150		\$46,350	\$170		\$52,530	13%
Fire Sprinkler Fitter Apprentice Renewal	1035	\$150	\$75	\$155,250	\$170	\$85.00	\$175,950	13%
Fire Sprinkler Fitter Trainee New	79	\$150		\$11,850	\$170		\$13,430	13%
Fire Sprinkler Fitter Trainee Renewal	87	\$150	\$75	\$13,050	\$170	\$85.00	\$14,790	13%
Fire Sprinkler Replacement Certification/Registration Identification Card	89	\$25		\$2,225	\$25		\$2,225	0%
New Continuing Education Unit Course Registration	24	\$150		\$3,600	\$170		\$4,080	13%
<b>TOTAL</b>	<b>8,056</b>			<b>\$1,089,680</b>			<b>\$1,268,772</b>	

<b>5 Year Revenue Report Averages</b>	
New Applications ***	\$168,731
Renewals ***	\$724,723
Late Fees	\$65,509
<b>Total</b>	<b>\$958,963</b>

<b>* Proposed Yearly Revenue Totals</b>	<b>\$1,268,772</b>
<b>** Need</b>	<b>\$1,213,322</b>
<b>Balance</b>	<b>\$55,450</b>
<b>** Details of Need outlined below:</b>	
PS & OE Admin Spread (20%) - includes Pro-rata FY23	192,401
59422 Projected PS Costs - FY 2023-24	829,363
59422 Projected OE Costs - ENY 2023	191,558

*\* Proposed Yearly Revenue Totals includes Proposed Revenue total plus 5-year averages of new applications and late fees*

### **Potential Industry Impacts:**

The proposed regulations will impose cost impacts that a directly affected business would incur in reasonable compliance with the proposed action. There are approximately 2,757 businesses licensed through this program, including Type 1, Type 2, Type L, and C-16 business license holders. There are currently 4,472 certified Fire Sprinkler Fitters in different classifications. The direct cost for the certified Fire Sprinkler Fitters is \$89,440. The total direct cost to all of the affected companies and individuals is \$179,092.