



Glenn Youngkin
Governor

Juan Pablo Segura
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Maggie Beal
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

January 8, 2025

MEMORANDUM

TO: Board of Housing and Community Development Members

FROM: DHCD Staff

SUBJECT: Board of Housing and Community Development Meeting – January 12, 2025

Enclosed is the agenda and information package for the Board of Housing and Community Development meeting to be held on **Monday, January 12, 2025**. The full Board will convene at 10:00 a.m. The Board meeting will be held at the **Virginia Housing Center** located in Innsbrook at 4224 Cox Road in Glen Allen, Virginia. Lunch will be provided prior to the meeting.

Please contact DHCD staff as soon as possible to let us know if you will not be able to attend. We can be reached at chase.sawyer@dhcd.virginia.gov or at 804-310-5872. Please let us know if you have any questions or if there is anything we can do to be of assistance.

Enclosure



AGENDA
BOARD OF HOUSING and COMMUNITY DEVELOPMENT
Monday, January 12, 2026
10:00 AM
Virginia Housing Center
4224 Cox Road, Glen Allen, VA

Public Comment before the Board will begin at 10:00 a.m..

In addition to in-person public comment, there will be a virtual public comment option. Each speaker will be limited to one minute of speaking time and there will be one half-hour total for public comment on a first come first served basis. Please contact chase.sawyer@dhcd.virginia.gov to sign up for public comment.

Electronic Meeting Access Information

Microsoft Teams Joining Information: [Click here to join the meeting](#)

Meeting ID: 246 069 556 252 41 | Passcode: 3Tt2eC3F

Call in (audio only) +1 434-230-0065 | Phone Conference ID: 767 579 273#

- | | | |
|-------|---|---------------|
| I. | OPENING | |
| | a. Call to Order | Chair |
| | b. Roll Call | DHCD Staff |
| | d. Public Comment | Chair |
| II. | CONSENT AGENDA | Chair |
| | o <i>Approval of Minutes</i> : December 8, 2025 | |
| III. | STATE FIRE MARSHAL’S OFFICE FEE REPORT
(BUDGET ITEM 407) | DHCD Staff |
| IV. | 2024 CODE DEVELOPMENT CYCLE OVERVIEW | DHCD Staff |
| VI. | LEGISLATIVE AND REGULATORY UPDATE | DHCD Staff |
| | o 2026 General Assembly Session | |
| VII. | REPORTS AND INFORMATION | |
| | a. Virginia Housing Report | Tammy Neale |
| | b. Report of the Virginia Fire Services Board | J.M. Snell |
| | c. Report of the Director | Maggie Beal |
| VIII. | UNFINISHED BUSINESS | Board Members |
| IX. | NEW BUSINESS | Board Members |
| X. | BOARD MATTERS | Board Members |
| | o Conflict of Interest Act (COIA) Filing | |

XI. FUTURE BOARD MEETING DATES

DHCD Staff

- March 30, 2026
- May 11, 2026

XII. ADJOURNMENT

Chair

**Minutes of the
BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
December 8, 2025
10:04 AM
All-Virtual Meeting via Microsoft Teams**

Members Present

Louie Berbert, Chair
Sylvia Bryant
Cindy Davis
Bill Garrett
Lynne Goldberg
Jenna Goodman
Keith Johnson
Charlie Jones
Roger Jones, Vice Chair
Hank Osleger
J.M. Snell
Scott Stosser
Mark Trostle

Members Absent

Tammy Neale

Department of Housing and Community Development (DHCD) staff present for all or part of the meeting:

Mandy Archer, Program Administrator
Maggie Beal, Director
Jeff Brown, Deputy Director of Building and Fire Regulation
Joseph Dennie, Policy Analyst
Trisha Lindsey, Policy and Legislative Services Director
Andrew Malloy, Sr. Policy Analyst
Sophie McGinley, Sr. Policy Analyst
Tory McGowan, Program Manager
Florin Moldovan, State Building Codes Office Director
Sulaiman Safi, Board Coordinator
Chase Sawyer, Policy Manager
Todd Weinstein, Deputy Director

Call to Order

Mr. Berbert, Chair of the Board of Housing and Community Development, called the meeting of the Board to order at 10:04 a.m.

Roll Call

The roll was called by Mr. Sawyer. Mr. Sawyer reported that a quorum was present.

Public Comment	<p>Mr. Berbert opened the floor for public comment.</p> <p>After seeing no speakers, Mr. Berbert closed public comment.</p>
Approval of Minutes	<p>A motion was made by Mr. Trostle and seconded by Mr. Osleger to approve the minutes of the September 22, 2025 meeting of the Board. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None).</p>
Resolution to Commend Board Member	<p>Ms. Abigail Johnson’s term on the Board recently expired. Mr. Berbert thanked Ms. Johnson for her years of service on the Board. Ms. Davis also thanked Ms. Johnson for her service and shared compliments for her hard work and dedication. A motion was made by Mr. Stosser and seconded by Ms. Davis to approve a commending resolution for Ms. Abigail Johnson. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None).</p>
Enterprise Zone Grant Program Regulations (13VAC5-112)	<p>Mr. Sawyer presented proposed amendments to the Enterprise Zone Grant Program regulations (13VAC5-112). Mr. Sawyer stated that the Board is responsible for promulgating regulations prescribing procedures for implementing the Enterprise Zone Grant Program and that the regulations promulgated by the Board must be in compliance with the applicable provisions in State Code. Mr. Sawyer stated that legislation approved by the General Assembly and signed by the Governor (HB2163, 2025) amended the Enterprise Zone Grant Program, specifically the Real Property Investment Grant (RPIG) program, by creating an elevated tier for investments in excess of \$20 million and increasing the grant limit for such investments to \$300,000. Mr. Sawyer added that the legislation also clarified that child day care centers are an eligible activity for the RPIG program. A motion was made by Mr. Stosser and seconded by Mr. Jones to approve the proposed amendments to the Enterprise Zone Grant Program regulations. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None).</p>
Enterprise Zone Grant Program Manuals Update	<p>Mr. Sawyer presented proposed amendments to the Enterprise Zone Grant Program manuals (Job Creation Grant Instruction Manual, Real Property Investment Grant Manual, CPA Agreed Upon Procedures Manual). Mr. Sawyer stated that the proposed</p>

changes to the program manuals are based on the new program regulations that match State Code. Mr. Sawyer noted that the Enterprise Zone Grant Program manuals are used to provide guidance and clarification to program applicants. A motion was made by Ms. Davis and seconded by Mr. Stosser to approve the proposed changes to the Enterprise Zone Grant Program manuals for GY2025. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None).

State Fire Marshals Office
Fee Report

Mr. Sawyer stated that Item 407c in the 2025 Budget Bill required the Department of Fire Programs in cooperation with the State Fire Marshal's Office, Virginia Fire Services Board (VFSB), DHCD, and the Board to conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. Mr. Sawyer added that the Budget Bill also requires a joint recommendation to be made as to whether the fees should be adjusted, including a description of which fees, if any, are recommended for an increase based on market cost and projected revenue.

Mr. Sawyer reminded the Board that it approved a motion to allow the Chair to designate Board members to meet with members of the VFSB to reach consensus on a joint recommendation for the fee report. Ms. Davis and Mr. Garrett served as designees. Mr. Sawyer noted that the VFSB met last week and approved a version of the fee report and provided it to the Board. Mr. Sawyer invited the Board's designees to share their takeaways from their meetings with the VFSB on the report.

Ms. Davis expressed appreciation for the VFSB's collaboration but noted concerns with the report's current version, including unresolved issues due to a compressed timeline. Ms. Davis shared that there is agreement that some fees should be increased. Ms. Davis highlighted that some fees recommended for increase are not governed by SFPC regulations, specifically mandated inspections to state properties.

Mr. Garrett also thanked the VFSB for meeting and expressed his concerns with the current version. Mr. Garrett shared his willingness to continue working toward reaching an agreement.

Mr. Sawyer shared that the Office of Regulatory Management (ORM) raised concerns about regulatory burdens and recommended deferring action to allow for further discussion.

Mr. Johnson expressed concerns that the Board may be delaying the fee report and stressed the need for increased funding for mandated inspections. Mr. Johnson noted that the report's intent was to address voluntary inspections and that the State Fire Marshal's Office is operating at a deficit.

Mr. Snell reiterated concerns raised by other members and emphasized the urgency of the issue, referencing the loss of funding for state facility inspections.

Ms. Beal supported continued collaboration with the VFSA and proposed deferring action until the January 12 meeting to allow more time for alignment between the two boards.

Mr. Johnson reiterated his concerns with delaying the report and made additional comments addressing the structure of the State Fire Marshal's Office, and past issues with fee increases tied to the code development process.

A motion was made by Ms. Davis and seconded by Ms. Bryant to defer action on the State Fire Marshals Office Fee Report. The motion passed on a voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: Johnson).

Legislative and Regulatory
Update

Mr. Sawyer provided an update on the current code development cycle. Mr. Sawyer reminded the Board that it approved Notices of Intended Regulatory Action (NOIRAs) at its March meeting and that the deadline to submit code change proposals to cdpVA, DHCD's online building code system, was October 31, 2025, after being extended at the September meeting of the Board. The Board discussed future meetings that are important to the code development cycle, including the general stakeholder meetings and when the Board will meet to consider base documents for proposed regulations. There was general consensus amongst the Board that the final general stakeholder meetings and the Board's meeting to consider base documents should be pushed back a few weeks since the deadline to submit proposals was extended by a few weeks. The Board agreed this will give stakeholders more time to reach consensus on any proposals and give staff time to prepare the base documents for the Board to consider. The Board agreed on a tentative schedule for general stakeholder meetings during the week of January 5, 2026 and the Board meeting to consider base documents will be tentatively scheduled for May 11, 2026. A motion was made by Mr. Snell and seconded by Ms.

Davis to approve the updates to the tentative code development cycle schedule. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None).

Mr. Sawyer stated that the updated Private Actively Bond (PAB) guidelines approved by the Board at its September meeting are now in effect, and the program will accept its first round of applications in early 2026.

Virginia Housing Report

Dr. Monique Johnson shared that Virginia Housing is in the process of hosting annual workshops with stakeholders regarding the Low-Income Housing Tax Credit (LIHTC) program. Virginia Housing is also making updates to the qualified allocation plan for the LIHTC program. The Virginia Housing Board is working on updates to its strategic plan and will distribute it to stakeholders early next year. The focus of the strategic plan will be on preservation, production, and regional strategies. Dr. Johnson shared staffing updates at Virginia Housing including the recruitment of a new government affairs specialist. Virginia Housing plans to contract with a consulting firm in the meantime to track bills at the General Assembly. Dr. Johnson also shared updates on impacts to the Continuum of Care (CoC) network resulting from new federal requirements.

Fire Services Board Report

Mr. Snell shared that the Fire Services Board voted to approve the State Fire Marshals Office Fee Report and a letter with recommendations. Mr. Snell added that it is important to Fire Services to keep the fee issue moving in the right direction. The next meeting of the Fire Services Board is in February at the Fire and Rescue Conference at the Virginia Beach Convention Center. Mr. Snell also shared that the Fire Services Board continues to work on issues related to NFPA rules related to live fire training facilities.

Report of the Director

Ms. Beal shared that DHCD is currently meeting with and assisting the transition team of the Governor-elect. Ms. Beal echoed Dr. Johnson's comments and shared that DHCD is also working on impacts to the CoC network. Ms. Beal also shared updates on Private Activity Bond allocations. Ms. Beal thanked staff for their efforts at the end of Governor Youngkin's term.

Unfinished Business

Ms. Davis expressed thanks to Mr. Berbert's organization, the Lawson Company, for their charity work providing scholarships to students.

New Business	There was no new business to be discussed.
Board Matters	<p>Mr. Sawyer reminded Board members to complete financial disclosure statements when they become available at the beginning of the year and to complete necessary Conflict of Interest Act (COIA) training.</p> <p>Mr. Bell provided an update on the appeal by the Sierra Club regarding the adoption of the 2021 Uniform Statewide Building Code.</p>
Future Meetings	Mr. Sawyer stated that the next meeting of the Board was scheduled for January 12, 2026.
Adjournment	A motion was made by Mr. Stosser and seconded by Ms. Goodman to adjourn the meeting. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, Johnson, C. Jones, R. Jones, Osleger, Snell, Stosser, Trostle; NAYS: None). The meeting was adjourned at 11:32 a.m.



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Maggie Beal
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Memorandum

To: Board of Housing and Community Development

From: DHCD Staff

Subject: State Fire Marshal's Office Fee Report

Date: January 8, 2026

The 2025 Budget Bill (HB1600), as approved by the General Assembly and signed by the Governor, included Item 407 related to the State Fire Marshal's Office (SFMO) assessment of fees for conducting fire safety inspections. Item 407 outlines elements to be included in the SFMO's assessment, as well as requires the Department of Fire Programs to submit a report by October 17, 2025, that includes "a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development on whether the fees should be adjusted or not, including a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional revenue that would result from such recommended increase."

The Department of Fire Programs (DFP) first transmitted a draft of the SFMO Fee Report to Department of Housing and Community Development (DHCD) staff on September 16, 2025. At the Board of Housing and Community Development (Board) meeting on September 22, 2025, the Board approved a motion to authorize the Chair to designate members of the Board, in consultation with DHCD staff, to assist with the development of joint recommendations in partnership with the Virginia Fire Services Board (VFSB) and present any such recommendations to the full Board for approval. Following the Board meeting, the draft report was distributed to all Board members, and the Chair designated Cindy Davis and Bill Garrett as the Board members to participate in these efforts with the VFSB. Two meetings were held between each board's respective designees, as well as staff from DFP and DHCD (November 14 and November 18). Following the Board's meeting on December 8, 2025, an additional meeting was held between each board's respective designees on December 19, 2025.

Enclosed is the most recent version of the report that was approved by the VFSB at its meeting on December 2 and previously presented to the Board at its meeting on December 8. As of the time of this memo, no new versions of the report have been received by DHCD staff. However, there remains outstanding questions and concerns within the report regarding the funding structure of the SFMO budget, anticipated revenues and expenses as a result of the proposed fee increases, the potential impact on those affected by the proposed fee increases, and conformity with State Code.

Enclosure



VIRGINIA STATE BUDGET

2025 Session

Budget Bill - HB1600 (Chapter 725)

All Items » Item 407

Department of Fire Programs

Item 407	First Year - FY2025	Second Year - FY2026
Regulation of Structure Safety (56200)	\$3,923,932	\$3,923,932 \$4,153,362
State Fire Prevention Code Administration (56203)	\$3,923,932	\$3,923,932 \$4,153,362
Fund Sources:		
General	\$3,363,810	\$3,363,810 \$3,593,240
Special	\$560,122	\$560,122

Authority: §§ [9.1-201](#), [9.1-206](#), and [27-94](#) through [27-99](#), Code of Virginia.

A. The State Fire Marshal may charge no fee for any permits or inspections of any school, whether it be public or private.

B. The State Fire Marshal shall submit a report to the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees, no later than November 1, 2024, that assesses options for increasing fees for fire inspections, other than complaint-based inspections, to align with the actual cost of providing the inspection service. The assessment shall include an analysis of inspection workload, costs incurred, and fees collected organized by categories that are based on the type of organizations and activities being inspected.

C. The Department of Fire Programs, in cooperation with the State Fire Marshal's Office, the Virginia Fire Services Board, the Department of Housing and Community Development, and the Board of Housing and Community Development, shall conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. The assessment shall include a review of (i) existing inspection fees, (ii) the number of inspections conducted by fee category, (iii) the cost of conducting each inspection, and (iv) the total revenue from each fee category to determine whether there is a need to adjust the fees based on the market cost of conducting inspections. The Department of Fire Programs shall submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget, no later than October 17, 2025, that outlines the findings of the assessment and a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development on whether the fees should be adjusted or not, including a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional fee revenue that would result from such recommended increase.



Report from the State Fire Marshal to the Virginia General Assembly

Assessing Options for Increasing Fees for Fire Inspections

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Preface:

Virginia’s adopted budget (2025 Va. Acts Ch. 725) directed the Department of Fire Programs, in cooperation with the State Fire Marshal's Office, the Virginia Fire Services Board, the Department of Housing and Community Development, and the Board of Housing and Community Development to conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. The assessment shall include a review of (i) existing inspection fees, (ii) the number of inspections conducted by fee category, (iii) the cost of conducting each inspection, and (iv) the total revenue from each fee category to determine whether there is a need to adjust the fees based on the market cost of conducting inspections. The Department of Fire Programs shall submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget, no later than October 17, 2025, that outlines the findings of the assessment and a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development on whether the fees should be adjusted or not, including a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional fee revenue that would result from such recommended increase.

This report is provided to meet the requirements of the assessment noted above related to fees assessed by the State Fire Marshal’s Office.

Acknowledgements

The State Fire Marshal would like to acknowledge the following individuals of the Department of Fire Programs that contributed to the report:

Office of the Executive Director

Brad Creasy, Executive Director
Spencer Willett, Government Affairs Manager
Gregory Cavalli, Policy Analyst

State Fire Marshal’s Office

Joshua “Jay” Davis, Assistant State Fire Marshal - Field Operations
Franklin “Troy” Bower, Assistant State Fire Marshal - Special Operations
Matthew Bright, Chief Deputy State Fire Marshal – Special Operations

VDFP Administration

Theresa Hunter, Chief Administrative Officer
Robert Steele, Information Technology Manager



COMMONWEALTH of VIRGINIA

Virginia Department of Fire Programs State Fire Marshal's Office

Office of the State Fire Marshal
1005 Technology Park Drive
Glen Allen, Virginia 23059
Phone: 804-372-0220
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Brad Creasy
EXECUTIVE DIRECTOR

BILLY HUX
CHIEF STATE FIRE MARSHAL

To: Virginia General Assembly

From: Billy Hux, Chief State Fire Marshal

RE: Overview of the Virginia State Fire Marshals Office

The intent of this letter is to provide an overview of the operations within the Virginia State Fire Marshals Office, statutory liabilities held, and historical budget issues.

Pursuant to §9.1-206 COV, the Virginia State Fire Marshals Office (SFMO) is the Authority Having Jurisdiction (AHJ) for all State owned or operated buildings, property or structures for the enforcement of all provisions of the Virginia Statewide Fire Prevention Code (SFPC). Subsequently, 13VAC5-52-40 Section 104.2 requires the SFMO to enforce all provisions of the SFPC for localities in the Commonwealth that have chosen to not legally adopt and enforce the SFPC. With this said, it leaves the Commonwealth holding the liability for all provisions of the SFPC on State owned property and localities that have chosen not to legally adopt the SFPC to include: all provisions of the SFPC, hazardous materials enforcement, special investigations, commercial fireworks & explosives permitting/enforcement, the fire safe cigarette program, commercial pyrotechnician & blaster licensing, an inventory of over 5000 mobile food preparation vehicle inspections and all citizen complaints received with perceived fire code complaints.

SFMO Area of Responsibility	Number of Localities	Land Mass SFMO Covers
State Property	Statewide	13,623 Square Miles
Counties	63 of 95	32,626 Square Miles
Towns	130 of 195	
Cities	6 of 39	
TOTAL	198 of 330	2,103 Square Miles per Deputy Fire Marshal

Staffing: At full staffing, the SFMO operates with the following positions: (1) Chief State Fire Marshal (2) Assistant Chiefs, (4) Chief Deputies (field supervisor per region), (22) Deputy Fire

Marshals, and (1) Executive Assistant for a total of 29 authorized FTE positions. However, due to lack of funding, the SFMO must maintain roughly 3-4 vacancies to balance the budget in any given year. We are currently operating at (25) total positions and have been so for the last four years.

Travel Time: Currently, with (22) field deputies located across seven divisions, each deputy covers approximately 2,103 square miles. Deputies spend on average 3.4hrs a day just in travel, prior to starting inspections and completing the legal binding inspection paperwork.

Duties & Schedule: Enforcement of the SFPC does not have “normal business hours”. We regularly work nights, weekends and holidays to protect the Commonwealth. Additionally, all SFMO staff are “designated employees” and subject to callback during times of natural disaster and Gover declared State of Emergencies for State Emergency Operations Center (EOC), COV Incident Management Team (COVIMT), and field work. Our field deputies work a flex schedule, and most are on 10-hour days to compensate for the extended travel times. Our budget does not allow for overtime so they must flex that additional time out within the pay period. This puts us in a unique position to still stay on schedule with General Assembly-mandated fire prevention inspections.

Previous Funding Stream: In FY2020 the SFMO was notified by the Virginia Department of Health (VDH) that they intended not to renew a long-standing MOU with our agency. This MOU covered federal life safety code inspections done by state fire marshals at healthcare facilities statewide. While total funding from this varied each year, we lost an average of \$600,000 to \$700,000 per year.

Implemented Cost Savings Measures: The SFMO has taken numerous cost saving measures over the last several years to account for the loss of revenue, however, we still face a significant deficit. These include the following:

- **IT cost:** The SFMO is in the process of outfitting our staff with iPads for their daily duties. By purchasing these devices, we can return leased computers from VITA. While this is a significant cost savings to the agency, it also increases productivity. This will allow SFMO field staff to complete inspection reports while conducting the inspection and email stakeholders their associated reports at the completion of the inspection with a mobile device.
- **Uniforms:** While the SFMO’s current budget does not support full uniforms for all staff, we have been able to work with Virginia Correctional Enterprises on many uniform items to save money rather than using outside vendors.
- **Vehicles:** After the completion of a cost analysis, it was determined that the SFMO could save significant money annually on vehicle cost if we were able to purchase out vehicles from the Sherriff’s contract. Currently the SFMO leases (25) vehicles from the Department of General Services. Over the last two fiscal budgets, we were able to purchase (2) vehicles. We can drive these vehicles for approximately 3 times as long as a leased vehicle that is collected by fleet at 80,000 miles and a new one is issued.

While this could be an instant cost savings to the agency, we just simply do not have the up-front capital needed to replace the entire fleet at one time.

- ***Creation of the Special Operations Section:*** As the SFPC has added duties and investigations have become more complex, the SFMO created the Special Operations Section. With the aforementioned on SFMO travel and schedule, we created a new section of the agency. This allowed us to take a small group of deputies and make their regular duties those events, investigations and tasks that typically happen on nights, weekends and holidays. Furthermore, most investigations involve the issuance of a Virginia Uniform Summons and court time. We are able to keep this small, specialized group as the primary for these types of duties. It should be noted that we still must use field operations deputies to supplement where we just do not have enough people to cover the number events we have. This also allows one supervisor statewide to oversee this entire section
- ***Conferences:*** State and local fire marshals are legally required to maintain several certifications. To do this, it requires continuing education hours that are offered at fire service conferences throughout the state. Internally, we have aligned staff with the conference closest to their home locations to save on travel costs. Many times, our staff can now obtain their required hours without requiring hotel stays and per diem.

Liability to the Commonwealth: The Commonwealth currently holds liability for all provisions of the Statewide Fire Prevention Code in the following areas: All State Property, 63 Counties, 130 Towns and 6 Cities in the Commonwealth. While we conduct the General Assembly minimum mandate inspections, there are a significant number of inspections, to include hotels/motels, restaurants, movie theaters, and other large public assembly occupancies that are handled on waiting for a complaint to come in basis, due to being unable to fill current vacancies and add more Deputy positions. Those localities in the Commonwealth that have adopted the SFPC conduct these on an annual basis as required by the SFPC.

In closing, the men and women of this agency take steps daily to be as efficient as possible and “work with what we have”. As the Chief State Fire Marshal, my overall goals are to use my experience to make this Commonwealth as safe as possible from fire, take care of my staff, recruit the best of the best to our Agency, and then retain the best all the while keeping budget implications at the forefront. I am asking for any help that you can provide to help me better the mission not only for our citizens, but also our state employees.

Respectfully,

William “Billy” Hux

Executive Summary

The current State Fire Marshal's Office (SFMO) was created in 2008 after its duties were moved from the Virginia Department of Housing and Community Development to the Virginia Department of Fire Programs (VDFP). Code of Virginia § 9.1-206 directs that the Executive Director of the Department of Fire Programs appoint a State Fire Marshal to carry out the provisions of the Statewide Fire Prevention Code. The Statewide Fire Prevention Code is an administrative code that regulates fire safety in the Commonwealth of Virginia.

SFMO's budget is funded through a combination of General Fund dollars appropriated by the Virginia General Assembly and revenue from fees as set forth in the Statewide Fire Prevention Code. SFMO also, in the past, has received funding from contracts with other Virginia state agencies. Over the past decade, VDFP and SFMO staff have noted the office is continually operating at a deficit, forcing it to make cost adjustments and hold vacancies to balance the budget. The fees that SFMO can charge have only seen minor adjustments since 2009, and none since the 2015 code development cycle. During that time, however, the cost of conducting the inspections related to those fees has increased noticeably.

SFMO can charge fees in two areas: fireworks and blasting, as well as annual compliance fees. The services mandated in the Statewide Fire Prevention Code were analyzed by comparing costs estimated from SFMO reported data contained in its record management system to revenues calculated from the fees listed in the SFPC. Costs were calculated using fixed and variable factors. The fixed amounts are derived from SFMO's annual Fiscal Year 2025 (FY25) technology, vehicle, and salary costs. The variable factors use inspection reports to estimate the travel time, hours worked, and the number of inspectors typically utilized for each inspection type. Data was analyzed from FY 2023 through FY 2025.

VDFP, and SFMO, understand the General Fund dollars should primarily cover expenses related to General Fire Code Inspections of General Assembly-mandated inspections. The deficit noted below does not consider the total amount of General Fund dollars allocated for these operations but instead focuses solely on the cost of inspections and fee revenue. However, the research conducted indicates that fee adjustments, while likely to reduce this deficit, will not eliminate the deficit entirely.

The analysis concluded that average annual inspection revenue was \$193,158.33 and annual average costs were \$997,220.54 leaving an annual deficit of \$804,062.21 from inspections conducted by SFMO. The largest losses came from General Fire Code Inspections and Re-Inspections. The category of General Fire Code Inspections includes inspections of state mandated facilities, and general inspections conducted at commercial establishments in state-responsible localities. The Imagetrend data collection program was not set up to distinguish between mandated and nonmandated inspections prior to FY 2025.

In producing this report, several options for reducing the deficit were considered. Discussions between representatives of the Virginia Fire Service Board and the Board of Housing and Community Development reached a consensus on recommending one of these options. That option is to charge fees for voluntary general fire inspections, reinspections, and fireworks

retailers in state-responsible localities. Voluntary general fire inspections would encompass any annual statewide fire prevention code inspection that is requested or conducted in a commercial occupancy where the State Fire Marshal is the authority-having-jurisdiction, either by request of the owner or when a substantiated complaint is made.

Background

The State Fire Marshal's Office (SFMO) is mandated by § 9.1-207 to inspect state property and certain buildings in localities that have chosen not to enforce the Statewide Fire Prevention Code. The office also issues permits for certain functions such as blasting and commercial fireworks. The SFMO also manages the Virginia Fire Marshal Academy, which trains both local and state fire marshals in fire inspection, investigation, and basic law enforcement.

§ 9.1-207 specifically requires that the office inspect "(i) residential care facilities operated by any state agency, (ii) assisted living facilities licensed or subject to licensure pursuant to Chapter 18 (§ 63.2-1800 et seq.) of Title 63.2 that are not inspected by the local fire marshal, (iii) student residence facilities owned or operated by a public institution of higher education, and (iv) public schools that are not inspected by the local fire marshal". The Code of Virginia does not allow the office to charge for inspections at public schools or institutions of higher education, meaning that only some of the inspections required under § 9.1-207 provide revenue. The Statewide Fire Prevention Code outlines other areas that the State Fire Marshal is responsible for and sets the fees that can be charged by the office in the performance of their duties. These fees are outpaced by the cost of providing the inspection service, leading to a consistent deficit year after year.

SFMO was originally a component of the Department of Housing and Community Development (DHCD). In 2008, the SFMO moved to the Department of Fire Programs (VD FP). During its time as a component of DHCD, SFMO fees were set by the Board of Housing and Community Development (BHCD). This board, comprised of stakeholders in the building and real estate industries, as well as the fire service, were in constant communication with DHCD. Under this system, the balance of DHCD budgets and stakeholder needs adequately funded the SFMO.

Although the SFMO was moved to the Department of Fire Programs in 2008, their fees are still set by the BHCD. The SFMO is only allowed to request changes or additions to fees as part of regular updates to the Statewide Fire Prevention Code, which occurs every three years. This is unlike local fire marshal's offices, which have their fees set by the local government body, such as the city council or board of supervisors. These fees can be regularly updated at the discretion of the governing body. The fees, as found in the Statewide Fire Prevention Code, last received minor updates in 2015, although the SFMO has requested updates since that time.

Since 2009, several factors have led to increased costs by SFMO. These costs include vehicle costs, salaries, and technological costs. Inflation has increased cost of living adjustments to salaries and prices paid for services such as software subscriptions. Continuous supply-side shocks in the past few years have kept vehicle costs high on top of inflationary pressures. This results in SFMO running a deficit of approximately \$804,062.21 each year.

The General Assembly funds the SFMO through the General Fund, with the expectation that the office will use inspection fees to fund the remaining expenses. In 2023, the office was funded by the General Fund at 83%, with fees expected to cover the remaining expenses. However, the fees collected, which last saw significant updates in 2009, do not completely cover the cost of providing the inspection for several reasons as noted above. When using the Consumer Price Index, as determined by the U.S Bureau of Labor Statistics, costs have increased by over 50% since 2009. This means that the current fees the SFMO can charge have only two thirds of the buying power they did in 2009. Therefore, the SFMO can only perform two thirds of their inspection duties with the current fee schedule. To operate within the budget provided via the General Fund, the deficits incurred by the inspection program have forced the SFMO to continually leave positions vacant on an annual basis.

Current Types of Inspections and Associated Fees

The State Fire Marshal's Office (SFMO) can charge a number of fees associated with its inspection duties. These can be largely based on two distinct areas: fees for explosives, blasting agents, flame effects, and fireworks, or annual compliance inspection fees. These fees are set in sections 107.11 and 107.12 of the Statewide Fire Prevention Code (SFPC). The tables below outline the type of inspection, the fee found in the 2021 version of the Statewide Fire Prevention Code, and explanation of its requirement. The SFMO is prohibited from charging fees like local fire marshal's offices unless they are found in the specific SFMO table related within the SFPC, limiting the office's ability to raise revenue.

Table 1: Current Fees (Explosives, Blasting, Flame Effects, and Fireworks)

Inspection Type	Fee (\$)	Explanation
Storage of Explosives or Blasting Agent	250 (first magazine) 150 (each additional magazine)	12-month permit
Use of Explosives (Non-fixed site)	250	6-month permit
Use of Explosives (Fixed site)	250	12-month permit
Sale of Explosives	250	12-month permit
Manufacture of Explosives (Unrestricted)	250	12-month permit
Manufacture of Explosives (Restricted)	20	12-month permit
Fireworks Display	300	State Property Only
Pyrotechnics or Proximate Audience Display	300	State Property Only
Flame Effects	300	State Property Only
Hourly Inspection Rate	60 (normal business hours) 90 (nights, weekends, holidays)	

Nightclubs	350	100 or less occupancy load
	450	101 to 200 occupancy load
	500	201 to 300 occupancy load
	500+50	300 or more occupancy load (+\$50 for each 100 people past 300)
Private College Dormitories	150	3500 sq. ft. or less
	200	3500 sq. ft to 7000 sq. ft
	250	7000 sq. ft to 10000 sq. ft
	250+50	10000 sq. ft or more (+\$50 for each additional 3,000 sq. ft)
Assembly Areas of Private College Dormitories	50	10000 sq. ft or less
	100	10000 sq. ft to 25000 sq. ft
	100	Up to 25000 sq. ft when separate from dormitory
	150	
Hospitals	300	1 to 50 beds
	400	51 to 100 beds
	500	101 to 150 beds
	600	151 to 200 beds
	100	Each 100 beds past 200
State-Regulated Care Facilities and Family Day Homes Licensed by the Department of Education	50	1 to 8
	75	9 to 20
	100	21 to 50
	200	51 to 100
	300	101 to 150
	400	151 to 200
Registered Complaints	0 (first visit)	
	51 per hour on subsequent visits	
Bonfires	50	Small Bonfire on State Property Only
	100 (within 15 days of event)	
	150 (within 7 days of event)	

	150 300 (within 15 days of event) 450 (within 7 days of event)	Large Bonfire on State Property Only
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Inflation and Inspection Fees

As the inspection fee schedule has not been revised significantly since 2009, inflation has eroded the purchasing power of the dollar in that time. The Consumer Price Index (CPI) allows a comparison of the true value of the fee dollars in 2009, when those fees were set, to their value today. Per the U.S. Bureau of Labor Statistics, the cumulative increase in the CPI for that period is approximately 50.58%. The following table applies that cumulative increase in the CPI over the past sixteen years to illustrate the fiscal pressures exerted on SFMO by inflationary forces. It should be noted, however, that merely updating the fees to incorporate the change in the CPI results in total revenue of \$290,857.82. This total would reduce SFMO's operating deficit of \$804,062.21, but there would still be a significant shortfall.

Table 2: Inspection Fees Adjusted by Consumer Price Index Increase

Inspection Type	Fee (\$)	Fee Adjusted by CPI
Storage of Explosives or Blasting Agent	\$250 (first magazine) \$150 (each additional magazine)	\$376.45 (first magazine) \$225.87 (each additional magazine)
Use of Explosives (Non-fixed site)	\$250	\$376.45
Use of Explosives (Fixed site)	\$250	\$376.45
Sale of Explosives	\$250	\$376.45
Manufacture of Explosives (Unrestricted)	\$250	\$376.45
Manufacture of Explosives (Restricted)	\$20	\$30.12
Fireworks Display	\$300	\$451.74
Pyrotechnics or Proximate Audience Display	\$300	\$451.74
Flame Effects	\$300	\$451.74
Hourly Inspection Rate	\$60 (normal business hours) \$90 (nights, weekends, holidays)	\$90.35 (normal business hours) \$135.52 (nights, weekends, holidays)
Nightclubs	\$350 100 or less occupancy load	\$527.03
	\$450 101 to 200 occupancy load	\$677.61
	\$500	\$752.90

	201 to 300 occupancy load	
	\$500+\$50 300 or more occupancy load (+\$50 for each 100 people past 300)	\$752.90 + \$75.29
Private College Dormitories	\$150 3500 sq. ft. or less	\$225.87
	\$200 3500 sq. ft to 7000 sq. ft	\$301.16
	\$250 7000 sq. ft to 10000 sq. ft	\$376.45
	\$250+\$50 10000 sq. ft or more (+\$50 for each additional 3,000 sq. ft)	\$376.45 + \$75.26
Assembly Areas of Private College Dormitories	\$50 10000 sq. ft or less	\$75.29
	\$100 10000 sq.ft to 25000 sq.ft	\$150.58
	\$150 Up to 25000 sq. ft when separate from dormitory	\$225.87
Hospitals	\$300 1 to 50 beds	\$451.74
	\$400 51 to 100 beds	\$602.32
	\$500 101 to 150 beds	\$752.90
	\$600 151 to 200 beds	4903.48
	\$100	\$150.58 (Each 100 beds past 200)
State-Regulated Care Facilities and Family Day Homes Licensed by the Department of Education	\$50 1 to 8	\$75.29
	\$75 9 to 20	\$112.94
	\$100 21 to 50	\$150.58
	\$200 51 to 100	\$301.16
	\$300 101 to 150	\$451.74
	\$400 151 to 200	\$602.32

	\$500 201 or more	\$752.90
Registered Complaints	0 (first visit) \$51 per hour on subsequent visits	\$76.80 per hour on subsequent visits
Small Bonfire on State Property Only	\$50	\$75.29
	\$100 (within 15 days of event)	\$150.58
	\$150 (within 7 days of event)	\$225.87
Large Bonfire on State Property Only	\$150	\$225.87
	\$300 (within 15 days of event)	\$451.74
	\$450 (within 7 days of event)	\$677.61

Inspection Workload

The inspection types are based on the inspection categories reported in Imagetrend, the office's records management system (RMS). These include inspections related to fireworks and explosives, open flames and pyrotechnics, public facilities and high-occupancy locations such as hospitals, dormitories, nightclubs, and facilities owned by the Department of Social Services (DSS). It also includes general inspections at various sites such as schools and businesses and any re-inspections of those buildings that did not meet code standards.

The average is based on the average number of services from fiscal years 2023, 2024, and 2025. Blank spaces are a result of no data, which are not calculated into sums or averages.

Table 3: Workload

Inspection Type	FY2025	FY2024	FY2023	FY2023-2025 Average
Blasting	19	55	49	41.0
Bonfires	2	5	2	3.0
DSS Facility 1-8	20	27	28	25.0
DSS Facility 9-20	77	93	89	86.3
DSS Facility 21-50	171	175	169	171.7
DSS Facility 51-100	167	180	177	174.7
DSS Facility 101-150	46	50	47	47.7
DSS Facility 151-200	14	21	18	17.7
DSS Facility 201+	9	17	10	12.0
Fireworks Retail Establishment	41	27		22.7
Flame Effects	3	10	22	11.7

Explosives Storage		3	2	1.7
General Fire Code Inspection	1725	1694	1714	1711.0
Hospital 1-50	16	26	16	19.3
Hospital 51-100	37	38	26	33.7
Hospital 101-150	27	28	15	23.3
Hospital 151-200	20	15	21	18.7
Nightclub 0-100	3	6	3	4.0
Nightclub 101-200	8	7		5.0
Nightclub 201-300	7	7	2	5.3
Private College Dorms 0-3500 sq ft	29	39	36	34.7
Private College Dorms 3500-7000 sq ft	39	29	41	36.3
Private College Dorms 7000-10000 sq ft	28	32	34	31.3
Pyrotechnic	96	74	59	76.3
Re-Inspection	971	916	896	927.7
Total	3575	3574	3476	3541.7

Revenues from Inspections

Table 4 highlights the revenues from fees associated with inspections. Revenue is calculated by multiplying the fee by the number of inspections in a year. The percentage of total inspections is the percent of each inspection type of all inspections in a year. The total revenue from inspections in an average year is estimated at \$193,158.33. The final column outlines the percentage of the total revenue each inspection type represents.

Table 4: Revenue from Fees

Inspection Type	Fee (\$)	FY23-25 Average		Percentage of Revenue
		Average Revenue (\$)	% Total Inspections	
Blasting	250	10,250.00	1.16%	5.31%
Bonfires	50	150.00	0.08%	0.08%
DSS Facility 1-8	50	1,250.00	0.71%	0.65%
DSS Facility 9-20	75	6,475.00	2.44%	3.35%
DSS Facility 21-50	100	17,166.67	4.85%	8.89%
DSS Facility 51-100	200	34,933.33	4.93%	18.09%
DSS Facility 101-150	300	14,300.00	1.35%	7.40%
DSS Facility 151-200	400	7,066.67	0.50%	3.66%
DSS Facility 201+	500	6,000.00	0.34%	3.11%
Fireworks Retail Establishment	0	-	0.64%	0.00%

Flame Effects	300	3,500.00	0.33%	1.81%
Explosives Storage	250	416.67	0.05%	0.22%
General Fire Code Inspection	0	-	48.31%	0.00%
Hospital 1-50	300	5,800.00	0.55%	3.00%
Hospital 51-100	400	13,466.67	0.95%	6.97%
Hospital 101-150	500	11,666.67	0.66%	6.04%
Hospital 151-200	600	11,200.00	0.53%	5.80%
Nightclub 0-100	350	1,400.00	0.11%	0.72%
Nightclub 101-200	450	2,250.00	0.14%	1.16%
Nightclub 201-300	500	2,666.67	0.15%	1.38%
Private College Dorms 0-3500 sq ft	150	5,200.00	0.98%	2.69%
Private College Dorms 3500-7000 sq ft	200	7,266.67	1.03%	3.76%
Private College Dorms 7000-10000 sq ft	250	7,833.33	0.88%	4.06%
Pyrotechnic	300	22,900.00	2.16%	11.86%
Re-Inspection	0	-	26.19%	0
Total/Average	259	193,158.33	100.00%	100.00%

Cost of Conducting Inspections

The following provides information on direct costs incurred by the SFMO when conducting fire inspections. These costs include various factors to be considered, such as vehicle costs, information technology (IT) costs, and the wages of fire marshals, IT staff, and administrative staff. Fire marshals use vehicles to travel from one inspection site to the next. The SFMO receives support from the Department of Fire Programs IT to maintain and support operations and equipment for data systems such as the Division of Engineering and Buildings BITS system, inspections reported through Inspection Reports Online (IROL), and Imagetrend, a records management system for fire inspections conducted by the office. This technology is used to document inspections and maintain records. Staff wages contribute to the inspection itself, the processing of reports, and the maintenance of technology.

The SFMO determined the following factors impact individual inspection types. These factors are the average number of inspectors at an inspection, the number of hours spent at an inspection, and the number of hours it takes to travel to an inspection site. The SFMO found that there were on average 1.09 inspectors, inspections took 1.31 hours, and inspectors traveled for 1.39 hours. This is an average for the fiscal years 2023-2025

Using data provided from Imagetrend and the SFMO's Fiscal Year 2025 Budget, the average cost for the SFMO to conduct an inspection is \$267.90. The average cost of all inspections over the past three fiscal years is \$823,802.29. SFMO costs should be evaluated on an annual schedule that follows the SFMO annual budget process to evaluate the need for increase and compare the factors that set the hourly rate. It is recommended that the SFMO continues to

evaluate its policy concerning inspection reporting and budgeting to support an annual evaluation schedule.

Table 5 highlights the costs of inspections. The first column shows each inspection type. The second column demonstrates the percentage of total costs represented by each inspection type. The bottom number of the third column is the average cost of all inspection types, factoring in the frequency in which fire marshals perform those inspections. The last column shows total costs per year for each inspection type, with the bottom number showing total costs of inspections per year.

Table 5: Inspection Costs

Inspection Type	% of Total Costs	Average Cost Per Inspection (CPI)	Total Inspection Costs
Blasting	0.74%	179.7	7,367.51
Bonfires	0.06%	199.0	597.12
DSS Facility 1-8	0.37%	145.8	3,643.77
DSS Facility 9-20	1.30%	150.6	13,001.49
DSS Facility 21-50	3.20%	185.8	31,892.10
DSS Facility 51-100	3.67%	209.6	36,604.60
DSS Facility 101-150	1.35%	283.3	13,506.31
DSS Facility 151-200	0.56%	317.4	5,607.99
DSS Facility 201+	0.41%	343.2	4,117.94
Fireworks Retail Establishment	0.56%	247.0	5,598.48
Flame Effects	0.40%	342.1	3,991.74
Explosives Storage	0.03%	151.2	251.93
General Fire Code Inspection	57.77%	336.7	576,056.03
Hospital 1-50	0.91%	470.5	9,096.65
Hospital 51-100	1.19%	351.8	11,844.71
Hospital 101-150	0.69%	294.8	6,879.64
Hospital 151-200	1.23%	658.9	12,298.92
Nightclub 0-100	0.03%	76.5	306.05
Nightclub 101-200	0.08%	159.3	796.53
Nightclub 201-300	0.04%	79.5	424.00
Private College Dorms 0-3500 sq ft	0.80%	230.9	8,004.28
Private College Dorms 3500-7000 sq ft	0.47%	130.1	4,727.34
Private College Dorms 7000-10000 sq ft	0.71%	227.3	7,122.88
Pyrotechnic	4.66%	609.3	46,507.59

Re-Inspection	18.75%	201.6	186,974.95
Total/Average	100.00%	263.3	997,220.54

Revenue/Cost Analysis

Finally, Table 6 makes this comparison using average cost and revenue totals in a typical year. It is important to note that these total costs do not include some minor indirect costs associated with inspections, such as office supplies. It also does not include the costs of the entire SFMO.

Table 6: Total Profits

Inspection Type	Average Revenue	Average Costs	Average Profit
Blasting	10,250.00	7,367.51	\$2,882.49
Bonfires	150.00	597.12	-\$447.12
DSS Facility 1-8	1,250.00	3,643.77	-\$2,393.77
DSS Facility 9-20	6,475.00	13,001.49	-\$6,526.49
DSS Facility 21-50	17,166.67	31,892.10	-\$14,725.43
DSS Facility 51-100	34,933.33	36,604.60	-\$1,671.26
DSS Facility 101-150	14,300.00	13,506.31	\$793.69
DSS Facility 151-200	7,066.67	5,607.99	\$1,458.68
DSS Facility 201+	6,000.00	4,117.94	\$1,882.06
Fireworks Retail Establishment	-	5,598.48	-\$5,598.48
Flame Effects	3,500.00	3,991.74	-\$491.74
Explosives Storage	416.67	251.93	\$164.74
General Fire Code Inspection	-	576,056.03	-\$576,056.03
Hospital 1-50	5,800.00	9,096.65	-\$3,296.65
Hospital 51-100	13,466.67	11,844.71	\$1,621.96
Hospital 101-150	11,666.67	6,879.64	\$4,787.02
Hospital 151-200	11,200.00	12,298.92	-\$1,098.92
Nightclub 0-100	1,400.00	306.05	\$1,093.95
Nightclub 101-200	2,250.00	796.53	\$1,453.47
Nightclub 201-300	2,666.67	424.00	\$2,242.67
Private College Dorms 0-3500 sq ft	5,200.00	8,004.28	-\$2,804.28
Private College Dorms 3500-7000 sq ft	7,266.67	4,727.34	\$2,539.33
Private College Dorms 7000-10000 sq ft	7,833.33	7,122.88	\$710.46
Pyrotechnic	22,900.00	46,507.59	-\$23,607.59
Re-Inspection	-	186,974.95	-\$186,974.95
Total/Average	193,158.33	997,220.54	-\$804,062.21

General Fund Expenditures

The State Fire Marshal’s Office receives just over 80% of its operating budget from the General Fund, which by design, should provide a foundation for the office and fund the inspections of state-mandated facilities, such as public schools, public universities, and other state properties. No fee is assessed for inspections related to these mandated facilities. Although the current records management system does not separate state facilities from other commercial facilities under the General Fire Code Inspection category, most General Fire Code Inspections are in state facilities in which no fee is charged. The charge of this report, to examine fees charged for services, does not holistically examine General Fund dollars. However, the chart below shows marginal increases in General Fund dollars since SFMO was moved from the Department of Housing and Community Development to the Department of Fire Programs. As the Commonwealth expands infrastructure, including new buildings for state agencies and universities, the SFMO continues to see increased staff hours, and therefore increased costs, for General Fire Code Inspections during pre-construction, construction, and subsequent occupancy of state facilities.

Table 7: General Fund Allocations

Fiscal Year	General Fund Allocation (\$)	Allocation Adjusted for Inflation
2009	3,095,101	4,660,603
2015	2,910,209	3,939,595
2025	3,153,362*	-

Joint Recommendation of the Virginia Fire Service Board and the Board of Housing and Community Development

The analysis applied in this report was specifically focused on identifying potential options to alleviate the inspection program deficit via adjustments in fee revenue. While this recommendation represents steps towards reducing the deficit, it will not be sufficient to eliminate the deficit entirely. It is likely that a combination of the recommended fee adjustments and an increase in General Fund allocation will be necessary to do so.

Recommendation: Consider Charging Fees for General Inspections, Reinspection, and Fireworks Retailers in State-Responsible Localities

Certain fee categories identified in the report create a deficit for the State Fire Marshal’s Office (SFMO). Through the completion of the report, the agency noted that three of the categories produced most of the budget deficit. The fees with the largest deficits include General Fire Code Inspections, Re-Inspections, and Fireworks Retail Establishments. As noted, the office is responsible for 63 of Virginia’s 95 counties but cannot charge an inspection fee for any general fire code inspections, reinspection’s, or firework retailers inspected in these localities. In localities with their own fire marshal, these are common fees assessed.

Table 8: Largest Deficit by Fee Category

Fee Category	Current Fee	Percent of Deficit	Recommended Fee
General Fire Code	\$0	71.64%	\$250
Re-Inspection	\$0	23.25%	\$200
Fireworks Retail	\$0	2.94%	\$200

Note that the Imagetrend data collection program did not distinguish between mandated and nonmandated inspections prior to FY 2025. For FY 2025, the breakdown was approximately 17 percent nonmandated inspections and 83 percent mandated. The category of General Fire Code Inspections, for the purposes of this recommendation, would encompass any annual statewide fire prevention code inspection that is requested or conducted in a commercial occupancy where the State Fire Marshal is the authority-having-jurisdiction. The General Fire Code inspections that would be charged fees under this recommendation do not fall under General Assembly-mandated inspections. Rather, the fee would be charged for voluntary inspections that were requested for a commercial occupancy, either by the business owner or when a substantiated complaint for which code violations were discovered has been made.

Although this situates the office in a better financial position, it does not address the systemic issues that led to the inability for the fees to keep up with demands for inspections, as well as inflation that increases the cost of conducting inspections.