

**Pennsylvania Senate
Veterans Affairs and Emergency Preparedness Committee**

**Written Testimony of
The Keystone Chapter of the National Emergency Number
Association (Keystone NENA) and
The Pennsylvania Chapter of the Association of
Communications Officials (PA APCO)**

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**Title 35, Chapter 53, 911 Emergency Telephone Act
February 18, 2015.**

Chairman Vulakovich, Chairman Costa (other members of committee present), I am Brian Melcer, Director of the Lawrence County Department of Public Safety and the current President of the Keystone Chapter of the Emergency National Number Association (state-wide 9-1-1 association).

On behalf of our membership and the Pennsylvania Chapter of the Association of Communications Officials (PA APCO), I want to thank you for holding this hearing and asking our associations to provide testimony today.

We believe that providing 9-1-1 emergency services is one of the core functions of county government.

It has been over 47 years since the first wireline 9-1-1 call in the United States was made and almost 25 years since the initial 9-1-1 legislation was passed in Pennsylvania. Since that time telephony service has evolved to include cellular (wireless), voice over internet protocol (VoIP), satellite and now next generation 911 services (NG911).

While attempts have been made to revise the original 911 legislation in Pennsylvania, ACT78 (now Title 35, Chapter 53), to address these new technologies, it has not been fully successful. The surcharge amount for wireline has not changed since the original legislation was passed in 1990 (almost 25 years ago) and as everyone here knows wireline revenues continue to decrease each year. Wireless legislation was enacted to provide for a \$1.00 per line surcharge but this is less than the \$1.25 or \$1.50 that 3rd through 8th class counties may charge for wireline phones. The VoIP surcharge is also \$1.00 per line.

To put this into perspective, the 2012 Senate Legislative Budget and Finance Committee (LB&FC) report stated the \$1.00 wireline surcharge needed from 1992 would need to be \$1.72. This makes the \$1.25 wireline surcharge for 3rd through 5th class counties needed in 1992 to be \$2.15, and the \$1.50 wireline surcharge back in 1992 for 6th through 8th class counties to be \$2.58.

Additionally, each and every time a citizen or business switches from a land line phone to a voice over internet protocol (VoIP) or wireless phone, a 3rd through 8th class county's revenue is further reduced in addition to inflationary factor that I spoke about previously. These surcharges are almost always implemented after the technology has begun interfacing with the 911 system. 911 centers are constantly playing "catch up". Three examples of the funding crises counties are facing are:

Lancaster County

2014 Total Expenses: \$10,829,046.00

2014 Total 911 Surcharge Revenue: \$ 5,728,565.33

Total Deficit: 47.1% (\$5,100,480.67)

Erie County

2014 Total Expenses:	\$ 5,999,896.54
2014 Total 911 Surcharge Revenue:	\$3,115,726.00
Total Deficit: 48.08%	(\$2,884,170.54)

Elk County

2014 Total Expenses:	\$ 1,235,073.43
2014 Total 911 Surcharge Revenue:	\$ 636,210.29
Total Deficit: 48.49%	(\$598,863.24)

Counties are using general fund monies to balance their 911 budgets and have no additional funds available to implement next generation 911 or successor technologies.

To further complicate the issue, wireline and wireless surcharges have different rules and regulations determining what the surcharges can actually be used for, who collects it, and how and when it is distributed to the counties.

What has been created is a system of “silos” for 911 funding in Pennsylvania. Separate funding sources and separate rules and regulations for separate technology. This system of funding 911 centers is not only fundamentally inefficient but is fundamentally broken. We are running 21st century 911 centers on 20th century funding. Approved wireless funding

requests from Pennsylvania counties for wireless fiscal year 2013/2014 were \$238,612,895.00, while wireless fund revenues were \$115,896,731.00, creating a funding shortage of \$122,716,164. PEMA has taken steps to address this issue by including “life cycles” for equipment purchases. If a county request funding for a piece of equipment, they cannot request funding for that piece of equipment again until it has run its “life cycle” (example, 911 phone systems have a 5 to 7 year life cycle). ACT 9 was also enacted to eliminate the rollover of unpaid cost that would have functionally bankrupted the wireless fund in FY 2014/2015.

The 2013 annual report (latest information available) shows \$178,846,648.61 in 911 funds received and \$284,456,423.65 in eligible expenditures, leaving a deficit of \$105,609,775.04.

Note: The deficit is only for eligible expenses. Ineligible expenses were not captured and were paid for out of county general fund monies.

Additionally, many counties that used bond funds to pay for system upgrades do not report these expenditures to PEMA.

The Senate Legislative Budget and Finance Committee (LB&FC) studied the issue and released their report on May 23, 2012. APCO, CCAP, NENA and PEMA all met with the LB&FC to discuss ways to address the fundamental funding and operational issues facing 911 centers in Pennsylvania. So, what do we do? What are counties doing today? What about regionalization of technology? What about consolidation?

Regionalization of Technology

Our previous testimony discussed regionalization of technology projects that are taking place in Pennsylvania today. Simply put, it is counties sharing technology, including the capital and annual maintenance cost. Two projects are taking place today, one in northern tier of Pennsylvania involving 10 counties (and the WestCore project in western Pennsylvania involving 14 counties, of which Lawrence County is part.

While the IP networks for the Northern Tier and WestCore projects are initially designed for the Regional NG911 Telecommunications projects, these systems are also capable of providing transport and connectivity for systems including but not limited to, computer aided dispatch, geographic information systems, radio, emergency management functions

and being part of a state-wide ESInet, which is already built in the Northern Tier and WestCore counties and will continue to be built as other regional projects develop. The state-wide ESInet can be built through a regional approach. This network will allow for the regionalization of these and future technologies, saving money and increasing redundancy in a county's network and operations.

The initial northern tier telecommunications NG911 capable telephony and ESInet project is now completed. This project enabled the participating counties to use two (2) 911 telephony switches instead of ten (10) and are connected by a ten (10) GB fiber network. The results were a total capital saving of over two million, one hundred thousand, five hundred and fourteen dollars (\$2,100,514.28) and a yearly maintenance savings cost of over two hundred sixty one thousand, seven hundred and forty one dollars (\$261,741.03). While the total Northern Tier project is a great savings, it is less than two (2) percent of the total annual wireless revenue for wireless fiscal year 2014/2015 and less than one (1) percent of the total 911 surcharge revenue collected in calendar year 2013.

The WestCORE project is an initiative of the counties in Region 13 to share 9-1-1 telephony equipment. It is coupled with Region 13's effort to build a regional ESInet using fiber and microwave connections between the counties. These counties have completed phase I of the ESInet project, which has provided either microwave or fiber connectivity to all counties. The ESInet is currently in phase II – which is expanding the fiber connectivity to counties who were initially on microwave, and providing additional backup microwave for other counties. The 9-1-1 telephony project is successfully installed in the three host counties and two remote counties. Through regionalizing the host equipment from one per county down to 3 in the entire region, these counties have realized a cost savings of over four million dollars (\$4,000,000.00).

Additionally, annual maintenance costs are projected to be 50% of the original costs. The entire Region 13 ESInet, including WestCORE, shared radio, and EOC systems is anticipated to save the counties and their 9-1-1 and general funds eleven million, one hundred thousand dollars (\$11,100,000.00) in up front capital costs and just over one million dollars (\$1,000,000.00) in annual operations costs. This is aside from future applications that the Region 13 Counties intend to share such as computer aided dispatch, digital recording and additional radio consolidations. The

Region 13 ESInet is also unique in that since we already had tremendous partnership between all counties, including both emergency management and 9-1-1 systems, we have been able to blend federal funding sources with existing state and local ones to further lighten the financial impact to the counties. The Northern Tier Regional NG911 Telecommunications and WestCore projects are a prime example of counties and regions migrating from the individual silo model to working together to create a regional network and improving technology and operations while saving cost.

Incentivizing projects such as these with a higher percentage of funding is one way to promote them. An example would be, if two counties agree to share technology, the project could be funded at 75%, if three or more counties agree to share technology, the project could be funded at 100%, as long as it is a cost saving project.

A percentage of the savings from regionalization of technology projects could be allocated to PEMA to encourage these projects with the additional funding I just spoke about.

Note: Under the current funding model, there is very little funding available to incentivize projects.

Consolidation

Pennsylvania already has a consolidated 911 system, with approximately one PSAP per county.

“PER CITIZEN PSAP” DATA:

State	Approx. Citizens per PSAP	# PSAPS	# Counties
PA	185,000	69	67
OH	36,000	318	88
WV	33,000	53	55
NY	98,000	185	62
MD	247,000	24	23
NJ	51,000	203	21
DE	102,000	9	3

With this said, voluntary consolidation, not mandatory consolidation is one option. Examples of this today are Cameron County and Elk County, Forest County and Clarion/Venango County, Potter County and Tioga County and Sullivan and Lycoming County. Each of the 8th class counties contracts with their neighboring county for 911 call taking and dispatching services.

While consolidation seems like a quick solution to saving money, this important decision needs to be made at the County level after a detailed needs assessment is completed. Many factors need to be considered when contemplating

consolidation, including connectivity and integration of technologies.

Service levels must be addressed, including governance, standard operating procedures, staffing levels, etc.

Once these and other items are identified, a cost benefit analysis can be completed to determine what the initial capital outlay will be for the consolidating counties, as well as the annual cost of running a consolidated center.

We believe that regionalization of technology projects will, in the long run, lead to voluntary consolidation (once you prove that you can share technology across borders, it will ease the transition to consolidation).

Two Important Notes:

While technology is important, all the technology in the world will not help if 911 Centers don't have a qualified person to answer the call. Sometimes this is missed when discussing 911.

Also, there are still “remote dispatch points” in Pennsylvania that do not fully participate in some County’s 911 systems.

These may be a police department, EMS service, or fire department, etc. It is imperative that these remote dispatch points meet the same training, certification and quality assurance standards that each and every 911 center in Pennsylvania meets each and every day. To ensure these remote dispatch points meet these standards, PEMA should be granted oversight responsibilities for them, just like the currently have for Pennsylvania's 911 centers.

But even with regionalization of technology and voluntary consolidations, Pennsylvania's 911 system is still systematically broken and must be fixed by a re-write of the 911 legislation. Items that must be addressed in any new legislation include:

Point #1 – Transparency

- Several examples were cited where in the past PEMA has taken measures without oversight. PSAP leaders are naturally uneasy placing formulaic and oversight powers to PEMA (with only consultation of a 911 Board). Since this now would account for 100% of PSAP funding, PA APCO & PA NENA feels that there are some areas that must be made transparent:

- 911 board meetings and actions – Our memberships request that the 911 board meetings should be subject to the Sunshine Act. We would strongly support language that would ensure that counties and their PSAP managers have the ability to review the minutes of the meetings on a regular basis and having them posted on a web site.
- PEMA oversight of funding formula – Our memberships would like to see language that would require PEMA to present the accounting of 911 funds – namely the 2% administration portion, 8% interconnectivity portion and 15% regional project portion outlined in the proposed legislation. One option suggested for presentation would be in the annual report to the Governor.

Point #2 – 911 Board Makeup

Our membership welcomes an active and working 911 board. However, we feel that some key points should be considered in legislation concerning the establishment of the advisory board:

- Need for diversity of 911 board members – We feel strongly that the legislation should require a 911 board that represents an accurate cross section of the 911 stakeholders in Pennsylvania. Language should include:

- o Geographic diversity – There should be representation from the east, central, and western regions of the state.
- o County demographic diversity – There should be representation from small and large, rural and urban PSAPs and counties.
- o Language should also be drafted to prevent a county commissioner and a PSAP director from the same county serving on the 911 board.
- o Language for Home Rule Counties – language referencing “Commissioner” should include “County Executives” or other representatives from home rule counties.
- o PSP on 911 Board – NENA does not feel that PSP should be represented on the 911board. County 9-1-1 centers deal with many local and county law enforcement agencies, with PSP just being one of them. PSP is specifically exempt from certain portions of current and proposed legislation and maintains their own dispatch system which we have no oversight over—thus, we do not see the importance of them serving on a 911 board of County and City 9-1-1 centers. Any interactions necessary between counties and PSP regarding state radio issues should be started at the PEMA level. Any interactions between PSP and counties regarding CLEAN or NCIC should be done directly from PSP to individual counties.

Future Technology

Point #3 – Future Technology

There is a consensus on the importance of a placeholder to charge the 911 Board with developing a plan to capture revenue from future technology that can access 911.

Preferably, this legislation would capture all potential call flow technologies and devices upon enactment. One of the flaws with current legislation is that we have been constantly chasing new technology with legislation. However, at least with a placeholder to allow for further study, we would have the opportunity to work with other stakeholders to develop a plan to capture new technologies or develop per device fees.

Point 4 Surcharge, Rules & Regulations

- A single, technology agnostic surcharge of **\$2.00** on all technology (current and future) that can access the 911 system. The surcharge needs cover the true cost of 911 in Pennsylvania (911 Centers not only answer and dispatch 911 calls; they have significant other duties and responsibilities). We should mention that at most is it \$12.00 per year increase and at the least a \$6.00 per year

if you had an 8th class county land line of (\$1.50). This is less than the cost of a 1 GB data overrun on you cell phone bill.

- A clear, concise set of rules and regulations that are technology agnostic
- A clear, concise collection and **a to be developed** distribution method for 911 surcharge revenues
- A funding cycle that is based on a county's fiscal year, not the state fiscal year
- A strong audit component to ensure funds are spent only for eligible items and to ensure all 911 revenues are collected
- Incentivize voluntary regionalization of technology
- Incentivize voluntary consolidation of 911 centers & systems
- A streamlined reporting process. There are far too many rules, reports, guidelines, reconciliations, etc. that are of minimal use and cost the counties thousands of dollars a year in man hours to complete
- A team approach where PEMA and the 911 Board in consultation with the counties, APCO and NENA recommends operational and technology standards for PSAP's (who knows 911 better than the County 911 Centers and the people who set the national standards)

- A stronger 911 board who can provide subject matter expertise to PEMA on current and future operational and technology standards.

APCO, CCAP, NENA and the carriers have met multiple times over the last 6 months to discuss these issues and to come to an agreement on the legislation in front of you today. The draft bill has been sent to PEMA for review and comment. The only issues that need agreement are the final 911 surcharge amount and the final funding distribution model. We look forward to working with the committee and the carriers to finalize these two open items.

While the 911 system may be in crisis mode, it is still salvageable. The Pennsylvania Chapters of APCO and NENA stand ready to assist the legislature and PEMA with solving this crisis.

We would be happy to address any questions you may have.