

# Senate 911 Proposal

1. How did we get here?
2. Evolution of funding - complex design
3. Simple design that adapts to the environment not technology
4. Turn full funding control over to the counties this gives them authority and accountability
5. PEMA oversight - Auditor General audit - dollars only for 911 purpose not general fund.

- The ability to gain immediate access to emergency dispatching of police protection or life safety, is a benefit to each and every individual. It is an important, valuable and fundamental function of local government.
- Pennsylvania's 911 program began formally in 1990, and today Pennsylvania's telephony providers collect several separate surcharges/taxes/fees to fund 911 operations in the Commonwealth.

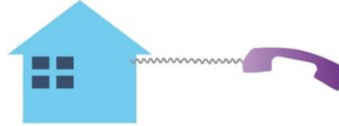
**How did we get here – A brief  
recap**

# Current **9 1 1** Funding System

WIREFINE

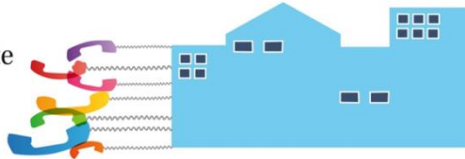
## Counties may impose a contribution rate of each wireline:

- Class A – not to exceed \$1.00 per line
- Counties 3rd-5th class – \$1.25 per line
- Counties 6th-8th class – \$1.50 per line  
(Smaller counties are allowed to charge more.)



## Multiple Line Systems (wireline)

- First 25 lines pay the full approved rate
- Next 26-100 lines pay 75%
- 101-250 lines pay 50%
- 251-500 lines pay 20%
- 501 + lines pay 17.2%



- Phone companies collect and remit wireline fees directly to counties.
- Phone companies are permitted to keep 2% for administrative fees.



## VoIP (Voice Over Internet Protocol)

- \$1.00 fee per month for each telephone number or successor dialing protocol



## Multiple Line VoIP system

- First 25 lines pay the full approved rate
- 26-100 pay 75% of approved rate
- 101-250 pay 50%
- 251-500 pay 20%
- 501 + pay 17.2%



- Fee to phone company to state treasurer or county
- If remitted to state treasurer, state may collect 1% to administer
- If remitted to county, county may keep 2% to administer



VOIP

## Wireless

- \$1.00 per month on each wireless device (cell phone)



- Fee is collected by wireless provider and remitted to PEMA; PEMA disseminates back to counties in a non-formula-based method. Counties submit their requests; if on eligibility list, PEMA usually approves the requested funds; PEMA can keep 2 percent for administrative fees.



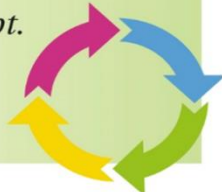
WIREFINE

## Prepaid

- \$1.00 fee charged per transaction no matter where transaction occurs



- Retailer can keep up to 3% for administrative costs
- Retailer collects, sends to Dept. of Revenue, who sends to PEMA, who disburses to counties.



PREPAID

- PA currently collects the highest per capita fee for 911 in the country and is second to Texas in the gross amount of dollars that are collected for 911.
- PA with a population 1/3 the size of California and less than half the size of Texas will collect more tax dollars from its residents in the name of 911 than any state in the country.
- Reasons such as the lack of supervision, lack of audit and no accountability have been cited as huge cost drivers – not unlike the way many view our current education system.

**It is pretty clear – we don't have a funding problem. We have a problem with spending and no accountability.**

- PSAP costs in PA have been increasing because many PSAPs now do much more than answer emergency 911 calls.
- In addition to the gradual absorption of the dispatching function, PSAPs are also involved in a host of other duties not directly related to answering a 911 call
- All of this data can be found in the comprehensive study that the LBFC conducted (included in your packet)

## PSAP - Public Safety Answering Point

**Are these truly 911 expenditures or should they be absorbed by the county government via their general fund?**

- Since 1990 the Act has been amended numerous times as technology has changed.
- We added a tax for VoIP, we added a tax for cell phones and we added a tax for prepaid cell phones and the minutes that are used.
- Some have proposed we impose a percentage based fee on broadband. According to the federal Net 911 Act of 2008 this can't be done.

## Evolution of Funding

- Wired
- Wireless
- Prepaid
- Chasing technology
- Complex design
- Technology moving faster than legislative changes



- In PA surcharges are collected from customers utilizing wire line and wireless phones, including both postpaid and prepaid phones and minutes, as well as Voice over Internet Protocol (VoIP).
- Surcharges rates generally vary from \$1.00 to \$1.50 per month, depending on the type of technology and service plan.
- Wide-ranging debate during the last 2 years --- focus by CCAP and PEMA has been to continue to chase technology. Up until this past year, Commissioner Cannon fought to capture every device that accesses 911.

**A race that can't be won**

- Not only is broadband federally protected from being taxed (with the exception to allow VoIP calls to be taxed for 911) the thought of how to collect these taxes from consumers is mind boggling at best.
- There are now devices on Under Armour t-shirts that monitors your vital signs and will call 911 if you are in distress.
- It is impossible to keep up with technology.
- We need a simpler plan.
- We need to stop analyzing the current funding mechanism
- Throw it away and just start over.

**Technology will always move faster than legislative action**



Simple design that  
adapts to the  
environment...  
not technology

A plan that has a  
reliable and  
accountable funding  
source

**So how do we do it...**

- Authorizes counties to impose a fee on a per occupied housing basis up to \$52 per residential address annually
- Seniors 65 and older will get a 20% discount on the 911 user fee assessed.
- The Counties will also assess a business fee imposed on a per employee basis on a sliding scale.

## **County Commissioners Impose a 911 User Fee**

- Prior to the effective date, a list of all adult residential properties, will be established using the current per capita collection process we passed 3 years ago.
- Using the existing lists that municipalities have, determine the number of persons employed at each commercial property.
- Using the lists municipalities will collect the fee using local tax collectors or municipalities. The fee will be collected quarterly and separately from any other fee.
- This is not a property tax.

## **Collection of the 911 User Fee**

- Municipality remits the 911 user fee to the County.
- County remits 4% of the fund to PEMA
  - 2% for grants, regionalization and other 911 activities
  - 2% PEMA administration costs

## **Remittance of 911 User Fee**

The 911 fee telephony structure will be phased out over three years:

- 2016 the fee will remain on average of \$1.06
- 2017 the fee will reduce to \$.75
- 2018 the fee will reduce to \$.35
- 2019 and each year thereafter the fee be eliminated
  - Dollars to be used for grants, regionalization and other related 911 activities by PEMA.

**Phase Out of Technology Fee to Encourage Operational Efficiencies**

- To increase accountability and transparency there will be an annual audit.
- Audit findings will be reported to the legislature.
- Provides an overall picture of the health of the 911 funding system.

**Accountability and Transparency**

Factor	Number	911 Fee	Revenue
Total Housing Units without 65+ Householder 2013	4,309,116.00	\$ 52	\$ 224,074,032
Housing Units with 65+ Householder 2013	1,256,041.00	\$ 42	\$ 52,753,722
Employer contributions	2,315,887.00	\$ 12	\$ 45,557,773
Total			\$ 322,385,527
PSAP Expenditures 2012 *			\$ 276,441,096
PSAP Expenditures 2013 **			\$ 284,456,424
*(911 Annual Report CY 2012, page 11)			
** (911 Annual Report CY 2013, page 11)			

Chart Reflects Total Revenue After Phase Out

## Estimated Statewide Impact of Senate 911 Funding Proposal