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## FISCAL IMPACT REPORT

ORIGINAL DATE 03-04-09

SPONSOR Lundstrom LAST UPDATED \_\_\_\_\_ HB 773

SHORT TITLE 911 Service Answering Points and Agreements SB \_\_\_\_\_

ANALYST Aubel

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		(.01)*	(.01)*	(.01)*	Recurring	Municipalities

(Parenthesis ( ) Indicate Expenditure Decreases)

\*See Fiscal Impact

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 773 defines a “consolidated” Public Safety Answering Point (PSAP), establishes consolidation as a condition for receiving grants from the Enhanced-911 fund, establishes the authority of the Local Government Division of the Department of Finance and Administration to require consolidation in statute, and clarifies the use of email for administrative purposes and not for emergency response.

### FISCAL IMPLICATIONS

According to DFA, PSAP consolidation has saved an estimated \$17 million in capital expenses for the Wireless Rollout Project because of the economies of scale attributable to fewer PSAPs. Operating expenses are also less. Conditioning the edibility to tap into the Enhanced 911 fund on implementing a single dispatch unit on a regional basis conserves the fund by not duplicating costs.

Areas with more than one PSAP would become ineligible to draw upon these grants, requiring the local political subdivisions to fund both capital and operating expenses for emergency response from other sources—which would essentially flow to the local taxpayer. If the regions

with more than one PSAP consolidated as encouraged by this bill, certain expenditures would qualify for the E-911 grants, lowering the overall cost and the outlay to the taxpayers. The amount is indeterminate.

## **SIGNIFICANT ISSUES**

DFA provides the following background information:

The PSAP consolidation effort began in 2002. At that time there were 72 PSAPs in the state. Through consolidation, this number has been reduced to 46. This reduction in number impacts capital expenses as well as day to day operating costs to the E-911 fund such as training, equipment maintenance and network and database. DFA estimates that the E-911 fund saved \$17 million in capital expenses on the Wireless Rollout Project because of fewer PSAPs.

PSAP consolidation provides more efficient emergency service to citizens. Callers have only one call to make to obtain police, fire or emergency medical services (EMS). In a case of a major incident, having all agencies represented in a consolidated center provides well coordinated responses to emergencies among dispatchers.

There are other benefits to PSAP consolidation. Economy of scale in staffing improves scheduling and reduces personnel costs. It also facilitates career development and a career ladder for staff at E-911 call centers. Communications functions are becoming increasingly technical and complex. PSAPs require highly skilled staff to operate efficiently. Larger, consolidated centers are able to hire and develop professional dispatchers, supervisors, directors, IT and other support staff who are experts in the field.

Consolidation increases funding opportunities. The consolidated PSAP, as an independently funded entity, has a better opportunity to achieve its overall budget than when operated through the Police and Fire Departments where PSAPs must compete for their share of local Law Enforcement and Fire Department budgets. Consolidated PSAPs may pass a local ordinance per Section 7-20E-22 to impose a .25% gross receipts tax to supplement their operating expenses.

One county area remains unconsolidated. Passage of this legislation confirms LGD's authority to require PSAP consolidation.

HB 773 amends Section 63-9D04.1 to clarify that email is required at a PSAP for administrative communications only. The current statute could be interpreted to require a PSAP to respond to E-911 text messages asking for help. That technology is not available today.

## **PERFORMANCE IMPLICATIONS**

PSAP consolidation will provide more efficient E-911 call response and dispatch functions.

## **ADMINISTRATIVE IMPLICATIONS**

The bill will promote fiscal responsibility for the E-911 fund by eliminating duplicating costs at

the local level. DFA also states that HB 773 simplifies the management of the E-911 fund, reducing its administrative costs.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

DFA will continue to require PSAP consolidation by rulemaking. DFA also points out that without clarifying current statute, language could be interpreted to require PSAPs to respond to text messages asking for help. Because this technology is not currently available, PSAPs may be out of compliance with the law.

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