

Funding Subcommittee			
Region/Entity	Name	Type	Attended
NECORE	Fred Rosencrans, Luzerne	Primary	Y
NECORE	Todd Weaver, Northampton	Alternate	Y
North Central	Dave Cohick, Tioga	Primary	Y
North Central	Andrew Kremser, Clinton	Alternate	Y
Northern Tier	Chris Clark, Jefferson	Primary	Y
Northern Tier	Nate Burgett, McKean	Alternate	Y
South Central	Matt Hobson, York	Primary	Y
South Central	<i>Vacant</i>	Alternate	
South Central Mountain	Mark Taylor, Blair	Primary	Y
South Central Mountain	Chris Stevens, Huntingdon	Alternate	Y
Southeast	Brian Gottschall, Berks	Primary	Y
Southeast	Kelly Collins, Philadelphia	Alternate	
Southwest	Gary Thomas, Allegheny (Chair)	Primary	Y
Southwest	Frank Jannetti, Mercer	Alternate	Y
CCAP	Melissa Gates/Brianna Petitti	Advisory	Y
PEMA	Jeff Boyle	Advisory	Y

1. Finalize NG911 Service Enhancement Review Process:

- PEMA worked with the Funding Subcommittee to establish a framework to review NG911 Service Enhancement Requests to ensure changes to the NG911 system are made in a planned, coordinated, and financially sustainable manner. Categorize Inputs – Final opportunity to offer examples before including the process in the 2023 911 Program Guidance document

Funding Subcommittee Discussion:

- The last item to finalize in the NG911 Service Enhancement Review Process was to provide examples of submissions that may fit into the 4 categories to categorize requests (i.e., Must Have, Should Have, Nice to Have, and Not Supported).
- No examples will be cited in the process/Program Guidance to not set expectations for decisions or limit decision making abilities. Rather examples may be provided as NG911 Service Enhancement requests work through the process.
- A suggestion was made to ensure there is flexibility to consider emergency situations. These types of situations are addressed in the process.
- The NG911 Service Enhancement Review Process is finalized and will be included in 2023 Program Guidance.
- Counties will see two primary changes in the 2023 911 Program Guidance

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1. NG911 Service Enhancement Review Process
2. Quarterly Progress Reporting on 15% grants (expected to be released in the 3rd quarter of 2023)

2. 911 System Plan Reviews:

Funding Subcommittee Discussion:

- 40 counties have submitted 911 System Plans to date
- Remaining counties have asked for extensions primarily until 10/31 and PEMA is encouraging these counties to submit these plans as soon as possible as they are important for planning/budgeting 15% funds.
- 911 Office staff is currently reviewing 911 system plans and completes a preliminary review of roughly 1-2 county plans a day.
- County plans are being grouped together for review by region
 - This approach is allowing us to get a complete picture of future plans, especially items for 15% funding consideration
- As we complete our reviews, call will be set up with each county to discuss the plan and identify any additional info needed.
- Goal is to have all reviews completed before the end of the year

3. LBFC Report:

- The LBFC released their report on Pennsylvania's 911 system last month. The report covers a variety of topics related to 911 service in PA. The Funding Subcommittee discussed items in the report related to funding from a statewide perspective.
- **SECTION II: BACKGROUND INFORMATION ON PENNSYLVANIA'S 911 SYSTEM**
 - The section is focused on background information about Pennsylvania's 911 system and include comparison of PA to other states based on FCC reporting.
 - It is important for stakeholders to understand an equal comparison of state 911 Programs does not exist
 - Subcommittee members discussed differences among states. Surcharge rates, eligibility rules, reporting requirements, and 911 programs vary by state across the country.
 - Pennsylvania has implemented standardized financial reporting processes that require all costs for 911 service, regardless of funding source, be included in annual financial reports. Other states may have less inclusive financial reporting processes or more restrictive eligibility rules to meet their particular circumstances. As a result of these differences, revenue and reported costs for 911 may appear less in those states than in PA.
 - Based on differences among State 911 programs, PEMA would argue that Pennsylvania provides the most complete picture of costs it takes to provide 911 service compared to other states. Examples discussed:
 - California has \$.30 911 surcharge rate but does not fund personnel, CAD, facilities, or radio with the surcharge. When CA reports 911 costs, it

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represents a fraction of costs to provide 911 service. It is anticipated if California had the same reporting requirements as Pennsylvania, their reported costs would be much higher than PA.

- NY has some similar eligibility rules and reporting requirements to PA. The cost to provide 911 in NY in 2020 was \$1.1 billion compared to \$415 million in PA. Discussion focused on if other states reported 911 costs in the same manner as PA that cost totals in many states would likely be higher than PA. Understanding differences among states would show Pennsylvania has been an effective steward of 911 funding.
- **SECTION III – STATEWIDE 911 PROGRAM REVIEW**
 - Section is focused on revenue and highlights 911 revenue increased 66% as a result of Act 12.
 - The additional revenue has greatly helped to address funding gaps and improve 911 service in Pennsylvania. But it is important to understand key details beyond the revenue increase provided by Act 12.:
 - Prior to Act 12, counties were contributing a significant amount of revenue above the 911 surcharge to support 911 service. In 2014, counties contributed \$106,458,995 above the 911 surcharge.
 - 911 surcharge revenue increased by less than 1% (0.73%) under Act 12
 - The two largest revenue producers (wireless and VoIP) have consistently decreased from 2016 – 2020.
 - Wireless revenue did realize a 5% increase in 2021 but it remains to be determined if this is an anomaly from the pandemic.
 - States have implemented higher surcharge rates than Pennsylvania
 - Alaska – Up to \$2.00
 - Alabama - \$1.86
 - Colorado - \$.70 - \$3.00 per line, per month
 - Illinois - \$5.00 within the City of Chicago
 - Michigan – Up to \$3.25
 - States have also implemented % based models
 - Vermont - All percentage-based model – 2.4% of customer charges
 - Many states have implemented a % based model for prepaid wireless
 - Arkansas – 10% per transaction on prepaid wireless transactions
- **SECTION IV: REVIEW OF COUNTY PUBLIC SAFETY ANSWERING POINTS**
 - The report shows 911 Call Volume Decreased by 15% between 2016 – 2020.
 - While call volume is not tied to funding, it is important to explain the decrease reflected in the report, so stakeholders understand that workload is not decreasing for the PSAPs
 - Under Act 12 PSAPs have been able to improve call volume and financial reporting capabilities. In 2017, we identified some anomalies in the reported figures that have since been addressed in subsequent years.

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- 11 PSAPs call volume decreased greater than 20% between 2016 – 2017 as a result of resolving reporting issues. The highest % decrease was 1,051%.
- 911 call volume is consistent from 2017 - 2020.
- It's important to note these figures only represent calls coming in over the 911 system. PSAPs have much activity occurring outside of the 911 system (i.e., alarm calls, administrative line calls, etc.) that continues to add significantly to PSAPs workloads.
- The LBFC recommends adding requirements to the legislation that requires PSAP staffing and call processing metrics to be included in the Annual Report PEMA provides to the General Assembly.
 - While personnel and call processing metrics are included in current reporting requirements, PEMA, working with the Subcommittee/Board, would need to identify any new data elements to include.
- The LBFC recommends PEMA & counties continue to use 15% funds to support the NG911 system and cost sharing opportunities
 - No change needed. PEMA is dedicated to continued planning and coordination of statewide interconnectivity funds with the 911 Advisory Board and counties to support Pennsylvania's NG911 system, cost sharing opportunities, and 911 system improvements.
- **SECTION V – OPPORTUNITIES/CHALLENGES FOR THE 911 SYSTEM**
 - **Annual Expenses:** The report indicates total 911 system costs in PA increased by 23% from 2016 – 2020.
 - It is important for stakeholders to understand that 4 counties had significant radio and/or facility projects that added \$38.5 million to other expenses in 2020. Backing out these rare, one-time costs would reduce the % increase from 23% down to 11% from 2016 – 2020.
 - Information helps to illustrate a couple of key points:
 - Overall, PA has been a good steward of 911 funds where nationally costs have increased by 62% from 2016 – 2020.
 - Reporting requirements have an impact on comparisons of 911 revenue and expenses among states.
 - **Proposed Funding Formula Change:** The LBFC recommends PEMA implement a formula primarily based on population and , if necessary, PEMA should continue to use 15% funds as a temporary offset to revenue losses from a formula change.
 - First, PEMA understands the concerns of counties seeing a revenue decrease from a formula change. PEMA will continue the practice of using 15% funds to offset losses in 2023 and future years until there is a revenue increase (such as an increase to the surcharge rate) at which time the approach would be evaluated for continuation.
 - But PEMA has been clear we would continue to use 15% funds for this

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purpose as long as there is a change to the formula.

- There was significant discussion about the formula topic in the subcommittee. To summarize the discussion at a high-level:
 - The formula issue has been ongoing for many years and needs resolved.
 - Chapter 53 gives PEMA the duty of establishing formulas.
 - The prior membership of the funding subcommittee arrived at the same conclusion as the LBFC of having a formula primarily based on population.
 - With the use of 15% funds to offset losses and no county seeing a decrease, PEMA is focused on resolving the formula issue and updating the formula as soon as possible with a new formula being implemented by March 31st.
 - The formula will primarily be based on population and PEMA is content with implementing the previous formula recommendation from the Funding Subcommittee based on the time and effort spent evaluating factors and formula models to develop the recommendation.
 - 3% equal distribution; with the remainder distributed by 97.5% population and 2.5% population density.
 - However, funding subcommittee members would like the opportunity to evaluate other factors to include in the formula.
 - PEMA is fine with reviewing additional factors to adjust the recommended formula as long as clear criteria is defined for factors to be considered and an evaluation process is defined that results in the identification of a new formula and PEMA implementing a new formula by 3/31/2023.
 - Next steps:
 - Counties should submit factors and/or models to PEMA as soon as possible.
 - Factors must have reliable and complete data to be considered.
 - A timeframe for submission will be established
 - PEMA will develop a draft of the evaluation process
 - Based on duties assigned to PEMA in Chapter 53 and no county seeing a revenue decrease as a result of a formula change, it is not anticipated that a *Vote to Recommend Action* to PEMA by the Board will be relied upon to implement a new formula.
- Other discussion points related to the formula:
 - Roughly 1/3 of annual 15% revenue is needed to offset 83% formula concerns each year. Currently, 90% of annual 911 revenue is being distributed by formula.
 - Long-term use of 15% funds to offset revenue losses may result in 15% funding actions, such as implementing a cost share or certain

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- projects not being funded, in order to maintain the ability to invest in system improvements, future technologies, and regionalization.
- **Regionalization and Consolidation:** The report focused on opportunities for counties to experience cost and operational efficiencies through consolidation and regional collaboration.
 - Pennsylvania has a consolidated 911 system compared to states of similar size. For example, PA has 61 operational PSAPs today:
 - CA – 387
 - TX – 501
 - IL – 184
 - NY – 150
 - OH – 148
 - Since 2016, 4 PSAPs have consolidated. In addition, there are groups of counties from all across Pennsylvania that have come together to share 911 system technology
 - **Remote Dispatch Points:** The report states the General Assembly should consider whether remote dispatch centers should be required to connect to the statewide ESInet as part of the reauthorization of 35 Pa.C.S. Ch. 53.
 - The recommendation generated questions within the subcommittee.
 - Enhancements/additions to the ESInet must be completed in planned, coordinated, and financially sustainable manner.
 - It would need clarified what entities are meant by remote dispatch points to determine if connection is necessary.
 - It would also need defined as to who is responsible for the costs. If the expectation is for the 911 fund to cover the costs, the recurring and non-recurring costs would need to be considered in the reauthorization of the legislation.

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