

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

1. Funding Subcommittee 2022 Objective #3 – Distribution Formula Review:

Background:

Act 12 requires the formula to be reviewed every two years (§ 5306.1). A review of the formula is required to be completed in 2022 to determine any changes to the formula. At a high level, common concerns expressed to PEMA about the current formula are that it is outdated, and it carries forward carries revenue distribution issues that existed in the Wireless 911 Program prior to Act 12.

In 2020, the 911 Advisory Board Funding Subcommittee completed a multi-year review of the funding formula issue (See Funding Subcommittee Recommendation document). In 2022, the Legislative Budget & Finance Committee completed a performance audit of the 911 system (<http://lbfc.legis.state.pa.us/Resources/Documents/Reports/721.pdf> - See pages 142 – 151).

Both parties made a recommendation for PEMA to adopt a formula with population as the primary factor.

Funding Subcommittee 2022 Objective #3:

Assist PEMA with defining a solution that addresses concerns with the current formula based on 2010 – 2014 data and concerns with counties seeing a reduction in formula revenue.

To address concerns with counties seeing a reduction in formula revenue, PEMA has committed to using 15% funds to offset revenue decreased in 2023 and in future years until there is a

Please note: The role of the 911 Advisory Funding Subcommittee is to provide advice and recommendations to assist PEMA with 911 Program funding related activities. Minutes reflect items discussed during 911 Advisory Board Funding Subcommittee meetings. Actual 911 Program policies or decisions made by PEMA may differ from items discussed or reflected in the minutes.



revenue increase (such as an increase to the surcharge rate) at which time the approach of using 15% funds for this purpose would be evaluated for continuation.

The remaining portion of Objective #3 to address is defining a solution that addresses concerns with the current formula. As discussed in the 10/26/22 Subcommittee meeting:

- *The formula will primarily be based on population*
 - *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.*
 - *However, funding subcommittee members would like the opportunity to evaluate other factors to include in the formula.*
- *PEMA is fine with the subcommittee 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*

Subcommittee Discussion:

- There was much discussion related to the end-goal of the formula review process. Perspectives varied among subcommittee members and items discussed include:
 - Will the review address revenue distribution discrepancies among counties
 - Items that caused revenue distribution differences among counties
 - Does using 15% funds to offset losses address concerns with the formula?
 - Previous work of the subcommittee
 - Legislative language regarding 15% and 2% funds
- From PEMA's perspective:
 - The use of 15% to offset losses is necessary to make progress with updating the formula.
 - Fully addressing concerns with the formula will be a long-term process
 - Updating the formula while using 15% funds to offset losses at least sets the expectation for how funds may be distributed in future years.

Discussion Items:

- *Establish criteria for additional factors to adjust the recommended formula.*
 - *Factor must be based on objective data*
 - *Factor must have complete data for each county*
 - *Data must be collected in a consistent manner by county*
 - *In general, a factor should not be used that encourages a county to take a specific action in order to increase revenue share*
 - *Thoughts? Suggestions? Changes? Concerns?*

Subcommittee Discussion:

- A question was asked to clarify the 3rd bullet point "Data must be collected in a consistent manner by county. An example used to explain the intent of the language was cost of living. There are different ways to calculate cost of living. Should such a factor be used, it would be important to ensure the data is reliable and the calculation is consistent among all counties across Pennsylvania

Please note: The role of the 911 Advisory Funding Subcommittee is to provide advice and recommendations to assist PEMA with 911 Program funding related activities. Minutes reflect items discussed during 911 Advisory Board Funding Subcommittee meetings. Actual 911 Program policies or decisions made by PEMA may differ from items discussed or reflected in the minutes.

- The subcommittee discussed pros and cons of a variety of factors such as public agencies dispatched, square mileage, personnel costs, and other factors.
- There were no changes identified to the criteria for a factor to be used in the formula.
 - *Draft Framework for Implementing a New Formula for Discussion:*
 - *If the subcommittee identifies one formula model that adjusts the previous formula recommendation and all 7 primary members support it, PEMA will implement it as the new formula.*
 - *If the subcommittee is unable to identify one formula model that adjusts the previous formula recommendation, PEMA will implement previous recommendation of the Funding Subcommittee based on duties assigned by Act 12. Please keep in mind PEMA will continue to use 15% funds to offset losses and the legislation reauthorization will provide stakeholders an opportunity to address formula concerns.*
 - *Thoughts? Suggestions? Changes? Concerns?*

Subcommittee Discussion:

- One member has worked on putting together a spreadsheet that includes a variety of factors and can be used to simulate a variety of models. The spreadsheet will be shared with the subcommittee
- Subcommittee members are encouraged to share factors and or formula models
- Any suggested models will be reviewed in upcoming meetings
- From PEMA's perspective, if the subcommittee can reach an agreement on a formula model, we will implement it. Otherwise, PEMA will move forward with implementing the previously recommended formula model. Please keep in mind 15% funds will be used to offset losses a county would see from a formula change.

2. New Business: None discussed

Please note: The role of the 911 Advisory Funding Subcommittee is to provide advice and recommendations to assist PEMA with 911 Program funding related activities. Minutes reflect items discussed during 911 Advisory Board Funding Subcommittee meetings. Actual 911 Program policies or decisions made by PEMA may differ from items discussed or reflected in the minutes.