

REPORT HIGHLIGHTS

A Study Pursuant to SR 96: 911 Communication Services

Released: 9/13/2022

Senate Resolution (SR) 96, adopted by the Pennsylvania Senate on May 11, 2021, directed the Legislative Budget and Finance Committee (LBFC) to conduct a study of 911 communication services in the commonwealth. SR96 tasked the LBFC to examine the administrative, operational, and financial performance of the 911 system at both the state and county levels, and to make recommendations on the reauthorization of the 911 communication service provisions under 35 Pa.C.S. Ch. 53. We reviewed county and state data for the period 2016 through 2020. Key highlights include the following:

- ❖ **911 is a county responsibility, with significant guidance, funding, and oversight through the PA Emergency Services Management Agency (PEMA).** This interplay was strengthened through Act 12 of 2015, which increased PEMA's responsibility and implemented a uniform \$1.65 surcharge on all wireline, postpaid wireless, and Voice over Internet Protocol (VoIP) services. This funding serves as the mainstay for both the counties and PEMA in supporting 911 services.
- ❖ **On average \$317 million in surcharge revenue was generated each year between 2016 and 2020.** Pennsylvania's 911 funding is generally consistent year to year. Of the amount collected, 83% goes to the county 911 offices through a complex distribution formula. Another 15% is used for "interconnectivity" of 911 systems. The final 2% is used by PEMA to pay its administrative expenses.
- ❖ **Next Generation 911 (NG911) is underway.** The 911 surcharge is funding the creation of the next evolution of 911 services known as NG911. This enhanced service will improve connectivity and geo-locating capabilities. NG911 is based on a statewide secure communication network, known as the Emergency Services Internet-Protocol Network (ESInet). Network development began 2021, and the first phase of NG911 implementation is scheduled to be completed in 2023. Although we found there is no universal method to achieve NG911 capable systems, we assessed the progress of Pennsylvania's NG911 project to be similar to that of other initiatives across the country.
- ❖ **Some PSAP call volume is decreasing.** 911 call volume across the state decreased by 15 percent, including declines in wireline and wireless calls by 34% and 9%, respectively. While counterbalanced by increases to text-to-911 and VoIP calls, it is likely that the largest increase in workload came from alarm and other notification systems, which currently can bypass the traditional 911 phone system.
- ❖ **County PSAP expenses are increasing, and some counties would like the state's 911 Fund to cover more eligible expenses.** Counties' total expenses grew by 22 percent over the observation period. The 911 Fund covered the majority of expenditures for all but two counties, and overall Fund-reimbursable spending increased by 18 percent. Spending in areas not covered by the Fund was mixed for the period. Although some counties expressed that they would like to see more expenses qualify for Fund reimbursement, we concur with PEMA's assessment that areas not fully covered (e.g., radio equipment, facilities) should remain that way to keep Pennsylvania eligible for federal 911 grant funding. Personnel and operating expenses accounted for nearly 90 percent of all spending by the counties. While personnel spending is the main driver in many counties, operating expenses increased by 66% over the period, primarily because of the need to update equipment after the findings of the 2016 PSAP Inventory Report, which was required by Act 12.
- ❖ **Opportunities and challenges are present to the future of 911 and our report presents 17 recommendations to the General Assembly, PEMA, the 911 Advisory Board, and the county PSAPs.** While program expenses have increased each year, funding has remained constant. One potential cause is the lack of growth in VoIP revenue over time. The rapid growth of IP-based technology and "Internet of Things" (IoT) devices has made it difficult for the 911 industry to properly define the category of VoIP services. The funding gap is perhaps exacerbated by another issue: adoption of a new funding formula, which would better address population served and not prior spending. In a related issue, a challenge of the NG911 transition has been determining the demarcation – or splitting – of costs between originating service providers and 911 entities. The Federal Communications Commission is considering a rulemaking on this issue, but further action may be necessary. Elsewhere, regionalization and consolidation in a new NG911 environment will need to be evaluated. Improved data metrics are needed for this endeavor, which are currently lacking. Finally, staffing is one of the most complicated issues facing the 911 system, which may be temporarily exacerbated with NG911. However, the transition also presents the opportunity for PSAPs to leverage technology to overcome staffing deficiencies.

For a full copy of the report, email us at lbfcinfo@palbfc.us or download a copy at <http://lbfc.legis.state.pa.us/>.