

Explanation:

These suggested changes for GS 62A are adapted from the Study Committee report. Some are identical to the report and others are the product of the Board's legislative committee (see 62A-46).

The Board has attempted to determine the cost of 911 and to use that determination to develop a new method of funding 911. Results have not proven conclusive and continued research must be conducted. The ECU research has merit and has shown that a single measurement model will not result in a sustainable funding model for all PSAPs across the State. The proposed statutory changes fund PSAPs by focusing on historical expenditures rather than distributing revenues. The Legislative Committee recognizes that some expenditure history may not be complete. The suggested statutory changes seek to accomplish the following:

- Substantially adopt the legislative changes proposed by the Study Committee and expand the use of 911 funds.
- PSAP baseline funding will be determined by historically reported data by the PSAP; i.e. a PSAP will automatically receive the amount it spent on eligible operating expenses last year. The legislative committee recommends that the Board adopt a resolution expanding the baseline distribution by 10% for FY 2010-2011. This additional 10% will cover a) current shortfalls and b) eligible expenses paid out of general funds last year and not reported to the 911 Board. In addition PSAPs will also be allowed to request funding for eligible operating and capital expenses if current funding is inadequate.
- Reassessment of baseline funding will be done annually based on continuing collection of data and funding PSAPs' requests for capital and non-capital costs for the next two years, and biannually thereafter.
- PSAPs must ensure that their 911 system equipment and associated expenses are funded before drawing additional funds for the expanded uses. This principle is carried out in two phases: for FY 2010-2011 by spending funds first on the eligible items and items within the PSAP utilized by 911 center employees; and for FY 2011- and thereafter, by first adhering to the standards of operating a PSAP. (see *alternatives in 62A-46 below*)
- Certain expanded uses will be funded only to a percentage, e.g. base stations, towers, microwave links and antennae are limited to 25% of costs and only until 6/30/2011 when funding will be based upon standards.

With these changes, the Board must also undertake and complete the following:

- The Board must develop operational standards for PSAPs and should establish those not later than 1 December 2010. Standards must be established with effective dates that encourage PSAP compliance and goals of the 911 Plan.
- Review and revise, as necessary, the eligible expenditures list following any legislative action.

- Continue research to establish the full cost of 911, and to examine the funding models available.
- Adopt a process to receive, review, and approve additional funding requests from PSAPs.
- Reduce the fee to \$.60 per G.S. 62A-43(d).

Suggested statutory changes

§ 62A-40. Definitions

§62A-40 (5) Call taking. -- The act of processing a 911 call for emergency assistance ~~up to the point that the call is ready for dispatch by a primary PSAP,~~ including the use of 911 system equipment, call classification, location of a caller, ~~and~~ determination of the appropriate response level for emergency responders, and dispatching 911 call information to the appropriate responder.

§62A-40(9) Enhanced 911 service. -- Directing a 911 call to an appropriate PSAP by selective routing or other means based on the geographical location from which the call originated and providing information defining the approximate geographic location and the telephone number of a 911 caller, in accordance with the FCC Order.

§62A-40 () Dispatch, Dispatching. -- The broadcast, transfer, or other re-transmittal of emergency call information by a primary PSAP to responders and shall specifically exclude equipment or services required for responders to receive such information and/or to intercommunicate among themselves.

§ 62A-42. Powers and duties of the 911 Board

(a)(4) To establish policies, ~~and~~ procedures and Primary PSAP operating standards, to fund advisory services and training for PSAPs, and to provide funds in accordance with these policies, ~~and~~ procedures, and standards.

(a)(5) To investigate the revenues and expenditures associated with the operation of a PSAP to ensure compliance with restrictions on the use of amounts distributed from the 911 Fund. The Board shall collect PSAP expenditure data and adjust the base amount under G.S. 62A-46(a)(1) annually in each of the succeeding two fiscal years, and not less often than biannually thereafter.

(a)(6) To make and enter into contracts and agreements necessary or incidental to the performance of its powers and duties under this Article and to use revenue available to the 911 Board under G.S. 62A-44 for administrative

expenses, and funds available under G.S. 62A-47 to pay its obligations under the contracts and agreements. The Board may use funds allocated under G.S. 62A-47 for statewide projects, provided that the Board first determines that such uses:

(1) are consistent with the 911 plan,

(2) are cost effective and efficient when compared with aggregated costs incurred by primary PSAPs,

(3) are eligible 911 expenses under G.S. 62A-46(c), and

(4) will have statewide benefit for 911 service.

(a)(9)¹ To adopt rules to implement this Article. This authority does not include the regulation of any enhanced 911 service, such as the establishment of technical standards for telecommunications service providers to deliver 911 voice and data.

(b) Prohibition. -- In no event shall the 911 Board or any other State agency lease, construct, operate, or own a communications network for the purpose of providing 911 service, but the 911 Board shall be given the authority to pay private sector vendors for provisioning such a network².

§ 62A-44. 911 Fund

(b) Allocation of Revenues. -- The percentage of the funds remitted under G.S. 62A-43 which the 911 Board may deduct and retain for its administrative expenses ~~up to one percent (1%)~~ shall initially be set at 1% of the total service charges collected. The 911 Board shall monitor the amount of funds required to meet its financial commitment to providing technical assistance to primary PSAPs and may, if costs warrant, adjust the percentage up to 2%³. The remaining revenues remitted to the 911 Board for deposit in the 911 Fund are allocated as follows:

(3) A percentage of the funds remitted by CMRS providers to the 911 Fund are allocated for reimbursements to CMRS providers pursuant to G.S. 62A-45.(3) The percentage of the funds remitted by CMRS providers allocated to CMRS providers and PSAPs shall be set by the 911 Board and may be adjusted by the 911 Board as necessary to ensure full cost recovery for CMRS providers and, to the extent there are excess funds, for distributions to primary PSAPs.

§ 62A-45. Fund distribution to CMRS providers

¹ This is Study Group Recommendation 2, as amended on 8 January by the Board. With the changes in (a)(4) above and 62A-46(e)(5), language regarding operating standards for PSAPs is redundant. Language remaining here leaves the Board's rule making authority intact and preserves the prohibition against making technical standards for voice communication service providers.

² This is Study Group Recommendation 9.

³ This is Study Group Recommendation 11.

(Move (c), as amended, to §62A-47)

§ 62A-46. Fund distribution to PSAPs

(a) Monthly Distribution. -- The 911 Board must make monthly distributions to primary PSAPs from the amount allocated to the 911 Fund for PSAPs. A PSAP is not eligible for a distribution under this subdivision unless it provides enhanced 911 service. The amount to be distributed to each primary PSAP is the sum of the following:

(1) The PSAP's base amount. -- The PSAP's base amount is the amount of eligible non-capital expenditures reported to the 911 Board by the PSAP received in for the fiscal year ending June 30, 2007⁹; and as such base amount may be adjusted to include additional operating expenses of the PSAP in future fiscal years., and deposited in the Emergency Telephone System Fund of its local governing entity, as reported to the State Treasurer's Office, Local Government Division.

(2) The PSAP's ~~per capita amount~~ additional distributions. -- A PSAP may request distributions for operating and capital expenditures in addition to its base amount at any time. Such distributions shall be approved and completed promptly. PSAPs shall provide information and documentation satisfactory to the Board, shall identify the eligible expense items, whether such are capital or operating expenses, the amounts and allocations from its existing Emergency Telephone fund, and how such comply with the rules, standards and procedures established by the Board. The PSAP's per capita amount is the PSAP's per capita share of the amount designated by the Board under subsection (b) of this section for the per capita distribution. The 911 Board must use the most recent population estimates certified by the State Budget Officer in making the per capita distribution under this subdivision. A PSAP is not eligible for a distribution under this subdivision unless it provides enhanced 911 service.

(b) Percentage Designations. -- The 911 Board must determine how revenue that is allocated to the 911 Fund for distribution to primary PSAPs and is not needed to make the ~~base amount~~ distributions required by subdivisions (a)(1) and (a)(2) of this section is to be used. The 911 Board must designate a percentage of the remaining funds to be distributed to primary PSAPs on a per capita basis, and a percentage to be allocated to the PSAP Grant Account established in G.S. 62A-47 or to the statewide 911 projects under G.S. 62A-42. If the 911 Board does not designate an amount to be allocated to the PSAP Grant Account or to the statewide 911 projects under G.S. 62A-42, the 911 Board must distribute all of the remaining funds on a per capita basis. The 911 Board must use the most recent population estimates certified by the State Budget Officer in making the per capita distribution under this subdivision. The 911 Board may not change the percentage designation more than once each fiscal year.

(c) Use of Funds. -- A PSAP that receives a distribution from the 911 Fund may not use the amount received to pay for the lease or purchase of real estate,

cosmetic remodeling of emergency dispatch centers, hiring or compensating telecommunicators, or the purchase of mobile communications vehicles, ambulances, fire engines, or other emergency vehicles. Distributions received by a PSAP may be used only to pay for the following:

(to be effective 7/1/10: Repealed 6/30/11)

(1) PSAPs shall first pay the costs of ~~The lease~~leasing, ~~purchase~~purchasing, or ~~maintenance~~maintaining of emergency telephone equipment and emergency telephone notification systems, including necessary computer hardware, software, and database provisioning, addressing, and nonrecurring costs of establishing a 911 system, and telecommunicator furniture from distributions under subsection (a). After a PSAP satisfies the foregoing costs, the lease, purchase, or maintenance of radio communications equipment, including necessary hardware, software, and no more than 25% of the cost of base station transmitters, towers, microwave links and antennae required to dispatch emergency call information from the PSAP shall be eligible expenditures until June 30, 2011. No radio communication devices used by emergency responders are allowed.

(to be effective 7/1/2011 following repeal of (1) above)

(1) The lease, purchase, or maintenance of emergency telephone equipment and emergency telephone notification systems, including necessary computer hardware, software, and database provisioning, addressing, and nonrecurring costs of establishing a 911 system, and telecommunicator furniture under subsection (a). After a PSAP satisfies the operating standards established by the Board, the lease, purchase, or maintenance of radio communications equipment, including necessary hardware, software; and shall exclude the cost of base station transmitters, towers, microwave links and antennae used to dispatch emergency call information from the PSAP. No radio communication devices used by emergency responders are allowed.

(2) Expenditures for in-State training of 911 personnel regarding the maintenance and operation of the 911 system. Allowable training expenses include the cost of transportation, lodging, instructor fees, traineeinstructors, certifications, improvement programs, quality assurance training, and training associated with call taking, training specific to dispatch of emergency call information, and including emergency medical, fire, or law enforcement procedures, and training specific to managing a primary PSAP or supervising primary PSAP staff. Training outside the State is not an eligible expenditure unless the training is unavailable in the State or the PSAP documents that the training costs are less if received out-of-state. Training specific to the receipt of 911 calls is allowed only for intake and related call taking quality assurance and improvement. Instructor certification costs and course required prerequisites, including physicals, psychological exams, and drug testing, are not allowable expenditures.

(3) (unchanged)

(d) (unchanged)

(e) Compliance. -- A PSAP, or the governing entity of a PSAP, must comply with all of the following in order to receive a distribution under this section:

(1) A county or municipality that has one or more PSAPs must submit in writing to the 911 Board information that identifies the PSAPs in the manner required by the FCC Order.

(2) A participating PSAP must annually submit to the 911 Board a copy of its governing agency's proposed or approved budget detailing the revenues and expenditures associated with the operation of the PSAP. The PSAP budget must identify revenues and expenditures for eligible expense reimbursements as provided in this Article and rules adopted by the 911 Board. All distributions from the 911 fund must be deposited in the Emergency Telephone System Fund of the local governing entity, and reported to the State Treasurer's Office, Local Government Division.

(3) A PSAP must be included in its governing entity's annual audit required under the Local Government Budget and Fiscal Control Act. The Local Government Commission must provide a copy of each audit of a local government entity with a participating PSAP to the 911 Board.

(4) A PSAP must comply with all requests by the 911 Board for financial information related to the operation of the PSAP.

(5) A PSAP must comply with rules, policies, procedures and Primary PSAP operating standards established by the Board.

§ 62A-47. PSAP Grant Account

(a) Account Established. -- A PSAP Grant Account is established within the 911 Fund for the purpose of making grants to PSAPs in rural and other high-cost areas. The Account consists of revenue allocated by the 911 Board under G.S. 62A-45(c) and G.S. 62A-46.

(1) Grant Reallocation⁴. -- If the amount of reimbursements to CMRS providers under 62A-45 and monthly distributions under 62A-46(a) to PSAPs for a fiscal year are less than the service charges remitted under 62A-43~~amount of funds allocated for reimbursements to CMRS providers~~ for that fiscal year, the 911 Board may reallocate part ~~or all~~ of the excess amount to the PSAP Grant Account, established under G.S. 62A-47 or to the statewide 911 projects under G.S. 62A-42. The 911 Board may reallocate funds under this subsection only once each calendar year and may do so only within the three-month period that follows the end of the fiscal year. If the 911 Board reallocates more than a total of three million dollars (\$ 3,000,000) to the PSAP Grant Account or to statewide 911 projects under G.S. 62A-42 in a

⁴ Moved from §62A-45

calendar year, it must consider reducing the amount of the service charge in G.S. 62A-44 to reflect more accurately the underlying costs of providing 911 system services.

(2) The 911 Board must make the following findings before it reallocates funds to the PSAP Grant Account or to the statewide 911 projects under G.S. 62A-42:

Other changes not to be codified:

Allow one-time grants for non-eligible expenses of consolidating one or more primary PSAPs (e.g. merging existing PSAPs) and for relocation costs of primary PSAPs. Such costs may include construction costs. Such expenditures must be made in the current or next FY, all expenditures of accumulated fund balances must be reported to the Board. Use of fund balances would be conditioned upon Board approval.