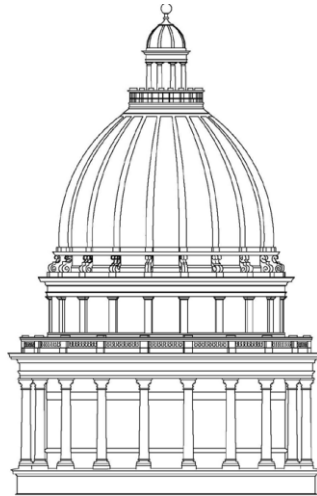


REPORT TO THE  
**UTAH LEGISLATURE**

Number 2016-02



**A Review of the Administration  
Of 911 Surcharges**

February 2016

Office of the  
LEGISLATIVE AUDITOR GENERAL  
State of Utah





STATE OF UTAH

# Office of the Legislative Auditor General

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## Audit Subcommittee of the Legislative Management Committee

President Wayne L. Niederhauser, Co-Chair • Speaker Gregory H. Hughes, Co-Chair  
Senator Gene Davis • Representative Brian S. King

JOHN M. SCHAFF, CIA  
AUDITOR GENERAL

February 2016

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Review of the Administration of 911 Surcharges** (Report #2016-02). A digest is found on the blue pages located at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

John M. Schaff, CIA  
Auditor General

JMS/lm



# **Digest of a Review of the Administration of 911 Surcharges**

## **Chapter I Introduction**

Every phone user in the State of Utah pays a 911 surcharge of \$0.76 per month (or \$9.12 per year) for 911 emergency services. We were asked to perform a review of this revenue. The \$0.76 monthly 911 surcharge<sup>1</sup> is levied on every land or wireless phone line in Utah and used for three distinct purposes:

- Fund public safety answering point (PSAP) operations.
- Fund the statewide public purpose of enhancing the public safety communications network.
- Fund goods and services specifically related to the interconnection of PSAPs' Computer-Aided Dispatch (CAD) software systems.

PSAPs are the primary entities that receive 911 calls and dispatch responders. Dispatch centers typically serve smaller areas and receive 911 calls only when transferred from a PSAP. Dispatch centers, unlike PSAPs, are not eligible for funding from the local 911 fee. Currently, 43 entities in Utah handle 911 traffic: 33 PSAPs and ten 24-hour dispatch centers.

## **Chapter II Options the Legislature Could Consider to Improve Efficiency and Effectiveness of the 911 System**

The way local 911 fee revenue is distributed raises a number of policy issues that the Legislature could consider. Since the local 911 fee was established in 1986, significant changes have occurred in telephone technology as well as in public expectations of PSAPs. Despite the evolving 911 environment, the method used to disperse local 911 fee revenue (over \$21 million in 2015) has not changed since the inception of the fee. This chapter discusses three policy questions:

- Should 911 call volume be considered in fee revenue distribution?
- Should PSAPs be required to meet minimum capability requirements?
- Should consolidation within counties be required or encouraged?

---

<sup>1</sup> A table showing the full history of the 911 surcharge is shown in Appendix A.

**Should 911 Call Volume Be Considered In Fee Revenue Distribution?** The local 911 fee was established in 1986 to help fund PSAP emergency call-taking equipment and personnel. The local fee has always been distributed based on the billing location of the phone service. In recent years, as 911 calls made by the public have shifted more to mobile telephones and away from fixed landlines, the fairness of fee distribution has been called into question. Currently, the fee revenue per 911 call received varies widely among PSAPs. The Legislature may therefore want to amend the local 911 fee distribution formula to consider 911 call volume.

**Should PSAPs Be Required to Meet Minimum Capability Requirements?** Currently, any county, city, or town may create a PSAP without regard for the efficiency or effectiveness of the overall 911 system. For this reason, the Legislature may want to consider stipulating a minimum level of capability or service area below which a PSAP should not be created or operated. Other states have made efforts along these lines.

Also, given the significant investments in technology and 24-hour staffing required to operate a PSAP, the technical, operational, and staffing needs of a modern 911 center may best be met by larger PSAPs. A minimum level of funding could therefore be considered as a standard for PSAP operation. From our limited review, we believe some PSAPs in Utah may be struggling because of a lack of funding.

**Should Consolidation of PSAPs Be Required or Encouraged?** We question whether operating multiple PSAPs in close proximity is an efficient use of state 911 funds. Consolidation of PSAPs is an option that could be considered or encouraged by the Legislature to reduce duplication of PSAPs that exist in various counties. There are currently 33 PSAPs in the state plus another ten 24-hour dispatch centers. In several counties there are multiple PSAPs creating a duplication of services and resources.

## **Chapter III**

### **A Statewide 911 Strategic Plan Is Overdue**

**A Strategic Plan Is Needed for Our Statewide 911 System.** Because 911 needs and issues are larger than any individual PSAP's local jurisdiction, there is a clear need for a statewide 911 strategic plan. Senate Bill 237, Public Safety Amendments, passed during the 2015 Legislative General Session, mandated that a study and performance audit of the state's 911 system be performed with a specific objective to create such a plan. This plan would provide much needed guidance that the UCA and its 911 division can use to shape the state's 911 system. In addition, a strategic plan would provide clear objectives to inform the actions of PSAPs located throughout the state.

**Standards for 911 Grant Awards Should Be Clarified.** Because 911 grants are administered at the state level and are distinct from local-level 911 funding in statute, the

funds used from the two restricted 911 accounts in the form of grants should support a statewide vision for the 911 system. Statute requires that the UCA create administrative rules to administer funds from the restricted accounts and incentivize PSAP behavior toward such a vision. However, current rules are broad and have created confusion in the grant review and approval process. Though statute lists multiple purposes for the 911 restricted funds, those purposes are also broad or combine the separate accounts, creating confusion as to how the funds are to be used. UCA should create guidelines defining the overall purposes and detailing the limits of the uses of the funds in the 911 restricted accounts. The Legislature should consider clarifying statute.

**Administrative Rule Needs to Reflect State Statute.** Relevant administrative rule needs to be updated to include changes to statute addressing the UCA and 911 division that were passed during the 2015 Legislative General Session. The administrative rule providing direction for the use of the two restricted accounts is outdated. Administrative Rule R174 lacks the guidance needed to ensure that funds from the restricted accounts are used properly.

## **Chapter IV**

### **Statewide Strategy Should Drive 911 Grant Awards**

**The State 911 Account Should Serve State Purposes.** Funds available for 911 grants are limited. Large grant requests are projected in coming years, which will necessitate careful and thoughtful grant administration by the UCA. Certain grants awarded recently have been inconsistent and raise questions regarding the purpose of state grant funding and whether grants support an efficient and effective statewide system.

**Computer-Aided Dispatch Account So Far Appears to Support Legislative Intent.** The recently created Computer Aided Dispatch (CAD) Account is funded with the monthly \$0.06 CAD fee shown in Chapter I. The restricted account is intended to help create a shared CAD system on a statewide or regional basis. Since this account has only been in existence since mid-2014, more time is needed to truly evaluate performance.



# REPORT TO THE UTAH LEGISLATURE

Report No. 2016-02

## **A Review of the Administration of 911 Surcharges**

February 2016

### Audit Performed By:

|                  |                          |
|------------------|--------------------------|
| Audit Manager    | Richard Colman, CPA, CIA |
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| Audit Staff      | Jake Dinsdale            |



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# Chapter I

## Introduction

Every phone user in the State of Utah pays a 911 surcharge of \$0.76 per month (or \$9.12 per year) for 911 emergency services. We were asked to perform a review of this revenue. The \$0.76 monthly 911 surcharge<sup>1</sup> is levied on every land or wireless phone line in Utah and used for three distinct purposes:

- Local 911 Fee (\$0.61/month): these funds are transferred directly to counties, cities, and towns to fund public safety answering points (PSAPs). This money can be used for a broad range of PSAP purchases and expenses.
- State 911 Fee (\$0.09/month): these funds are deposited in a restricted state account to fund the statewide public purpose of enhancing the public safety communications network related to the rapid and efficient delivery of 911 services in the state to create a more efficient, rapid statewide 911 system.
- Computer-Aided Dispatch (CAD) Fee (\$0.06/month): created in 2014, this revenue enters another restricted state account to fund goods and services specifically related to the interconnection of PSAPs' CAD software systems.

Figure 1.1 shows the amount of revenue generated by each surcharge for fiscal years 2013 through 2015.

**Figure 1.1 Total 911 Surcharge Amounts Collected from Fiscal Years 2013 through 2015.** The local 911 fee is used for PSAP operations and the other two fees are deposited in restricted accounts used for specific PSAP purposes for the 911 system.

|                   | FY2013              | FY2014              | FY2015              |
|-------------------|---------------------|---------------------|---------------------|
| Local 911 Fee     | \$21,000,129        | \$21,586,642        | \$21,641,790        |
| State 911 Fee*    | 3,891,200           | 2,893,400           | 3,123,604           |
| CAD Fees          | NA                  | NA                  | 2,186,456           |
| <b>Total Fees</b> | <b>\$24,891,329</b> | <b>\$24,480,042</b> | <b>\$26,951,850</b> |

\*This account also funds a portion of the Utah Automated Geographic Reference Center (ARGC) and the UCA's 911 division operations. Source: Utah State Tax Commission and UCA

<sup>1</sup> A table showing the full history of the 911 surcharge is shown in Appendix A.

**There are 33 PSAPs and 10 dispatch centers in Utah.**

Public safety answering points (PSAPs) are the primary entities that receive 911 calls and dispatch responders. Dispatch centers typically serve smaller areas and receive 911 calls only when transferred from a PSAP. Dispatch centers, unlike PSAPs, are not eligible for funding from the local 911 fee. Currently, 43 entities in Utah handle 911 traffic: 33 PSAPs and ten 24-hour dispatch centers.

**Figure 1.2 List of PSAPs and Dispatch Centers in Utah.** There are 43 centers handling 911 call traffic throughout the state.

| Utah PSAPs                      |                                   |
|---------------------------------|-----------------------------------|
| Beaver County Sheriff           | Price Communications (DPS)        |
| Bountiful City Police           | Provo City Police/Fire/EMS        |
| Box Elder Communications (DPS)* | Rich County Sheriff               |
| Cedar Communications (DPS)      | Richfield Communications (DPS)    |
| Clearfield City Police          | Salt Lake City 9-1-1              |
| Davis County Sheriff            | San Juan County Sheriff           |
| Emery County Sheriff            | Sanpete County Sheriff            |
| Garfield County Sheriff         | Springville City Police           |
| Grand County Sheriff            | St. George Police                 |
| Hill AFB Emergency Comm. Center | Summit County Sheriff             |
| Juab County Sheriff             | Tooele County Sheriff             |
| Kane County Sheriff             | Uintah Basin Communications (DPS) |
| Layton City Police              | Utah Valley Dispatch              |
| Logan City Comm. Center         | Valley Emergency Comm. Center     |
| Millard County Sheriff          | Wasatch County Sheriff            |
| Orem City Public Safety         | Weber Area Dispatch               |
| Pleasant Grove Police           |                                   |

| 24-Hour Dispatch Centers         |                                     |
|----------------------------------|-------------------------------------|
| Alta Town Police                 | Salt Lake Communications (DPS)      |
| Brigham Young University Police  | Unified Police of Greater Salt Lake |
| Granite School District Police   | University of Utah Police           |
| Park City Police                 | Utah State University Police        |
| Salt Lake City Dept. of Airports | Utah Valley University Police       |

*Source: Utah Communications Authority*

*\* DPS: Department of Public Safety*

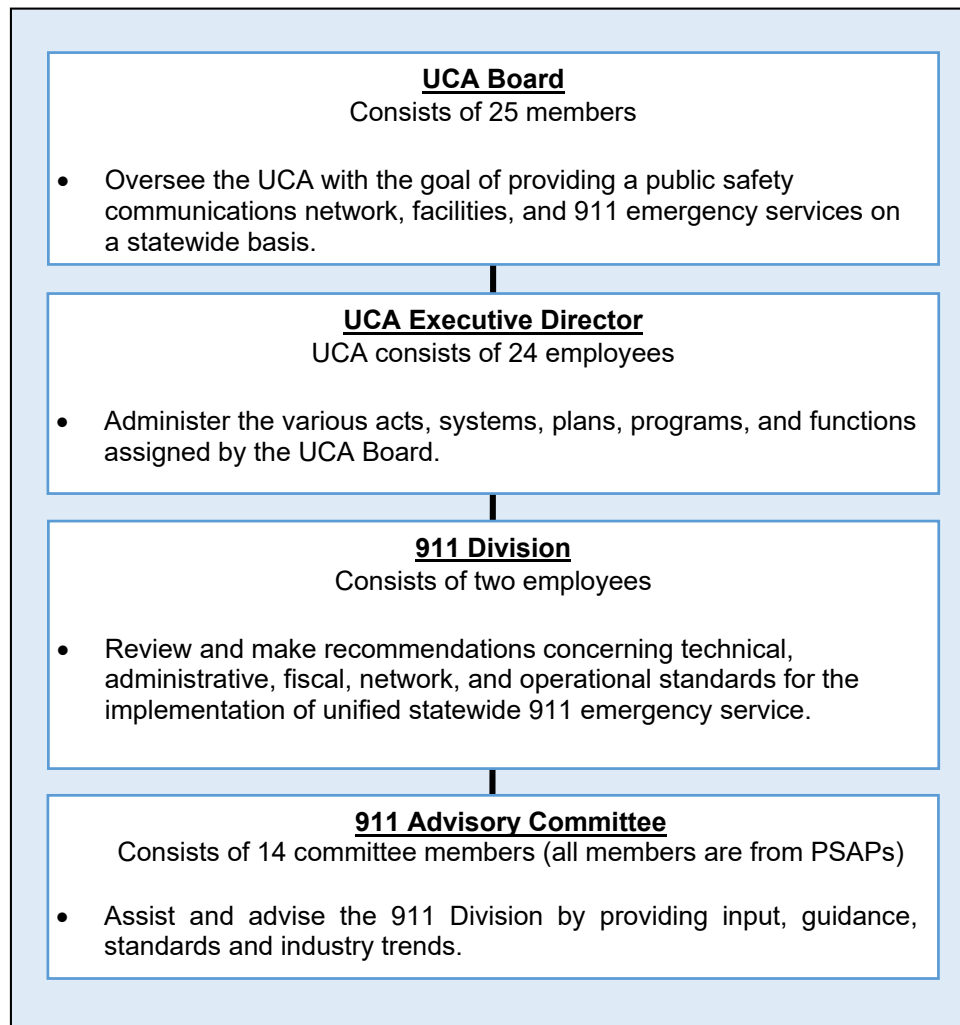
### **Oversight of Statewide 911 Standards and Grants Lies with the Utah Communications Authority**

Responsibility to provide statewide 911 services was assigned to the Utah Communications Authority (UCA) created by House Bill (HB) 155 during the 2014 Legislative General Session. The UCA Board, which oversees UCA operations, is responsible for the final approval of 911 funds awarded from both the state and CAD fee accounts. Prior to the UCA assuming this responsibility, a 911 committee within the Department of Public Safety fulfilled these roles.

**The UCA Board provides oversight of the 911 Division.**

The 911 committee still exists, although the Legislature changed it to an advisory committee within the UCA during the 2015 General Session. Figure 1.3 shows the current structure of the UCA since HB 343 created a 911 division within the UCA.

**Figure 1.3 The Structure of the Utah Communications Authority and Its Primary Roles for 911 Services.** In 2015, the structure of the UCA was changed to include a 911 Division that assists the UCA in the administration of the 911 state system.



The 911 division recommends to the UCA executive director technical, administrative, fiscal, network, and operational standards for the implementation of unified statewide 911 emergency services. The 911 division is also responsible for recommending administrative rules for UCA Board approval that establish criteria, standards, and

technology that PSAPs must adopt in order to receive funding from the two restricted 911 accounts.

## **Audit Scope and Objectives**

This review examines the distribution, use, and underlying statutory intent of the three distinct streams of 911 surcharge revenue. Specifically, our audit objectives were as follows:

**Chapter II:** Review the current structure of local 911 funding and explore policy choices the Legislature could consider to improve the efficiency and effectiveness of the 911 system.

**Chapter III:** Review statute to determine legislative intent regarding the 911 system in relation to funding sources.

**Chapter IV:** Determine the intent of state 911 grants and compare recent grant awards to standards and controls currently in place.

In addition to this report, Senate Bill 237 in the 2015 Legislative General Session authorized the UCA Board to commission a performance audit and a 911 study. The audit and study will present the results of an in-depth analysis of opportunities for increased efficiency within the state 911 system and will be completed during the first half of 2016.

## **Chapter II**

### **Options the Legislature Could Consider to Improve Efficiency and Effectiveness of the 911 System**

The way local 911 fee revenue is distributed raises a number of policy issues that the Legislature could consider. Since the local 911 fee was established in 1986, significant changes have occurred in telephone technology as well as in public expectations of PSAPs. Despite the evolving 911 environment, the method used to disperse local 911 fee revenue (over \$21 million in 2015) has not changed since the inception of the fee.

It was beyond the scope of our review to do a detailed analysis of local PSAP operations. However, some state and local 911 experts we spoke with expressed concerns that the local 911 fee revenue distribution may not promote the broad public safety interests of Utah residents. In some cases, both the efficiency and effectiveness of the 911 system may be compromised. This chapter discusses three policy questions.

- Should 911 call volume be considered in fee revenue distribution?
- Should PSAPs be required to meet minimum capability requirements?
- Should consolidation within counties be required or encouraged?

Although changing the statutory framework for the local 911 fee would be difficult, it could help promote a more cost-effective system. Currently, any city or town may assess the local 911 fee and operate its own PSAP if it so chooses, though larger PSAPs may be more efficient and effective. Some stakeholders we spoke with were concerned that the current statutory framework leads to unnecessary duplication of services and that some PSAPs may not be able to deliver a uniform level of service.

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**The Legislature could study several options relating to 911 policy issues.**

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**The method used to disburse local 911 fee revenue has not changed since the inception of the fee.**

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**Over 85 percent of 911 calls in FY 2015 were from mobile phones.**

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**A portion of 911 calls in rural Utah are from people from the Wasatch front.**

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## **Should 911 Call Volume Be Considered In Fee Revenue Distribution**

The local 911 fee was established in 1986 to help fund PSAP emergency call-taking equipment and personnel. The local fee has always been distributed based on the billing location of the phone service. In recent years, as 911 calls made by the public have shifted more to mobile telephones and away from fixed landlines, the fairness of fee distribution has been called into question. Currently, the fee revenue per 911 call received varies widely among PSAPs. The Legislature may therefore want to amend the local 911 fee distribution formula to consider 911 call volume.

### **Mobile Phones Have Changed the Telecommunication Environment**

Thirty years ago, the public's telephone service consisted of fixed landlines, without the mobile telephones that are so common today. In 1986, the telephones used to make 911 calls were at fixed locations, so it made sense that the local 911 fee revenue should go to those same locations. The revenue was needed to provide emergency call-taking services where the calls came from. Thus, the billing address of the phone service was a good method to distribute local fee revenue.

With the proliferation of mobile phone ownership over the past 30 years, the trend in the use of phones has changed. In fact, as shown in Figure 2.1, the great majority of 911 calls now come from mobile phones rather than fixed landlines.

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**Figure 2.1 Calls to Utah PSAPs by Type of Telephone in Fiscal Year 2015.** Most 911 calls come from mobile phones.

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|                        | <b>Number of 911 Calls</b> | <b>Percent of 911 Calls</b> |
|------------------------|----------------------------|-----------------------------|
| Landline 911 Calls     | 146,947                    | 14.4%                       |
| Wireless 911 Calls     | 873,753                    | 85.6                        |
| <b>Total 911 Calls</b> | <b>1,020,700</b>           | <b>100%</b>                 |

*Source: Utah Communications Authority*

Mobile phones allow people the ability to call 911 from anywhere in the state. For example, residents from urban areas who have emergencies in recreational areas of the state use their mobile phones to call 911. Thus, mobile phones from Wasatch Front locations may

make emergency calls that are taken by a PSAP serving Moab or Bear Lake, for example. Because most calls come from mobile phones, allocating fee revenue based on fixed billing locations creates a potential inequity of funding.

### **Local 911 Fee Revenue per 911 Call Varies Widely among PSAPs**

The local 911 fee is a significant source of revenue for PSAPs. The revenue helps pay the operational costs of equipment and personnel that receive and dispatch 911 calls. As mentioned above, the fee revenue distribution is based on the billing address of the phones. Each land and mobile phone line is charged a \$0.61 monthly fee (\$7.32 per year) to help pay for local 911 service. In fiscal year 2015, \$21.6 million was distributed among 32 PSAPs in Utah.<sup>2</sup>

The 32 PSAPs received over one million 911 calls in fiscal year 2015. Since most calls now come from mobile phones, telecommunication equipment is designed to route calls to the nearest PSAP based on the current location of the phone. Obviously it is important for the nearest PSAP to receive the call so that emergency responders can be dispatched as needed. Figure 2.2 shows the local 911 fee revenue, 911 calls received, and dollars per 911 call for each PSAP in fiscal year 2015.

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**Over \$21 million in local 911 funds went to 32 PSAPs in FY 2015.**

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<sup>2</sup> Figure 1.2 in Chapter I lists 33 PSAPs in operation in the state. Because the Hill AFB Emergency Communications Center did not appear in Tax Commission reports as having received local 911 fee revenue, it was excluded from this analysis.

**Figure 2.2 Local 911 Fee Revenue per 911 Call Received by PSAPs in Fiscal Year 2015.** PSAPs receive an average of \$21.20 per 911 call; some significantly higher or lower.

| PSAP           | Local 911 Fee Revenue | Total 911 Calls | Local Fee Revenue Per 911 Call |
|----------------|-----------------------|-----------------|--------------------------------|
| Beaver         | \$ 44,816             | 3,018           | \$14.85                        |
| Bountiful      | 583,655               | 21,194          | 27.54                          |
| Box Elder      | 353,985               | 16,250          | 21.78                          |
| Cedar          | 298,798               | 14,972          | 19.96                          |
| Clearfield     | 198,110               | 13,107          | 15.11                          |
| Davis County   | 1,011,283             | 39,725          | 25.46                          |
| Emery County   | 85,829                | 4,100           | 20.93                          |
| Garfield       | 47,964                | 2,159           | 22.22                          |
| Grand          | 73,479                | 6,260           | 11.74                          |
| Juab           | 63,144                | 5,068           | 12.46                          |
| Kane           | 59,346                | 3,259           | 18.21                          |
| Layton         | 503,722               | 21,844          | 23.06                          |
| Logan          | 757,182               | 27,172          | 27.87                          |
| Millard        | 100,996               | 4,845           | 20.85                          |
| Orem           | 733,218               | 27,251          | 26.91                          |
| Pleasant Grove | 209,580               | 7,207           | 29.08                          |
| Price          | 177,280               | 7,266           | 24.40                          |
| Provo City     | 601,562               | 31,629          | 19.02                          |
| Rich           | 18,543                | 1,533           | 12.10                          |
| Richfield      | 170,388               | 9,372           | 18.18                          |
| Salt Lake City | 2,966,741             | 176,460         | 16.81                          |
| San Juan       | 74,401                | 7,164           | 10.39                          |
| Sanpete        | 175,892               | 5,725           | 30.72                          |
| Springville    | 246,698               | 9,748           | 25.31                          |
| St. George     | 957,346               | 40,382          | 23.71                          |
| Summit         | 430,031               | 17,619          | 24.41                          |
| Tooele         | 388,109               | 22,977          | 16.89                          |
| Uintah         | 487,884               | 20,483          | 23.79                          |
| Utah Valley    | 1,706,653             | 55,189          | 30.92                          |
| VECC           | 6,117,078             | 294,612         | 20.76                          |
| Wasatch        | 181,812               | 7,577           | 24.00                          |
| Weber          | 1,810,301             | 95,533          | 18.95                          |
| <b>Average</b> | <b>\$ 676,120</b>     | <b>31,897</b>   | <b>\$ 21.20</b>                |

Sources: State Tax Commission, UCA 911 Division, Amounts rounded to nearest dollar  
Local 911 Fee total is \$21,641,790. This includes \$5,963 for Hildale. Total 911 calls for FY 2015 were 1,020,700

Figure 2.2 shows that local fee revenue varies widely from the statewide average of \$21.20 per call. San Juan received only \$10.39 per call, while Utah Valley received \$30.92. There are many possible causes for such disparity, but it was beyond the scope of our review to identify them. One factor mentioned above is that mobile phones may make a disproportionate number of 911 calls away from their billing locations. However, other factors also affect the data. For example, some types of emergencies tend to generate multiple calls while others do not. Also, some areas of the state may simply have fewer phones than others.

Regardless of the cause of the disparity, some local 911 experts have suggested that funding could be allocated by calls received rather than phone billing locations. That approach would increase the local 911 fee revenue for some PSAPs while reducing the funding for others. Figure 2.3 illustrates different distribution of 911 funds based on three different models.

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**Local 911 revenue  
could be distributed  
differently.**

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**Figure 2.3 Local 911 Fee Revenue Distribution under Three Different Models.** The local 911 fee varies widely depending on the funding model applied.

| PSAP           | Current 911 Funding | Funding Based on 911 Call Volume | Hybrid 911 Funding* |
|----------------|---------------------|----------------------------------|---------------------|
| Beaver         | \$ 44,816           | \$ 63,973                        | \$ 54,394           |
| Bountiful      | 583,655             | 449,250                          | 516,453             |
| Box Elder      | 353,985             | 344,452                          | 349,218             |
| Cedar          | 298,798             | 317,362                          | 308,080             |
| Clearfield     | 198,110             | 277,830                          | 237,970             |
| Davis County   | 1,011,283           | 842,053                          | 926,668             |
| Emery County   | 85,829              | 86,908                           | 86,368              |
| Garfield       | 47,964              | 45,764                           | 46,864              |
| Grand          | 73,479              | 132,694                          | 103,086             |
| Juab           | 63,144              | 107,427                          | 85,285              |
| Kane           | 59,346              | 69,081                           | 64,214              |
| Layton         | 503,722             | 463,028                          | 483,375             |
| Logan          | 757,182             | 575,966                          | 666,574             |
| Millard        | 100,996             | 102,700                          | 101,848             |
| Orem           | 733,218             | 577,641                          | 655,429             |
| Pleasant Grove | 209,580             | 152,767                          | 181,173             |
| Price          | 177,280             | 154,018                          | 165,649             |
| Provo City     | 601,562             | 670,441                          | 636,002             |
| Rich           | 18,543              | 32,495                           | 25,519              |
| Richfield      | 170,388             | 198,659                          | 184,524             |
| Salt Lake City | 2,966,741           | 3,740,431                        | 3,353,586           |
| San Juan       | 74,401              | 151,856                          | 113,128             |
| Sanpete        | 175,892             | 121,353                          | 148,622             |
| Springville    | 246,698             | 206,629                          | 226,663             |
| St. George     | 957,346             | 855,979                          | 906,663             |
| Summit         | 430,031             | 373,471                          | 401,751             |
| Tooele         | 388,109             | 487,045                          | 437,577             |
| Uintah         | 487,884             | 434,179                          | 461,032             |
| Utah Valley    | 1,706,653           | 1,169,844                        | 1,438,248           |
| VECC           | 6,117,078           | 6,244,905                        | 6,180,991           |
| Wasatch        | 181,812             | 160,610                          | 171,211             |
| Weber          | 1,810,301           | 2,025,018                        | 1,917,659           |
| <b>Totals</b>  | <b>\$21,635,828</b> | <b>\$21,635,828</b>              | <b>\$21,635,828</b> |

Sources: State Tax Commission, UCA 911 Division, Amounts rounded to nearest dollar

Local 911 Fee total is \$21,641,790. This includes \$5,963 for Hildale.

\* This formula is calculated based on one-half the current funding model plus one-half of the 911 call volume model. The actual total will be different due to rounding.

First, the figure shows the current funding model based on the billing addresses of phone subscribers. Second, a model is considered based instead on the number of 911 calls received by each PSAP. Also considered in the figure for the sake of comparison is a model that combines both the current model and the call volume model. Obviously, such a major change in 911 funding could be disruptive and would need careful study. The argument for making such a change would be to redirect surcharge revenue to areas in the state with higher demand for 911 services. The Legislature should consider restructuring the distribution of 911 revenue to promote the efficiency and effectiveness of the 911 system throughout the state.

### **Additional Audit Work Could be Beneficial**

During the course of the audit, some discrepancies in the distribution and usage of local 911 fee revenue were reported to us. We feel that the Legislative Audit Subcommittee should therefore consider prioritizing additional audit work to review these issues.

## **Should PSAPs Be Required to Meet Minimum Capability Requirements**

Currently, any county, city, or town may create a PSAP without regard for the efficiency or effectiveness of the overall 911 system. For this reason, the Legislature may want to consider stipulating a minimum level of capability or service area below which a PSAP should not be created or operated. Other states have made efforts along these lines.

Also, given the significant investments in technology and 24-hour staffing required to operate a PSAP, the technical, operational, and staffing needs of a modern 911 center may best be met by larger PSAPs. A minimum level of funding could therefore be considered as a standard for PSAP operation. From our limited review, we believe some PSAPs in Utah may be struggling because of a lack of funding.

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**Minimum standards  
could be created for  
PSAP operation.**

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**Currently, any city or town can create a PSAP if they provide emergency services.**

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## **Local 911 Fee Revenue Distribution Does Not Require Minimum PSAP Capability**

Currently, any county, city, or town that provides emergency services may create a PSAP without regard for the efficiency or effectiveness of the overall 911 system. According to *Utah Code* 69-2-3, any public agency "...that provides or has authority to provide fire fighting, law enforcement, ambulance, medical, or other emergency services..." can establish a PSAP and collect the 911 local fee. Even though an existing PSAP may already provide service over a defined area, if a city or town located within that area decides to create another PSAP, it can do so based on this statutory provision.

The creation of unneeded PSAPs was evident in a legislative audit issued by our office in 1999, which found that the cities of Springville and Pleasant Grove left their respective PSAPs to form their own. One of the reasons given for starting their own PSAP was that they wanted to capture the 911 fee. As explained in the 1999 audit report, this decision may have made sense for the two entities but it may not have been cost effective from a statewide 911 system perspective. Not only was funding taken away from the PSAPs that already served both areas but duplication of costly services was created.

With these questions in mind, Arizona created a law stipulating minimum requirements that must be met before a PSAP may be created. One of the requirements, for example, is that a proposed PSAP must expect a minimum of 300 911 emergency calls per month. If this same criteria was applied to Utah, only four of the current PSAPs would fall below this threshold. In addition, the PSAP must provide service to all callers within its service area 24 hours a day, 7 days a week. The Legislature may want to consider creating criteria in statute that provides guidelines or necessary benchmarks that must be met before a PSAP can be created or operated.

## **Should Some PSAPs Exist If Funding Is Lacking?**

Concern also exists that smaller PSAPs may not have the funds to properly run a PSAP. We believe that some small PSAPs are finding it difficult to fund their operations as well as keep their staff current on vital 911 training. The areas served by these smaller PSAPs might benefit from service by a larger PSAP that is financially sound and has necessary staffing levels, even though it may be farther away. For

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**Minimum standards for PSAP funding may be appropriate.**

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example, the PSAP in Rich County has asked twice in the last year for grant assistance for costs not normally covered by the restricted 911 accounts. Their reasoning is that they need the financial assistance because they cannot afford to buy necessary equipment or software. As will be discussed in Chapter IV, not only can the Rich County PSAP not afford to cover the costs of the 911 systems, but they also have trouble keeping their staff trained. Based on our limited review, we believe other small Utah PSAPs may experience problems due to limited funding. To avoid constraints that could negatively impact PSAP operations, the Legislature may want to consider a minimum level of funding as a standard for PSAP operation.

## **Should Consolidation of PSAPs Be Required or Encouraged**

We question whether operating multiple PSAPs in close proximity is an efficient use of 911 funds. Consolidation of PSAPs is an option that could be considered or encouraged by the Legislature to reduce duplication of PSAPs that exist in various counties.

There are currently 33 PSAPs in the state plus another 10 dispatch centers. In Utah County, there are five PSAPs and in Davis County there are four PSAPs, while Weber County has only one PSAP that covers both Weber and Morgan counties. In Salt Lake County, two PSAPs and another three dispatch centers cover the county and cities in that area. We agree that some duplication of PSAPs may be needed to provide a backup site in case of natural disasters or other catastrophic events. However, with many PSAPs and dispatch centers in close proximity to one another, resources are being spent to duplicate 911 systems and personnel. It seems that it could be a more cost-effective use of taxpayer funds to combine PSAPs to reduce needless duplication. The Legislature may want to examine this question and determine if it is the intent of policymakers to have multiple PSAPs in close proximity to one another.

Some other states have made efforts to consolidate PSAPs by legislation or grant incentives. For example, Indiana passed a law stating that, after 2014, no more than two PSAPs or dispatch centers are allowed per county unless certain requirements are met. Both Georgia and Florida provide grants as an incentive to consolidate PSAPs or dispatch centers.

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**PSAPs that are in close proximity and duplicate services do not appear to be using taxpayer funds efficiently.**

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**Other states are working to consolidate PSAPs.**

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PSAPs located in close proximity to each other can create needless duplication of required hardware and software that must be funded with local 911 revenue or state 911 grants. Also, to the extent that adjacent PSAPs use different equipment and software, communication and backup capabilities may be reduced to the detriment of emergency services.

## **Recommendations**

1. We recommend that the Legislature consider restructuring the distribution of 911 revenue to promote the efficiency and effectiveness of the state 911 system.
2. We recommend that the Legislative Audit Subcommittee consider prioritizing an additional audit to review the 911 local fee revenue in greater detail.
3. We recommend that the Legislature consider creating minimum operational, financial, or geographical criteria in statute that could be required as a prerequisite for PSAP operation.
4. We recommend the Legislature consider whether the consolidation of some PSAPs is warranted to reduce duplication of resources.

## **Chapter III**

### **A Statewide 911 Strategic Plan Is Overdue**

A comprehensive statewide 911 strategic plan is long past due. A strategic plan is needed to provide the framework for implementing, coordinating, and maintaining a statewide 911 communications network. Specifically, a statewide 911 strategic plan should include the legislative intent reflected in statute. Further, the Utah Communications Authority (UCA) needs to create grant standards that will help guide the implementation of the 911 state strategic plan. In addition, because of recent changes in legislation, relevant administrative rule needs to be updated to align with statute.

#### **A Strategic Plan Is Needed for Our Statewide 911 System**

Because statewide 911 needs and issues are larger than any individual public safety answering point's (PSAP) local jurisdiction, there is a clear need for a statewide 911 strategic plan. Senate Bill 237, Public Safety Amendments, passed during the 2015 Legislative General Session, mandated that a study and performance audit of the state's 911 system be performed with a specific objective to create such a plan. This plan would provide much needed guidance that the UCA and its 911 division can use to shape the state's 911 system. In addition, a strategic plan would provide clear objectives to inform the actions of PSAPs located throughout the state.

The need for statewide 911 strategic plan is longstanding. Our office's 1999 audit of the state 911 system was cited in 2004 when the original 911 committee was created. That audit envisioned such a state-level office that could address statewide issues, moving beyond local interests to deliver high-quality, efficient 911 service throughout Utah. Although the 911 committee has served some of those purposes, their actions have not risen to the level of influence envisioned in the 1999 audit report. With the recent statute changes, it is now UCA's charge to deliver a high-quality, efficient and cost effective 911 service throughout Utah.

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**A statewide 911 strategic plan, with accompanying standards, needs to be created and followed.**

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A 2013 report from the National Highway Traffic Safety Administration concluded that the evolution of 911 toward an interconnected web of local and state 911 systems makes consistency and uniformity in operations an important issue for state and local 911 providers to address. The report concludes, "...[an] efficient deployment of emergency telecommunications service requires statewide coordination." For a comprehensive emergency system to be fully realized, a statewide 911 plan is needed.

A five-year strategic plan was created by the 911 committee in 2014, but we believe it falls short of what is needed and envisioned in statute. Because it lacks specific strategic targets and standards, this plan has not appeared to guide decisions by the UCA or the 911 committee before that. For example, despite statements in the 2014 strategic plan that funds from the 911 restricted account should be awarded in the most cost-effective manner, we question whether the funds that have been awarded to PSAPs in the form of grants have truly been cost-effective. Grant standards are considered later in this chapter and specific grant examples in Chapter IV.

### **A 911 Strategic Plan Should Embody Legislative Intent**

The Legislature has codified certain principles, found throughout two primarily 911-related chapters of *Utah Code*, which we believe should drive the 911 strategic plan and the system at large. Figure 3.1 lists four broad principles we believe are reflected in the various citations listed next to each.

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**A statewide 911 strategic plan should incorporate legislative intent.**

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**Figure 3.1 Guiding Principles of the State 911 System.** Multiple sections in *Utah Code* specify principles that should be embodied in a statewide 911 strategic plan.

| Purpose                        | Utah Code Location |
|--------------------------------|--------------------|
| Statewide/Regional Unification | 69-2-2             |
|                                | 63H-7a-302         |
|                                | 63H-7a-304         |
| Strategic State Plan/Standards | 63H-7a-206         |
|                                | 63H-7a-302         |
|                                | 63H-7a-307         |
| Uniform Level of Service       | 69-2-2             |
|                                | 63H-7a-206         |
|                                | 63H-7a-304         |
| Efficiency                     | 63H-7a-206         |
|                                | 63H-7a-302         |
|                                | 63H-7a-304         |

Shown in the figure above, current Utah law contemplates a 911 system that is unified, uniform in its service delivery, efficient, and guided by a clear state strategy. The 911 strategic plan should both embody and define these larger statutory principles. The bullets below enlarge upon these principles:

- **Statewide/Regional Unification:** Defining exactly what statewide and regional unification means would be a significant help as the UCA shapes the state 911 system. This principle could be addressed in terms of unifying the overarching goals and purposes of the state 911 system as well as actual unification or consolidation of 911 services throughout the state.
- **Strategic State Plan/Standards:** The statutory sections describing this principle focus on operational and technical standards for PSAPs. The UCA should specify standards that must be followed in order to achieve the desired results of the 911 statewide plan. The UCA should also use the 911 grant process to help PSAPs adopt these standards.
- **Uniform Level of Service:** People who live and travel in Utah should receive a satisfactory level of service, regardless of location. PSAPs should be held by the UCA to a minimum level of 911 service, including things like staff training, emergency protocol, and technology, as a prerequisite to receiving state funding.

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**The 911 strategic plan should both embody and define larger statutory principles.**

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- **Efficiency:** As with any system funded with taxpayer dollars, the UCA should seek to be cost effective. Coupled with requirements for minimum levels of service, these standards could guide the improvement or elimination of redundant or ineffective PSAPs and dispatch centers.

Ultimately, the UCA has been charged with this responsibility to refine strategic goals and standards. Although such a plan is crucial to the operations of the UCA relative to the state 911 system, state law does not directly require that one be in place or kept current. Given the current effort to create a statewide 911 strategic plan, spurred by the passage of Senate Bill 237 in 2015, and its importance to the duties of the UCA, we recommend that the Legislature require in statute that the statewide 911 strategic plan be maintained and used as primary criteria for 911-related duties and actions.

Because funds from the 911 restricted accounts (which have been dispersed to the PSAPs via a grant process) are the main tool given to the UCA to shape the state 911 system, the need for a strategic plan is particularly relevant in guiding the UCA Board when making decisions concerning funds from the restricted accounts. To date, the UCA and the 911 committee have been approving grant funding to PSAPs without a larger strategic direction. This practice has resulted in inconsistency and requests for clarification that are discussed in depth in Chapter IV.

Whether or not statute is modified to explicitly require such a plan, the UCA should work to continually refine and maintain its strategic plan for Utah's 911 system following the results of the forthcoming study required by Senate Bill 237.

### **Standards for 911 Grant Awards Should Be Clarified**

Because 911 grants are administered at the state level and are distinct from local-level 911 funding in statute, the funds used from the two restricted 911 accounts in the form of grants should support a statewide vision for the 911 system. Statute requires that the UCA create administrative rules to administer funds from the restricted accounts and incentivize PSAP behavior toward such a vision. However, current rules are broad and have created confusion in the grant review and approval process. Though statute lists multiple

purposes for the 911 restricted funds, those purposes are also broad or combine the separate accounts, creating confusion as to how the funds are to be used. UCA should create guidelines defining the overall purposes and detailing the limits of the uses of the funds in the 911 restricted accounts. The Legislature should consider clarifying statute as well.

### **UCA Should Adopt Clear Standards to Guide Grant Award Decisions**

Statute gives the UCA the power to use 911 restricted funds to shape the state's 911 system. The UCA is required in statute to create administrative rules that stipulate the criteria, standards, technology, and equipment that a PSAP must adopt in order to qualify for funding.<sup>3</sup> To date, rules have been developed, though they lack both broad purpose and specific detail sufficient to truly guide the grant program.

Current rules apply to both restricted accounts and dictate that priority be given to projects that:

- Enhance public safety by providing a statewide, unified 911 system
- Include a maintenance package that extends the life of the 911 system
- Increase the value of the 911 system by ensuring compatibility with emerging technology
- Replace equipment that is no longer reliable or functioning
- Include a local share of funding from 10 to 30 percent, depending on the class (size) of county in which the PSAP operates<sup>4</sup>

Broad guidelines to “enhance public safety” and “replace equipment” lack sufficiently descriptive statements of purpose and criteria. For example, what does a “statewide, unified 911 system” look like and which grants serve that vision? Or, again relative to that larger vision, what pieces of PSAP equipment are eligible for replacement and how often? These questions have both effectively been posed through grant applications and the responses, in the form of grant approval or denial,

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**911 standards need to be adopted and enforced.**

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<sup>3</sup> See *Utah Code* 63H-7a-302(5)

<sup>4</sup> See *Utah Administrative Code* R174-1-6(2)

are not entirely clear or consistent. In recent years, the driving force behind grant funding seems to be based more on the desires of local jurisdictions than on a clearly stated statewide purpose.

Our review of recent 911 advisory committee minutes indicates that the lack of clear grant guidelines has resulted in repeated calls for clarity from 911 advisory committee members. In its January 20, 2015 meeting, for example, one member stated, “We should define [what we will pay for], I think. Not just shoot from the hip.... I am concerned that we don’t have that logic in place of what we believe is advancing the state’s objective as opposed to what isn’t advancing the state’s objective.... [W]e don’t have a process in place.” In another meeting, regarding whether or not to fund a specific grant request, a committee member said, “We have a lot of discussion about whether we should be funding this and we have never made a decision. I feel like we really need to put this to bed one way or another and decide.”

Because of calls for clarification, additional detail was added to administrative rule in 2015 regarding acceptable uses of one of the restricted accounts. However, 2015 grant awards that were inconsistent or failed to serve clear statewide purposes show that additional clarification is still needed. Specific examples are considered later in Chapter IV.

The 911 division should therefore work with the 911 advisory committee to draft clear grant standards to add to administrative rule and submit them for adoption by the UCA Board. Because grant awards are administered at the state level, the public safety needs of all Utah citizens and cost-effective use of the restricted funds should take precedence over the interests of local jurisdictions. Standards should clearly state the overarching purpose of grant funding and specify the criteria, standards, technology, and equipment that a PSAP must adopt in order to qualify for grant funding.<sup>5</sup> Clarifying grant standards will benefit both the PSAP staff who apply for grants and the UCA Board members who have the power to approve or deny the funding.

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<sup>5</sup> See *Utah Code* 63H-7a-302(5)

## The Legislature Should Consider Clarifying Purpose of Each Restricted Fund

To better orient the standards that the UCA is required to develop, the higher level guidance in statute regarding the purposes of both restricted fund accounts could be refined. Though *Utah Code* lists multiple purposes for 911 funds, those purposes are broad or combine the separate accounts and thus lack clarity as to the true intent of the 911 funds. Figure 3.2 lists the purposes that both restricted 911 restricted accounts are meant to serve.

**Additional clarity could improve portions of Utah's 911-related statute.**

**Figure 3.2 Purposes of 911 Restricted Accounts as Detailed in *Utah Code*.** Text in red refers to purposes that apply to both funds.

| State 911 Account <sup>1</sup>                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The acquisition, upgrade, modification, maintenance, and operation of PSAP equipment capable of receiving 911 information <sup>2</sup>                                                                                                                                                                                                 |
| 2. Database development, operation, and maintenance <sup>2</sup>                                                                                                                                                                                                                                                                          |
| 3. Personnel costs associated with establishing, installing, maintaining and operating wireless 911 services, including training emergency service personnel regarding the receipt and use of 911 wireless service information and educating consumers regarding the appropriate and responsible use of 911 wireless service <sup>2</sup> |
| 4. The money in this restricted account shall be used exclusively for the statewide public purpose of enhancing the public safety communications network related to the rapid and efficient delivery of 911 services in the state <sup>3</sup>                                                                                            |
| 5. Expenditures from the restricted account should reflect an emphasis on efficiencies and coordination in a regional manner <sup>4</sup>                                                                                                                                                                                                 |
| Computer-Aided Dispatch Account                                                                                                                                                                                                                                                                                                           |
| 1. The acquisition, upgrade, modification, maintenance, and operation of PSAP equipment capable of receiving 911 information <sup>2</sup>                                                                                                                                                                                                 |
| 2. Database development, operation, and maintenance <sup>2</sup>                                                                                                                                                                                                                                                                          |
| 3. Personnel costs associated with establishing, installing, maintaining and operating wireless 911 services, including training emergency service personnel regarding the receipt and use of 911 wireless service information and educating consumers regarding the appropriate and responsible use of 911 wireless service <sup>2</sup> |
| 4. Enhancing public safety as provided in this chapter <sup>5</sup>                                                                                                                                                                                                                                                                       |
| 5. Creating a shared CAD system including: An interoperable CAD platform that will be selected, shared, or hosted on a statewide or regional basis <sup>5</sup>                                                                                                                                                                           |
| 6. A statewide CAD system data sharing platform to provide interoperability of systems <sup>5</sup>                                                                                                                                                                                                                                       |

<sup>1</sup> The full name of this account is the Unified Statewide 911 Emergency Services Account. Based on State Tax Commission documentation and for the sake of simplicity and clarity, we refer to it as the state 911 account.

<sup>2</sup> See *Utah Code* 69-2-5(5)(c)

<sup>3</sup> See *Utah Code* 63H-7a-304(2)

<sup>4</sup> See *Utah Code* 63H-7a-302(1)(a)(i)(c)

<sup>5</sup> See *Utah Code* 63H-7a-303(2)

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**Statutory provisions for the purposes of both restricted accounts could use additional clarification.**

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First, the red text in the figure refers to statute that applies to both accounts. These purposes appear to focus specifically on PSAP phone systems, the funding of which was the original purpose of the state 911 account. The fact that the law applies these purposes to both accounts creates confusion for anybody seeking to understand legislative intent for each separate account. This lack of clarity appears to be an error that was not corrected as multiple sections of the statute were modified. The purposes in black are unique to each respective account. As seen in Figure 3.2, certain purposes give clear, overarching guidance, specifically, the fourth and fifth purposes for the state 911 account and the fifth and sixth purposes for the CAD account. However, the overly broad fourth purpose of the CAD account to “enhance public safety” makes the specific intent of the money less clear.

As the UCA creates administrative rules to guide grant awards from the restricted funds, it could benefit from additional clarity in statutory language. The Legislature should therefore consider whether and how to clearly state the intent of each fund in a way that also embodies the statewide purposes detailed earlier in this chapter.

## **Administrative Rule Needs to Reflect State Statute**

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**Administrative rule concerning 911 grants needs to reflect current statute.**

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Relevant administrative rule needs to be updated to reflect changes in statute addressing the UCA and 911 division that were passed during the 2015 Legislative General Session. The administrative rule providing direction for the use of the two restricted accounts is outdated. Administrative Rule R174 lacks the guidance needed to ensure that funds from the restricted accounts are used properly.

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**The 911 Division is to administer the 911 restricted funds under the supervision of the UCA Board.**

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Previously, the 911 committee would review all grants then send them to the UCA Board for final recommendations. In addition, statute directed the 911 committee to recommend standards, equipment, and technology to the UCA Board, PSAPs, and the Legislature. The change in *Utah Code* 63H-7a-302(5) now states that the 911 Division shall establish the criteria, standards, technology, and equipment to be recommended to the UCA Director and to the UCA Board for approval. PSAPs must adopt these approved standards in order to qualify for goods or services that are funded from these restricted accounts. Updating Administrative Rule R174 to align with

the recent changes in statute will help ensure that funds from the restricted accounts are administrated correctly. Ultimately the 911 division provides recommendations regarding the use of the restricted funds to the UCA Board for their final decision. As required in statute, the administrative rule should also guide the administration of funds in both restricted accounts.

## **Recommendations**

1. We recommend that the Utah Communications Authority, with assistance from the 911 Division, create and maintain a statewide 911 strategic plan that embodies the statutory vision for the 911 system.
2. We recommend that the Legislature consider requiring in statute that the statewide 911 strategic plan be maintained and used as the primary criteria for 911-related duties and actions of the Utah Communications Authority.
3. We recommend that the Legislature consider amending the statute to provide clarification on the intended uses of the two 911 restricted accounts.
4. We recommend that the Utah Communications Authority amend administrative rule to include clear grant standards and reflect the authority's power to approve grant funding.



## **Chapter IV**

### **Statewide Strategy Should Drive 911 Grant Awards**

Statute gives the UCA the power to use 911 restricted funds to shape the state's 911 system. The public safety needs of Utah citizens and the limited money available for grants give the UCA the responsibility to use that power effectively. The funding, function, and use of two restricted grant accounts are discussed in this chapter.

Grants from the state 911 account should serve the statewide 911 strategy as discussed in Chapter III. However, grants to date have been inconsistent and raise questions regarding whether the statutory intent of an efficient and effective state 911 system is being served.

Grant awards from the recently created computer-aided dispatch account have been few in number and appear to support statutory intent. However, because it has only been in existence since mid-2014, more time is needed to truly evaluate performance.

#### **The State 911 Account Should Serve State Purposes**

Funds available for 911 grants are limited. Large grant requests are projected in coming years, which will necessitate careful and thoughtful grant administration by the UCA. Certain grants awarded recently have been inconsistent and raise questions regarding the purpose of state grant funding and whether grants support an efficient and effective statewide system. Administrative rules exist to guide grant awards although, as discussed in Chapter III, they lack adequate detail. These concerns have resulted in many calls from 911 committee members for clarification of the overall intent of the grants and what purchases and expenditures qualify for grant funding.

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**Funds from restricted 911 accounts should support an efficient and effective state 911 system.**

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The state 911 fee is intended to support the statewide 911 system.

## State 911 Grant Funds Are Limited and Must Be Carefully Administered

*Utah Code* creates a restricted state 911 account<sup>6</sup> that is funded with a monthly \$0.09 state 911 fee on phone service. The purpose of this account is to enhance the state 911 network with a focus on a rapid and efficient statewide system. To date, the account has been used to fund grants for PSAPs. As detailed in Chapter III, additional clarity is needed regarding both the strategic plan and the legal intent of grants from this account.

Figure 4.1 gives a brief overview of the account balance, fee collections, and account usage for fiscal year 2015.

**Figure 4.1 Use of State 911 Fee for Fiscal Year 2015.** Money from the state 911 account is used to fund grants to PSAPs for 911 projects and for the operating expenses of the 911 division.

| Fiscal Year 2015              |                       |
|-------------------------------|-----------------------|
| Beginning Balance             | \$ 3,401,845          |
| State 911 Fee Revenue         | 3,123,604             |
| Funds Lapsed by DPS           | <u>1,830,627</u>      |
| <b>Total Available</b>        | <b>\$ 8,356,076</b>   |
| 911 Grants                    | \$ (1,254,527)        |
| Required Transfer to AGRC     | (329,800)             |
| Outside Services              | (300,334)             |
| Utilities                     | (198,637)             |
| Payroll for 911 Division      | (147,075)             |
| Other Administrative Expenses | (11,346)              |
| State Finance Transfer Fee    | <u>(100)</u>          |
| <b>Total Expense</b>          | <b>\$ (2,241,820)</b> |
| <b>Remaining Balance</b>      | <b>\$ 6,114,256*</b>  |

Source: Utah Communications Authority, Reformatted by OLAG

\*Because the UCA requires a legislative appropriation to spend restricted account funds, \$1.29 million of this remaining balance is in the restricted account and \$4.82 million is held as carryforward by the UCA.

As the figure shows, grant awards for fiscal year 2015 totaled nearly \$1.3 million. Around \$4.6 million is budgeted for grant awards for fiscal year 2016 with additional large funding requests projected in the near future. The current financial officer for the UCA has expressed concern that there may not be sufficient funds to pay for all grant

The funds from the 911 restricted account can be easily exhausted if the UCA Board does not plan wisely.

<sup>6</sup> The full name of this account is the Unified Statewide 911 Emergency Services Account. Based on State Tax Commission documentation and for the sake of simplicity and clarity, we refer to it as the state 911 account.

requests going forward. For this reason, great care and judgement must be exercised when grant awards are considered for approval.

Not only are grants funded from this account, but UCA administrative expenses as well. Specifically, the staff of the 911 division, consisting of the program manager, a recently hired project manager,<sup>7</sup> and a portion of the expenses of UCA's Administrative Services Division are paid from state 911 fee revenues. Also, \$0.01 of the monthly state 911 fee is set aside in statute for the Utah Automated Geographic Reference Center (AGRC) to enhance and upgrade digital mapping standards for the state 911 system.

### **Certain Grants Have Been Inconsistent and Inefficient**

Questions regarding which PSAP costs should be covered by state 911 grant awards have created points of contention for the 911 committee and calls for guidance and clarification from committee members have gone largely unaddressed. Not surprisingly, we found that recent grants for network costs and call tracking software were inconsistently awarded to PSAPs. Additionally, some grants appear to support an inefficient or ineffective 911 system.

Although the power to approve or deny a grant ultimately rests with the UCA Board, the 911 advisory committee reviews all grants and votes whether or not to recommend them for final approval. Approval at the 911 advisory committee level has typically led to approval at the UCA Board.

#### **Grants Awarded for Network Costs Have Been Inconsistent.**

Early in 2015, a grant was awarded to Rich County to reimburse approximately \$68,700 of network and other operational costs. This award was approved despite 911 committee discussion that the grant should not be awarded. Committee members explained that paying PSAP network costs is not common practice and doing so on a statewide basis would use all available grant funding even as significant needs loom ahead. However, because the 911 committee had funded Rich County's network costs in past years, a precedent had been

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**Grants have been awarded inconsistently and appear to support an inefficient or ineffective 911 system.**

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<sup>7</sup> The project manager's salary is not reflected in FY 2015. The FY 2016 budget shows approximately \$246,000 for payroll expenses.

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**Grant awards for network costs have been inconsistent.**

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established and it was seen as unfair to deny the grant with no prior notice of a change in committee practice.

Although the committee voted to recommend the grant for approval, members emphasized the need to make a formal determination regarding what expenses the grants would and would not cover before Rich County requested another grant for the same purpose. Meeting records show that the 911 committee never made such a determination.

In the following months, several PSAPs from Davis and Utah counties also applied for grant funding for network costs. The 911 committee again deliberated, citing instances in which networks costs had been paid in the past, but ultimately rejected those portions of the grant applications. In December 2015, Rich County then returned with a request for a nearly \$50,000 grant for network costs. Because the 911 committee had not clarified whether or not grants should cover such costs, it again voted to recommend approval. The UCA gave final approval to nearly \$41,000 soon after.

In these instances, the UCA applied different standards to Rich County's grant application than were applied to applications from Davis and Utah counties. This inequity calls into question the purpose of grant funding. As discussed in Chapter III, a statewide 911 strategic plan that includes approved standards and updated administrative rules will help bring consistency to the 911 grant process.

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**Grant matching requirements have been inconsistently applied to PSAPs.**

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**The Amount Required as Grant Match by PSAPs Should Also be Examined.** In addition to the inconsistency above, it is unclear why Rich County has not been required to provide matching funds for grants as other PSAPs have. To be eligible for a grant, administrative rule requires PSAPs to match grant amounts at different rates, depending on the class of county in which the PSAP operates. For counties of the third through sixth class, a match of up to 10 percent is required. This requirement has been inconsistently applied to grant applications for counties in that range. Figure 4.2 shows this inconsistency.

**Figure 4.2 The 911 Committee Has Been Inconsistent in Requiring Matching Funds for Grants from 2011-2015.** This table includes only grants for counties of the third through sixth class.

| PSAP County          | County Class   | Grant Match Amount |
|----------------------|----------------|--------------------|
| Cache                | Third          | 10%                |
| Tooele               | Third          | 10                 |
| Millard              | Fourth         | 0                  |
| Sanpete              | Fourth         | 0                  |
| Carbon               | Fourth         | 10                 |
| Sevier, Wayne, Piute | Fourth / Sixth | 10                 |
| Beaver               | Fifth          | 10                 |
| Juab                 | Fifth          | 0                  |
| Rich                 | Sixth          | 0%                 |

*Source: UCA Grant Applications*

Grant documents do not reflect rationale for the inconsistency shown here. It is also unclear why the match amounts were set at their current levels of 10, 20, and 30 percent depending on the class of the county in which the PSAP operates. While considering and creating other grant standards, the UCA should also discuss the purpose and amount of grant match to ensure the amounts align with overall state strategy.

Also, as discussed next, the grant process inconsistency raises questions regarding the efficiency of the 911 system.

**Some Grants Raise Questions About the Cost Effectiveness of the Statewide 911 System.** Part of the argument for Rich County receiving the grant reimbursement for network costs discussed previously is that they otherwise would not have been able to fund PSAP operations. Other PSAPs in the state do not require or receive such regular operational support from the state 911 account. According to Rich County officials, their budget is so tight that the PSAP is often staffed by only one person and staff members have been out of compliance with the Bureau of Emergency Medical Services' training requirements. As a result, 911 committee members have expressed concerns about the efficiency and quality of service available in that area of the state.

Because funding for 911 services is limited, we question why grant funds are being used to sustain an inefficient and ineffective center to the possible detriment of public safety in that area of the state. Rich County is the only one of four sixth-class counties not served by a

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**Grant documents do not reflect rationale for inconsistency in grant match amounts.**

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**Because funding is limited, we question why grants are used to sustain inefficiencies in the state 911 system.**

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Applying minimum performance standards to state funding may incentivize PSAP improvements.

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larger PSAP. Similar to the other sixth-class counties, the efficiency and effectiveness of Rich County's 911 emergency response could likely be improved by eliminating the county's PSAP and diverting all 911 traffic from the area (approximately three 911 calls per day) to the larger PSAP in Logan as these other counties have done.

On a larger scale, it may benefit the UCA to set minimum standards of performance as a condition of grant funding to incentivize similar improvements to efficiency and effectiveness throughout the state.

#### **Grants to Dispatch Centers Appear to Be Inefficient.**

Additionally, 911 grants awarded to dispatch centers, sometimes referred to as secondary PSAPs, appear to be inefficient. Dispatch centers typically operate within areas already served by a PSAP and receive 911 calls only when transferred from a PSAP. Dispatch centers are not eligible for funding from local 911 fees, though they may currently apply for grant funding. The following examples raise questions about whether awarding grants to dispatch centers supports a cost-effective statewide system.

From 2006-2015, four dispatch centers received grant funding from the state 911 account. Figure 4.3 details these awards.

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**Figure 4.3 Grant Funding Received by Four Dispatch Centers from 2006-2015.** Dispatch centers only handle 911 traffic that is transferred to them from PSAPs.

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| Dispatch Center                         | Amount              |
|-----------------------------------------|---------------------|
| Unified Police Department               | \$ 1,526,712        |
| Department of Public Safety – Salt Lake | 393,784             |
| Park City                               | 376,741             |
| University of Utah 911                  | 278,253             |
| <b>Total Grant Awards</b>               | <b>\$ 2,575,490</b> |

*Source: UCA*

All 911 calls requiring University of Utah (U of U) Police response are first received by Salt Lake City's PSAP, then transferred to the U of U dispatch center. From 2012 through 2015,<sup>8</sup> the U of U dispatch center received an average of 245 emergency 911 calls per year or 0.7 911 calls per day. The center also received 49,211 non-emergency administrative calls per year during the same period or 135 calls per

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Dispatch centers serve areas already served by a PSAP.

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99.5 percent of the U of U dispatch center's calls are administrative in nature.

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<sup>8</sup> This is the only period for which complete call data were available.

day. Therefore, the vast majority (99.5 percent) of calls answered on the U of U PSAP's phone system are unrelated to 911 emergency response. Similarly, 95 percent of the calls answered by the Park City Police dispatch center were administrative during this period. The center received an average of 1,477 emergency 911 calls per year or 4 per day and an average of 26,662 administrative calls per year or 73 per day.

State statute stipulates that the restricted funds from the state 911 account be used exclusively to improve delivery of 911 emergency services.<sup>9</sup> We question whether awarding grant funding to dispatch centers where the overwhelming majority of calls are administrative in nature satisfies the intent of the statute. Although the Division of Public Safety and Unified Police Department dispatch centers answer a larger percentage of transferred 911 calls than the two smaller centers, the UCA should nonetheless consider whether these grants serve the efficiency and effectiveness of the state 911 system as a whole.

In addition, six other entities in the state run similar centers but did not receive grant funding during this period. We see no problem with such entities operating dispatch centers as long as state 911 funds are not used to subsidize their operations.

The instances discussed here raise questions regarding whether limited state grant dollars are being used in the most cost-effective way possible. As detailed in Chapter III, we believe statute calls for a 911 system that is as cost effective as possible. Therefore, where 911 grant funds are concerned, a threshold should be considered below which PSAPs and dispatch centers would be ineligible for grant funding. This step would incentivize both a reduction in inefficient operations and an improvement in 911 service, as fewer calls would need to be transferred.

#### **Grants for Statistical Software Have Been Inconsistent.**

Decisions on whether or not to award funds for call-tracking software have been inconsistent. The inconsistency in this case centers on discussions of state versus local interest.

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**We question whether grants to dispatch centers serve the overall efficiency and effectiveness of the state 911 system.**

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<sup>9</sup> See *Utah Code* 63H-7a-304(2).

**\$74,200 of state 911 funds were spent on duplicate software in 2014 and 2015.**

The UCA currently pays for a statewide contract with a call-tracking software provider that costs approximately \$100,000 per year and uniformly serves all PSAPs in the state, regardless of phone system vendor. However, PSAPs routinely request grant funding for additional call-tracking software unique to each phone system vendor when equipment is upgraded. Amid discussions by the 911 advisory committee questioning the wisdom of paying for additional software, some PSAPs received funding while others were denied.

Figure 4.4 summarizes the grant requests and inconsistent 911 advisory committee actions related to call-tracking software in 2014 and 2015. By these numbers, \$74,200 was spent during this period for duplicate call tracking software.

**Figure 4.4 The 911 Committee Has Been Inconsistent in Recommending Software Grants.** Four PSAPs received funding for duplicate call tracking software in 2014 and 2015.

| PSAP        | Date of 911 Committee Meeting | Committee Action | Cost (Rounded) |
|-------------|-------------------------------|------------------|----------------|
| Tooele      | 3/20/2014                     | Approved         | \$ 21,100      |
| Richfield   | 4/17/2014                     | Rejected*        | 14,100         |
| Price       | 7/15/2014                     | Approved         | 33,500         |
| Richfield   | 2/24/2015                     | Approved         | 18,300         |
| Utah County | 7/21/2015                     | Rejected         | 95,200         |
| U of U      | 10/20/2015                    | Approved         | \$ 1,300       |

*\*Despite rejection here, Richfield resubmitted its request on 2/24/2015 and the software that had been rejected was approved for grant funding as was the cost of a server that would not have been needed initially.*

Notably, Richfield was denied funding in April 2014 but reapplied in February 2015 and received approval. Citing specific functional differences, the manager pled her case and persuaded the committee to approve funding for the additional software plus a server that would not have been needed initially. However, when a manager from a Utah County PSAP made a similar argument in July, the committee denied that request, citing the statewide software contract.

Then, in October 2015, a grant request from the University of Utah PSAP, including call-tracking software, was approved. Also of note during this period, the PSAP in Logan applied for a phone system and completely excluded the software from its bid in favor of the state-provided product.

**Approval of funding for call tracking software has been inconsistent.**

The grant awards listed above reflect not only a lack of clear grant standards but also an inefficient use of limited 911 grant funds. If the UCA is going to continue to pay for a statewide software system, it does not seem prudent to pay for additional software. Where state grant dollars are concerned, local needs like these should be paid for with local 911 revenue. As Chapter III explains, a strategic plan and grant standards are needed to guide decisions like these. Without such guidance, grants are awarded based on local interests and each applicant's justifications. Grants from both restricted state accounts should be equitable across the state and should fund PSAP purchases and expenses to the betterment of the statewide 911 system.

### **Multiple Phone Networks Have Been Created Without Clear Strategy**

911 stakeholders disagree over how emerging phone technology should be adopted by PSAPs. As far as grants and other state funding is concerned, the UCA should include goals and definitions in its strategic plan for how the funding under its control will impact this question.

PSAPs covering Salt Lake, Utah, Davis, Weber, and Morgan counties have joined to create three separate networked phone systems. These "multi-node" systems, as they are called, house servers in multiple locations to which other PSAPs in a given multi-node connect via a common IP-based phone system. Shown as Utilities in Figure 4.1, the UCA pays for the "backbone" of the system, known as the Emergency Services IP Network (ESInet), on the premise that it will benefit all PSAPs in the state.

To date, different phone system vendors have been selected to connect PSAPs to the ESInet causing 911 stakeholders to question what exactly is meant when the statute makes reference to a unified, statewide 911 system. The disagreement centers on whether all PSAPs should use one common phone vendor or if sharing the ESInet allows PSAPs to select from multiple, compatible vendors.

We do not fault the PSAPs for acting in their own interest to choose phone systems that best meet their needs. We do, however, believe that the UCA Board should determine whether or not the use of various phone system vendors adds to or detracts from the efficiency and quality of the state 911 system. Once the UCA formalizes that determination, it should award its funding only in

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**It does not seem prudent for the UCA to fund duplicate call tracking software.**

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**Lack of a 911 state plan has led to multiple phone networks among PSAPs.**

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**The CAD account is intended to help create a shared CAD system on a statewide or regional basis.**

ways that support its vision. If PSAPs prefer products or systems contrary to the UCA's plan, it stands to reason that they must purchase those items without the aid of UCA funding.

## **Computer-Aided Dispatch Account So Far Appears to Support Legislative Intent**

The recently created Computer-Aided Dispatch (CAD) Account is funded with the monthly \$0.06 CAD fee shown in Chapter I. The restricted account is intended to help create a shared CAD system on a statewide or regional basis. Administrative rules have been created by the UCA to guide awards from the CAD account and discussions by the 911 committee reflect efforts to clearly define the purpose and limits of this pool of funding.

Figure 4.5 gives a brief overview of the account balance, fee collections, and expenditures for fiscal year 2015.

**Figure 4.5 Use of State CAD Fee Revenue for Fiscal Year 2015.** Funds from the CAD account may be used to create a unified CAD software system throughout the state.

| <b>Fiscal Year 2015</b>  |                       |
|--------------------------|-----------------------|
| Beginning Balance        | \$ 0                  |
| State 911 Fee Revenue    | <u>2,186,456</u>      |
| <b>Total Available</b>   | <b>\$ 2,186,456</b>   |
| CAD Grants               | \$ (557,787)          |
| Outside Services         | (468,774)             |
| Payroll Expenses         | <u>(7,150)</u>        |
| <b>Total Expense</b>     | <b>\$ (1,033,711)</b> |
| <b>Remaining Balance</b> | <b>\$ 1,152,745*</b>  |

*Source: Utah Communications Authority, Reformatted by OLAG*

*\*This amount differs from State Division of Finance records by \$5,130 because of a difference in the timing of year-end lapsing balance calculations.*

The Outside Services expense category listed here refers to a statewide project to connect CAD systems that was paid directly by the UCA. Payroll from this account was charged to technicians needed to connect CAD systems among PSAPs.

**Grants Awarded from the CAD Account Appear to Support Statutory Intent.** Only a few grants have been awarded from the CAD account thus far; they appear to support the statutory intent to

create an interconnected CAD system on a statewide or regional basis. Administrative rules guiding the administration of this account are more detailed than those guiding that of the state 911 account and discussion by the 911 committee reflects a clear effort to refine grant standards. However, because this account has only been in existence since mid-2014, more time is needed to truly evaluate performance.

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**CAD fund expenditures appear to follow statutory intent though more time is needed to truly evaluate performance.**

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## **Recommendations**

1. Considering the limited funds available for 911 grants, we recommend that the Utah Communications Authority be stringent in its administration of grants from both the state 911 account and CAD account relative to the strategic plan discussed in Chapter III.
2. We recommend that the Utah Communications Authority refine and consistently enforce grant standards for both restricted accounts.
3. We recommend that the Utah Communications Authority determine whether awarding grants to dispatch centers meets state goals of efficiency and effectiveness and whether these grants satisfy the legislative intent of the two 911 restricted accounts.
4. We recommend that the Utah Communications Authority discuss the purpose and amount of grant match rates to ensure they align with overall state strategy.
5. We recommend that the Utah Communications Authority create minimum standards of performance and operations that PSAPs must meet as a condition of grant funding.



## **Appendix**



## **Appendix A**



## Appendix A

**911 Surcharges Began in 1986.** Divided into distinct fees, the intended use of these funds has changed over time.

| Year | Local Fee | State Fee | CAD Fee | Total Monthly Surcharge |
|------|-----------|-----------|---------|-------------------------|
| 1986 | \$ 0.50   |           |         | <b>\$ 0.50</b>          |
| 1987 | 0.50      |           |         | <b>0.50</b>             |
| 1988 | 0.50      |           |         | <b>0.50</b>             |
| 1989 | 0.50      |           |         | <b>0.50</b>             |
| 1990 | 0.50      |           |         | <b>0.50</b>             |
| 1991 | 0.50      |           |         | <b>0.50</b>             |
| 1992 | 0.50      |           |         | <b>0.50</b>             |
| 1993 | 0.50      |           |         | <b>0.50</b>             |
| 1994 | 0.50      |           |         | <b>0.50</b>             |
| 1995 | 0.50      |           |         | <b>0.50</b>             |
| 1996 | 0.50      |           |         | <b>0.50</b>             |
| 1997 | 0.50      |           |         | <b>0.50</b>             |
| 1998 | 0.53      |           |         | <b>0.53</b>             |
| 1999 | 0.53      |           |         | <b>0.53</b>             |
| 2000 | 0.53      |           |         | <b>0.53</b>             |
| 2001 | 0.53      |           |         | <b>0.53</b>             |
| 2002 | 0.53      |           |         | <b>0.53</b>             |
| 2003 | 0.53      |           |         | <b>0.53</b>             |
| 2004 | 0.61*     | \$ 0.17*  |         | <b>0.78</b>             |
| 2005 | 0.61*     | 0.17*     |         | <b>0.78</b>             |
| 2006 | 0.61*     | 0.17*     |         | <b>0.78</b>             |
| 2007 | 0.61      | 0.13      |         | <b>0.74</b>             |
| 2008 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2009 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2010 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2011 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2012 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2013 | 0.61      | 0.08      |         | <b>0.69</b>             |
| 2014 | 0.61      | 0.09†     | 0.06    | <b>0.76</b>             |
| 2015 | \$ 0.61   | \$ 0.09   | \$ 0.06 | <b>\$ 0.76</b>          |

*\*From 2004-2007, \$0.04 was taken from the Local Fee and deposited in the account funded by the State Fee. We adjusted the amounts in the figure to reflect that transfer. The actual surcharges levied during this time were \$0.65 and \$0.13 for the Local and State Fees respectively.*

*†\$0.01. Is taken from this fee to help fund the Utah Automated Geographic Reference Center (AGRC)*



## **Agency Response**





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January 14, 2016

Dear Mr. Schaff:

The Utah Communications Authority (UCA) Management and Staff have reviewed the recently completed draft of the Review of the Administration of 911 Surcharges, completed by your office in January 2016. Thank you for the time and effort put into examining the issues and preparing a report of your findings. We welcome the independent examination of the issues and the recommendations for improving the delivery of 911 services to the citizens of Utah. We appreciate the time your representatives took to meet with UCA employees and 911 experts.

### **Chapter 1 – Introduction**

We acknowledge the scope and objectives of the audit.

### **Chapter 2 - Options the Legislature Could Consider to Improve Efficiency and Effectiveness of the 911 System**

The UCA will follow any statute changes.

### **Chapter 3 - A Statewide 911 Strategic Plan Is Overdue**

Regarding recommendations 1 and 4, UCA has retained an independent consultant to analyze and inventory the current delivery of 911 services, meet with current Public Safety Answering Point (PSAP) providers and recommend strategic changes to the current delivery of service. The consultant will also review compliance with the statute by the UCA Board, 911 Advisory Committee, UCA Staff and Utah PSAPs, determine organizational review needs and recommendations and provide strategic direction for future implementation.

Regarding recommendations 2 and 3, the UCA will follow any statute changes.

### **Chapter 4 - Statewide Strategy Should Drive 911 Grant Awards**

We believe that a strategic plan with clear rules and standards for utilization of State 911 funds is needed. Based on this legislative review, completion of the 911 study by the consultants, and passage of subsequent legislative statute changes (if any), UCA will take appropriate action.

This report identifies several areas that need attention legislatively and within UCA. We

appreciate the review identifying the need for legislative clarification. These clarifications will provide UCA with necessary direction to ensure further implementation of a statewide 911 system driven by clear statutory intent. The strategic plan under development will contain specific goals and objectives predicated on legislative direction.

Again, we appreciate your efforts to assist us in defining opportunities to improve our operations and services.

Cordially,



Steven Proctor  
Executive Director



Tina Mathieu  
Chair, UCA Board