

HB 2449 A

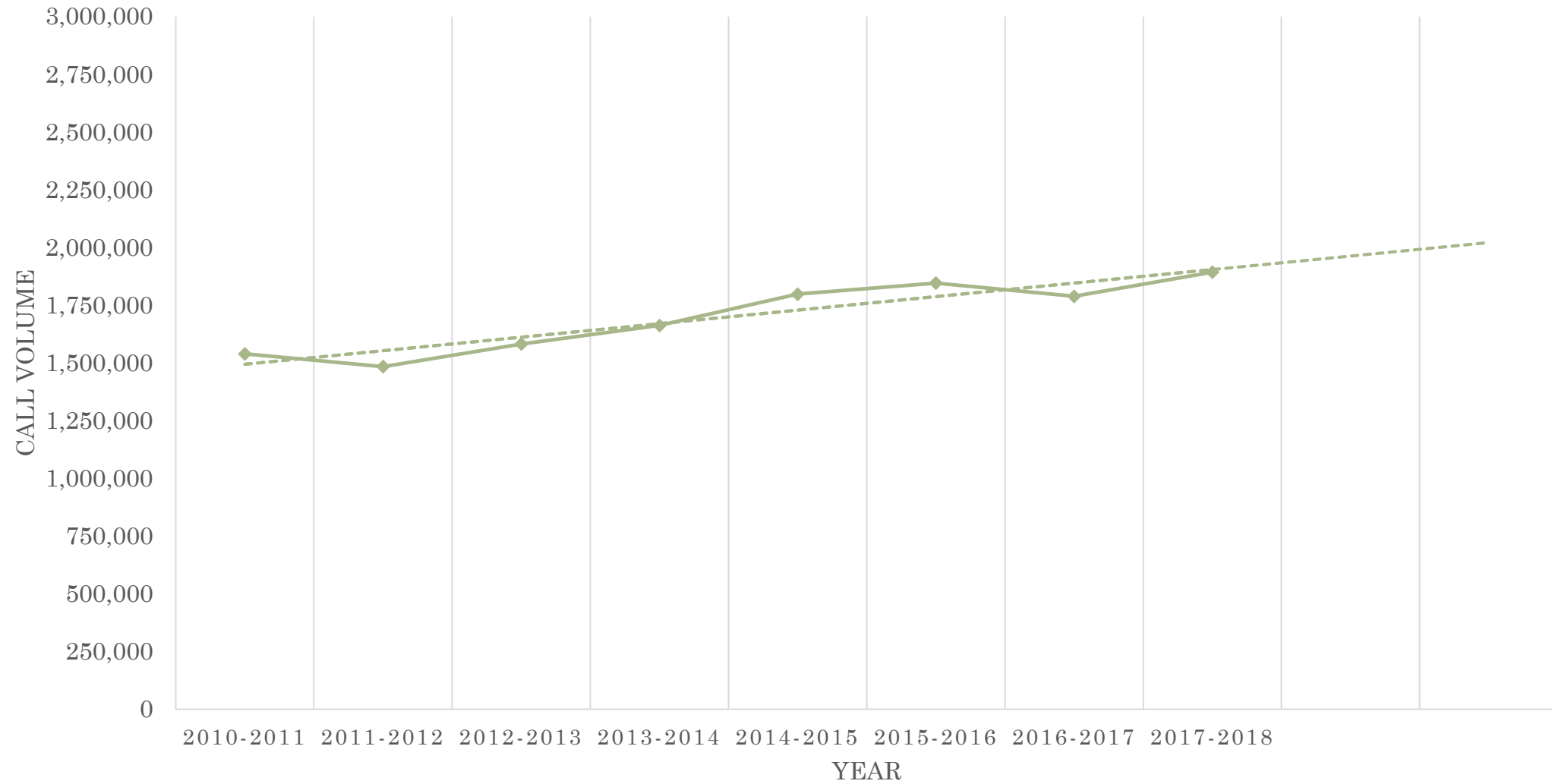
State 9-1-1 Revenue Reform

April 22, 2019

Background – Tax and Funding

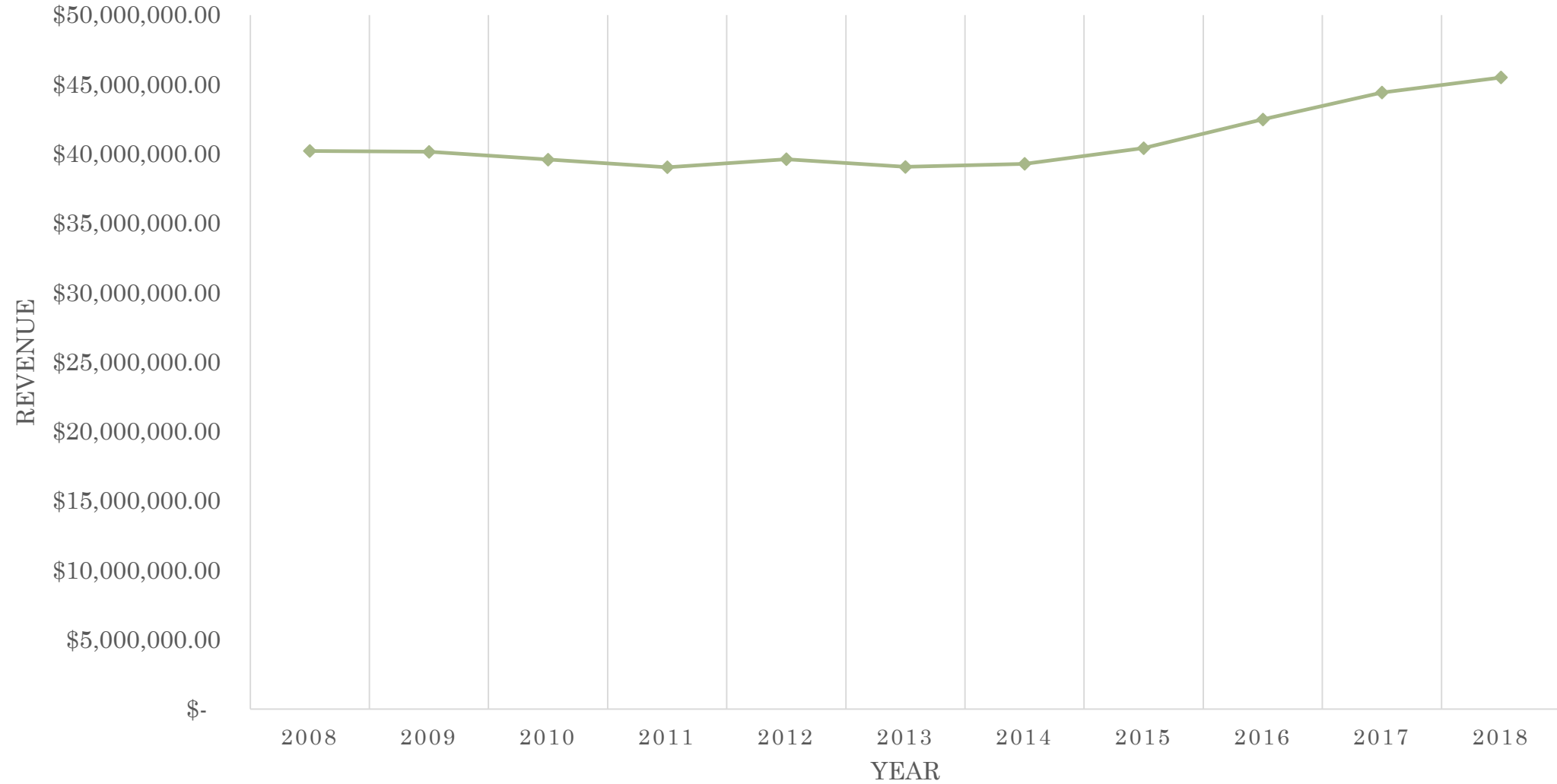
- History
 - 1981 – Oregon Legislature mandated 9-1-1 services and instituted a 3% surcharge on subscriber's telephone lines
 - 1991 – Increased the surcharge to 5%
 - 1995 – The 5% surcharge was converted to a \$0.75 surcharge
- Tax Breakdown
 - 60% of the revenue is distributed to counties and cities for operation of PSAPs
 - Distribution is in proportion to population, but no county can receive less than 1% of the distribution
 - 35% of the revenue is managed by the Office of Emergency Management
 - 4% of the revenue is used to pay for the Office of Emergency Management administrative costs associated with the program
 - 1% of the revenue is used to pay for Department of Revenue administrative costs associated with the program

9-1-1 CALL VOLUME 2010-2018



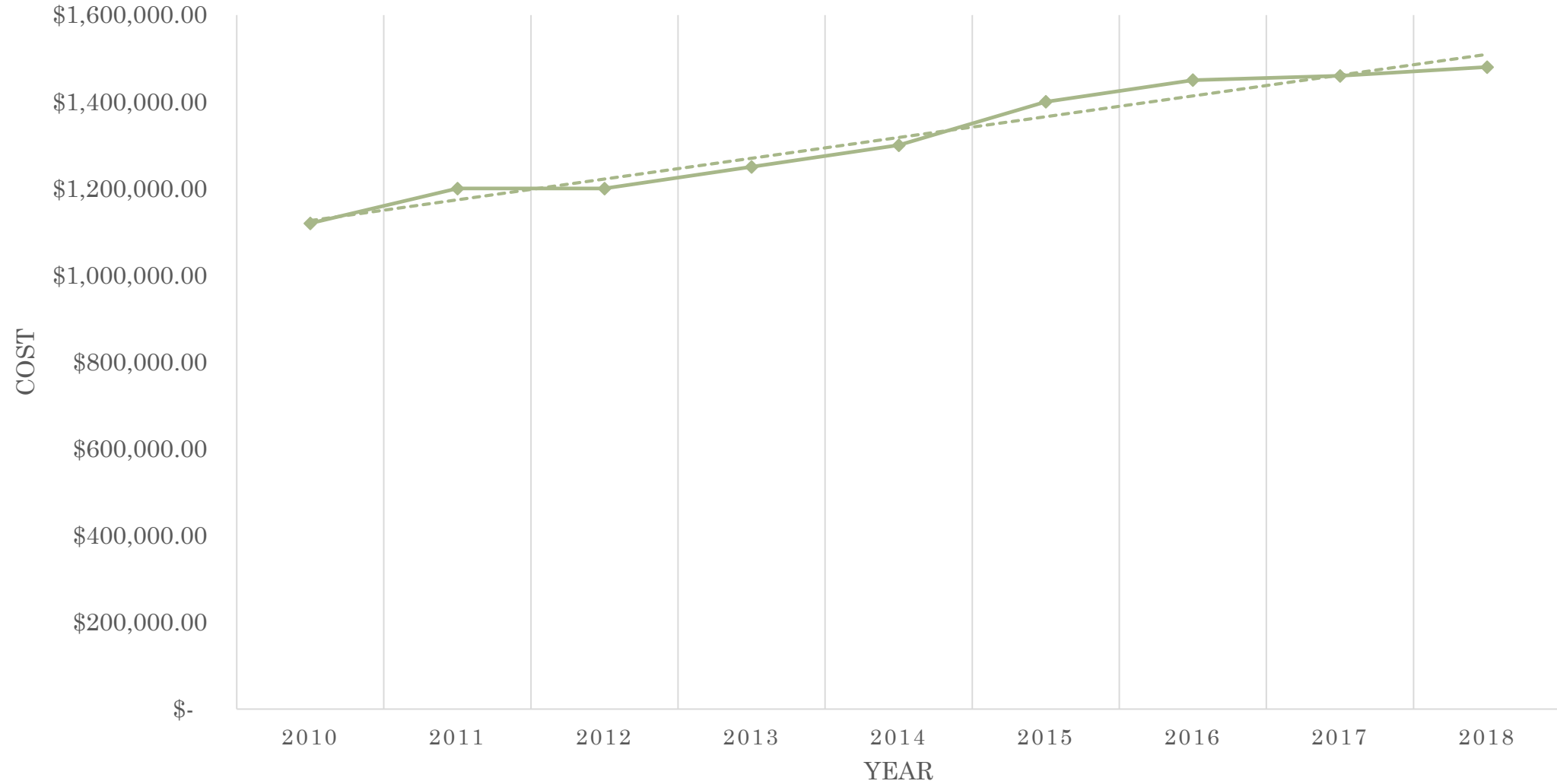
*Data provided by Office of Emergency Management

9-1-1 ANNUAL SURCHARGE REVENUE



*Data provided by Office of Emergency Management

YEARLY STATEWIDE EXPENDITURES

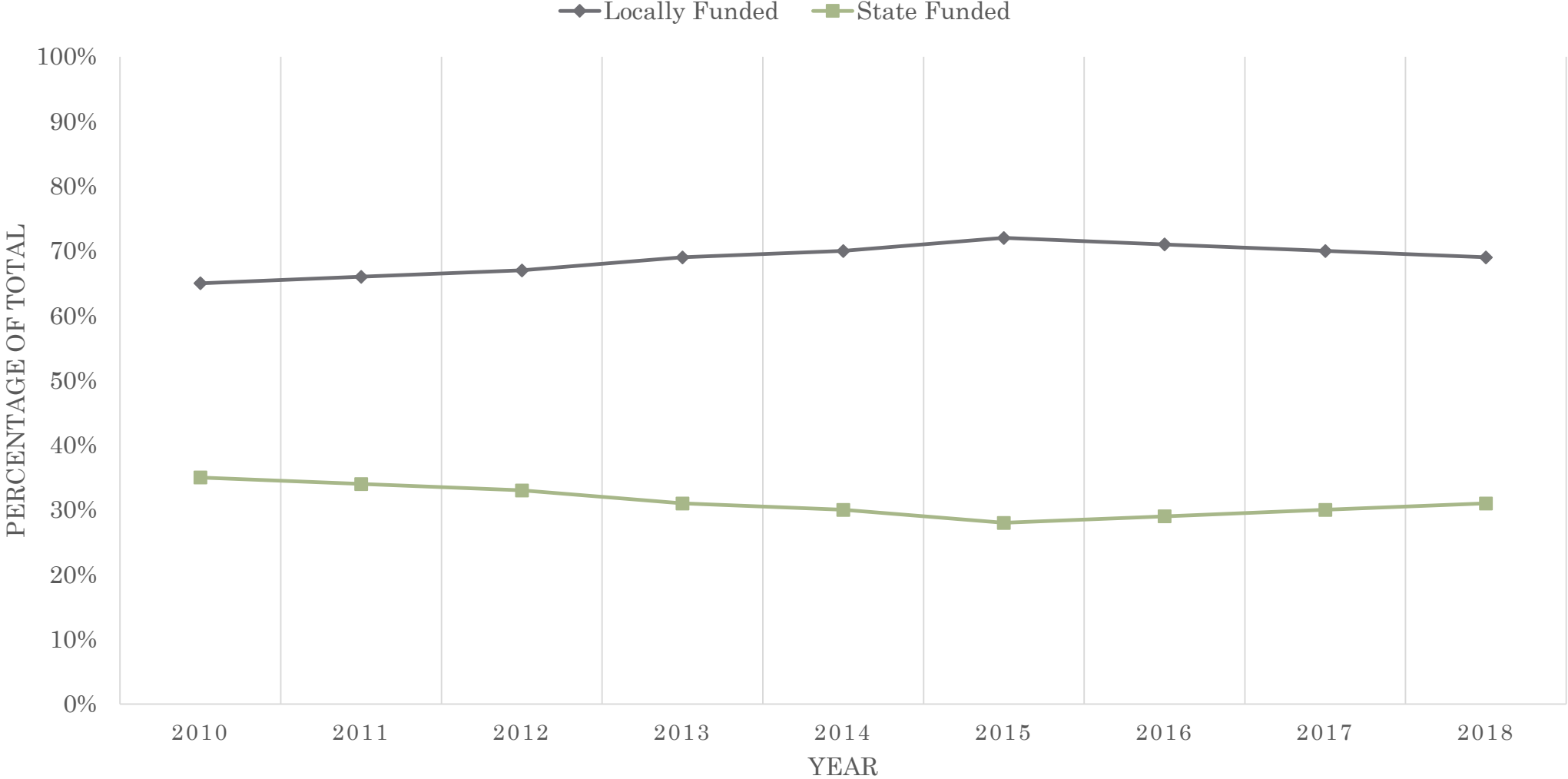


*Data provided by Office of Emergency Management

9-1-1 Increased Cost Breakdown

- Implementation of statewide digital network
- Text-to-9-1-1 service
- Call taking equipment mapping hardware, software, and licensing
- Increase in disbursement levels for geographic information systems data management
- Need for additional call taking workstations due to increased call volume
- Increased phone system vendor maintenance costs
- Increase 9-1-1 call delivery infrastructure costs due to increased statewide call volume
- General inflation of all subaccount products and services

STATE VS. LOCAL 9-1-1 CONTRIBUTIONS



*Data provided by Office of Emergency Management

Problems and Solution

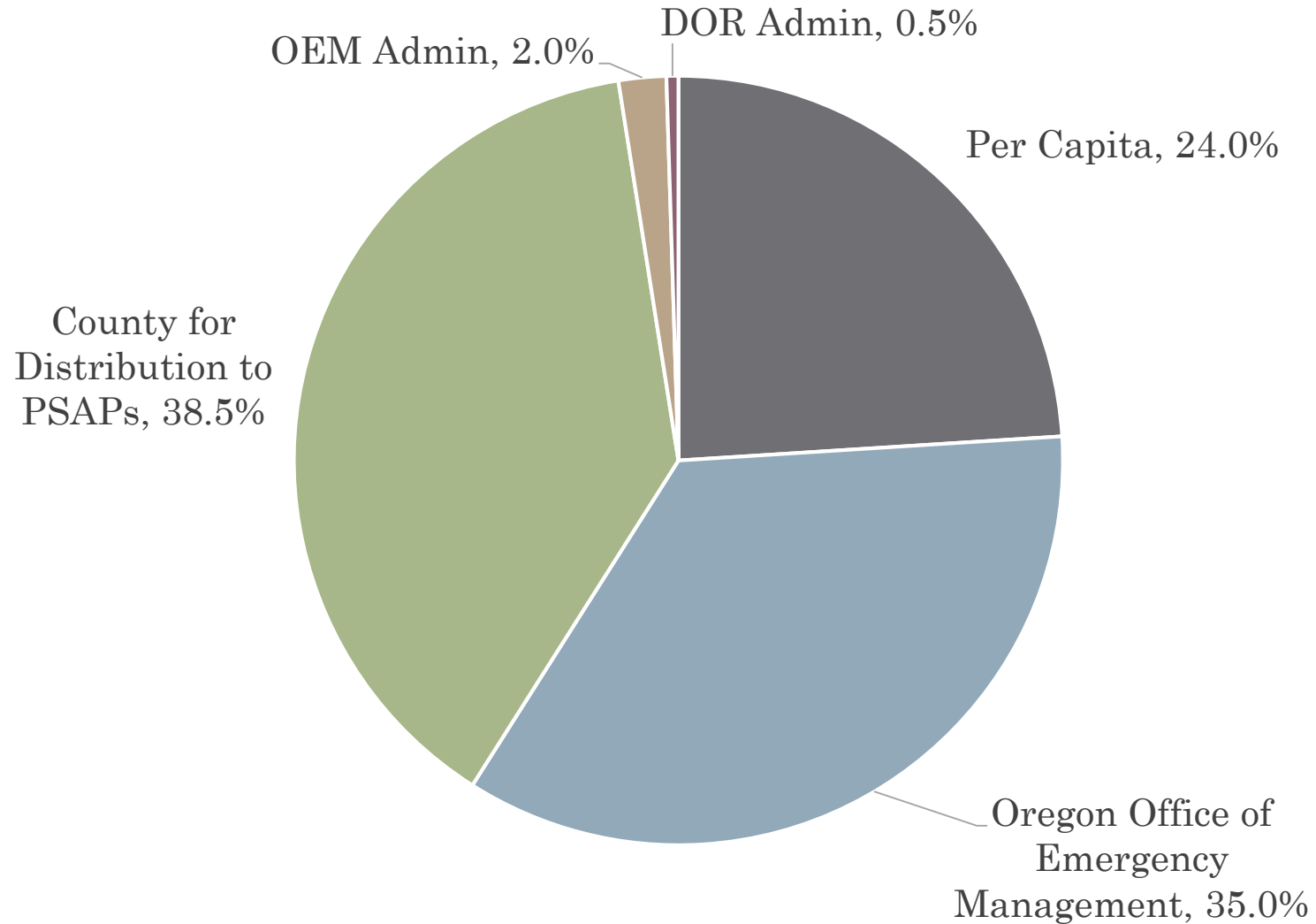
Problems

- The tax has not increased since 1995
 - 9-1-1 centers, including rural counties, are underfunded
- Taxes generally cover less than 25% of the costs of total PSAP operations
- Costs are increasing up to 8%-15% per year
- Many PSAPs are understaffed

Solution – HB 2449

- Increase tax from \$0.75 to \$1.50 for wireless and wireline telecommunication and each retail transaction
- Decrease the amount DOR receives from 1% to 0.5% for administrative costs
- Decrease the amount OEM receives from 4% to 2% for administrative costs

HB 2449 9-1-1 Revenue Distribution



■ Per Capita ■ Oregon Office of Emergency Management ■ County for Distribution to PSAPs ■ OEM Admin ■ DOR Admin

What does the 9-1-1 Sub-account Fund Today?

Service Type	% of Account	Annual Cost	2019 @ \$0.75
9-1-1 Sub-account (35% of Surcharge)			\$16,613,992
Emergency Call Delivery Infrastructure & Databases	73%	\$12,178,691	
Call Taking Equipment	30%	\$5,000,000	
Call Taking System Maintenance	5.99%	\$994,689	
Statewide Call Metrics Data Collection System	0.69%	\$114,660	
Geographic Information Systems Management	9.32%	\$1,547,859	
Call Taking UPS System Maintenance	1.2%	\$199,992	
Text to 9-1-1	0.57%	\$95,069	
TOTAL	121%		-\$3,516,968

*Data provided by Office of Emergency Management

Annual 9-1-1 Sub-account Needs

Description	Cost
Current 9-1-1 Sub-account expenditures (call delivery infrastructure and maintenance)	\$16.6 million
Lifecycle replacements for 9-1-1 center call taking equipment (hardware and maintenance)	\$6 million
Statewide legacy call delivery infrastructure aging and near end-of-life support	\$3 million
Improved wireless caller location information	\$1.5 million
Integration of text-to-911 into call taking equipment for improved response times	\$1.5 million
Advanced call routing in the event of a disaster	\$3 million
Computer-aided dispatch funding	\$4.4 million
Statewide infrastructure into other data repositories	\$2 million
Scaling of existing statewide IP network to support increased bandwidth demand	\$1 million
Proactive security monitoring of statewide IP network	\$2 million
PSAP backup services	Not included
PSAP or regional FirstNet network integration	Not included
Total	\$41 million

9-1-1 Funding Summary

Current Breakdown

2018 Surcharge Revenue	\$45,508,036	1.38% Annual Growth
Direct Distribution to PSAP	\$27,304,821	
9-1-1 Sub-account	\$15,927,812	
Total PSAP Operational Cost 2018	\$145,000,000	2.85% Annual Growth

Proposed Breakdown

2020 Surcharge Revenue	\$91,016,072	62% of Statewide Operating Cost
Direct Distribution to PSAP	\$56,885,046	
9-1-1 Sub-account	\$31,855,624	
2019 Subaccount Identified Need	\$41,000,000	