

Legislative Analysis



DEVELOPMENT OF PLANS TO CONSOLIDATE 911 CALL CENTERS

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House Bill 5927

Sponsor: Rep. Andy Neumann

Committee: Appropriations

Complete to 3-11-10

A SUMMARY OF HOUSE BILL 5927 AS INTRODUCED 3-9-10

The bill would amend the Emergency 9-1-1 Service Enabling Act, 1986 PA 32, to require local "9-1-1 call centers" (PSAPs)¹ to submit proposed plans consolidating operations with other centers to the Public Service Commission (MPSC) within 2 years after the bill's effective date. The consolidation of the PSAPs would be based on both of the following factors,

- One center per 100,000 residents according to the latest federal decennial census.²
- The consolidated call center would have the technical capacity to receive calls, text messages, or other communications from all wireless communication devices.³

¹ "9-1-1 call centers" is not a term that is defined in the act. Call centers are referred to as "public safety answering points" (PSAPs) within the act. Currently there are about 180 PSAPs in the state. For a listing see the website of the State 911 committee, [http://www.michigan.gov/documents/PSAP_by_county_2006_142727_7.pdf]. The PSAPs operating within a 911 service district are designated by the county through adoption of the Final 9-1-1 Service plan.

² With the 2010 decennial census underway very soon, it is expected that local population figures would not be available until April 2011, according to the state demographer. Even with each consolidated PSAP serving a population of roughly equivalent size, the actual scope of activities (and operational costs) would vary from PSAP to PSAP depending on call volumes. In 2008, for instance, Allegan County (2000 census population of 105,665) had a total 9-1-1 call volume of 42,922 calls. Eaton County (2000 census population of 103,665) had a total 9-1-1 call volume of 65,477 calls.

³ Currently, PSAPs generally don't have the technical capacity to receive text messages or other communications (videos, pictures, etc) from a wireless (cellular) phone. The technical barriers are to be addressed with the transition to the next generation, IP-based 9-1-1 system in the coming years. For a review of these issues, see, generally, Linda K. Moore, *Emergency Communications: The Future of 9-1-1*, Congressional Research Service, updated September 28, 2009, available at [<http://www.nena.org/sites/default/files/CRS%20911%20Report%209.28.09.pdf>]. See, *Next Generation 9-1-1 Feasibility Study*, Kimball Technology Corporation, submitted to the State of Michigan 9-1-1 Committee, December 2009, [http://www.michigan.gov/documents/msp/Michigan_Next_Generation_9-1-1_Feasibility_Study_304211_7.pdf]. See, also, *A National Plan for Migrating to IP-Enabled 9-1-1 Systems*, The National E9-1-1 Implementation Coordination Office, September 2009, [http://www.e-911ico.gov/NationalNG911MigrationPlan_sept2009.pdf]. On this point, recent Federal regulations concerning the federal ENHANCE 911 Act note, "[t]rends in telecommunications mobility and convergence have put the nation's 911 system at a crossroad. The growing market penetration of both wireless telephones (commonly known as mobile or cell phones) and Voice over Internet Protocol (VOIP) telephony have underscored limitations of the current 9-1-1 infrastructure. The 9-1-1 system, based on decades-old technology, cannot handle text, data, image and video that are increasingly common in personal communications and critical to emergency responses. Many of the limitations of the current 9-1-1 system stem from its foundation on 1970s circuit-switched network technology. Each introduction of a new access technology (e.g., wireless) or expansion of system functions (e.g., location

Once the consolidation plan is developed, it would be forwarded to the Public Service Commission. The MPSC would have 6 months to review and approve (or disapprove) the consolidation plan. If the MPSC doesn't act within the 6 month time period, a plan would automatically be considered approved. If the MPSC disapproves of a plan it would "adjust" the plan to ensure that the plan complies with the two requirements listed above.

FISCAL IMPACT:

The bill would have no immediate impact on state revenues or expenditures as it relates to the operation of the 911 system in the state. The bill does not alter the current funding structure provided for in the Emergency 9-1-1 Service Enabling Act.

The bill would have an indeterminate fiscal impact on the Department of Energy, Labor and Economic Growth (Public Service Commission), through the bill's requirement that the MPSC approve the consolidation plans. This approval process would require staff time and resources, as well as the time and resources of administrative law judges (State Office of Administrative Hearings and Rules) and the Attorney General's office, which are typical expenses in the course of PSC proceedings. At this point, the scope of these activities is not clear. The activities of the MPSC are supported, in large measure, by assessments against the regulated utilities. These assessments are based on the amount appropriated to the agency in a given year (its anticipated costs), less the amount of any funds carried forward from the prior fiscal year. Given that the bill imposes an additional burden (costs) on the MPSC without any corresponding fund source, the bill has the effect of reducing assessment revenue that is carried forward into the subsequent fiscal year, and increasing the amount assessed against the utilities. Given the time frames specified in the bill, any impact on the MPSC would not likely occur until 2012 at the earliest.

The bill would likely impose additional costs on local units of government as well. Around the county, and in Michigan, there have been on-going discussions on the feasibility of consolidating PSAPs. Determining whether a particular consolidation is appropriate, cost-effective, or feasible, often requires an in-depth study assessing the various factors impacting (and impacted by) the consolidation.⁴ These feasibility studies

determination) requires significant engineering and system modifications. There appears to be consensus within the 9-1-1 community on the shortcomings of the present 9-1-1 system and the need for a new, more capable system, based upon a digital Internet-Protocol (IP) based infrastructure...Upgrading the 9-1-1 system to an IP-enabled emergency network will enable E-9-1-1 calls from more networked communication devices; enable the transmission of text messages, photographs, data sets and video; enable geographically independent call access, transfer, and backup among PSAPs and other authorized emergency organizations; and support an 'interoperable internetwork' of all emergency organizations." See, Title 47 (Telecommunications), Part 400 (E-911 Grant Program) of the Code of Federal Regulations, [<http://edocket.access.gpo.gov/2009/pdf/E9-13206.pdf>].

⁴ See, for example, *Kent County Central Dispatch Authority: Cost Benefit Study Report*, prepared by 911 Insight, February 6, 2006, available at, [http://www.kent911.org/pdfs/911_Insight_Report_Cost_Benefit.pdf]. On this point, the Minnesota Governor's Work Group on PSAP consolidation notes, "[g]iven the complexities involved in an emergency communications consolidation, a comprehensive feasibility study is highly recommended prior to any forward movement in consolidating. Technological consolidation is usually feasible. Financial and political feasibility are much different questions. The most important finding the study provides is a bottom line

are often done by third-parties with particular expertise in this area. The cost of a feasibility study would cost between \$100,000 and \$200,000. If such a study is conducted, it's not clear what entity would be responsible for those costs.⁵

Beyond that, though, the bill does not explicitly require consolidation, although it presumes that consolidation is feasible. In this regard, there are no immediate, additional cost implications as it relates to the consolidation itself. Down the line, there would be cost implications, as proposed consolidations move forward. But that, again, isn't explicitly required under the bill. On this point, a recent report from Minnesota notes, "[w]hile cost savings are possible, two points are critical. First, not all consolidations result in cost savings. A common misconception is that consolidating will result in significant personnel reductions thus significant cost savings. Consolidations do not normally involve large staff reductions. The real cost savings come from the elimination of redundant and expensive technology such as CAD, 911 answering equipment, radio consoles, and logging recorders. The single set of technology and systems found in a consolidated environment reduces costs associated with procurement, connectivity, and maintenance costs. Second, in those scenarios where cost savings are achievable the actual realization of the savings may not occur for several years. The consolidation process can be expensive and can generate substantial one-time start-up and capital costs for facility and technology needs. The costs delay the actual cost savings."⁶

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

determination if consolidation is not only feasible, but recommended as well. A feasibility study will examine all aspects of a potential consolidation and provide a variety of options, recommendations, and cost analysis so that making an educated, well-informed decision is possible. See, *Public Safety Answering Point Consolidation: A Guidebook for Consolidation Strategies*, Minnesota Governor's Work Group on PSAP Consolidation, December 2009, [<http://www.srb.state.mn.us/pdf/MN%20Guide%20Book%20Final%20120409srw%20V6.pdf>].

⁵ Several states use state 911 funds to provide grants to local entities to at least defray a part of the cost of feasibility studies.

⁶ *Public Safety Answering Point Consolidation: A Guidebook for Consolidation Strategies*, Minnesota Governor's Work Group on PSAP Consolidation, December 2009. In regard to staffing issues, the report notes, "[a]nother common misconception about cost savings is that a consolidation of PSAPs will result in a reduction of staff. Normally, this is not the case for two reasons. First, the majority of PSAPs are consistently understaffed. Second, while the number of call takers and dispatchers needed in the consolidated center may be fewer, the larger organization will need several new positions to function properly. These positions include supervisors, training, quality assurance, and technical staff. The number of employees stays roughly the same while the distribution of staff among various job titles changes." Also, the report notes, many PSAP functions are handled by dispatchers who have other, non-dispatch functions.