

Rising Cost of State-run PSAPs

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There are 26 Public Safety Answering Points (PSAPs) in Maine. Four of the twenty-six PSAPs are operated by the state Department of Public Safety (DPS). These four are located in Houlton, Orono, Augusta and Gray. The Orono facility only services 911 calls made by cell phones. Each of the four provides dispatching service for six state agencies, the bulk of that work being for the State Police.

Excluding Orono, the three remaining DPS-run PSAPs serve municipalities that contract with the state for both answering and dispatching service. Today, approximately 106 municipalities receive emergency 911 call answering and services from a DPS-run PSAP and approximately 75 receive dispatching services from the DPS.

Most of the remaining 24 PSAPs are operated at the county-level and receive their funding through each county's property tax assessment.

The state-operated PSAPs charge their municipalities a per capita fee. In 2008, the Legislature directed the Public Utilities Commission (PUC) to conduct an "adjudicatory proceeding" to determine how much money is necessary to fund each DPS-run PSAP center and to ensure the fees charged to municipalities reasonably reflect the services provided.

The Department of Public Safety has proposed a 64% increase in the rates charged for answering and dispatching services beginning in FY 2010.

DPS explains that much of the proposed increase is for two one-time expenses next biennium. In theory, therefore, the rates should be reduced for FY 2011. The two one-time expenses identified by

DPS are: (1) the capital costs associated with moving a telecommunications tower from the current State Police barracks in Orono to a new facility (\$774,000) and (2) a retroactive pay increase to state-run PSAP employees (\$1,218,000). Ongoing increases of approximately \$1.2 million annually are also built into the new rates for increases in pay and benefits.

RETROACTIVE PAY AWARD

It appears to MMA to be inappropriate to increase rates in FY 2010 to fund back-pay for work that relates to previous years. The pay increase came about due to a grievance (job reclassification) filed by state PSAP workers with the state Bureau of Human Resources (BHR). The BHR "settled" the case without a hearing by granting a single "step increase" and a one-time 15% bonus to the PSAP workers. The workers claimed that the consolidation of PSAPs has contributed to a significantly increased workload and that they should be compensated accordingly.

MMA does not know if the back pay award is justified or not. However, the state should not be allowed "do-overs" on their contract prices for PSAP services with municipalities. That is, the DPS entered into contracts for service with municipalities and those contracts identified the amount the municipalities

would have to pay for the service. The state's rates were apparently too low. DPS would like to use the FY 2010 rates to cover their budget overruns from previous years.

The state could have protected itself by including contingency provisions in its contracts with municipalities. These contingency provisions could have protected DPS from increases in foreseeable costs. The potential for a back-pay award was foreseeable by DPS since the PSAP workers filed their first grievance in 2002 and their second grievance in 2007. However, the state not only failed to include the contingency, most towns had no idea this potential million-dollar cost was looming.

It should be noted that another reclassification dating back all the way to 2002 is still pending. In its filing with the PUC, DPS indicates that if it loses this second multi-million-dollar reclassification the rates for FY 2010 and 2011 will need to increase again.

A prospective increase in rates wouldn't be so objectionable if PSAP services were provided by an array of entities. Multiple service providers would allow municipalities to simply not contract with the state and avoid the proposed FY 2010 increase. However, state law has reduced the number of PSAPs and it is now against the law for a town to open its

Increased Pay and Benefits for State PSAP Staff

	FY 2010	FY 2011
Position Reclassification (Ongoing)	\$766,000	\$766,000
Salary/Benefit Increase (Ongoing)	365,000	510,000
Position Reclassification - Retroactive Benefit (One-Time)	1,218,000	-
Orono Regional Communications Center - Relocation (One-Time)	774,000	-

own. Aroostook County has one PSAP, the DPS-operated PSAP in Houlton. Many municipalities are, practically speaking, trapped in DPS-run PSAPs.

ORONO TOWER RELOCATION

The nearly \$1 million cost to construct a new cell tower in Orono raises a financing issue. MMA does not know if the need is justified (although the current tower is apparently over 50-years old) or if the cost to construct the new one is reasonable. However, it would appear that the tower will be used for the next 40-50 years and that the expense associated with constructing the tower should be spread over its life – not front loaded in one year.

But, if the capital cost is going to be paid entirely in a single year, it is not clear why the State doesn't use a portion of a significant surplus in revenue that appears to have been raised for E911 infrastructure purposes.

The state has an \$8.8 million surplus in an E911 surcharge fund which receives revenues from the monthly \$0.30 per telephone line surcharge on each telephone. Maine lowered this charge from \$0.50 this past session. By comparison Massachusetts has a monthly surcharge of \$0.75 per line and New Hampshire's is \$0.64 per line. It would not appear to be inappropriate to utilize these funds for one-time expenses of the state associated with the consolidation and upgrading of the E911 system.

Another complicating factor in the PUC proceeding is that the Department of Public Safety is apparently not responsible for much of its costs. DPS determines the equipment and staffing needs for the state-run PSAPs. However, the equipment is purchased, owned and maintained by the Office of Information Technology, which then leases the equipment to DPS. Personnel costs – wages and benefits – are set by the Bureau of Human Resources within the Department of Administrative and Financial Services (DAFS). DAFS also issues to the Department of Public Safety a general state government-overhead charge. Thus, DPS can generally control what is needed but not how much the needs

shall cost.

The particulars associated with the proposed rate increase in FY 2010 invites one to question whether the mandatory consolidation of PSAP services has saved money. That is a nearly impossible question to answer because of the lack of data about what it formerly cost to operate the different PSAPs across the state. Also, consolidation of PSAPs was accompanied by a significant investment in the infrastructure needed to operate an “enhanced” 911 system (where the location of the caller is automatically relayed to the dispatcher).

Nevertheless, MMA issued a survey to the 22 non-DPS PSAPs seeking basic information about their operations. Using this information and the data provided by the state it appears that the state-run PSAPs are far less costly on a per-call basis. They cost approximately \$26 per emer-

gency call at state PSAPs vs. \$56 per call at the local level. However, the state-run PSAPs are far more costly on a per-dispatcher basis. The cost per state PSAP employee is approximately \$100,000; for local dispatchers the cost is around \$50,000.

The DPS information is probably reliable as it was provided by DPS pursuant to the PUC adjudicatory proceeding. The MMA survey is less reliable in that we didn't issue detailed instructions regarding what a PSAP budget should include. However, the data appears fairly consistent across multiple survey respondents. Even if one were to increase the per employee costs by 20% for the local PSAPs (assuming the survey respondents didn't account for all related overhead costs) the cost per local dispatcher is still significantly less than the cost per state dispatcher.

There are many possible reasons

Public Safety Answering Points (PSAPs) in Maine

	PSAP	Number of Municipalities	Total Population	Emergency Calls
1	DPS - Gray	18	71,642	155,584
2	DPS - Houlton	67	71,639	15,855
3	DPS - Orono			44,374
4	DPS – Augusta (CMRCC)	21	79,241	60,485
5	Cumberland County RCC	16	70,518	15,895
6	Hancock County RCC	37	53,441	8,674
7	Knox County RCC	18	41,219	15,333
8	Lincoln County RCC	19	35,239	12,814
9	Oxford County RCC	34	52,923	23,379
10	Penobscot County RCC	58	113,582	30,411
11	Lewiston/Auburn RCC	2	59,908	136,539
12	Androscoggin County SO	12	48,131	11,005
13	Franklin County SO	21	28,840	9,429
14	Piscataquis County SO	19	16,795	4,932
15	Somerset County SO	41	92,637	13,874
16	Waldo County SO	26	38,705	10,955
17	Washington County SO	46	32,130	7,563
18	Sagadahoc County	10	36,962	12,482
19	Bangor PD	1	31,478	22,655
20	Biddeford PD	3	43,955	9,755
21	Brunswick PD	4	45,874	10,881
22	Portland PD	3	97,073	112,588
23	Sanford PD	1	21,619	6,899
24	Scarborough PD	4	40,741	9,588
25	Westbrook PD	3	42,951	13,740
26	York PD	6	46,000	4,764
	Statewide:	490	1,313,243	780,453

for the cost disparity: increased workload at the bigger state PSAPs, more generous state benefits; expensive state overhead costs; newer equipment at the consolidated state PSAPs. Whatever the reason, it is evident that it costs more per dispatcher at the large state-run PSAPs than at some of the traditional local PSAPs. It is also evident that the cost per call is lower at the state level than at the local level.

Consolidation is an idea that is generally worth exploring. It may be the best way to either improve services or save money. However, before embarking on future consolidations, municipal officials should carefully weigh the evidence about cost. One lesson from the PSAP experience is that the true cost of consolidation may not be known until a few years of operations have occurred. Upfront estimates of cost should be viewed skeptically.

The PUC adjudicatory process began in June and is scheduled to conclude in January. Anyone interested in the process should feel free to contact Jeff Austin at MMA (jaustin@memun.org or 1-800-452-8786) 

Current vs Proposed State PSAP Rates			
	FY 2008 (Current)	FY 2010 (Proposed)	Increase
PSAP Services	\$2.50	\$4.09	64%
DISPATCHING Services			
Law Enforcement			
Full-time municipal department: <i>(depending on agency size)</i>	\$5.00	\$8.18	64%
	\$6.00	\$9.81	64%
	\$8.00	\$13.08	64%
Municipalities utilizing rural patrol	\$4.00	\$6.54	64%
Fire Services			
Full-time municipal department:	\$3.00	\$4.91	64%
Volunteer (call) municipal department:	\$1.50	\$2.45	63%
Emergency Medical Services			
Full-time municipal department:	\$4.00	\$6.54	64%
Volunteer (call) municipal department:	\$2.00	\$3.27	64%

Financial Breakdown for Maine PSAPs

PSAP	Total Employees	Emergency Calls		Total Budget	\$ per call	\$ per employee
DPS - Gray	21	155,584	7,409			
DPS - Houlton	9	15,855	1,762			
DPS - Orono	13	44,374	3,413			
Central Maine RCC	29	60,485	2,086			
Total:	72	276,298	Avg. 3,667	\$ 7,170,000	\$ 26	\$ 99,583
Lincoln County RCC	14.5	12,814	884	\$ 673,872	\$ 53	\$ 46,474
Oxford County RCC	15	23,379	1,559	\$ 498,131	\$ 21	\$ 33,209
Penobscot County RCC	26.5	30,411	1,148	\$ 1,544,833	\$ 51	\$ 58,296
Lewiston/Auburn RCC	27.5	136,539	4,965	\$ 1,712,657	\$ 13	\$ 62,278
Androscoggin County SO	12	11,005	917	\$ 330,771	\$ 30	\$ 27,564
Franklin County SO	17	9,429	555	\$ 389,780	\$ 41	\$ 22,928
Piscataquis County SO	9.5	4,932	519	\$ 606,382	\$ 123	\$ 63,830
Somerset County SO	14	13,874	991	\$ 933,459	\$ 67	\$ 66,676
Waldo County SO	15	10,955	730	\$ 649,926	\$ 59	\$ 43,328
Washington County SO	11.5	7,563	658	\$ 389,000	\$ 51	\$ 33,826
Bangor PD	14.5	22,655	1,562	\$ 450,000	\$ 20	\$ 31,034
Biddeford PD	13	9,755	750	\$ 1,007,170	\$ 103	\$ 77,475
Sanford PD	11.5	6,899	600	\$ 520,073	\$ 75	\$ 45,224
Scarborough PD	11	9,588	872	\$665,946	\$ 69	\$ 60,541
Total:	212.5	309,798	Avg. 1,194	\$ 10,372,000	\$ 56	\$ 48,049