

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1207

2005 HOUSE FINANCE AND TAXATION

HB 1207

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1207**

House Finance and Taxation Committee

Conference Committee

Hearing Date **January 18, 2005**

Tape Number	Side A	Side B	Meter #
1		X	21.6

Committee Clerk Signature



Minutes:

REP. WES BELTER, CHAIRMAN Called the committee hearing to order.

REP. DAVID DROVDAL, DIST. 39, Introduced the bill. He gave an explanation of why this bill is in the committee. He stated when we allowed the counties to go up to one dollar, we allowed the tax to be passed on. When I vote for a tax increase, I take it very seriously. At that time, we had a lot of unanswered questions, as to the cost of putting up the system, was this money going to be used for that or for administration. We didn't have a lot of answers. This is my way of asking, to clarify what we did four years ago, to leave it at one dollar, etc. There is some question as to duplicate service. We have 9 1 1 service, we have emergency services, some of that money goes to each. As legislators, it is our responsibility to take our actions serious. In that regard, that is why this bill is before you.

REP. GRANDE Going through your district, I have large gaps where I don't have my cellular coverage, meaning, I don't have 9 1 1 service. It is not an issue that I don't want the 9 1 1, I

expect it, if I am going to pay for it on my cell phone, I want cell phone coverage. My frustration comes from, how do we address that lack of it?

REP. DROVDAL That leads into the question I didn't bring up. My district is the largest and does have a lot of area because we don't have a lot of people. The cost to the cellular companies is prohibitive because of that additional coverage. The people driving by this area, it is the number one tourist attraction in North Dakota. We don't get any revenue to put an enhanced system in. Maybe that is something we could address too. I agree with you and my constituents say the same thing, we are paying, and don't get the coverage.

REP. GRANDE Stated she has gaps in her service too, can't drive from Fargo to Grand Forks without having my calls dropped, or from Bismarck to Fargo without my calls being dropped.

REP. DROVDAL A lot of people are having that issue.

REP. SCHMIDT I have the same problem in my area that you have in your area because we don't have the service. By reducing the fee, do you suppose our service will be in jeopardy?

REP. DROVDAL That is a question we will get answered. Maybe we need to increase it to get coverage.

REP. WES BELTER, DIST. 22 Testified in support of the bill. Gave a little legislative perspective on this issue back to the 1999 session when this bill was passed. From my perspective, I as a taxpayer want to know, is we are paying one dollar per month for taxes, which is forty eight dollars per year, what am I getting for that forty eight dollars. Who is collecting the money and who is spending the money. I am one of these when this original bill was passed, I never felt it was necessary for us to have a 9 1 1 system, that wherever you were in the world, someone had to find you in fifteen minutes. There are risks in life, and you can only pay so much

for security. I had wonderful 9 1 1 service before we had a tax, and we still have wonderful service with the 9 1 1 tax. Is our 9 1 1 service any better because we do have this tax. Related to coverage in downtown Phoenix, Arizona, stating he also lost calls there too. Also, in North Carolina, he lost calls, so losing calls in North Dakota is not unique to the country.

TERRY TRAYNOR, ASSISTANT DIRECTOR, NORTH DAKOTA ASSOCIATION OF COUNTIES Testified in opposition of the bill. See attached written testimony.

REP. BELTER The North Dakota Association of Counties collects fifty cents of this dollar, and you were given that authority by the Joint Powers Group. Who is the Joint Powers Group?

TERRY TRAYNOR They are the fifty five jurisdictions who levy the tax, Sioux County, because they are dispatched out of South Dakota, are really involved in the South Dakota project.

Fifty five joint counties and cities entered into a joint powers agreement establishing a management group for that, and that group asked the association to facilitate the contract and actually house the project manager.

REP. BELTER Asked Mr. Traynor to review for the committee how the fifty cents is spent.

TERRY TRAYNOR Referred to Appendix C, which is attached to his written testimony.

REP. BELTER Asked who the project manager is.

TERRY TRAYNOR Project manager is Russ Lindbloom

REP. BELTER How many staff members are there?

TERRY TRAYNOR Just one, full time staff and then some support.

REP. FROELICH Russ Lindbloom is payed approximately \$105,000 per year?

TERRY TRAYNOR No, that is his salary, some support staff and overhead. I could provide an annual breakdown, if you want it.

REP. DROVDAL As to the funding level, you indicated that the dollars actually bring in 6.7 million dollars and 6 million by property tax, that is not saying we should bring in more, necessarily from the cell phone tax, because many of these services are multi services and may be performing more than 9 1 1 services, is that correct?

TERRY TRAYNOR That is a real good question, it does get to be difficult in splitting out. Related to a survey from the lake region, they run a dispatch center for five counties, four of their dispatchers do not get charged against the 9 1 1 projects, because they feel they would have to have those anyway. They charge those against the property tax separately in another budget. The rest of the dispatchers are charged against the 9 1 1 budget. Whether there is a 9 1 1 service there or not, law enforcement, fire, everybody needs dispatchers.

REP. DROVDAL On the last page, you show a project coordinator also, besides the project manager, these are two individuals, and why?

TERRY TRAYNOR The project manager is responsible to the fifty five jurisdiction and he is working for them. The project coordinator works for Qwest, they are responsible to be our interface with the land line and wireless companies.

REP. WRANGHAM Referred to the graph on page 3, if you were to reproduce that graph today, how would it stand?

TERRY TRAYNOR In those counties labeled green, if your phone has a GPS chip in it, they would be essentially the same as the left side. It would be an indication the call was coming from a cellular, and it would give you the call back number, and it would give you the tower it was going through plus the location and an uncertainty factor based on the information they were receiving from the satellite.

REP. WRANGHAM How does a person know if they have a GPS chip in their phone?

TERRY TRAYNOR There is a 9 1 1 function on GPS phones which allows you to turn it off for other purposes, so if your phone has that function, that is one way you can tell. Generally, if it was purchased in the last two years, it has a GPS chip. The 9 1 1 providers have mandated to get all of the phones switched out, it is their goal to have nothing but GPS enhanced phones.

REP. WRANGHAM I have some concerns about cell phone users about having a false sense of security with their cell phones.

TERRY TRAYNOR That is an excellent point, there have been a number of news releases, as these counties become faced with compliance, and we have been trying to encourage all of the newspapers to run information about what the degree of response you can anticipate and how you can increase that degree of response. Your cell phone will work from the middle of your car, but your cell phone can't get a GPS satellite reading from the middle of your car.

REP. BRANDENBURG Related to roaming charges, the explanation he got was that the chips are so close together with the plan that he has, and when his tower is full, it goes to Lake Region tower, is there a reason because we are tied together with this 9 1 1, that the chips are the same, and are close, so the roaming charges come from that?

TERRY TRAYNOR I have no idea.

REP. DROVDAL We have the GPS systems in our phone, and when I am traveling in a remote area, when the technology gets up there, can I call 9 1 1, if I can't get a tower, could I dial 9 1 1 through the satellite, like the star system in the cars, and be able to get help?

TERRY TRAYNOR As far as I understand, you would be restricted to the tower.

SCOTT WAGNER, CASS COUNTY COMMISSIONER Testified in opposition of the bill.

See attached written testimony. Also included is a chart relating to Cass County Government 9 1 1 fund expenses and revenues.

REP. BELTER I know that is a tremendous system you have there. What are you getting out of the fifty cents that you send to higher headquarters?

SCOTT WAGNER I think the issue there from the Association of Counties, has indicated, from understanding the association's involvement, there has to be a coordination of this. And also, the upgrading of equipment, so you have the technology there on a coordinated effort. I think it is very specific to what Terry said. You have to have somebody coordinate this on a state wide effort, it is a very large undertaking and also the implementation of the actual equipment to receive these calls.

REP. BELTER My concern is that we already have state radio, which was in effect already when this was put in, I sometimes wonder if there is a duplication of management here, that could have been prevented.

SCOTT WAGNER As in the testimony of Terry Traynor, there was the whole process of their involvement, making sure there was an efficiency that we had a model for. Related back to 9 1 1 services, he stated that there are many people forgoing land lines, how will we reach those individuals who no longer have the land lines.

REP. DROVDAL You made a comment that cities and counties have different fees in different areas, it was my understanding that the dollar is pretty much standard, or did I misunderstand.

SCOTT WAGNER I can only speak to Cass County. Our voters approved a one dollar fee in 2000, what specifically is done in other counties, I am not familiar with.

KENT COSTIN, DIRECTOR OF FINANCE FOR THE CITY OF FARGO, Testified in opposition of the bill. See attached written testimony. Also submitted was a 9 1 1 Funding History for the City of Fargo.

REP. IVERSON Is this one dollar different from what Commissioner Lange was talking about at the county level.

KENT COSTIN It is the same dollar, in the instance, we are collecting a dollar and the county is collecting a dollar, but we are not doubling up on it. Residents of Fargo are residents of Cass County, but the city of Fargo residents, that money is collected and segregated by the carriers and submitted directly to the city. The county people in the outlying areas collect a dollar.

REP. DROVDAL When we passed that cell phone bill two sessions ago, did we actually give you a sixty percent increase in revenue?

KENT COSTIN At the time it was passed, it was less than that.

REP. DROVDAL Related to page 2 of the written testimony, when I read that it sounds like in a couple of years when the agreement runs out, in 2007, that you are considering that agreement will not be necessary anymore?

KENT COSTIN I think we have committed to a statewide project, and we assume there will be some ongoing talks related to that, we are anticipating a reduction in the amount for the long term, but what I heard today, with the numbers the association of counties went through, it appears they are collecting 1.4 million dollars and they are spending 1.4 million dollars on annual reoccurring costs. It doesn't appear there will be a significant reduction in that fifty percent component, unless they seriously reduce the charges paid out to the providers.

REP. DROVDAL Can you see a way we can divide out the costs for E9 1 1 to see how much money should be provided by the cell phones for that system?

KENT COSTIN The city of Fargo pools all of their budgets into one pool, it is a difficult task, because there certainly is a general fund component of that expense for police, fire and regular needs. It is a hard call.

KATHY COLVIN, DIRECTOR FOR THE RED RIVER REGIONAL DISPATCH

CENTER, FARGO Testified in opposition of the bill. See attached written testimony.

Also submitted a written letter from the Red River Regional Dispatch Center, Board of Authority strongly urging a Do Not Pass Vote.

REP. FROELICH What services are the association of counties providing you as regional director?

KATHY COLVIN The Regional Dispatch Center's funding is pooled from the entities we serve. We have our own operations budget, how the entities acquire that funding, is based on their own ability to use 9 1 1 surcharge money. The auditor and commissioner can give you an example of how their funding to the Regional Dispatch Center is divided. Their contribution is based on a formulation based on population. In the city of Fargo, fifty three percent, Moorhead and Clay fifteen and ten percent.

REP. DROVDAL We have a 9 1 1 system, we have homeland security services and we have emergency services, do you see any overlapping of responsibilities or duties?

KATHY COLVIN I have only working knowledge of working with these divisions, it is a collaborative effort.

REP. DROVDAL You mentioned in your testimony that the 9 1 1 dispatcher could identify the cell phone number, but some cell phone land lines, have their numbers blocked, does our technology allow 9 1 1 to override that block?

KATHY COLVIN We do have the ability to track all of the land line calls that come into our area.

KEN HOLVERSON, MOUNTRAIL COUNTY SHERIFF & 9 1 1 COORDINATOR,

Testified in opposition of the bill. In 1994, Mountrail County voted to implement a 9 1 1 system. At that time they decided it should be located in the sheriff's department and the sheriff would be appointed the administrator. Our first call came in in 1995, since that time we have had equipment upgrades, phone company changes, road signs, wireless, none wireless, we implemented the phase one wireless service in February of 2004. Phase two both carriers that operate the wireless services in our county came alive in August of 2004. The Mountrail County PSAP serves approximately 6,700 citizens. In 2004, we received 2083 calls which averaged approximately to six 9 1 1 calls per day. He stated Mountrail County has state of the art PSAP equipment. There are ten staff members trained as dispatchers, including the deputies. There is one person on duty twenty four hours per day, seven days a week. The operating costs for 2004, was \$249,928, which includes salary and benefits for the dispatchers, equipment purchases, maintenance, payments to phone companies for trunking, and data base management. Should the legislature reduce the fees to twenty five percent, I can only imagine, the result will be an additional \$10,000 in property tax revenue to maintain this system for our citizens. At a meeting in Bismarck of the Sheriff's Association and the Chiefs of Police, a resolution was passed to go on record to oppose this bill.

JANELLE PEPPLE, 9 1 1 COORDINATOR IN WELLS COUNTY, Testified in opposition of the bill. See attached written testimony.

REP. BELTER Asked if the county coordinator was a full time position?

JANELLE PEPPLE No, it is myself, and I am quarter time.

REP. CONRAD How many counties are on state radio?

JANELLE PEPPLE There are twenty two counties that state radio dispatches 9 1 1 for.

REP. DROVDAL Asked about the ten thousand dollars for signage on county roads, some counties have gone to homeland security dollars to pay for that, does your county take that out of the 9 1 1, or have they gone to other revenues?

JANELLE PEPPLE Our county uses 9 1 1 funds for that.

SUSAN REINERTSON, DEPUTY DIRECTOR OF THE NORTH DAKOTA DIVISION OF EMERGENCY MANAGEMENT Testified in opposition of the bill. See attached written testimony.

REP. BELTER Does state radio fall under emergency management?

SUSAN REINERTSON Yes it does.

REP. BELTER At the original time this was set up, I don't know if you were with emergency management, was there any discussion that the emergency management should have been the center that would receive the fifty cents instead of the association for counties?

SUSAN REINERTSON I am not aware of that.

With no further testimony, the committee hearing was closed.

Written testimony from Becky Ault, Emergency Management Director & 9 1 1 Coordinator for Pembina County was submitted to the committee after the hearing was closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1207**

House Finance and Taxation Committee

Conference Committee

Hearing Date **January 26, 2005**

Tape Number	Side A	Side B	Meter #
2		X	14

Committee Clerk Signature

Minutes:

COMMITTEE ACTION

REP. WEILER Made a motion for a **do not pass**.

REP. HEADLAND Second the motion. **MOTION CARRIED.**

10 Yes **2 NO** **2 Absent**

REP. IVERSON Was given the floor assignment.

REPORT OF STANDING COMMITTEE (410)
January 26, 2005 4:09 p.m.

Module No: HR-17-1138
Carrier: Iverson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1207: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO NOT PASS (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1207 was placed on the Eleventh order on the calendar.

2005 TESTIMONY

HB 1207

Testimony to The
HOUSE FINANCE & TAXATION COMMITTEE

Prepared January 18, 2005 by

Terry Traynor, NDACo Assistant Director
North Dakota Association of Counties

REGARDING HOUSE BILL 1207

Chairman Belter and members of House Finance and Taxation Committee. I am here on behalf of the North Dakota Association of Counties, as well as at the request of the North Dakota 911 Association, to provide a statewide picture of our 911 system. While we strongly oppose HB1207, we thank you for the opportunity to present this information. Counties and cities have a tremendous story to tell and I am privileged to begin it.

It is my intention to give you a summary of the facts and figures for the system as a whole, and go into some detail about the statewide Wireless 911 project – its costs and its very remarkable progress. We have several other testifiers that will give you a picture of their portion of the system; an urban Public Safety Answering Point (PSAP) made up of several 911 jurisdictions, a smaller single-county PSAP, and a county which contracts for PSAP services. These testifiers will be able to explain the unique challenges each face. We also have a county commissioner to testify from the perspective of one who is charged with securing the funds for these critical services. You may also hear how this communication network is an integral part of our State's efforts to address homeland security concerns.

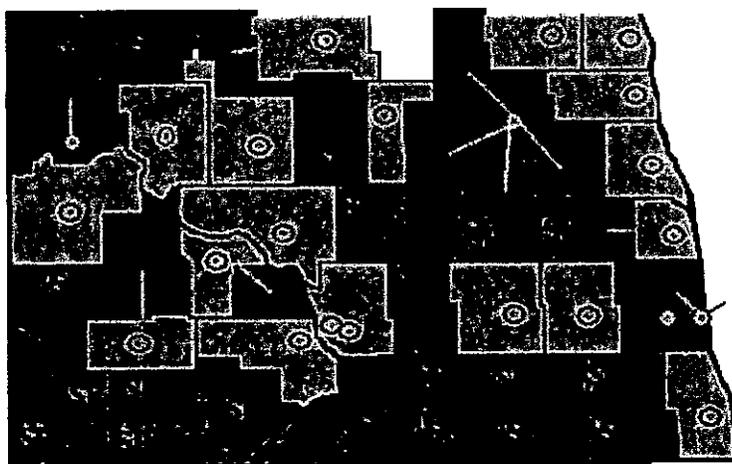
Emergency services communication is a complex and multi-faceted system of telephones, computers, and radios, that connects the citizens of North Dakota to law enforcement, fire departments, and emergency medical responders through 23 public safety answering points (PSAPs) in North Dakota and one in South Dakota. While from one perspective this network can be viewed as 24 separate systems, it is in reality a single system with 24 points of contact. The PSAPs are interconnected through two "tandems" or routers – one located in Fargo and one in Bismarck. These devices direct the calls to the most appropriate PSAP based on the caller's location, and allow for rapid, fail-safe switching to another PSAP for backup.

It is very important to note, as this report will show, Emergency Services Communications is much broader than simply E-911. While dialing the digits 9-1-1 initiates the emergency response, the day-by-day, hour-by-hour communications

between dispatchers and responders, the ongoing contact during an emergency, the location information, mapping software, faxes, and everything else make it possible for local emergency services to arrive and deliver services in the shortest time possible.

Emergency services communication has existed in this State since the development of telephone and radio, however it became more accessible, reliable, and consistent with the advent of E-911. E-911 refers to the policies, procedures, training, and technologies that allow immediate connection to the appropriate PSAP, and the ultimate dispatch of the most appropriate and available emergency service. The implementation and integration of these components has been partially funded through a 911 fee levied on phone service in the State – authorized by the 1985 Legislature and approved by citizen vote in 52 counties and 4 cities to-date.

Only Rolette County does not currently levy this fee, and therefore has no true E-911 services. The FCC however requires phone companies to “route” every caller that dials 9-1-1 somewhere, so a 911 call in Rolette county will go to an administrative line in the Sheriff’s office, but this does not provide the call-back number, location, and appropriate responder information that a true 911 system would provide. The voters of Rolette County have approved a 911 fee in the past, but until a PSAP location decision is made, it appears the fee will not be levied.



PSAP Contract SR= State Radio

Obviously, with 56 governing bodies imposing fees but only 24 PSAPs, there is considerable sharing of services. 22 of the counties are served by the PSAP operated by State Radio (SR), five are jointly dispatched by the Lake Region Law Enforcement Center, The Red River Dispatch Center services two North Dakota

and two Minnesota jurisdictions, and five other two-unit PSAPs exist. A complete listing is attached to this report as Appendix A – indicating the jurisdictions and approximate population served by each PSAP.

It is often of interest to compare North Dakota to neighboring states in the area of emergency services communication. The table to the right contrasts the number of PSAPs operated in the surrounding states with their population. North Dakota falls just about in the middle of the

Rank	State	Total Number of PSAP's	Population 2000 Census	Persons Served Per PSAP
1	Wyoming	34	493,782	14,523
2	Montana	57	902,195	15,828
3	South Dakota	33	754,844	22,874
4	Idaho	55	1,293,953	23,526
5	North Dakota	23	642,200	27,922
6	Kansas	83	2,688,418	32,391
7	Iowa	84	2,926,324	34,837
8	Minnesota	111	4,919,479	44,320

group with respect to number of persons served per PSAP, however we have the fewest PSAPs in the region – less than ¼ of those in our neighbor to the East.

North Dakota law (NDCC 57-40.6) allows city and county governing bodies to impose a 911 “fee that does not exceed one dollar per month per telephone access line and per wireless access line” by submitting the question to the voters.

Additionally, through home rule powers, counties can impose such a fee within the limits of their voter-approved home rule charter. Two cities have used their home rule authority for this purpose. All 56 jurisdictions are authorized by their voters to levy up to one dollar, and in 2004 all jurisdictions did. State law restricts the use of the 911 fee revenue to “*implementing, maintaining, or operating the emergency services communication system.*”

To respond to the Emergency Management Interim Committee and to prepare this testimony, a number of surveys were conducted. Additional information was also gathered through the statewide efforts to implement 911 services for wireless (cellular) communications. Quantitative revenue and expenditure data was collected for calendar year 2004 – providing landline, wireless, and other revenues in comparison to the costs of staff, equipment, trunking charges from phone companies, rural addressing (signage), and wireless implementation.

Additionally, a “PSAP Status” survey was designed to assess the level of activity, staffing, and operational status of the 23 PSAPs in North Dakota. (The South Dakota PSAP serving Sioux County was not surveyed.) This information is generally more qualitative in nature, and relies much more on averages and estimates.

An analysis was prepared from the cost and revenue data to clearly illustrate both the flow of revenue and the summary of all costs. Appendix B, illustrates that flow

911 System Revenues/Expenditures - Statewide

Annual Operating Costs of PSAP's (1)	\$10.6 Million
Annual Wireless Implementation - Statewide Contract	\$ 1.5 Million
Additional Local Costs - Contract Counties (2)	\$ 0.6 Million
	\$12.7 Million
Annual Total of Landline 911 Revenue	\$ 3.6 Million
Annual Total of Wireless 911 Revenue	\$ 3.1 Million
Property Tax Revenue and other sources (3)	\$ 6.0 Million
	\$12.7 Million

1. Revenues & costs for 23 North Dakota PSAP's only - Sioux Co. revenues and Mobridge, SD PSAP costs excluded.

2. Additional Contract County costs include local trunking, street signing, coordination, radio equipment purchase, etc.

3. Several PSAPs were successful in obtaining equipment grants.

for State Radio dispatched counties and also those dispatched by local PSAPs. The table to the left provides the statewide totals that are derived from the individual surveys. This table clearly indicates that

while the 911 fee on phone service is essential to emergency services communications in this State, it is only a component of the overall cost. The 25% reduction in the allowable 911 fee proposed in HB1207 would increase the portion borne by the property tax by an estimated \$1.7 million statewide.

The financial information is better understood when the PSAP's supported by this revenue are profiled. The table below provides a picture of what the surveys have indicated.

	Statewide Total Projected	Largest PSAP Reporting	Smallest PSAP Reporting
911 Calls per Month	12,990	3,360	3
Administrative Calls per Month	<u>145,800</u>	<u>15,750</u>	<u>60</u>
Total of all Calls per Month	158,790	19,110	63
Total 911 Calls per Year	156,000	40,000	36
Wireless as % of 911 Calls	40%	42%	25%
Dispatchers Employed	220	16	6
Dispatchers on Duty - Max.	55	4	2
Dispatchers on Duty - Min.	32	3	1
Law Enforce. Agencies Dispatched	78	2	6
Emeg. Med. Agencies Dispatched	163	9	8
Fire Departments Dispatched	<u>392</u>	<u>20</u>	<u>13</u>
Total Agencies Dispatched	633	31	27

It is significant to realize that in a single year the public safety answering points of North Dakota manage more than 150,000 emergency calls, in excess of 40% of which are now coming from cellular phones. In the busiest PSAPs, they average a 911 call every 13 minutes – 24 hours a day, 7 days a week, 52 weeks a year.

An estimated 220 individuals handle this volume of calls, of which anywhere from 32 to 55 are on duty at any given time. These dispatchers coordinate and manage the activities of an overwhelming number of emergency responders. It is interesting that some of the PSAPs serving the smallest population and the most rural areas have the largest number of agencies to dispatch. On the average, each PSAP must manage 27 responding agencies, and sometimes several of them are being dispatched simultaneously.

From the surveys it is estimated that statewide that on an annual basis, 376,000 emergency response services of all types are dispatched by the 23 North Dakota PSAPs. Each dispatcher must manage from 2 to 17 local radio frequencies, as well as those of State Radio. Additionally, dispatchers are trained to provide “pre-arrival” instructions to assist in maintaining lives until help arrives.

While this presents a fairly clear picture of the overall system, the most recent improvements – brought about by Legislative action in 2001 and the coordinated efforts of all 56 jurisdictions and the private landline and wireless companies – is of possibly greater interest. The Legislature authorized 911 jurisdictions to extend their 911 fee to wireless (cellular) phone service in 2001, with the goal of implementing Phase 1 and Phase 2 wireless 911 service in the State. I am pleased to report that this goal has been largely achieved.

Up until 2003, the difference in a landline and a wireless 911 call to a dispatcher was significant. The two “screens” below illustrate that difference. The implications for public safety are obvious.

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▫ 701-222-1234
▫ John L. Jones
▫ 123 Elm Anywhere, ND

Closest Responders

 Anywhere Fire
    Dept.
 Metro Ambulance
 Somewhere Co. SO
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▫ Cellular Call
▫ . . . . .
▫ . . . . . ND

Closest Responders

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While the Federal Communication Commission (FCC) mandated that the wireless carriers implement technologies that would first provide a call-back number and the location of the cell tower transmitting the call (Phase 1) and eventually provide the actual location of the caller within certain distance limitations (Phase 2), they required PSAPs, before they could request this service, to be equipped to receive and utilize that information and to address "cost-recovery".

With the legislation in-place on August 1, 2001, all jurisdictions extended their 911 fee to wireless by April of 2002 and notified the carriers to collect and remit the revenue. All 55 of the 911 jurisdictions dispatched by North Dakota PSAPs, and routed through the two North Dakota tandems, first entered into a non-binding agreement to negotiate for a statewide project and ultimately formed a joint powers agreement to initiate a 5-year contract for both Phase 1 and Phase 2 implementation. It is expected that the total amount paid for trunking, digital tandem upgrades, cell tower implementation, and automatic location technology will exceed \$7 million.

The North Dakota Association Counties was tapped by the joint powers group to hire a Project manager and facilitate payment on the contract. Each jurisdiction contributed one-half of their wireless 911 revenue to the project from June of 2002 through December of 2002 – at which point all jurisdictions contributed 50-cents per wireless device to the cost of the project. This transition in the formula allowed several jurisdictions to go to a citizen vote on increasing their 911-fee from 50-cents to one dollar per device. In CY2004, NDACo collected \$1,498,791 statewide for an average device count of 249,800.

The project costs can be categorized by non-recurring (one-time) costs and recurring (monthly) costs. Appendix C is a table that outlines how the project is charged for the various components of implementation and how they fall into each category. What this shows is that recurring project expenses paid under the master agreement average 43-cents per device per month and project management adds about 3-cents per device to the total. From the 50-cents per device dedicated to the project, this leaves about 4 cents to help cover the non-recurring costs. Fortunately, collection began before implementation and reserves were accumulated which, coupled with the 4 cents, should provide sufficient funds for these non-recurring costs.

It should be noted that while some of the largest non-recurring costs were incurred in the early months of the project, each month we have seen new cell sites "go live", adding to those costs, as well as ratcheting up the monthly costs. Initially we

anticipated 200,000 cell devices, 20 new trunks, and 358 cell sites. We are now being billed for 265,000 devices, 36 trunks, and 466 cell sites.

As the legislature made it clear in the 2001 legislation that these funds were not to be used to "build-out" the wireless companies' infrastructure, the master contract was written and the project designed, to make all payments to vendors that were implementing upgrades and providing specific services on behalf of all wireless carriers. Therefore all carriers are treated identically and none receive unfair advantage.

The vendors and the wireless providers have been excellent to work with on this project. While nationally there appears to be some reluctance, the statewide nature of our agreement has greatly reduced the coordination problems faced in other States, and clearly facilitated a very rapid deployment. The following map shows the year-end 2004 status of each jurisdiction with respect to Phase 1 and Phase 2.



Phase 2 Complete – All Carriers Phase 2 Complete – At Least 1 Carrier
Phase 1 Complete – Phase 2 In Progress

We have four PSAP's that are currently waiting for equipment upgrades to move from Phase 1 to Phase 2, and we have six other counties that are scheduled for on-the-ground testing of their final wireless carrier. We expect every jurisdiction dispatched by North Dakota's PSAPs to be "green" by the end of March 2005. North Dakota

will be one of the first large states to be fully Phase 2 compliant. A national inventory indicated that at the end of 2004, only New Jersey, Rhode Island, Vermont, and New Hampshire were 100% complete.

Unfortunately (for the project), the wireless industry is growing and changing each month. More devices are added, prompting more towers to be built. Towers are converted from analog service to CDMA digital and more GSM digital towers are constructed for "roamers" coming from worldwide locations where this format is more common. New companies are formed, old companies have merged, and

some have simply disappeared. This means each month we have new costs and new challenges – and this is only in wireless.

As the committee heard today, we have “prepaid” cellular issues impacting us already, and Voice Over Internet Protocol or VOIP is already clearly in view on the horizon. Locating someone using a computer to call 9-1-1 creates a challenge similar to a cell phone call 4 years ago – and this service is actively being marketed in our State today.

The State decision to transition emergency radio communications from analog to digital, is a long-term, high-cost issue for PSAPs and the emergency responders they dispatch. It will take significant amounts of funding and remarkable coordination to accomplish this as well.

Counties, cities, and the excellent professionals we have working in emergency services communications, as well as our emergency services responders are dedicated to meeting these challenges – but they need the resources that the current 911 fee provides. Without that, it becomes just a greater property tax burden, because we cannot go back – we must maintain and continually enhance this system to make sure that North Dakota remains the safest State in the Union.

Mr. Chairman and committee members, please give HB1207 a Do Not Pass recommendation.

Public Safety Answering Points in North Dakota

<u>PSAP Location</u>	<u>Counties Served</u>	<u>Service Area Notes *</u>	<u>2000 Census*</u>
Fargo	Cass, Clay MN	Includes Moorhead - Excludes West Fargo	159,427
State Radio Bismarck	Adams, Billings, Bowman, Burke, Dickey, Divide, Emmons, Foster, Golden Valley, Grant, Griggs, Hettinger, Kidder, LaMoure, Logan, McHenry, McIntosh, Ransom, Sargent, Sheridan, Slope, & Wells Counties		72,303
Bismarck	Burleigh	Includes portion of McLean Co. (Wilton Area)	69,416
Grand Forks	Grand Forks		66,109
Minot	Ward		58,765
Devils Lake	Ramsey Eddy Towner Benson Nelson	Dispatched by the Lake Region Law Enforcement Center	28,378
Dickinson	Stark Dunn		26,236
Mandan	Morton	Includes fringe areas of Stark, Dunn, Mercer, Oliver & Grant Counties	25,303
Jamestown	Stutsman		21,908
Wahpeton	Richland	Includes portions of Sargent & Ransom Co. ND & Wilken & Roberts Co. SD	17,998
West Fargo		City only	14,940
Williston		City only	12,512
Grafton	Walsh		12,389
Valley City	Barnes		11,775
Stanton	Mercer Oliver		10,709
Hillsboro	Traill Steele		10,735
Bottineau	Bottineau Renville	Includes portions of McHenry, Pierce, and Rolette Counties	9,759
Washburn	McLean		9,311
Cavalier	Pembina		8,585
Stanley	Mountrail		6,631
Watford City	McKenzie		5,737
Langdon	Cavalier		4,831
Rugby	Pierce	Includes small portion of Rolette County	4,675
Mobridge, SD	Sioux	Sioux County is dispatched out of South Dak.	Unknown

* Census figures do not include small portions of adjoining counties

State Radio Dispatched Counties

Landline
Subscribers

\$1



County
Landline
Fund

\$1
\$475,000



80¢

\$380,000

20¢

\$ 95,000

Wireless
Subscribers

\$1



County
Wireless
Fund

\$1
\$320,000



20¢

\$ 64,000

30¢

50¢

\$160,000

Local Trunking
Signing, Radio
Equip, Etc. ←

State Radio
Dispatching
Contracts

\$ 96,000

Locally Dispatched Counties/Cities

Wireless
Subscribers

\$1



County/City
Wireless
Fund

\$1
\$2,700,000



50¢

\$1,350,000

50¢

\$1,350,000

Landline
Subscribers

\$1



County/City
Landline
Fund

\$1
\$3,100,000

Statewide
Wireless
Implementation

County/City
PSAP
Dispatchers
Equipment
Signing
Trunking Etc.

Prepared as background information for HB1207 – Totals based on CY2004

Wireless 911 Project Budget

	Units	Current Unit Counts	Non-Recurring Costs		Recurring Costs	
			Unit Price	Total	Unit Price (per Month)	Annual Total
Master Contract Costs						
Tandem Upgrade to SS7 (Digital)	Per Tandem	2	\$ 198,999.00	\$ 397,998		
Trunking (landline connections)	Per Trunk	40	\$ 20.85	\$ 834	\$ 6.40	\$ 3,072
Cell Trace Technology	Per Cell Site	466	\$ 554.79	\$ 258,532	\$ 125.96	\$ 704,368
Cell site upgrades - Phase 1 > Phase 2	Per Cell Site	466	\$ 127.31	\$ 59,326		
Project Implementation	Per Cell Company	7	\$ 18,761.00	\$ 131,327		
Project Coordination	Per Month	1			\$ 4,000.00	\$ 48,000
Automatic Location Information	Per Cell Device	265,000	\$ 0.09	\$ 23,850	\$ 0.18	\$ 572,400
Automatic Location Feature Enhancement	Per PSAP	22	\$ 80.00	\$ 1,760		
				\$ 873,628		\$ 1,327,840
NDACo Coordination Costs						
Legal/Contract Negotiation		1	\$ 66,441.00	\$ 66,441		
Project Manager	Per Month	1			\$ 8,749.00	\$ 104,988
				\$ 940,069		\$ 1,432,828

TESTIMONY ON HB 1207

Chairman Belter, members of the committee, my name is Scott Wagner. I am a Cass County Commissioner and I am here today representing the Cass County Commission. I would like to discuss the financial ramifications of HB 1207 on Cass County taxpayers.

The section of law we are reviewing today is "permissive" in nature. In other words, it allows local jurisdictions, to determine by vote, the 911 telephone fee to be collected. Currently, the state law allows city and county voters to determine what that fee should be....as long as it does not exceed one dollar. Cities and counties have different fees in different areas of the state, based upon the cost of running their emergency services communication system. Cass County voters have approved a \$1.00 fee, of which \$.50 is sent for each wireless telephone in the county, to the North Dakota Association of Counties to pay for the state-wide equipment upgrades for Phase I and Phase II of the 911 wireless project.

The \$.50 retained by the county is remitted to the Red River Regional Dispatch Center, which is a cooperative communications center for 911 services between Cass County and the City of Fargo, as well as our metropolitan neighbors, Clay County, Minnesota, and Moorhead, Minnesota. This center has been open just over one year and is a success story for the consolidation of governmental services.

Rather than staffing and equipping multiple sites, we have a combined center to build financial efficiencies and operational effectiveness for the taxpayers.

You can see from the attached spreadsheet, prepared by our Cass County Auditor, that the county's share of the tax is decreasing because of the land annexations of the various cities in Cass County. Property tax is used to make up revenue shortfalls in the 911 service. If the fee were reduced, the county auditor projects Cass County's revenues would drop about \$42,000 for 2005 and about \$100,000 for 2006. The cities in Cass County would also lose significant revenue. It does not seem appropriate to use property tax revenues to make up the difference for 911 service when this section of the law has specifically created a fee-based service. Cass County residents overwhelmingly voted to raise their 911 fee in the year 2000 to \$1.00. In my four years as a county commissioner, no citizen has ever called me to complain about the fee being too high. Lowering the 911 fee, in effect raising property taxes, seems to be going in the wrong direction.

I would urge you to VOTE NO on HB 1207. If you have any questions, I am willing to answer them.

CASS COUNTY GOVERNMENT
911 FUND

	<u>2002</u>	Actual <u>2003</u>	<u>2004 *</u>	Budget (3) <u>2005</u>
Revenues:				
911 Land Lines	190,619	179,729	116,756	120,000
911 Cell Lines	383,291	248,275	292,837	280,000
Interest Income	6,293	2,846	<u>427</u>	<u>-</u>
 Total Revenues	 580,203	 430,850	 <u>410,020</u>	 <u>400,000</u>
Expenses:				
RRRDC Share	145,296	353,044	255,000	266,000
Line Charges	11,106	10,405	9,528	10,000
City Share of Fees (1)	156,390	86,643	114,601	
State Wide Upgrade (2)	75,872	128,759	<u>168,213</u>	<u>140,000</u>
 Total Expenses	 388,464	 578,851	 <u>547,342</u>	 <u>416,000</u>
 Revenue over (under) Expense	 191,739	 (148,001)	 <u>(137,322)</u>	 <u>(16,000)</u>
 Beginning Balance	 150,242	 341,981	 <u>193,980</u>	 <u>56,658</u>
 Ending Balance	 341,981	 193,980	 <u>56,658</u>	 <u>40,658</u>

* Not final for the year, we will be getting some revenues in yet for 2004 and will incur some expense for 2004 that is not yet booked.

(1) Note that our revenues, and the corresponding city share of fees, are iffy. The telephone companies have a difficult time separating out the fees to the correct entity in Cass County. We are unique in that we have three different entities levying the fee and the telephone companies don't always know which jurisdiction the subscriber lives in. Periodically we will get a notice from a company that they remitted the fees to us when they should have been remitted to either the City of Fargo or the City of West Fargo. Every time they do this, they tell us they have all the problems solved and that it shouldn't happen again. The area that the county covers is shrinking because of annexations into Fargo and West Fargo and it is doubtful that the growth in the other areas of the county will increase enough in the number of telephones to offset those annexations.

(2) Note that the county signed a five year agreement on July 1, 2002 whereby \$.50 for each wireless telephone in the county is remitted to the North Dakota Association of Counties to pay for the state-wide upgrade for Phase I and Phase II of the 911 project. This agreement expires on June 30, 2007, a further agreement may be necessary at that time to provide for the continued maintenance and upgrades of the Phase I and Phase II equipment.

(3) This is assuming a \$1.00 fee for all of 2005, if HB 1207 passes and becomes effective on August 1, 2005 we would see a drop in revenue of about \$42,000 for 2005 and \$100,000 for 2006.

City of Fargo
Legislative Testimony HB 1207
Reduction of E911 Taxes
January 18, 2005

Honorable Chair Belter, Senators and Representatives, my name is Kent Costin, I am the Director of Finance for the City of Fargo. I am here today to share some insights relative to HB 1207 that will assist you in understanding how existing emergency 911 resources are utilized in Fargo will provide a report on our financial position and what impact a reduction in the existing fees would have on our local community.

The City of Fargo currently levies a \$1.00 tax and all of those resources are dedicated to the operation of our consolidated PSAP. Telecommunication providers remit this tax to the City of Fargo on a monthly basis. The \$1.00 rate currently generates approximately one million dollars of tax collections per year with the fixed line providers generating 40% of the resources and wireless providers providing 60% of the revenue. It is interesting to note that just two years ago the composition was more evenly split with approximately 50% of the revenues coming from each type of provider. The number of cell phone accounts continues to rise over time and our statistics show a 27% increase in wireless accounts over the past three years. At the same time, fixed line provider taxes have declined by a commensurate percentage.

The City of Fargo is also a participant in Phase I and II of the Statewide Cell project that is managed by the Association of Counties. 50% of our cell phone tax revenues are pledged under a five year contract that ends June 30, 2007. Cumulative City of Fargo

payments on this contract exceed \$635,000. The PSAP retains the remaining 50% of the wireless cell phone revenue for local costs of E911 services.

The City is one of four local governmental agencies that have consolidated their dispatch operations into one single entity, the Red River Regional Dispatch Center (RRRDC).

This model eliminates redundant operational and capital costs that would be spent if each agency operated these services independently. Kathy Colvin is the Executive Director of the RRRDC and she will be testifying here today.

The City of Fargo, as well as other participants in the Center have committed all of their existing E911 tax of \$1.00 and are drawing upon the General Fund or other resources to fund the operations at an adequate level. The financial subsidy from the General Fund to the E911 Fund is expected to exceed \$800,000 over the last three fiscal years. The loss of fixed line revenue and the 50% commitment of cell phone revenues to the statewide cell phone project are certainly straining our resources. A 25% reduction in the fee from \$1.00 per month to \$.75 per month would have a dramatic affect on our ability to continue adequate support for our PSAP. The tax loss effect from this proposal is the financial equivalent of 1.2 tax mills on Fargo's property values.

For the past several years Fargo community leaders have tried very hard in budget development to hold the line on property tax increases. In some cases taxing jurisdictions have actually approved decreases in mill levy because of the local outcry of high property taxes. If the E911 taxes are lowered as suggested in this bill, it will hinder

our ability to operate in our current capacity and may impact the overall level of services provided by our PSAP. We believe that steps taken to consolidate our operations are producing efficiencies in serving our metro area and simply put we need adequate resources to continue.

We urge you to leave the E911 tax rate unchanged at \$1.00 per phone per month to assist communities in providing excellent communication services and to help offset the significant decline in revenues associated with fixed line carriers. A copy of the City's E911 financial history is attached for your reference.

Thank you for hearing my testimony. I would be happy to answer any questions that you may have.

**City of Fargo
E911 Funding History
2003-2005**

	Trend Line	Actual 2003	Actual 2004	Budgeted 2005	2003-5 % change	Notes
Revenues						
Hard Line	Down	\$ 561,685	\$ 445,435	\$ 411,000	-27%	
Wireless	Up	509,965	620,028	635,000	25%	(1)
Grants		14,524	24,918	-		
Cass County		38,033	-	-		
Total Revenues		1,124,207	1,090,381	1,046,000		
Expenditures						
Operating Expenditures	Down	1,273,170	1,007,962	927,000		(2)
Debt Service	Fixed	50,000	50,000	50,000		
Statewide E911 Project	Up	334,630	300,931	311,500		(3)
Total Expenditures		1,657,800	1,358,893	1,288,500		
Operating Loss		(533,593)	(268,512)	(242,500)		
General Fund Subsidy		201,916	375,000	227,500		
Fund Balance, Beginning		71,893	(259,784)	(153,296)		
Fund Deficit, Ending		\$ (259,784)	\$ (153,296)	\$ (168,296)		

(1) Approximately 55,000 cell phones actively remitting

(2) Payments made to PSAP

(3) Payments made to Association of Counties for Statewide project

**TESTIMONY TO THE
HOUSE FINANCE AND TAXATION COMMITTEE
REGARDING HOUSE BILL 1207**

Mr. Chairman and committee members, I am Ken Halvorson, the Sheriff and 911 Coordinator of Mountrail County ~~and the~~ ^{and the current} President of the North Dakota Sheriff's and Deputies Association. ^{I am here Today} On behalf of my office, ~~the~~ ^{The Sheriff} Association and ~~other~~ other small PSAP's in North Dakota, ~~and the~~ ~~Association~~ ~~to~~ ~~House~~ ~~Bill~~ ~~1207~~

In 1994, the citizens of Mountrail County voted to implement a 911 system. ^{BA} It was determined ~~that~~ ^{that they} the citizens of Mountrail County, would best be served by developing ~~our~~ ^{their} own Public Safety Answering Point, and that this PSAP ~~should~~ ^{would} be operated within the Mountrail County Sheriff's Department. ^{It was felt that this} This system was implemented and we received our first 911 call in 1995. Since that time we have gone through equipment upgrades, phone company changes, new road sign installation and now wireless calls. Mountrail County implemented "Phase 1" wireless service in February 2004, and "Phase 2" for both carriers operating in our county was "live" in August of 2004. The Mountrail County PSAP serves approximately 6700 citizens. In 2004, we received 2,083 calls that averaged out to approximately six 911 calls per day.

^{Does} Mountrail County maintain a fully functional PSAP with state-of-the-art equipment, including geographical information system (GIS) that allows for the automatic visual location of both landline and "Phase 2" cellular calls. ^{We have} I have 10 staff trained as dispatchers, ^{person at all times} ~~and~~ at least one ^{is} on duty 24 hours per day, 7 days per week. ^{This includes my Deputies (myself)}

The Mountrail County PSAP is responsible for dispatching 4 law enforcement agencies, 8 volunteer ambulance services, and 10 fire

departments. To coordinate this, we must interact with 4 local telephone companies that provide trunking, and two wireless providers. (*Verizon & western wireless*)

Our operating costs for 2004 were \$249,928.00. This includes salary and benefits for our dispatchers, equipment purchases and maintenance, payments to phone companies for trunking, our share of the statewide wireless project, database management, and rural addressing.

We have approximately 4000 landlines in our county that generated \$47,271.00 in fees for 2004. In addition, we have about 2700 wireless phones that added \$32,272.00 of which 1/2 was used to support the statewide wireless project through the North Dakota Association of Counties. This total of slightly less than \$80,000.00 is obviously well below our operating costs. In Mountrail County the difference is made up by property tax.

Should the Legislature choose to reduce our fees by 25%, I can only imagine that the result would be the addition of \$20,000.00 in property tax revenue to maintain this critical system for our citizens.

last week at a joint meeting

Mr. Chairman and committee members, DO NOT PASS recommendation for House Bill 1207.

And I am here at this time making that request to you, to make a do not pass Recommendation for that particular house bill

Thank you.

Off. Sheriff assistant & the Minn. Dakota Chief of Police

Testimony To The
HOUSE FINANCE & TAXATION COMMITTEE
January 18, 2005 by
Kathryn L. Colvin, Director
Red River Regional Dispatch Center

REGARDING HOUSE BILL 1207

Chairman Belter and members of the House Finance & Taxation Committee, my name is Kathy Colvin. I am the Director for the Red River Regional Dispatch Center in Fargo. I am here representing the Center and as a member of the ND 9-1-1 Association. Thank you for the opportunity to present a few brief remarks regarding the strong opposition for this bill.

The Red River Regional Dispatch Center has made its mark in the nation as the first consolidated 9-1-1 dispatch center to cross state lines to merge communications operations and personnel. We physically consolidated the dispatch centers for the City of Fargo and Cass County along with the City of Moorhead, Clay County, MN's just over 15 months ago. We now serve a population base of 158,000 citizens in a service area of 2,810 square miles and we cannot forget the public who travel through our area.

Our success story starts with the collaborative effort of the governmental entities and their foresight to utilize taxpayer funding more effectively. Now that we have seen the financial consequences of combining our technology, services and personnel, the entities want to stay steadfast in properly funding the RRRDC so it can continue to maintain the level of professional service the citizenry has now come to expect.

The City of Fargo and Cass County contribute 68% to our yearly \$1.75M operations budget which is based on a percentage of population formula. Cass County Commissioner Scott Wagner and Fargo City Auditor Kent Costin testified earlier concerning their 911 funding revenue concerns so I won't repeat that information. It is clear a reduction in the 9-1-1

surcharge fees to these entities will adversely affect their ability to properly fund the Center's operations.

My role here today is to provide you with a perspective from the Red River Regional Dispatch Center and I'd like to do that by telling you about a January 12th phone call.

A dispatcher answered a 9-1-1 call coming from a cell phone. A snowmobiler dialed 9-1-1 because his partner was experiencing piercing back pain. He was off the snowmobile lying on the ground.

The caller didn't know exactly where they were but the dispatcher did. When the snowmobiler dialed 9-1-1, the dispatcher's mapping display pinpointed his location. The snowmobilers were out in the country southeast of Mapleton, ND. The caller's cell phone number was also displayed. She confirmed the number with the caller in case they were disconnected. She assured the caller help was on the way because this dispatcher knew the exact route the ambulance service needed to take to get to them.

Because of the dispatcher's specialized training and the Center's mapping capabilities for cell phone locations, we were able to dispatch an ambulance out to these snowmobilers with the speed and efficiency we didn't have even 12 months ago.

This is now a operations standard professional 9-1-1 dispatch centers are experiencing.

Funding to equip and upgrade this type of wireless mapping technology and retaining the specially trained professional dispatchers is critical to the Center's ability to serve our citizenry in the manner to which they've come to expect and deserve.

On behalf of the RRRDC's Board of Authority, I urge to you to **NOT PASS HB1207**. The Board's letter to recommend a **DO NOT PASS** is attached to my testimony.

If you have any questions, I am willing to answer them.

Thank you.



**Red River
Regional
Dispatch
Center**

300 NP Avenue, Suite 206, Fargo, ND 58102
Administration 701-451-7680; Fax 701-451-7679
Kathryn L. Colvin, Director
Visit our website at www.rrrdc.com

TO: ND House Finance & Taxation Committee
DATE: January 14, 2005
FROM: Kathryn L. Colvin, Director
RRRDC Board of Authority
Fargo Police Chief Chris Magnus
Fargo Fire Chief Bruce Hoover
Cass County Sheriff Don Rudnick
Moorhead Police Chief Grant Weyland
Moorhead Fire Chief Joel Hewitt
Clay County Sheriff Bill Bergquist
F-M Ambulance Service Director Mike Hall

RE: HB 1207 - DO NOT PASS Recommendation

The Red River Regional Dispatch Center is a consolidated 9-1-1 dispatch center serving the citizens of City of Fargo and Cass County (excluding West Fargo) North Dakota; and in the City of Moorhead and Clay County, Minnesota.

We are the first in the nation to cross state lines to consolidate dispatch operations and personnel.

The City of Fargo and Cass County contribute 68% to our yearly \$1.75M operations budget based on a percentage of population formula. A reduction in ND 9-1-1 surcharge fees to these entities would adversely affect funding the Center's operations.

Our most serious concern is the long-term impact of this bill. Adequate funding for current technology requirements and retaining specially trained personnel are crucial to the high quality of service that a metropolitan center of our size requires.

Future funding is also critical to stay abreast with technological upgrades to our public safety communications equipment and our service area's population growth. Wireless Phase II compatibility was just accomplished and now we rapidly face the VOIP (voice over internet protocol) technology.

The RRRDC strongly urges you to NOT PASS HB1207.

HB 1207 – January 18, 2005
House Finance and Tax Committee
Testimony by Janelle Pepple
9-1-1 Coordinator – Wells County

Mr. Chairman and member of the Finance and Tax Committee, my name is Janelle Pepple and I am the 9-1-1 coordinator in Wells County. I would like to state my opposition to House Bill 1207.

Wells County citizens voted in 1994 to implement a 9-1-1 system. The county commissioners decided that to best serve our citizens, we would contract with North Dakota State Radio to provide 9-1-1 dispatching for Wells County.

North Dakota State Radio is responsible for dispatching 4 law enforcement agencies, 6 ambulance services, and 9 fire departments that provide emergency services to our citizens in Wells County. To coordinate this, I must interact with 3 local telephone companies that provide the trunking for our 9-1-1 calls.

We currently have approximately 3000 landline phones for which we collect \$1 each. (When I became 9-1-1 coordinator in 1994, Wells County had over 3500 land lines.) Of this dollar, the phone companies keep 5%. For wire line revenue, that leaves Wells County .95 cents per line. We then pay ND State Radio .20 cents to dispatch wire line calls. The remaining .75 cents per line pays for a quarter-time 9-1-1 coordinator, and trunking charges and costs associated with updating our in-house wire line database. These combined recurring costs total \$32,500 per year. These recurring costs are finite – they will not decrease even if revenue is cut.

HB 1207 – January 18, 2005
House Finance and Tax Committee
Testimony by Janelle Pepple
9-1-1 Coordinator – Wells County
PAGE 2

If landline revenue was cut to .75 per line, the phone companies still take their 5%, and we still pay State Radio .20 cents per line, and my recurring costs are still \$32,500 per year.

On the wireless side, after the wireless carriers take their 5%, we are left with .95 cents.

We then remit 50 cents to NDACo for our county's share of the state-wide wireless contract. We must also remit .20 cents to ND State Radio to dispatch our wireless calls. That leaves Wells County with .25 cents for each wireless phone to combine with our landline revenue. These costs are also fixed – if wireless revenue is cut to .75 cents per line we would still pay NDACo .50 cents and still pay State Radio .20 cents, and the phone company would still take their 5%. We would essentially receive a penny or two per line.

Wells County finally began our street signing project this past summer. While we have not completed all the signing in the county, we have made a great start and the responders are very happy with our efforts thus far. Our County has spent approximately \$10,000 to date on this project and will resume it again this spring. As a 9-1-1 coordinator and volunteer on our rural ambulance service, I know first-hand how important these signs are to responders...and I hope every county in ND makes an effort to sign their county.

1207 – January 18, 2005
House Finance and Tax Committee
Testimony by Janelle Pepple
9-1-1 Coordinator – Wells County
PAGE 3

As you contemplate the proposed reduction of 9-1-1 revenue to the counties of North Dakota, please keep in mind that with the ever-changing technology, emergency services and the PSAPs who dispatch for them will continue to face new challenges...one of which is the mandated migration from analog to digital radios. PSAPs throughout ND must upgrade their equipment and responders must purchase new radios. Let's not make one of those challenges to be how to make up the difference if 9-1-1 revenue was cut 25% across the board statewide.

Mr. Chairman and committee members, as a representative of a rural county that contracts our 9-1-1 dispatching, I urge a Do Not Pass recommendation for House Bill 1207.

North Dakota



Division of Emergency Management

JOHN HOEVEN
GOVERNOR

Maj Gen MICHAEL J. HAUGEN
ADJUTANT GENERAL

DOUGLAS C. FRIEZ
STATE DIRECTOR

To: Wesley R. Belter, Chair
Finance and Taxation Committee

From: Susan K. Reinertson, Deputy Director 

Subject: Testimony on House Bill 1207 – Authority of counties or cities to impose fee on telephone exchange access service and on wireless service

Date: January 18, 2005

Mister Chairman and Members of the Committee:

I am Susan Reinertson, Deputy Director of the North Dakota Division of Emergency Management. I am here today representing the Division and to testify on House Bill 1207; I urge the committee to reconsider the resolution for a fee decrease from one dollar (\$1.00) to seventy five cents (\$0.75).

The proposal comes at a time when North Dakota is embarking on a long-awaited migration from analog to digital technology. Digital migration is necessary to achieve interoperability. The communications industry is phasing out analog products for emergency communications systems and replacing them with digital systems. We are in the first phase of making a statewide interoperable digital communications system a reality.

As we understand the existing state law, the 911 revenues may only be used for implementing, maintaining and operating an emergency communications system. Based on this interpretation and the fact we now have a federal initiative providing significant funding sources through the U.S. Department of Homeland Security (DHS), the timing of this proposal to reduce the fee may send an inappropriate message to our federal partners in regard to our state and local commitments to enhancing statewide emergency services communications.

We do provide 911 service for 22 counties. However, state law does not provide the authority to the N.D. Division of Emergency Management to monitor how the twenty-two counties use their collected fees. I am not suggesting that we should have that authority. I would trust and expect those dollars are used for implementing, maintaining and operating the emergency services communication system to provide for a state-of-the-art system so first responders have timely information to effectively and efficiently respond to calls for help.

Again, we are referring to ongoing requirements for addressing, state-of-the-art equipment, and methods of notification. I believe there are spokespersons from the North Dakota 911 Association who are in a position to better explain the requirements and restrictions for usage of those fees collected.

Thank you for the opportunity to speak to House Bill 1207 today.

Testimony To The
House Finance and Taxation Committee
Regarding House Bill 1207

Mr. Chairman and committee members, I am Becky Ault, the Emergency Management Director and 911 Coordinator for Pembina County and Current Past President of the North Dakota 911 Association. On behalf of my office and our Association, I would like to state our opposition to House Bill 1207.

Pembina County citizens voted in November of 1992 to implement a 911 system. The county commissioners decided that to best serve our citizens, we should develop our own Public Safety Answering Point (PSAP) and it should be operated within the County Law Enforcement Center. The system was implemented and we received our first 911 call in May of 1995. Since that time, we have gone through equipment upgrades, phone company changes, geographic information system development, and now wireless equipment upgrades. Pembina County implemented Phase 1 wireless service in June of 2004 and providing Phase 2 capability in October of 2004.

I maintain a fully functional PSAP with state-of-the-art equipment, including a geographical information system (GIS) that allows for the automatic visual location of both landline and phase II cellular calls. I have 6 full-time and 2 part-time staff members trained as dispatchers, and at least one is on duty 24 hours per day, 7 days per week.

Our PSAP is responsible for primary dispatching of 3 law enforcement agencies, 4 ambulance squads, 4 quick response units, and 9 fire departments. Additionally, we coordinate with Customs and Border Patrol Officials routinely due to our international border, as well as other federal and state partners in our mission to protect and serve our citizenship. We provide radio communications with our mutual aid partners should we have a large incident within the county involving fire departments, law enforcement and emergency medical services beyond county boundaries. We work closely with neighboring PSAP's to ensure seamless information flow between jurisdictions. I must interact with two local telephone companies that provide trunking to facilitate our countywide 911 system.

Our operating costs for 2004 were \$284,544. This includes salary and benefits for our dispatchers, equipment purchase and maintenance, payments to phone companies for trunking, our share of the statewide wireless project, database management, and rural addressing.

We have approximately 5165 landlines in our county that generated \$57,346 in fees for 2004. In addition, we have about 3300 wireless phones that added \$37,387 last year. This total of slightly less than \$95,000 is obviously well below our operating costs. In Pembina County, the difference is made up by property tax.

Should the Legislature choose to reduce our fees by 25%, I can only imagine that the result would be the addition of \$24,000 in property tax revenue to maintain this critical system for our citizens.

Mr. Chairman and committee members, I urge a Do Not Pass recommendation for House Bill 1207.