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TO: Members of the Ways and Means Subcommittee on Public Safety
FROM: Hasina E. Squires, APCO/NENA
DATE: March 1, 2017
RE: **Testimony in Support of Senate Bill 5532 - OMD Budget**

INTRODUCTION

Members of the Ways and Means Subcommittee on Public Safety Committee, thank you for the opportunity to appear before you today. For the record my name is Hasina Squires and I appear before you today on behalf of the Oregon Chapters of the Association of Public Safety Communications Officials (APCO) and National Emergency Number Association (NENA) to provide testimony in support of the Oregon Military Department's budget (SB 5532).

BACKGROUND – TAX AND FUNDING

In 1981 the Oregon Legislature issued a mandate for statewide 9-1-1 services and instituted a 3% surcharge on subscriber's telephone lines. At that time there were over 280 Public Safety Answering Points (PSAPs) in Oregon with only a few providing basic 9-1-1 service and none provided Enhanced 9-1-1 service.

The 1991 legislature increased the surcharge to 5% and mandated Enhanced 9-1-1 service (9-1-1 caller's address and responsible police, fire and EMS provider displayed to the call-taker). However, in 1995 the 5% surcharge was converted to an approximate equivalent 75-cent surcharge to provide the 9-1-1 program with greater revenue stability and predictability. Revenue is distributed as follows:

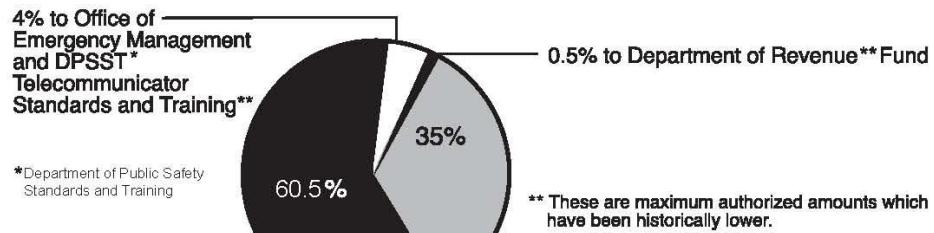
- ✓ Sixty and one-half percent (60.5%) of the revenues are distributed to counties and cities for operation of the state's 43 PSAPs. Distribution is in proportion to population, except that no county receives less than 1% of the distribution. The funds may not be used for PSAP operations unless they are directly related to 9-1-1.
- ✓ Thirty-five percent (35%) of the revenues are managed by Oregon Emergency Management (OEM), a Division of Oregon Military Department, to pay for PSAP common network services, Federal Communications Commission Phase I and II wireless services, costs associated with the Enhanced 9-1-1 program which include network, database, equipment and other costs related to providing state-wide wire line and wireless 9-1-1 services.

- ✓ Four percent (actual costs or no more than 4% maximum) of revenues may be used by the Oregon Emergency Management to pay for OEM 9-1-1 program administration and Telecommunicator training at the Department of Public Safety Standards and Training (DPSST).
- ✓ One-half percent (actual costs or no more than 0.5% maximum) of the revenues are distributed to the Department of Revenue for administrative processing cost recovery.



The Funding of 9-1-1 Public Safety Answering Points (PSAPs) in Oregon (2009)

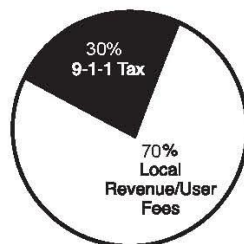
Allocation of the 75¢ Tax on Access to 9-1-1 Services



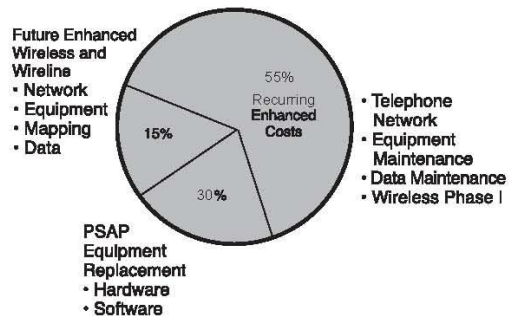
60.5% to 9-1-1 PSAP Operations

35% to Enhanced 9-1-1 Subaccount

Typical 9-1-1 PSAP Operating Costs are Funded



Enhanced 9-1-1 Subaccount Expenditures



OMD BUDGET OREGON EMERGENCY MANAGEMENT 9-1-1 PROGRAM

9-1-1 revenue is an essential funding component of the local 9-1-1 system. These revenues make up approximately 28% of a 9-1-1 center's operating revenue.

In the past decade, the Legislature has passed legislation diverting the 9-1-1 tax a total of 6 times. Three of the six times the legislation has been vetoed by either Governor's Kitzhaber or Kulongoski.

We urge the members of the Ways and Means Committee to refrain from diverting 9-1-1 funds. These funds should be collected and used for their intended purpose. It is also clear that the federal government feels strongly about this issue. The NET 911 Improvement Act that was passed and signed into law in 2008 contains language that was expected to act as a deterrent to 9-1-1 tax diversions. States that divert 9-1-1 taxes are ineligible (for certain time periods of time) to receive grant funding from the federal E9-1-1 grant program. Oregon is one of nine states that had diverted 9-1-1 funds for General Fund purposes during the current biennium.

Oregonians expect basic 9-1-1 service for emergencies. We support OMD's budget and the 9-1-1 program contained within SB 5532.