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**State of Vermont**  
**Department of Public Safety**  
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To: Vermont General Assembly  
From: Commissioner Michael Schirling, Department of Public Safety  
Via: House Committees on Government Operations and Ways and Means  
Senate Committees on Government Operations and Ways and Means  
Re: Dispatch Planning  
Date: December 21, 2020

### **Executive Summary**

The cost of emergency communications is a core cost of operations for all agencies statewide. Those costs should be shared in an equitable way. As outlined in detail below, we continue to believe that the cost-per-call billing construct presented in early 2020 is the best equitable solution. Generally, recommendations from reports authored over the past 50 years have suggested that shared service models, often referred to as regionalized safety services, are the most efficient.

While more time is needed to develop specific recommendations around what alternative funding mechanisms be viable at this stage, there are four primary ways that emergency communications are funded and deployed now and any equitable system should identify a single funding source to avoid disparities among towns.

### **Introduction**

Pursuant to S.124/Act 166 the Department of Public Safety was directed to:

“In accordance with the amendments to 20 V.S.A. § 1871(i) set forth in Sec. 25 of this act, the Department of Public Safety shall not charge fees in any contractual arrangements it enters into to perform dispatching functions for State, municipal, or other emergency services until the General Assembly establishes in law a dispatch fee structure for those charges. (b)(1) On or before March 15, 2021, the Department of Public Safety shall hold at least three public hearings and consult with the Vermont League of Cities and Towns, the Emergency Medical Advisory Committee, the Vermont Police Chiefs Association, the Vermont State Firefighters Association, and local emergency medical services, police, and fire agencies in order to report by that date to the House Committees on Government Operations and on Ways and Means and the Senate Committees on Government Operations and on Finance the Department’s recommendations for an equitable dispatch fee structure for the Department to charge for dispatching emergency medical service, police, and fire services, and potential funding mechanisms for those charges that do not rely on property taxes.



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(2) If the Department decides to overrule substantial arguments and considerations raised against the equitable dispatch fee structure or potential funding mechanisms it ultimately recommends, the Department shall include in its report a description of those arguments and considerations and the reasons for the Department's decision."

### **Background**

Over the past 50 years the organization of public safety operations, including dispatch service, has been studied multiple times. Today there are at least four mechanisms that public safety organizations – emergency medical services, fire departments, and law enforcement/police departments – utilize to receive dispatch services. It should be noted that many agencies use more than one of these models, sometimes based on the time of day.

1. In-agency dispatch unit hosted at and funded by the department. These are most frequently attached to police department in municipalities.
2. Contracted services. Contracting with another agency (sometimes in another state) to dispatch on a full or part time basis.
3. Multi-agency / shared services. Combining resources of multiple agencies to fund and operate an emergency communications system. There are at least 4 other multi-agency PSAPs in addition to the state facilities noted in #4 below.
4. Department of Public Safety public safety answering points (two) located in Williston and Westminster.

DPS dispatches for approximately 100 emergency service organizations whose call volume represents approximately 50% of the overall calls to the two state operated PSAPs. Several years ago a disparate billing system that charged varying rates to different agencies, including some with historically free service, was disbanded after the executive and legislative branches failed to reach consensus on a unified billing construct. Reports completed in the wake of that shift have been presented to the legislature and, in part, informed our modernization strategy that was presented in early 2020.

Details of our original proposal can be found in a document and slide deck at [dps.vermont.gov/modernization](https://dps.vermont.gov/modernization).

### **Engagement Process**

In addition to those listed above, we convened three virtual public meetings and meetings with representatives of the VT Sheriffs Association and the full Law Enforcement Advisory Board.

A full multi-page synopsis and notes from most of these meetings is attached as an addendum to this report.

It should be noted that prior to this work, in late 2019 and early 2020, we engaged stakeholders broadly regarding the planning on this issue. In the weeks and months that followed, we sent written correspondence and draft financial frameworks to all impacted organizations. In each, we asked for feedback and other ideas or concepts for how to address the ongoing challenge of parity in statewide dispatch investment.

Multiple documents, which represent only a small sample of those that have been created in recent decades) related to those efforts are attached to this report for reference.

During these engagement opportunities we discussed with a variety of impacted organizations and stakeholders the overall modernization strategies (available at [dps.vermont.gov/modernization](https://dps.vermont.gov/modernization)); the long standing challenges around dispatch service provision and billing; and specific questions

### **Key questions raised**

There were a few themes that emerged from the meetings that closely paralleled the engagement we conducted in early 2020 prior to presenting these strategies to the general assembly in response to S.124 and as part of our overall modernization work.

1. Participants wanted to verify the multi-year phased approach to beginning billing. We reiterated that the current proposal is a multi-year phase-in.
2. A few agencies were concerned that some of the events that passed through the PSAPs that they would be billed for could be handled in other ways. We emphasized that this effort to create dispatch billing parity is not an effort to generate revenue. If there are ways, particularly using technology (we have a new computer aided dispatch system being deployed in 2021) to minimize the calls for service that pass through the PSAPs we are happy to encourage that to occur and calls that could be “self-dispatched” could be subtracted those from the annual billing cycle. Some of these issues will likely be solved through the new computer aided dispatch platform that will be deployed statewide through 2021.
3. There was some discussion of “smoothing” annual bills so changes in call volume would not affect the annual bill if anomalies occurred. DPS plans to use some multi-year volume averaging, such as a three or five year rolling call volume average, to ensure fluctuations in bills are minimized.
4. There was one agency (law enforcement) that indicated they feared that the addition of dispatch charges would cause their select board to eliminate another position to absorb the costs. While there is no direct solution for this beyond what has been outlined above, the cost of emergency communications is a core cost of doing business for all agencies statewide and those costs should be shared in an equitable way.
5. At least one participant inquired whether these changes could create a reduction in state PSAP workforce. We do not believe that will occur for two reasons. First, the current staffing levels are not ideal for the call volume handled at these centers now. The 64 dispatchers on payroll when fully staffed is approximately 10 short of the ideal standard based on national models. Additionally, while some agency attrition may occur, we do not anticipate large scale loss of participation and, as important, there are regular inquiries from agencies (that cannot currently be accommodated) to join the state PSAPs.

It should be noted that the vast majority of participants and stakeholders indicated their support for the proposal that DPS has put forth and advised that it has been long overdue to be addressed. The small number of agencies and municipalities that raised concerns also indicated a clear understanding of, and general support for, the overall goals of this effort. Agencies were inspired to hear they would have access to the new state computer aided dispatch platform deployed in 2021. This new system will reduce information technology costs to all agencies and will enable new mechanisms for dispatching non-emergency calls.

### **Alternative Funding Models Beyond Property Tax**

Generally, reports that have been authored by government and non-government agencies over the past 50 years have suggested that shared service models, often referred to as regionalized safety services, are the most efficient.

A question that arose more than once in recent discussions about funding was whether the universal service fund (USF) could be a source to fund state dispatch operations. We noted in response to those questions that the USF is projected to have inadequate revenues to support 911 operations in FY22. Current projections are being discussed within the 911 board.

Other participants suggested using a county-based funding mechanism (also property tax based) to create more parity in investment in emergency services, including dispatch, broadly.

It was observed by some in the VLCT board meeting (and noted in some historic studies and reports) that a core responsibility of municipal government and the property tax system is to deliver public safety services, including dispatch.

DPS observes that forwarding a new funding recommendation for the two DPS-run public safety answering points will create a new set of cascading challenges and potential disparity. Recall that there are four primary ways that emergency communications are funded and deployed now. If we were to identify a different funding source for the two state run PSAPs, the other emergency communications systems would be left with a different funding mechanism. The cost to shift all emergency communications funding to a new model would, conservatively, be 4-5 fold the cost of the two state run PSAPs.

As a result, the question is far more complex than can be answered in the 60 days that have elapsed since S.124 became law on October 7, 2020 and we do not have a specific recommendation around what alternative funding mechanisms be viable at this stage.

### **Recommendation**

As a result of this second round of engagement on DPS PSAP dispatch future and billing methodology we continue to believe that the cost-per-call billing construct presented in early 2020 is the best equitable solution. To recap the highlights of that construct:

- Fees will be charged based only on proportional cost of dispatch staff (not facilities, capital costs, overhead, utilities, management and administration, etc.).
- The per call fee will be based on the simple equation of total cost of dispatch staff divided by calls for service that flow through the PSAPs.
- Agencies are then charged based on their call volume. Call volumes will be averaged over 3 to 5 years to smooth the budgeting process. Additionally, as noted above, agencies have an opportunity to adjust their call volumes (for calls passing through PSAPs) using technology and other operational approaches (such as “self dispatching” for some calls) at their discretion.
- Revenue received from these operations could be directed at emergency communications operations including but not limited to E911, communications infrastructure projects, and other regional communication startup costs.

**Attachments / Addenda**

- Engagement "Hearing" Meeting Notes dated 11-04-2020
- VT State Police Fee Structure Report – updated 2019
- Fee Structure Worksheet updated 2-6-2020 (this is illustrative only and does not reflect any potential adjustments based on agency feedback)
- VSP PSAP Fee Memo to agencies 08-18-20
- Law Enforcement Advisory Board historical fee document (authored in 2018)