

# LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor  
Monica Huyg, Legal Counsel



Deputy Legislative Auditors:  
James Gillett  
Angie Grove

## MEMORANDUM

**TO:** Legislative Audit Committee Members

**FROM:** Angie Grove, Deputy Legislative Auditor

**CC:** Janet R. Kelly, Director, Department of Administration  
Sheryl Olson, Deputy Director  
Dick Clark, Chief Information Officer  
Carl Hotvedt, Acting Chief, Public Safety Services Bureau

**DATE:** September 2009

**RE:** Performance Audit Follow-up 10SP-06: Montana's 9-1-1 Emergency Telephone System (orig. 07P-12)

**Attachment(s):** Original Performance Audit Summary

### INTRODUCTION

In November 2007, we presented our performance audit Montana's 9-1-1 Emergency Telephone System. The 9-1-1 Program (program) is administered by the Department of Administration (DOA). The audit report made two recommendations with three recommended actions to DOA. The audit report also made three recommendations to the legislature with five recommended actions. This memo summarizes the results of our follow-up work, in addition to presenting background information.

#### **Overview**

Audit recommendations focused on the distribution and use of 9-1-1 program funds, compilation of management information, and the efficiency and effectiveness of program funding for public safety answering points (PSAPs). Overall, we found DOA is implementing all three recommended actions for the department. The remaining five recommended actions were made to the legislature. The legislature implemented one of the recommended actions.

### BACKGROUND

The Department of Administration manages the 9-1-1 Program for the state. The program is generally responsible for providing support to and distributing program funding to public safety answering points, or PSAPs. All 9-1-1 emergency calls are routed through a PSAP, where PSAP personnel answer emergency calls and notify public safety officials of reported emergencies.

PSAPs are commonly operated by county law enforcement agencies located in each county. However, some PSAPs are operated by other local government entities. In several instances, counties have signed

mutual use agreements and consolidated services as a means for controlling costs while providing necessary 9-1-1 services.

### **FOLLOW-UP AUDIT FINDINGS**

The performance audit report included three recommendations to DOA for improving program operations. These recommendations included improving the distribution of program funds to PSAPs and compiling management information from PSAPs. Recommendations to the legislature included considering the potential for consolidating PSAPs, establishing priorities and expectations for PSAP use of program funds and implementation of new 9-1-1 technologies, and ensuring expenditures of program funds are used solely for 9-1-1 services.

#### **Recommendation #1**

We recommend the Department of Administration:

- A. Seek input from 9-1-1 system stakeholders, including the 9-1-1 Advisory Council, on how to distribute surcharge revenues without creating disparities.
- B. Seek statutory clarification and approval of a revenue distribution methodology ensuring funds are distributed as envisioned by the legislature.

#### **Implementation Status – Implemented**

The program's methodology for distributing program funds to PSAPs resulted in disparities. Additionally, the statutory methodology for distributing program funding contributed to the disparities. In coordination with the 9-1-1 Advisory Council, the department requested legislation to approve a new revenue distribution methodology. The 2009 Legislature subsequently passed House Bill 118, which approved a new distribution methodology to address our findings in this area.

#### **Recommendation #2**

We recommend the Department of Administration seek statutory authority to require local governments provide comprehensive program information and expand its compilation and reporting of management information for statewide 9-1-1 activities.

#### **Implementation Status – Being Implemented**

The 9-1-1 Program's emphasis had focused its management information efforts on program expenditures by PSAPs. The program had limited capabilities for collecting other management information for oversight and reporting purposes such as number of 9-1-1 calls received by PSAPs or nature of services provided in response to 9-1-1 calls. Historically, the program had difficulties collecting the information due to limited system tracking capabilities. Additionally, it was unclear whether the program had the authority to require PSAPs to provide this information.

HB 118 partially addressed this recommendation, establishing clear authority for the 9-1-1 program to collect and compile management information. The program is working with the 9-1-1 Advisory Council to identify what management information is necessary for collecting and reporting purposes. Consequently, full implementation is pending management information collection decisions by the program and advisory council.

#### **Recommendation #3**

We recommend the Legislature:

- A. Establish intent and priorities for use of program funds by PSAPs; THEN
- B. Clarify its expectations of 9-1-1 services to be provided in Montana, including the minimal levels of service as new technologies become available.

**Implementation Status – Not Implemented**

While the 9-1-1 Program had controls in place to assure PSAPs use program funds for statutorily allowable costs, neither statute nor program rules set priorities for use of program funds. For example, PSAPs could use funds for implementing and maintaining existing 9-1-1 technologies, but there were no requirements PSAPs deploy new technologies as they became available, such as enhanced 9-1-1 services. In some instances, PSAPs were using funds for existing basic services rather than implementing new technologies. We also noted that some PSAPs were using program funds for services that may not be directly related to deploying 9-1-1 technologies, such as for dispatcher salaries or office equipment and supplies.

There was no legislation drafted for the 2009 Legislature to address this recommendation.

**Recommendation #4**

We recommend the Legislature grant the Department of Administration:

- A. Authority to evaluate PSAP operations and consider consolidation of PSAPs to improve the efficiency and cost-effectiveness of the 9-1-1 system.
- B. Authority to develop operational standards for a state 9-1-1 system, including PSAP operations.

**Implementation Status – Not Implemented**

Our review of PSAPs 9-1-1 calls indicated some counties with PSAPs received relatively few 9-1-1 calls, but continued to operate individually. We also noted some counties opted to consolidate 9-1-1 services among two or more counties for cost-saving purposes. Consolidation in these counties did not appear to impact public safety or responses according to law enforcement officials. While we identified some obstacles to consolidation, areas with consolidated PSAPs indicated obstacles can be mitigated. Additionally, the state did not have operational statewide standards for PSAP operations to ensure implementation of new technologies meet or exceed industry standards.

There was no proposed legislation to address this recommendation.

**Recommendation #5**

We recommend the Legislature revise state law to ensure all 9-1-1 surcharge revenues are only used for 9-1-1 system development and operations.

**Implementation Status - Implemented**

State law required a percentage of 9-1-1 revenues be deposited into the General Fund for program administration costs. However, program administration expenditures were less than revenues, and state law did not provide a mechanism for transferring these unexpended funds to the program for distribution to PSAPs. Consequently, these funds remained in the General Fund for other uses rather than reverting to the program for 9-1-1 purposes.

The 2009 Legislature passed House Bill 82 to address this issue. House Bill 82 established a special revenue account for the administration of the program, with any unused funds reverting to the 9-1-1 program for distribution to the appropriate accounts, including distribution of program funds to PSAPs.