

## **METROPOLITAN EMERGENCY SERVICES BOARD FUNDING**

The primary revenue source for the Metropolitan Emergency Services Board (MESB) is assessment to MESB members. The MESB does not receive any direct appropriation from the 9-1-1 Special Revenue Fund for its activities.

The MESB's operational and administrative budget is funded by assessments to each of its ten member entities. The assessments fund all general administrative activities, all 9-1-1 activities, and radio administrative activities. In addition, the assessments also fund the salary and benefits of the MESB's EMS Coordinator.

The regional EMS program, Metro Region EMS, which is housed within the MESB, receives two grants from the State of Minnesota for its program; the grants are the EMS System Fund grant and the EMS Relief Account grant, the latter of which is funded through fines received for lack of seat belt use. These grants fund all administrative activities of Metro Region EMS, with the exceptions of the salary and benefits of the EMS Coordinator. Metro Region EMS also receives additional federal grants for conducting regional and statewide training for EMS and first responders, as well as occasionally funds for equipment.

The MESB does receive reimbursement revenue from metro region participants in the Allied Radio Matrix for Emergency Response (ARMER) system. The MESB pays for tower rent and utilities for shared ARMER system sites, and then bills the appropriate agencies for reimbursement for their share of said rent and utilities. Additionally, the MESB receives funds from the Minnesota Department of Transportation (MnDOT) for its share of rent and utilities at the shared radio sites. In addition to the reimbursement revenue, the radio program also receives state and federal grant funds for training and planning, and occasionally for equipment projects.

Until 2017, the 9-1-1 area did not receive any state or federal grants. This changed in state fiscal year 2017 as the Statewide Emergency Communications Board (SECB) awarded funds from a state grant to create address points for two metropolitan counties, as well as funds to purchase and install firewalls at metro Public Safety Answering Points (PSAPs). State grants for this work continues in present day.

In addition to assessment and grant funds, the MESB also receives interest revenue. The MESB receives some interest payments from its fiscal agent, Washington County. Additionally, the MESB has an investment account with Hennepin County (called the Hennepin County Investment Account), for which it also receives interest. The latter fund pays for one-time costs associated with changes to the 9-1-1 system, as well as for Board-approved projects, such as the 9-1-1 data synchronization project.

### Assessment Schedule

The MESB's assessments to its members are based on population. Each member's percentage share of the MESB's operational budget are based on the most recent population data received from the Minnesota State Demographic Center. The City of

Minneapolis shares only in Radio Administration costs; Hennepin County funds the Minneapolis share of 9-1-1 and general administrative costs.

Assessments are issued in accordance with the MESB Joint Powers Agreement, Article VI, Funding:

## ARTICLE VI

### Funding

**Section 1: Assessment Procedure.** By August 1 of each year, prior to the adoption of an annual budget for the following year, the Board shall determine the amount of contribution by each participating county according to the assessment formula in Section 3 herein. The budget shall account for all revenue and expenses of each function of the Board under this Agreement. The contribution of each county shall be a credit for the county making the contribution. If, in any year, the amount of any contribution exceeds that estimated as each county's share toward the total annual cost, the excess shall be allocated in such manner as to reduce each county's contribution in accordance with the assessment formula herein. If, after the adoption of an annual budget, it appears that a deficit is imminent in that the amount of any share is incorrect or insufficient, the Board may, at a regular or special meeting, adjust the budget to the extent required for the exercise of its powers and the accomplishment of its purposes. Such additional contributions shall be assessed as provided in Section 3 herein. Hennepin County will be assessed based on its entire population as provided in Section 3 herein; therefore, the City of Minneapolis shall not be assessed for Board functions except for administrative costs related to regional radio board functions as provided in Section 8 herein.

**Section 2: Initial Assessment.** An assessment shall be made and charged to each county herein sufficient to enable the Board to administer the Regional 911 System. Such assessment shall be made by the Board at its first regular meeting in accordance with the assessment formula contained in Section 3 herein. Thereupon, notice of the assessment shall be forwarded to each county for approval and payment.

**Section 3: Assessment Formula.** All assessments authorized to be made by this Agreement shall be made in the same proportion as the ratio of the population of the county bears to the population of the nine-county metropolitan area, as measured by the most recent and available population figures of the State Demographic Center. If the Board incurs any liability for damages arising from any of its activities under this Agreement, the amount of damages shall be assessed against each county in the same manner as in the assessment formula described in this section; provided that any assessment against Hennepin County shall be reduced by the amount attributable to the population of the City of Minneapolis and shall be assessed against the City of Minneapolis. Nothing herein shall be construed as a waiver or modification of the limitations, defenses and immunities of liability contained in Minnesota Statutes, Chapter 466, Minnesota Statutes Section 471.59, subd. 1a, or other applicable law.

## **9-1-1 Services Funding**

Funding for 9-1-1 services in the metropolitan area comes from three primary sources:

- State of Minnesota, Department of Public Safety – 9-1-1 Fee
- Local Government
- MESB

The **State of Minnesota, Department of Public Safety (DPS), Emergency Communication Networks (ECN)** collects a 95-cent 9-1-1 fee from each “telephone” customer, including VoIP, wireless, and wireline) in the state, which is expected to generate just over \$77 million in FY2017. ECN expects to spend the funds in the following manner in FY2017:

ARMER Backbone Bond Debt	30%
9-1-1/NG9-1-1 Operating Budget	25%
9-1-1 PSAP Obligations*	18%
ARMER Maintenance Budget	12%
MnDOT 7.19 Upgrade & Local Grant	4%
NG9-1-1 GIS Project	4%
ECN Operating Budget	2%
Text to 9-1-1	2%
ARMER Interoperability	1%
SECB Budget	1%
Medical Resource Control Centers	1%

\*PSAP Obligations are funds which are sent to all PSAPs in the state. Half of the funds are allocated evenly across the counties; the other half is allocated to PSAPs based on population served. These funds may be spent on technology within and to operate the PSAP, including GIS services, and training.

ECN pays all monthly recurring costs for to operate the 9-1-1 system statewide (the 9-1-1/NG9-1-1 Operating Budget). They are also responsible to pay the one-time costs related to implementing Text to 9-1-1.

**Local Government** funds are generally used for operational and equipment expenses associated with the operation of PSAPs that are not covered by the 9-1-1 Service Fee. These funds are collected by tax levy on a per taxpayer basis (i.e. property tax). While local government may have several funding sources available to them, there are typically restrictions on the levy limits and the uses of those funds.

The **Metropolitan Emergency Services Board** uses its Hennepin County Investment Account to pay for one-time costs associated with changes to the 9-1-1 system.

## **ARMER Services Funding**

Funding for ARMER Services generally comes from local property tax levies or from the 9-1-1 Special Revenue Fund.

Local governments which own subsystems on the ARMER system, which includes all MESB member entities, pay for their own costs to operate and maintain their equipment on the system. This includes subscriber radios and their programming and maintenance, infrastructure equipment, rent and utilities, and the entity's share of the annual system maintenance agreement with the system vendor.

Per statutory language, a portion of the 9-1-1 Special Revenue Fund is allocated to the Department of Public Safety for ARMER backbone operation. The Department of Public Safety transfers some of these funds to MnDOT to operate and maintain the backbone, meaning to pay for the state's share of rent, utilities and maintenance. For the metro region, MnDOT transfers a portion of these funds to the MESB to pay for its share of rent and utilities are metro region tower sites.

Occasionally, grant funds are received for projects which add coverage or capacity to the ARMER system. In the past, most of these grants have been federal grants through the State Homeland Security Program. It is unlikely that the MESB will receive the volume of these grants it once received; but the Statewide Emergency Communications Board (SECB) has instituted a grant program using state funds which might be used for such projects. Grants are allocated on a competitive basis.

## **Metro Region EMS Funding**

Funding for Metro Region EMS primarily comes from two state grants. The first is the EMS Support Fund grant, which is equally split across the eight EMS regions in Minnesota. This grant may be used to:

- Promote systematic, cost-effective delivery of emergency medical care throughout the state;
- Identify common local, regional, and state emergency medical system needs and to provide assistance in addressing those needs;
- Provide discretionary grants for emergency medical service projects with potential region-wide significance;
- Provide for public education about emergency medical care;
- Promote the exchange of emergency medical care information;
- Ensure ongoing coordination of regional emergency medical services systems;
- Establish and maintain training standards to ensure consistent quality of emergency medical services throughout the state.

The second state grant is the EMS Relief Fund grant, which is derived from the fine associated with lack of seat belt use. The amount of this grant fund has been in decline in recent years as compliance with the state seat belt law has increased.

Metro Region EMS has also received several federal grants over the years for equipment and training. The receipt of federal grants is not guaranteed.