



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Audit Report – Issued August 31, 2016

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## State 911 Department

For the period July 1, 2013 through December 31, 2014





Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

August 31, 2016

Mr. Frank Pozniak, Executive Director  
State 911 Department  
151 Campanelli Drive, Suite A  
Middleborough, MA 02346

Dear Mr. Pozniak:

I am pleased to provide this performance audit of the State 911 Department. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2013 through December 31, 2014. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to the State 911 Department for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular stamp.

Suzanne M. Bump  
Auditor of the Commonwealth

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## LIST OF ABBREVIATIONS

EOPSS	Executive Office of Public Safety and Security
ISA	Interdepartmental Service Agreement
NextGen	Next Generation 9-1-1 Emergency Communication System
PSAP	Public Safety Answering Point
RECC	Regional Emergency Communication Center

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## EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the State 911 Department for the period July 1, 2013 through December 31, 2014.

In this performance audit, we examined certain activities of the State 911 Department related to the administration of its six reimbursable grants and to the Enhanced 911 Fund.<sup>1</sup>

Below is a summary of our findings and recommendations, with links to each page listed.

<b>Finding 1</b> <b>Page <a href="#">9</a></b>	The State 911 Department does not process grant reimbursements in a timely manner.
<b>Recommendations</b> <b>Page <a href="#">10</a></b>	<ol style="list-style-type: none"><li>1. The State 911 Department should continue to monitor the number of reimbursement requests received, determine what resources it will need to meet its grant-processing guidelines, and ensure that there are enough staff members assigned to do so.</li><li>2. The State 911 Department should provide specific feedback and training to the Public Safety Answering Points that consistently submit inaccurate supporting documentation for their grant reimbursement requests.</li></ol>
<b>Finding 2</b> <b>Page <a href="#">12</a></b>	The State 911 Department has not filed a required annual report since fiscal year 2010.
<b>Recommendation</b> <b>Page <a href="#">12</a></b>	The State 911 Department should establish the necessary controls, including delegating clear responsibilities, to ensure that its annual report is filed.
<b>Finding 3</b> <b>Page <a href="#">13</a></b>	The State 911 Department's policy advisory committee has not been established.
<b>Recommendation</b> <b>Page <a href="#">14</a></b>	The State 911 Department, the State 911 Commission, and the Secretary of the Executive Office of Public Safety and Security should ask the Governor to appoint the necessary members of the policy advisory committee.

### Post-Audit Action

The State 911 Department did address its staffing needs during our fieldwork. In July and August 2015, the department added two permanent staff members to support the processing of grant reimbursements. Further, State 911 officials told us that the Office of the Governor has reached out to the department about the policy advisory committee.

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1. According to Section 18H of Chapter 6A of the General Laws, the Enhanced 911 Fund is funded by a monthly communications surcharge that is used for administration and programs of the State 911 Department, among other things.

Additionally, on August 13, 2015, the State 911 Department filed its annual report for calendar year 2014. This report included information about agency activities for calendar years 2010 through 2014 as well as the triennial reporting requirements of expenditures by recipients.

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## OVERVIEW OF AUDITED ENTITY

The State 911 Department is organized under Section 18B of Chapter 6A of the Massachusetts General Laws and operates under the direction and control of the Executive Office of Public Safety and Security (EOPSS). Chapter 18B also establishes within EOPSS a State 911 Commission to provide the State 911 Department with additional guidance “in all matters regarding enhanced 911 service in the commonwealth,” including budgeting, contracting, and approval of grant guidelines. In addition, the statute provides for a policy advisory committee to assist the State 911 Department in meeting its responsibilities by advising the department and the commission on matters related to enhanced 911 services.<sup>2</sup> During our audit period, the department was administered by an executive director and had 34 staff members, including a deputy executive director.

The State 911 Department has the authority to direct the day-to-day administration of the statewide enhanced 911 system and maintain its own independent budget using a dedicated stream of surcharge revenue collected, remitted, and reported monthly to the department by communication-service providers on all home and wireless telephone bills. The surcharge was 75 cents per month during our audit period<sup>3</sup> and is imposed on each subscriber or end user whose communication services are capable of accessing and using an enhanced 911 system, in accordance with Section 18H(a) of Chapter 6A of the General Laws. From July 1, 2013 through December 31, 2014, the department received \$112,845,603 in surcharge revenue that was deposited in the Enhanced 911 Fund. Funds received and deposited into the Enhanced 911 Fund were from the surcharge itself and interest on surcharge revenue already deposited. The department does not receive state appropriated funds.

The Finance Director stated that a minimum of 90% of the department’s budget is committed to spending on the items listed in Section 18B of Chapter 6A of the General Laws, which includes expenses such as salaries, training, and equipment for Public Safety Answering Points (PSAPs). PSAPs are defined in Section 18A of Chapter 6A of the General Laws as follows:

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2. Enhanced 911 services are communication networks, databases, and equipment features that enable individuals to reach 911 dispatchers by dialing 911 or by other means approved by the State 911 Department.
  3. Since our audit period, the Department of Telecommunications and Cable has approved an increase in the surcharge to \$1.25 per month effective July 1, 2015, with a reduction to \$1.00 per month effective July 1, 2016.

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*[Facilities] assigned the responsibility of receiving 911 calls and, as appropriate, directly dispatching emergency response services or transferring or relaying emergency 911 calls to other public or private safety agencies or other PSAPs.*

The remainder of the budget can be used for the costs of administering the statewide enhanced 911 system, which include salaries, agency expenses, consultant services, and capital projects.

The purposes of the department are to coordinate the implementation and administration of enhanced 911 services throughout the Commonwealth and to develop and administer grant programs to assist the PSAPs in Massachusetts that receive 911 calls. Currently, the State 911 Department administers six<sup>4</sup> grant programs that are available to the Commonwealth's 249 PSAPs. The State 911 Department allocates funding for each of its six grants based on a percentage of its prior fiscal year's surcharge revenue, in accordance with Section 18B(j) of Chapter 6A of the General Laws. The allocated amounts are approved annually by the State 911 Commission and, when necessary, by the Department of Telecommunications and Cable. Additionally, the State 911 Department files its annual budget with EOPSS and the Executive Office for Administration and Finance. Grant requests are not always approved in full; certain expenses can be excluded upon review. Grant funds may be used for eligible expenditures such as call processing equipment; database, network, and technical support services; and training for personnel handling 911 calls at PSAPs.

The State 911 Department grant process is as follows:

- The State 911 Commission approves grant guidelines that detail the purposes of the grants and the requirements for receiving grant funds, as well as grant application packages consisting of the documentation required to apply for the grants.
- PSAPs complete grant applications and submit them to the State 911 Department. All grant applications must be approved by the department's executive director or his/her designee.
- Upon approval, a Commonwealth of Massachusetts Interdepartmental Service Agreement (ISA)<sup>5</sup> Form is executed between the PSAP and the State 911 Department if the PSAP is a state entity (such as a county sheriff's office or the Massachusetts State Police). If it is any other type of PSAP (such as a city or town), a Commonwealth of Massachusetts Standard Contract Form is executed to fund grants.

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4. The six State 911 Department grants are as follows: (1) training grant; (2) emergency medical dispatch grant; (3) development grant; (4) support grant; (5) incentive grant; and (6) wireless grant.

5. An ISA is a contract that documents a business agreement between two state departments within any branch of state government, pursuant to Section 6 of Title 815 of the Code of Massachusetts Regulations.

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- All the department's grants are reimbursable grants. Therefore, in order to receive funding, a PSAP must submit reimbursement forms and supporting documentation such as invoices, payroll reports, sign-in sheets for training classes, certificates for professional education, and proof of payment. Reimbursements are only provided for eligible expenditures as defined in the approved grant contract or ISA.
  - The PSAP's reimbursement requests are reconciled by the State 911 Department. This means that the backup documentation provided by the PSAP is compared to the approved grant contracts and the department recommends approval, denial, or requests for additional information (if it is needed in order to substantiate the reimbursement request).
  - Upon completion of reconciliation and approval of full or partial reimbursement, the department enters the reimbursement payment in the state's Massachusetts Management Accounting and Reporting System.

The department is also responsible for encouraging the Commonwealth's PSAPs to regionalize.<sup>6</sup> To accomplish this, the department administers both development grants (which reimburse allowable expenditures related to the development, startup, expansion, or upgrade of PSAPs) and incentive grants (which provide additional funding to regional PSAPs based on the number of municipalities served; serving more municipalities results in more funding). The department also conducts regionalization meetings to discuss possible incentives and barriers to the regionalization process. Regionalization reduced the number of PSAPs from 252 in fiscal year 2014 to 249 as of December 31, 2014.

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6. Regionalization is the combining of PSAPs from two or more municipalities or governmental bodies to provide enhanced 911 services to a specific region of the Commonwealth.

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## AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the State 911 Department for the period July 1, 2013 through December 31, 2014.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did the State 911 Department administer grants in accordance with Section 18B(i) of Chapter 6A of the General Laws?	Yes
2. Did the State 911 Department monitor and review grant expenditures for compliance with grant guidelines?	Yes
3. Did the State 911 Department process reimbursement payments in accordance with its established time standards?	No; see Finding <u>1</u>
4. Did the State 911 Department administer Interdepartmental Service Agreements (ISAs) in accordance with applicable laws and regulations?	Yes
5. Did the State 911 Department file a written annual report in accordance with Section 18B(j) of Chapter 6A of the General Laws?	No; see Finding <u>2</u>
6. Did the State 911 Department establish an advisory committee in accordance with Section 18B(c) of Chapter 6A of the General Laws?	No; see Finding <u>3</u>

We obtained an understanding of internal controls we deemed significant within the context of our audit objectives through document reviews, interviews, and observation of State 911 Department activities. With regard to internal controls we deemed significant within the context of the audit objectives, we assessed whether the controls had been properly designed and were operating as management intended.

We designed procedures to obtain sufficient, appropriate evidence to support our assessment of the effectiveness of these internal controls.

To achieve our objectives, we performed the following procedures:

- We interviewed State 911 Department officials and other staff members as well as officials from the Executive Office of Public Safety and Security (EOPSS), the Office of the State Comptroller, and selected Public Safety Answering Points (PSAPs).
- We reviewed relevant documents (e.g., grant guidelines, approved grant contracts and ISAs, reimbursement requests and related backup documentation, and State 911 Commission meeting minutes), statutes, and regulations as well as the State 911 Department's accounting records.
- We obtained and analyzed data from selected PSAPs' grant reimbursement folders and traced and compared them to the State 911 Department database for consistency and completeness. We interviewed the chief information officer for EOPSS's Office of Technology and Information Services regarding information-technology policies and procedures. We also interviewed State 911 Department officials who were knowledgeable about database data-input activities. Since the hardcopy documents in each PSAP grant reimbursement folder identify all grant reimbursement activity and are the source documentation used to update the database, we did not evaluate information system controls when performing our audit or rely on the State 911 Department database for the purposes of the audit. We believe the information we obtained from the PSAP grant reimbursement folders was sufficient for the purposes of our analysis and findings. We relied on hardcopy source documents, interviews, and other non-computer-processed data as supporting documentation on which we based our conclusions.
- For our grant reimbursement testing, we selected PSAPs by using a nonstatistical sampling approach. Accordingly, the results of our tests cannot be projected over the entire population and apply only to the items selected. More specifically, in order to test reimbursements submitted during our audit period, we performed the following procedures:
  - For the training and emergency medical dispatch grants, we judgmentally selected a total of 44 PSAPs, from which we tested 100% of the reimbursements submitted during our audit period.
  - For the support and incentive grants, we judgmentally selected a total of 36 PSAPs, from which we tested 100% of the reimbursements submitted during our audit period.
  - For the development grant, we randomly selected 8 out of a population of 47 PSAPs, from which we tested 100% of the reimbursements submitted during our audit period.
  - For the wireless grant, we tested a total of 25 reimbursements, which made up 100% of the reimbursements submitted during our audit period, from the 3 PSAPs eligible to apply.
  - In total, for all the PSAPs tested, we examined 341 reimbursement requests, totaling \$14,353,206, that the State 911 Department received during our audit period for its six grants, to determine whether grant expenditures were allowable, properly supported and approved,

compliant with grant agreements, and processed in accordance with established time standards.

- We tested all 48 ISAs for our audit period, totaling \$27,995,943 (40 grant-related ISAs, totaling \$20,881,467, and 8 ISAs for goods and services, totaling \$7,114,476) and compared the fiscal year 2014 and fiscal year 2015 (through December 31, 2015) total amount for each ISA to the total amount allocated to the contracting state agency at the beginning of the fiscal year to evaluate compliance with ISA funding requirements.
- We performed site visits to PSAPs to verify items purchased and to verify that the names of the emergency 911 call takers that were submitted for payroll reimbursement were the names of employees at the PSAPs.
- We asked State 911 Department management whether they had filed the department's required annual report for fiscal year 2014.
- We asked State 911 Department management whether the policy advisory committee had filed the required annual reports with the State 911 Department and the State 911 Commission as well as the required triennial report documenting expenditures of each recipient of funds.

Any financial data we obtained from the Massachusetts Management Accounting and Reporting System about the State 911 Department's activities during our audit period were not used in our audit testing; the data were used solely for the purpose of presenting background information in our report. Consequently, we did not assess the reliability of the data.

## DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE

### 1. The State 911 Department does not process grant reimbursements in a timely manner.

The State 911 Department does not process grant reimbursement requests from Public Safety Answering Points (PSAPs) in a timely manner and, as of the end of our audit period, had a backlog of 975 reimbursement requests. The grant reimbursement process includes the review of grant reimbursement applications; reconciliation of the backup documentation to the approved grant contracts or Interdepartmental Service Agreements; the making of recommendations for approval, denial, or requests for additional information; and final approval and payment of eligible expenses. It takes the department an average of approximately 55 business days beyond the turnaround time in its guidelines to approve full or partial reimbursements for both types of PSAPs (state agencies and cities/towns/municipalities). For cities, towns, and municipalities alone, the turnaround exceeds the required duration by an average of 81 days; in one case, we noted that a PSAP was not reimbursed until 230 days past the department’s established turnaround time.

Not having timely fulfillment of reimbursement requests, which ranged up to \$742,186 within our audit sample and are most commonly used to cover payroll, results in a strain on some PSAPs’ budgets. According to PSAP officials, because of this, some PSAPs become discouraged from applying for these grants.

### Authoritative Guidance

According to the fiscal year 2014 and fiscal year 2015 State 911 Department grant guidelines,

*The State 911 Department staff will use its best efforts to review reimbursement requests and take the following action within [20 to 30—see chart below] business days of receipt of the reimbursement request: 1) request additional information in the event the reimbursement request is not complete; 2) recommend approval, in full or part, of the reimbursement request; or 3) recommend denial of the reimbursement request.*

Grant Guidelines	Business Days	
	Fiscal Year 2014	Fiscal Year 2015
Training and Emergency Medical Dispatch	20	30
Support and Incentive	20	30
Wireless	20	30
Development	20	20

## Reasons for Issues

According to State 911 Department officials, they did not have enough employees to process grant reimbursements within the prescribed guidelines. The officials explained that in fiscal year 2012, when its grant program increased to six grants, the department requested approval from the Executive Office of Public Safety and Security (EOPSS) for additional personnel, but the request was denied. The department did not give us documentation of the denial. Officials also pointed out that grant reimbursements increased by 54% from fiscal year 2012 through fiscal year 2015. Although its Fiscal Department had four to five staff members during this time, the State 911 Department assigned different responsibilities to each one, and only one employee was designated as responsible for processing reimbursement requests.

Department officials stated that the department had tried to address its staffing needs in fiscal years 2014 and 2015 by hiring temporary employees to process the reimbursement requests. However, the time investment required to train temporary employees meant that this practice did not cause the work to be done significantly faster.

PSAPs also indicated to us that it seemed to take a long time to receive reimbursements, but some of the time it took was actually increased by PSAPs submitting incomplete or erroneous supporting documentation.

## Recommendations

1. The State 911 Department should continue to monitor the number of reimbursement requests received, determine what resources it will need to meet its grant-processing guidelines, and ensure that there are enough staff members assigned to do so.
2. The State 911 Department should provide specific feedback and training to the PSAPs that consistently submit inaccurate supporting documentation for their grant reimbursement requests.

## Auditee's Response

*The Report . . . states that the Department does not process grant reimbursements in a timely manner. The Department has, and continues to, inventory, track and monitor all reimbursement requests received. The Department had addressed its staffing issue during the audit period and was recently (July/August 2015) successful in obtaining the staff necessary to support the processing of reimbursements within the thirty (30) business days noted in the guidelines. While the Department acknowledges the backlog that existed during this audit period, it should be noted that the timelines are not statutorily required, and that the Grant Guidelines specifically permit flexibility in these timeframes. The Grant Guidelines state as follows: "The State 911 Department reserves the right, in its sole discretion, to extend any of the above processing timelines."*

*The Report . . . highlights one instance in which it indicates that one of the reimbursements was not processed for two hundred thirty (230) days. Please note that this item, one of approximately thirty-six hundred (3,600) reimbursement requests received during the audit period, is an extreme example that is an exception to the processing of thousands of reimbursement requests that occurred during that period.*

*The Report . . . concludes that, according to some public safety answering point ("PSAP") officials, some PSAPs have become discouraged from applying for these grants. The Department notes that the grant programs have had approximately ninety-seven (97) per cent participation, and this participation level has increased since the inception of the Department's grant programs.*

*Finally, the Department notes that it undertakes comprehensive and consistent efforts to train the PSAPs regarding all aspects of its grant programs. These efforts include, but are not limited to: providing daily training (one on one) with the PSAPs by phone and in person; sponsoring regular "grant camps" to train and educate PSAPs on the requirements of the grant programs; disseminating monthly communications on relevant topics in the Department's newsletter and on the Department's website; participation and attendance at the Massachusetts Communication Supervisors meetings; publishing and providing to PSAPs sample application forms and reimbursement requests; and visits to PSAPs at their locations throughout the Commonwealth, as necessary, to guide and assist them with the grant programs.*

## **Auditor's Reply**

We acknowledge that the State 911 Department has a tracking and monitoring system in place for its reimbursement requests and that the grant guideline time standards permit flexibility. We also acknowledge that the 230-day turnaround time for the reimbursement cited in our report is an atypical example. However, as noted in this report, during our audit period the department had not adequately addressed its staffing issues regarding processing reimbursement requests. As a result, the department took almost twice as long to approve full or partial reimbursements for both types of PSAPs, and almost three times as long to process reimbursements for cities, towns, and municipalities, as the target turnaround time. We believe that the standards should be flexible only to the extent that that flexibility does not cause PSAPs to incur any type of financial hardship, which some PSAPs may have experienced as a result of the longer delays.

Although in its response the department asserts that it has a very high participation rate for its grant funding, our statement that the delays have discouraged PSAPs from applying for grants was based on meetings with officials from various PSAPs who told us that this was one of the ways in which their organizations were affected.

We acknowledge that the department conducts grant-related training for PSAPs. However, since PSAPs submitting incomplete or erroneous supporting documentation adds to the time it takes to reimburse them, both the department and the PSAPs would benefit if it identified PSAPs that consistently submit inaccurate supporting documentation for their grant reimbursement requests and provided feedback and training specifically for those PSAPs.

Based on its response, the State 911 Department is taking measures to address the concerns we identified regarding processing reimbursement requests.

## **2. The department has not filed a required annual report since fiscal year 2010.**

The State 911 Department has not filed a required annual report with the Governor, the Secretary of State, and the Legislature since fiscal year 2010. Without these reports, the Governor and the Legislature do not have the information they need to effectively monitor the department's grant activities and ensure that it is meeting its regulatory and statutory obligations. The department did file another, triennial required report, but effective monitoring would require annual reporting as required.

### **Authoritative Guidance**

According to Section 18B(j) of Chapter 6A of the Massachusetts General Laws,

*The department shall file a written annual report with the governor and shall file a copy thereof with the state secretary, the clerks of the house of representatives and the senate. . . . The department shall include a reporting of grant expenditures by municipality in the written annual report. Not later than June 30, every 3 years, the department shall prepare a report documenting the expenditures of each recipient of funds from surcharge revenues to ensure compliance with applicable statutes and regulations.*

### **Reasons for Noncompliance**

According to State 911 Department officials, they were aware of the reporting requirements but did not establish the necessary controls and clear responsibilities to ensure that this activity was completed in accordance with the law.

### **Recommendation**

The State 911 Department should establish the necessary controls, including delegating clear responsibilities, to ensure that its annual report is filed.

## **Auditee's Response**

*The Department is committed to openness and transparency. The Department regularly publicly discloses and makes readily available to the public, executive departments, and other agencies information regarding its activities and expenditures, including the type of information contained in the annual report. The Department makes annual filings with the Federal Communications Commission, provides regular reports to the State 911 Commission at open meetings, files information with and attends public hearings at the Department of Telecommunications and Cable, and posts comprehensive information on its website regarding the type of information contained in the annual report.*

*As noted in the Post-Audit Action section of the Report . . . the annual report has since been filed.*

## **Auditor's Reply**

As noted in our report, since 2010, the State 911 Department had not filed its annual report with the Governor, the Secretary of State, and the Legislature as it was obligated to do by law. The Governor and the Legislature would need this information to effectively monitor the department's grant activities and ensure that it met its regulatory and statutory obligations. Although we do not dispute that publicly disclosing information on the department's website is a good practice and provides transparency to the public about the department's operations, it does not obviate the requirement of annual reports. We acknowledge that the department filed its annual report for calendar year 2014, but we again recommend that it establish controls and delegate clear responsibility to ensure that the annual report continues to be filed as required.

### **3. No policy advisory committee has been established for the department and commission.**

The State 911 Department and State 911 Commission's policy advisory committee was not established and did not meet or file required annual reports during the audit period. As a result, the department and commission are not benefiting from the unique knowledge, skill, and expertise of an established committee whose purpose is to advise the State 911 Commission and the State 911 Department on issues related to current enhanced 911 services, future upgrades, and the department's systems. Moreover, because the composition and structure of the advisory committee were intended to enhance the effectiveness of the department and commission and their ultimate governance, the goals, objectives, and mission of these entities may be at risk without an active advisory committee in place.

## Authoritative Guidance

Section 18B(c) of Chapter 6A of the General Laws requires that the State 911 Commission and State 911 Department have a policy advisory committee that advises, and files a written annual report with, the department and the commission.

## Reasons for Noncompliance

Three of the five committee members have not been appointed by the Governor. Without appointed members, the committee cannot advise, or report to, the commission and the department. Although the State 911 Department did not reach out to the Office of the Governor regarding the advisory committee during our audit period, the Office of the Governor did contact the State 911 Department after our audit period to inquire about the advisory committee's current appointees.

## Recommendation

The State 911 Department, the State 911 Commission, and the Secretary of EOPSS should ask the Governor to appoint the necessary members of the policy advisory committee.

## Auditee's Response

*While the Department accepts that the statute calls for the composition of a policy advisory committee, please note that as stated in the statute "the sole purpose of such committee is to advise the Department and the Commission on pertinent subject matter relative to enhanced 911 service, enhanced 911 systems and enhanced 911 network features." The policy advisory committee is not charged with advising the Department or the Commission on governance, and the Department does not agree that its goals, objectives, and mission are at risk. Please also note that, even in the absence of formal appointments, members of the policy advisory committee have attended meetings of the Commission and were included in the wireless working group that considered issues relative to the routing of wireless calls directly to the local communities.*

*The Department is working with the Governor's Office to appoint members of this committee.*

## Auditor's Reply

We acknowledge that the advisory committee's role is not to advise the commission and department specifically on issues of governance. However, we disagree with the department's assertion that its goals, objectives, and mission were not at risk in the absence of a fully functioning advisory committee. The advisory committee is to be composed of members with a high level of industry expertise so that it can advise the commission and department on subjects related to enhanced 911 service, enhanced 911

systems, and enhanced 911 network features and could review issues related to industry interaction and network compatibility with the current enhanced 911 system and with the costly next-generation 911 project now underway (see Other Matters for further discussion). In our opinion, the committee's perspective on such important matters as the performance of the department and commission and/or challenges facing these organizations and the 911 industry would enhance the effectiveness of the department and commission's governance activities and facilitate the achievement of their goals and objectives. In its response, the department states that it is working with the Office of the Governor to appoint members to the committee, which we believe is appropriate and responsive to our concerns.

## OTHER MATTERS

Chapter 223 of the Acts of 2008 established the State 911 Department as well as a grant program whereby a city, town, or entity can obtain funding to conduct a feasibility study to determine whether it makes sense to regionalize its 911 operations. (Regionalization is the consolidation of smaller Public Safety Answering Points [PSAPs] into larger ones serving multiple municipalities or government bodies.) Since the program’s inception, there have been 30 applicants, encompassing approximately 208 communities, which were awarded \$3,876,784 of this grant funding to conduct regionalization feasibility studies. However, this method of encouraging regionalization has been relatively ineffective: only 14 applicants,<sup>7</sup> encompassing approximately 83 communities, have regionalized or are in the process of doing so. Sixteen applicants, encompassing approximately 125 communities, have not regionalized, even after receiving a total of \$1,645,588 for feasibility studies (see Appendix C for details). State 911 Department officials explained that sometimes feasibility studies are performed, but the cities and towns involved cannot reach an agreement to regionalize, for various reasons. These officials pointed out that some cities and towns have been involved with more than one feasibility study with different groups and that regionalization can be a lengthy and cumbersome process.

Within the Commonwealth are 351 cities and towns. As of December 31, 2014, there were 249 PSAPs in the Commonwealth. According to the Federal Communications Commission’s master registry of PSAPs, as of November 12, 2015, Massachusetts was among the top 10 states for number of PSAPs, despite being one of the smallest 10 states in square miles of land and water:

State	2010 US Census Population	Number of PSAPs	Land and Water Square Miles
Georgia	10,097,343	186	59,425.15
New Jersey	8,938,175	187	8,722.58
New York	19,746,227	194	54,554.98
Colorado	5,355,856	216	104,093.67
Florida	19,893,297	222	65,757.70
Massachusetts	6,745,408	252*	10,554.39
Illinois	12,880,580	347	57,913.55
Ohio	11,594,163	350	44,825.58
California	38,802,500	433	163,694.74
Texas	26,956,958	598	268,596.46

\* The number provided to us by the State 911 Department was 249 as of the end of our audit period.

7. Bolton, Dudley, Holden, the North Middlesex Council of Governments, and Rutland have regionalized. Adams, the Barnstable County Sheriff, Gardner, Longmeadow, the Somerville Metropolitan Area Planning Council, West Boylston, Woburn, Worcester, and Wrentham have conducted a feasibility study and are in the process of regionalizing their PSAP operations.

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We reviewed reports from states that have successfully regionalized their systems, which listed the following benefits of regionalization, among others:

- Smaller PSAPs can benefit from the state-of-the-art technology, improved training, and increased career opportunities for 911 call takers that are available in regional PSAPs because regional ones can combine their resources.
- With regionalization, 911 call takers can focus solely on emergency 911 calls and obtain the best information possible related to each incoming call. In addition, the increased volume of calls received at a regionalized PSAP allows call takers to become more experienced. In contrast, call takers at smaller PSAPs may not receive enough emergency 911 calls to give them the same amount of expertise. Further, they are typically responsible for other duties, such as greeting visitors, answering non-911 routine calls, filing paperwork, processing accident reports, and monitoring jail cells, which can distract them when they do receive 911 calls.
- Consolidated dispatching makes it possible to spread the costs associated with regional PSAPs across the participating communities. For example, Massachusetts's current upgrade<sup>8</sup> of its state 911 system could have been easier and more affordable to implement for a smaller number of PSAPs than for the current 249.

In addition, according to a publication by the Minnesota Governor's Work Group titled *Public Safety Answering Point Consolidation: A Guidebook for Consolidation Strategies*,

*An overall improvement in the level of 911 answering and dispatch services provided to the community, participating agencies, and field personnel is the single most important reason to consider PSAP consolidation.*

According to State 911 Department officials, upgrading the Commonwealth's State 911 emergency communication system is one of the department's highest priorities. The comprehensive Next Generation 9-1-1 Emergency Communication System (NextGen) will be a digital network that will allow for additional data to be sent to 911 call centers—e.g., texts (which are critical for deaf, hard-of-hearing, and speech-impaired users), or videos and images that can be forwarded to first responders before they arrive at a scene and can enhance situational awareness, preparedness, and response.

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8. On August 4, 2014, the State 911 Department entered into a five-year contract (with an option for a five-year extension) with General Dynamics Information Technology (GDIT) to upgrade its existing State 911 emergency communication system to the Next Generation 9-1-1 Emergency Communication System. According to the Executive Office of Public Safety and Security, the technology that supports the current system has remained largely the same since it was introduced in 1968; it needs to be upgraded to accommodate modern communication technology. Full transition of the Commonwealth's PSAPs to NextGen is expected to be completed by September 2017. According to State 911 Department officials, the current estimated cost of completing the upgrade is approximately \$169 million. As of July 2016, a total of \$13,465,716 was paid to GDIT for NextGen from the Enhanced 911 Fund.

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On May 28, 2015, the Department of Telecommunications and Cable (DTC) approved a petition from the State 911 Department for a surcharge increase to support the latter department's operations, including local 911 services and NextGen. Section 18H of Chapter 6A of the Massachusetts General Laws already stated that "each subscriber or end user whose communication services are capable of accessing and utilizing the enhanced 911 system" must pay a monthly surcharge for each device and that each month the State 911 Department would receive revenue from this surcharge from communication service providers. The DTC decision increased the surcharge from 75 cents to \$1.25, effective July 1, 2015. It also provided for the surcharge to be dropped to \$1.00 effective July 1, 2016. In its petition, the State 911 Department estimated that annual surcharge revenue for fiscal years 2015, 2016, and 2017, including revenue generated as a result of the surcharge changes, would be as follows: \$72,373,603 in fiscal year 2015, \$116,601,916 in fiscal year 2016, and \$98,508,515 in fiscal year 2017.

According to State 911 Department officials, regionalization also continues to be a priority for the department. Currently, the department encourages regionalization, but does not require it. In addition to offering the development grant and the incentive grant, the department established the State 911 Department Regionalization Working Group in September 2015. This working group is composed of representatives from PSAPs and/or town officials throughout the Commonwealth. The department conducts meetings with the working group to discuss incentives and barriers to regionalization. At these meetings, we observed that some PSAP officials expressed reluctance to give up their ability to control their own PSAP operations within their cities and towns and also expressed concern about the initial costs<sup>9</sup> of regionalization. This reluctance to give up local control, and the costs associated with regionalizing, appear to be some of the more significant barriers to this process. Unless regionalization is further incentivized, more aggressively managed, or mandated, these and possibly other barriers could continue to inhibit its progress.

Indiana, Maine, New Mexico, and Ohio have all legislatively required PSAP regionalization and thus significantly reduced their overall numbers of PSAPs:

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9. These costs include, but are not limited to, feasibility studies; building design and planning, including a climate-controlled server room; new and/or upgraded computer-aided dispatch systems; furniture and equipment, including dispatching chairs and consoles; backup generator(s); antenna towers; security equipment; contracts for information-technology services; payroll for employees, including call takers and other staff members; and training.

State	Number of PSAPs before Regionalization*	Number of PSAPs after Regionalization*	Percentage of Decrease
Indiana	184	134	27%
Maine	48	26	46%
New Mexico	110	45	59%
Ohio <sup>†</sup>	318	250–300	5%–21%

\* These are the numbers of PSAPs before and after regionalization, according to our conversations with state officials, as of April 12, 2016. Legislative changes resulted in the regionalization of PSAPs, which began between 2006 and 2009, for the states listed above.

† Ohio’s regionalization is still in process; its legislation states that it has until 2019 to become fully compliant.

Many studies<sup>10</sup> have estimated that consolidation of PSAPs can result in millions of dollars in long-term savings. At the state level, savings will come from having fewer PSAPs for which funding must be provided for equipment, maintenance, and upgrades. At the municipal level, savings may result from the elimination of redundant staffing and expensive technology, which reduces costs associated with procurement, connectivity, and maintenance. However, consolidations may not result in immediate cost savings. Rather, actual savings may not be realized for several years after regionalization has occurred because of one-time startup costs for facility and technology needs during the consolidation process.

If the State 911 Department wants to facilitate the regionalization of PSAPs more effectively, it should consider taking other measures, such as creating better incentives for communities to regionalize or seeking to enact legislation that would mandate regionalization of PSAPs.

## Auditee’s Response

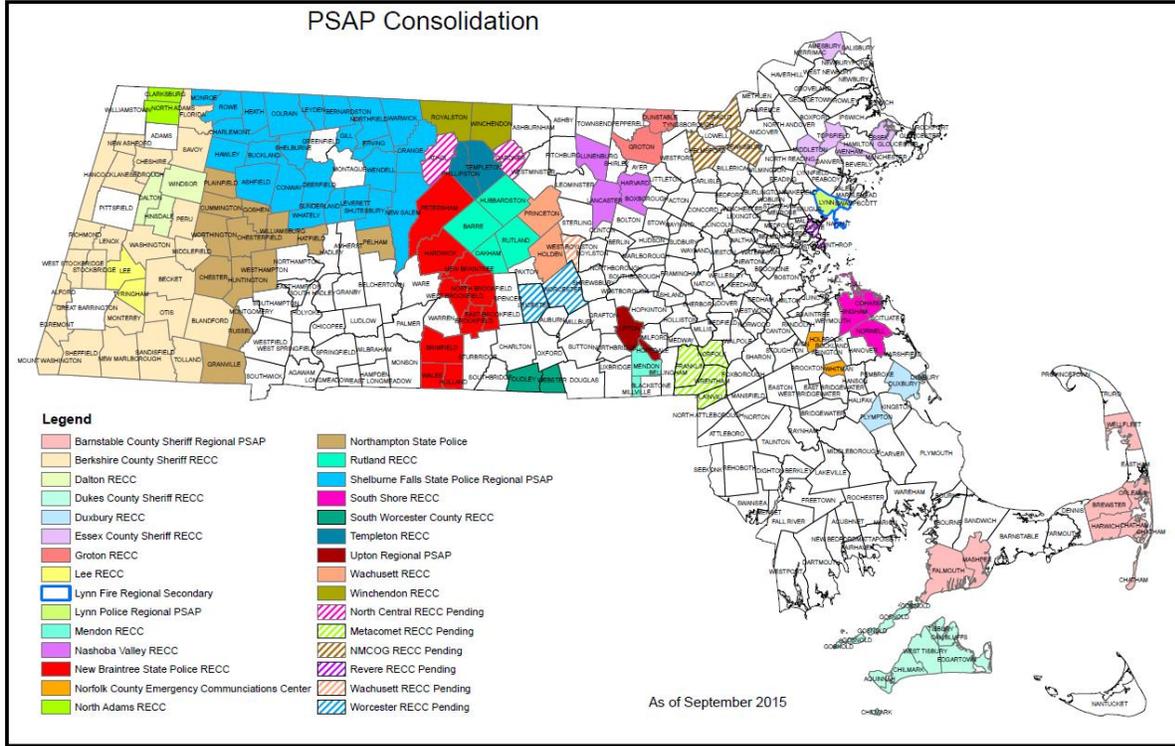
*The Department continues with its efforts to provide more and better incentives to achieve further regionalization of the many PSAPs in Massachusetts to enhance public safety while at the same time achieving cost savings where possible.*

10. The studies were as follows:

- a. Massachusetts: Yolanda K. Kodrzycki and Angela L. Cools, *Saving Costs through Regional Consolidation: Public Safety Answering Points in Massachusetts* (New England Public Policy Center at the Federal Reserve Bank of Boston, Policy Brief 13-1, February 2013).
- b. Maine: Maine Public Utilities Commission, *Public Safety Answering Point Reconfiguration Plan* (Report prepared at the request of the Utilities and Energy Committee of the Maine State Legislature, November 2010).
- c. Ohio: L. R. Kimball, A CDI Company, *Report for Public Safety Answering Point Consolidation* (Report prepared for Ohio Department of Administrative Services, November 2013).
- d. Indiana: Indiana Advisory Commission on Intergovernmental Relations, *Plan to Study Public Safety Answering Points* (Meeting Minutes, September 19, 2012).

# APPENDIX A

## Public Safety Answering Point Regionalization Map



## APPENDIX B

### List of State 911 Department Grants

Type of Grant	Fiscal Year 2014 Allocated Amount	Fiscal Year 2015 Allocated Amount	Examples of Expenditure Categories
<b>Training and Emergency Medical Dispatch</b>	\$4,785,133	\$4,778,780	<ul style="list-style-type: none"> <li>• Allowable expenses related to training and certification of 911 call takers</li> <li>• Personnel and related indirect costs</li> <li>• Training software and other products</li> <li>• Emergency medical dispatch services and related quality assurance</li> </ul>
<b>Support and Incentive</b>	\$23,468,796	\$24,177,753	<ul style="list-style-type: none"> <li>• 911 call taker personnel costs</li> <li>• Computer-aided dispatch systems</li> <li>• Other equipment and related maintenance associated with providing enhanced 911 service</li> <li>• Public safety radio systems</li> </ul>
<b>Development</b>	\$8,000,000	\$8,000,000	<ul style="list-style-type: none"> <li>• Expenses to support the development and startup of regional Public Safety Answering Points (PSAPs) and the expansion or upgrade of existing regional PSAPs</li> <li>• Equipment not covered by the above category</li> <li>• Feasibility studies</li> <li>• Project management</li> </ul>
<b>Wireless*</b>	\$3,933,000	\$3,933,000	<ul style="list-style-type: none"> <li>• 911 call taker personnel and training costs</li> <li>• Computer-aided dispatch systems</li> <li>• Other equipment and related maintenance associated with providing enhanced 911 service</li> <li>• Radio consoles</li> </ul>

\* Only applicable to Massachusetts State Police PSAPs that receive wireless calls.

## APPENDIX C

### State 911 Department Feasibility Study Funding

Applicant	Participating Communities	Award	Study Completed?	Amount Reimbursed	Outcome
<b>Adams</b>	Adams, North Adams, Berkshire County Sheriff	FY12: \$33,000 FY13: \$45,000	Yes	\$42,750	Adams joining Berkshire County Sheriff Public Safety Answering Points (PSAPs) summer 2016
<b>Amherst</b>	Amherst, Hadley, Pelham, Belchertown	FY09: \$125,000	Yes	\$119,900	No communities regionalized
<b>Ashland</b>	Ashland, Hopkinton, Southborough	FY11: \$50,000	Yes	\$33,600	No communities regionalized
<b>Barnstable County Regional Emergency Planning Committee</b>	Barnstable County Communities	FY11: \$135,000	Yes	\$123,910	No communities regionalized
<b>Barnstable County Sheriff</b>	Barnstable County Communities	FY14: \$104,374	Yes	\$103,138	Still in progress (Barnstable County Sheriff is an existing regional PSAP answering 911 calls for seven communities on Cape Cod; the proposal being studied is to add more communities)
<b>Bolton</b>	Bolton, Berlin, Nashoba Valley Regional Emergency Communication Center (RECC)	FY15: \$47,664	Yes	\$47,664	Bolton added to Nashoba Valley RECC on April 21, 2016; Berlin to join in 2016
<b>Boxborough</b>	Boxborough, Littleton	FY13: \$28,400	Yes	\$28,200	No communities regionalized
<b>Douglas</b>	Douglas, Northbridge, Sutton, Upton, Uxbridge	FY11: \$120,000	Yes	\$110,000	No communities regionalized
<b>Dudley</b>	Dudley, Webster, Charlton, Oxford, Southbridge	FY10: \$50,000 FY13: \$25,000	Yes	\$51,000	Dudley and Webster regionalized
<b>Foxborough</b>	Foxborough, Medfield, Norwood, Walpole	FY13: \$100,000	Yes	\$71,800	No communities regionalized

Applicant	Participating Communities	Award	Study Completed?	Amount Reimbursed	Outcome
<b>Franklin Regional Council of Governments</b>	Ashfield, Bernardstown, Buckland, Charlemont, Colrain, Conway, Deerfield, Erving, Gill, Greenfield, Hawley, Heath, Leverett, Leyden, Monroe, Montague, New Salem, Northfield, Shelburne, Shutesbury, Sunderland, Warwick, Wendell, Whately, Rowe	FY11: \$150,000	Yes	\$143,220	No communities regionalized
<b>Gardner</b>	Athol, Ashburnham, Ashby, Gardner, Phillipston, Templeton, Winchendon	FY10: \$50,000 FY13: \$25,000 FY15: \$47,857	Yes	\$116,636	Intermunicipal agreement executed between Gardner and Athol, which are expected to regionalize by mid-2017
<b>Holbrook</b>	Avon, Dedham, Franklin, Holbrook, Medway, Milton, Norfolk, Plainville, Randolph, Stoughton, Walpole, Westwood, Weymouth, Wrentham	FY11: \$60,000	Yes	\$60,000	No communities regionalized
<b>Holden</b>	Holden, Princeton, West Boylston	FY12: \$25,000 FY13: \$6,000 FY14: \$6,460	Yes	\$30,360	Holden and Princeton regionalized; West Boylston to join late 2016 or early 2017
<b>Longmeadow</b>	East Longmeadow, Hampden, Longmeadow, Ludlow, Wilbraham	FY15: \$100,000	Yes	\$100,000	In progress
<b>Middlesex County Sheriff</b>	FY09: Stoneham, Reading, Wakefield, Melrose FY11: Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Sudbury, Wayland	FY09: \$125,000 FY11: \$182,444	Yes	\$98,230 \$138,143	No communities regionalized
<b>Monson</b>	Monson, Palmer, Hampden, Warren	FY09: \$50,000 FY11: \$15,000	Yes	\$64,975	No communities regionalized

Applicant	Participating Communities	Award	Study Completed?	Amount Reimbursed	Outcome
<b>Northern Middlesex Council of Governments</b>	Billerica, Chelmsford, Dracut, Dunstable, Lowell, Pepperell, Tewksbury, Tyngsborough, Westford	FY10: \$100,000 FY13: \$75,000 FY15: \$60,000	Yes	\$235,000	Intermunicipal agreement executed between Tewksbury and Dracut, which have formed a 911 district
<b>Old Colony Planning Council</b>	Bridgewater, Duxbury, East Bridgewater, Halifax, Kingston, Plymouth, Plympton, Whitman, Bridgewater, East Bridgewater, West Bridgewater	FY12: \$175,000 FY14: \$25,000	Yes	\$185,195	No communities regionalized
<b>Pioneer Valley Planning Commission</b>	Easthampton, Northampton	FY13: \$50,000	Yes	\$50,000	No communities regionalized
<b>Plymouth County Commissioners</b>	Brockton, Carver, Halifax, Kingston, Middleboro, Plympton, Scituate	FY09: \$50,000 FY11: \$15,000 FY13: \$50,000	Yes	\$49,985	No communities regionalized
<b>Rutland</b>	Holden, Boylston, West Boylston, Sterling, Lunenburg, Princeton, Lancaster, Barre, Berlin, Fitchburg, Shirley, Hubbardston, Rutland, Oakham, Spencer	FY09: \$50,000 FY10: \$50,000 FY11: \$101,869 FY16: \$29,029	Yes, except for FY16	\$144,197	Barre and Hubbardston added to Rutland, which already included Oakham; process of adding Spencer still ongoing
<b>Somerville/Metropolitan Area Planning Council</b>	FY09: Everett, Malden, Medford, Melrose, Quincy FY12: Belmont, Chelsea, Everett, Medford, Melrose, Somerville	FY09: \$150,000 FY12: \$75,000 FY14: \$85,000	FY09 and FY12 completed; FY14 incomplete	\$299,654	In progress

Applicant	Participating Communities	Award	Study Completed?	Amount Reimbursed	Outcome
<b>Southeastern Regional Planning and Economic Development District</b>	Acushnet, Berkley, Dartmouth, Dighton, Easton, Fairhaven, Fall River, Freetown, Lakeville, Mansfield, Marion, New Bedford, Middleborough, Norton, Raynham, Swansea, Taunton, Wareham	FY11: \$300,000 FY15: \$60,000	Yes	\$338,963	No communities regionalized
<b>Springfield</b>	Springfield, Chicopee, East Longmeadow, Longmeadow, West Springfield, Wilbraham	FY10: \$125,000	Yes	\$118,394	No communities regionalized
<b>Sudbury</b>	Acton, Boxborough, Concord, Lincoln, Sudbury, Wayland, Weston	FY11: \$150,000	Yes	\$139,137	No communities regionalized
<b>West Boylston</b>	Holden, Princeton, West Boylston	FY14: \$37,010	Yes	\$37,009	West Boylston to join Holden RECC late 2016 or early 2017
<b>Woburn</b>	Burlington, Winchester, Woburn	FY14: \$159,000	Yes	–	In progress
<b>Worcester</b>	Barre, Boylston, Fitchburg, Holden, Leicester, Lunenburg, Princeton, Spencer, Sterling, West Boylston, Worcester	FY11: 45,000	Yes	\$45,000	Leicester to join Worcester in 2016
<b>Wrentham</b>	Franklin, Norfolk, Plainville, Wrentham	FY09: \$75,000 FY11: \$75,000 FY12: \$3,677	Yes	\$104,575	In progress