

From: [NELSON Ethan A](#)
To: [LRO](#)
Cc: [Tess Milio](#); [Zack Reeves \(zackr@cfmpdx.com\)](mailto:zackr@cfmpdx.com)
Subject: FW: Eugene Support for HB 2449B
Date: Tuesday, June 18, 2019 2:37:44 PM

Please accept this email into the public record for today's Public Hearing and potential Work Session on HB 2449B in Senate Committee on Finance and Revenue.

Thank you.

Ethan Nelson | Intergovernmental Relations

City of Eugene

125 East 8th Avenue | Eugene OR 97401

Phone 541.682.5245 | cell 541.543.1095

www.eugene-or.gov

From: NELSON Ethan A

Sent: Tuesday, June 18, 2019 10:40 AM

To: Sen.MarkHass@oregonlegislature.gov; Sen.CliffBentz@oregonlegislature.gov; sen.chuckriley@oregonlegislature.gov; Sen.BrianBoquist@oregonlegislature.gov; sen.kathleentaylor@oregonlegislature.gov

Cc: Sen Prozanski <Sen.FloydProzanski@oregonlegislature.gov>; Sen.JamesManning@oregonlegislature.gov; Sen Beyer <Sen.LeeBeyer@oregonlegislature.gov>; Rep Nathanson <Rep.NancyNathanson@oregonlegislature.gov>; Rep Wilde <Rep.MartyWilde@oregonlegislature.gov>; Rep.JohnLively@oregonlegislature.gov; Rep Fahey <Rep.JulieFahey@oregonlegislature.gov>; Rep Holvey <Rep.PaulHolvey@oregonlegislature.gov>; Tess Milio <tessm@cfmpdx.com>; Zack Reeves (zackr@cfmpdx.com) <zackr@cfmpdx.com>; Hasina E. Wittenberg <hasina@grsoregon.com>; HARPER Cindi S <CSHarper@eugene-or.gov>; COLLETT Pam A <PCollett@eugene-or.gov>; Rep.LynnFindley@oregonlegislature.gov

Subject: Eugene Support for HB 2449B

Chairman Hass, Vice Chair Bentz, and Members of the Committee:

Thank you for scheduling HB 2449B for a Work Session today, June 18, in Senate Finance and Revenue. This bill is incredibly important to the citizens of Eugene and the surrounding communities, for if passed, it will allow us to fully support the Central Lane Communication Center (CLCC) which is responsible for approximately 90% of Lane County and handles nearly 12,000 9-1-1 calls each month. The City of Eugene supports HB 2449B and a phased increase to the 9-1-1 tax over a two-year period.

The current 9-1-1 tax rate of .75 cents per device has not changed since 1995 and state revenue has remained stagnant during this period, yet the cost of operating a 9-1-1 Communications Center continues to rise based on fixed operational and personnel expenses and does not provide sufficient funds to pay for system needs across the state.

The City of Eugene's need, as that of other PSAPs, are well documented and critical to this discussion.

- Every budget year, CLCC's expenses are outpacing the revenue provided by the current 9-1-1 tax, despite the adoption of cost saving measures, including leaving positions open instead of filling them with staff. For example, each year the CLCC receives over 5,500 new calls a 4% increase annually.
- The amount of funds distributed to our PSAP derived from the 9-1-1 tax covers less than 17% of our operational budget.
- As expenses continue to outpace revenue, the CLCC has experienced a budget deficit of \$200,000 to \$300,000 per year in the last seven years. This gap is filled by a transfer from the City of Eugene's General Fund. And, not only is the General Fund providing a 'backstop' for the service, we have moved some PSAP related costs out of the 9-1-1 fund and into the General Fund as a cost saving measure.
- The deficit is projected to be just over \$500K in FY21 which will grow over time, reaching over \$7M deficit by 2030. This assumes current staffing levels which we know are not adequate to address not only our current service needs but also future needs.
- 50 cent increase beginning in FY21: Under the City's projection, this funding rate would allow us to fully fund the current resource requirement, but also allow us to move PSAP related expenses back into the dedicated fund and out of the General Fund, and provide adequate resources to support increased staffing and training to meet projected community needs, and finally- establish a reserve for replacement of equipment and capital expenditures that are allowed under statute.
- Our forecast shows that during the proposed increase period, our 9-1-1 fund is stable, yet after the proposed sunset of 2030, we will have a drastic financial impact. As can be seen, without an increase in the fee and a removal of the sunset, local governments will continue to subsidize the operation, maintenance, and replacement of critical infrastructure and services at the PSAPs across the state.

Technology requirements and costs have significantly shifted in the last 20 years yet there has been essentially no change in revenue from the 9-1-1 tax for this lifesaving infrastructure. Each individual 9-1-1 Center needs recurrent technology updates in order to be compliant with industry standards. Because of the lack of funding available at the state and local levels, all available funding has been dedicated to personnel and operations, creating a backlog for equipment and system upgrades. An increase in funding should be shared with local Centers and also support infrastructure funding to assist in the build out of the Next Generation 9-1-1.

In closing, HB2449B would ensure a more sustainable model for our emergency communications needs throughout the State of Oregon. The proposed increase will not provide 100% funding to all of our 9-1-1 centers in Oregon, but it will help to improve the ability for public safety agencies to respond to our citizens when they experience the worst

days of their lives and they need to call for help.

Thank you and please vote HB 2449B out of committee with a 'Do Pass' Recommendation.

Ethan Nelson | Intergovernmental Relations

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