Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Am. Sub. S.B. 5** DATE: **October 20, 1997**

STATUS: **As Passed by the House** SPONSOR: **Sen. Howard**

LOCAL IMPACT STATEMENT REQUIRED: **Yes Local cost was in the introduced version**

CONTENTS: **Establishes state training and continuing education for emergency service telecommunicators, and makes other changes**

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	$1.2 million loss	$0.3 million loss	$0.6 million loss
Expenditures	$250,000 increase	$250,000 increase	$350,000 increase
Emergency Service Telecommunicator Training Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	$300,000 to $400,000 increase	$350,000 increase	$350,000 increase
Public Utilities Fund			
Revenues	$950,000 gain	-0-	-0-
Expenditures	-0-	-0-	-0-
Consumers' Counsel Operating Fund			
Revenues	$260,000 gain	-0-	-0-
Expenditures	-0-	-0-	-0-

- FY 1998 costs include development and implementation of the program in the first year.
- Costs in FY 1999 and subsequent years include training of new employees, continuing education and administration. Since the training program is voluntary, exact training costs, as determined by the demand for training, are difficult to project accurately.
- The bill appropriates $250,000 in FY 1998 and $250,000 in FY 1999 from the Emergency Service Telecommunicator Training Fund. However, the future funding source of these appropriations will consist of a transfer from the state's GRF.
- The bill does not include GRF appropriations. The Department of Education must petition the Controlling Board to transfer GRF funds set aside for this purpose.
- Extending the lifeline program and credit for telephone taxes for two years will reduce General Revenue Fund revenue by an estimated $0.3 million in FY 1999 and $ 0.6 million in FY 2000.

- In FY 1998, the bill reduces the transfers from the GRF to the Public Utilities Fund and the Consumers Counsel Operating fund by $1.2 million to resolve a problem resulting from changes made to the funding of these two agencies in the budget bill.

Local Fiscal Highlights

- Since participation in the emergency service telecommunicator training program is voluntary, there should be no direct fiscal effect on local governments.

- Local governments choosing to participate would incur the following costs as a result of the training: overtime and travel expenses. The training program, as currently envisioned, would involve minimal overnight travel expenses.

- The board of trustees for joint fire districts may establish fees for ambulance or emergency services. Fees can be different for residents and non-residents. The board may waive fees for a resident. This will increase fee income for these districts.

- Extending the lifeline program and credit for telephone taxes for two years will reduce revenue to the Local Government Fund and the Local Government Revenue Assistance Fund by an estimated $14,400 in FY 1999 and $28,800 in FY 2000.

Detailed Fiscal Analysis

Emergency Service Telecommunicator training

This bill establishes a standard training certification and continuing education program for emergency medical communicators. The standards for the initial training program and continuing education include the following:

- A minimum of 40 hours of instruction for new employees and 8 hours of instruction for continuing education, including training on: role of telecommunicator, effective communication skills, emergency service telecommunicator liability, telephone techniques, compliance with the Americans With Disabilities Act of 1990, addressing hysterical and suicidal callers, law enforcement terminology, emergency call processing guides for law enforcement, fire service, and emergency medical service, radio techniques, disaster planning, scene safety and officer survival

The training programs must be offered at least 8 times per year, usually at different board approved vocational education centers around the state as well as by the State Board of Education. The program will be voluntary. Given the experiences of states that implemented similar volunteer programs, most local employers will decide to require this training for their employees.

Funding for the program will come from the newly established Emergency Service Telecommunicator Training Fund. Although monies for the Emergency Service Telecommunicator Fund will eventually come from a cash transfer from the General Revenue Fund account, the Department of Education must petition the Controlling Board in fiscal years 1998 and 1999 for the transfer of funds from ALI 911-430, Emergency 9-1-1 Training Fund, to the Emergency Service Telecommunicator Training Fund.

Proprietary schools may also be certified to offer basic or continuing Emergency Service Telecommunication training for certification. However, the state fund will not cover the tuition and material costs for such a program. It would be up to the person or the emergency service provider to pay tuition and other program costs in such cases.

Training Estimates – State Fiscal Effects

Currently in Ohio, there are 7,000 operators statewide with an annual turnover rate of 20%. Given the experiences of the three states that have implemented volunteer telecommunicator training programs, approximately 65 to 75 percent of dispatchers become certified. Based on estimates from the State Vocational Education Department, a 40-hour class with an average of 20 students would cost $60 per hour, resulting in a potential $110,000 to $125,000 increase in expenditures.

The 8-hour continuing education program would be needed for half the employees every other year. As a result, in a given year 3,500 operators would need the continued training. Based on estimates from the State Vocational Education Department, an 8-hour class with an average of twenty students would cost $60 per hour, resulting in a potential $40,000 to $50,000 annual increase in expenditures.

Adult education officials at the Department of Education estimate that the administrative costs for developing and implementing the E.M.S. telecommunicator standard are estimated to be $200,000 the first year and $150,000 per year thereafter. These estimates assume no significant increase in personnel in the emergency telecommunicator field or significant change in responsibility of the operators.

The E.M.S. telecommunicator funding is unique when compared to the other adult training programs (like Fire and Emergency Medical Technician) funded by the state at a rate of $8 per hour per student under the Adult Education line item.

Currently most states have enacted or are considering legislation on the creation of an EMS telecommunicator standards. The three common methods of funding the training to meet these standards are through state appropriations (10 states), local appropriation (10 states) and through revenues generated from a telephone tax (8 states). While training periods vary from state to state, the average number of hours is 40, a standard currently used in Mississippi, North Dakota, Pennsylvania and West Virginia. Three states currently have volunteer training programs: Idaho, Montana, and Utah.

Training Estimates – Local Fiscal Effects

Though the training program is voluntary in nature, the program may essentially become a requirement for local departments. Once the program is implemented, the training would become the expected standard of care. Thus untrained telecommunicators could be considered substandard, therefore leaving local departments open to liability litigation. Representatives from the volunteer training states stated that this liability potential presented a great concern.

Joint Fire Districts Fees

The board of trustees for joint fire districts may establish fees for ambulance or emergency services. Fees can be different for residents and non-residents. The board may waive fees for a resident. This will increase fee income for these districts

Extension of the lifeline program

The bill extends the lifeline program and credit by two years until December 31, 1999 for low-income residential customers. The credit is estimated to reduce public utility excise tax revenue by $0.3 million in FY 1999 and $0.6 million in FY 2000.

Funding for the Public Utilities Commission and the Consumers' Counsel

The bill also amends the funding mechanism for the Public Utilities Commission (PUCO) and the Consumers' Counsel (OCC).

The utility regulatory activities of the Public Utilities Commission (PUCO) are funded by assessments against the utilities that they regulate. The assessments are levied in October of each year. Each utility's assessment is based on its share of intrastate revenues. The total amount levied is set equal to the total appropriation for railroad and utility regulatory activities minus any lapses from the previous year. That is, prior year lapses are credited to each utility being assessed; and the utility thus reduces the amount it pays in assessments.

The Office of the Consumers Counsel (OCC) is funded in a similar manner: assessments are levied against utilities equal to the agency's appropriation for the year less any lapses from the previous year. The bulk of the assessment revenues are received in November and December.

Before the passage of Am. Sub. H.B. 215 of the 122nd General Assembly (the budget bill), these assessments were deposited into the state GRF. H.B. 215 took the two agencies off-GRF and created two separate state special revenue funds to receive assessments and fund operations. (Any earnings on moneys in either of the funds are transferred back to the GRF.) Since the revenues are not received until November and December of each year, the act provided for a temporary transfer of funds from the GRF each year to help fund the respective agencies' activities in the first half of the fiscal year. This money (i.e., the same amount of the transfer) is then to be transferred back to the GRF "at such time as the director [of OBM] determines that the balance of the Public Utilities Fund is sufficient to support the appropriations for the fund for the fiscal year" in the case of the PUCO. In the case of the OCC it is to be transferred back no later than December 31.

A problem arises in the first year of this new funding arrangement. The newly-created funds receive the appropriation minus the prior year lapse. In effect, they receive less than that year's appropriation. For 1998 the appropriation for the Public Utilities Fund was $21,866,815. However, the utilities division of the PUCO lapsed $947,747.41 in fiscal year 1997; so that net assessments to the PUCO equal only $20,919,608. Likewise, in the case of the OCC, FY 1998 appropriations were $5,896,574. The OCC lapsed $260,265.09 in FY 1997; so that net assessments to the OCC equal $5,636,309. The following tables demonstrate this.

FY 1998 Revenues to Public Utilities Fund - to support utility regulatory activity of PUCO - under current law		
FY 1998 appropriation	$21,866,815	
Initial transfer from GRF	$7,341,777	*plus*
1998 assessments (current year appropriation minus prior year lapse)	$21,866,815 - $944,747	*minus*
Transfer back to GRF	$7,341,777	*equals*
FY 1998 net revenues	$21,866,815 - $944,747 = $20,919,608	

FY 1998 Revenues to Consumers' Counsel Operating Fund - under current law		
FY 1998 appropriation	$5,896,574	
Initial transfer from GRF	$1,965,525	*plus*
1998 assessments (current year appropriation minus prior year lapse)	$5,896,574 - $260,265	*minus*
transfer back to GRF	$1,965,525	*equals*
FY 1998 net revenues	$5,896,574 - $260,265 = $5,636,309	

Sections 9 and 10 of S.B. 5 rectify the situation by reducing (in FY 1998 only) the transfer from the PUCO and the OCC back to the GRF by the amount of the prior year lapse. Therefore, the PUCO's revenues for utility operations in FY 1998 are as follows:

FY 1998 Revenues to Public Utilities Fund - to support utility regulatory activity of PUCO - with proposed amendment		
FY 1998 appropriation	$21,866,815	
Initial transfer from GRF	$7,341,777	*plus*
1998 assessments (current year appropriation minus prior year lapse)	$21,866,815 - $944,747	*minus*
transfer back to GRF (initial transfer minus prior year lapse)	$7,341,777 - $944,747	*equals*
FY 1998 net revenues	$21,866,815	

Revenues to the Consumers' Counsel would be as follows.

FY 1998 Revenues to Consumers' Counsel Operating Fund - with proposed amendment		
FY 1998 appropriation	$5,896,574	
Initial transfer from GRF	$1,965,525	*plus*
1998 assessments (current year appropriation minus prior year lapse)	$5,896,574 - $260,265	*minus*
transfer back to GRF (initial transfer minus prior year lapse)	$1,965,525 - $260,265	*equals*
FY 1998 net revenues	$5,896,574	

In both cases, actual fiscal year 1998 revenues would be equal to fiscal year 1998 appropriations. Any earnings on revenues in the funds are transferred back to the GRF.

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