

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

Senate Bill 613 (Senators Ruben and Currie)

Budget and Taxation

**Public Safety Technology Fund**

This bill creates the Public Safety Technology Fund, as a State special fund, to provide grants to municipal governments with populations less than 50,000 people to update public safety communications and technology systems. The bill requires the Emergency Number Systems Board to administer the fund.

**Fiscal Summary**

**State Effect:** General fund expenditure increase of \$67,300 in FY 2001 for administrative and operating costs only. Out-year costs reflect annualization and inflation. General fund revenues would not be affected. Special fund revenues and expenditures are unknown.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
SF Revenues	-	-	-	-	-
GF Expenditures	67,300	76,000	78,700	81,600	84,500
SF Expenditures	-	-	-	-	-
Net Effect	(\$67,300)	(\$76,000)	(\$78,700)	(\$81,600)	(\$84,500)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect*

**Local Effect:** Depending on public safety communication and technology system updating needs, local public safety units could receive significant new revenues to meet expressed system shortfalls.

**Small Business Effect:** Potential meaningful. To the extent that there are any additional hardware or software purchases from small businesses that would otherwise not be made, there could be a meaningful impact to those businesses.

## Analysis

**Bill Summary:** The bill provides that the Public Safety Technology Fund assist municipalities with populations less than 50,000 people to provide for more efficient and effective delivery of public safety services to the communities they serve. The fund would consist of money appropriated to the fund in the annual budget bill, earnings from fund investments, and any other money accepted from public or private sources. The Governor is required to make an annual appropriation to the fund, the State Treasurer is required to hold and invest money in the fund, and the Comptroller, in conjunction with the Secretary of the Department of Public Safety and Correctional Services, is required to account for the fund.

The Emergency Number Systems Board is required to establish grant application procedures and to evaluate progress by municipalities in updating their public safety technology. The bill specifies the criteria to be considered in awarding grants. The bill expresses a legislative intent that grants be made on the basis of need, statewide. Municipalities are required to use grants solely for the purposes of the grants, and are required to comply with the board's reporting requirements.

**Current Law:** None applicable.

**Background:** Local governments are being required by Federal Communications Commission regulations to move to the use of information management technologies involving higher radio band frequencies in order to facilitate interconnections among public safety entities. While there are federal Local Law Enforcement Block Grant funds available to smaller municipalities, they are limited.

The Governor's proposed budget for fiscal 2001 contains \$5 million in PAYGO funds to construct a statewide Public Safety Communications System to provide the State with a new, modern, wireless, higher band width 700 MHZ communications system. Existing infrastructure (buildings, radio towers, microwave radio links, and fiber optic communications systems) are scheduled for augmentation, repair, or replacement, as required. Existing system deficiencies will be corrected by constructing new infrastructure specifically designed to meet current and future communications systems requirements of State and participating local government agencies.

A higher band width system would allow additional channels and would permit greater intra-agency and inter-agency communications between and among all public safety functions (police, fire and rescue, and 9-1-1 calls) and other support agencies such as transportation and public works. The five-year capital cost for this project is \$27 million. The estimated total cost of the project with a life of approximately ten years is \$102 million. This means

that in years six through ten the average annual cost to complete this project will be \$15 million. However, this funding is not directed to local governments.

U.S. Census Bureau estimates for July 1, 1996, indicate that all 156 municipal corporations in the State (excluding Baltimore City) have populations below 50,000 people. The municipalities of Frederick, Gaithersburg, and Rockville currently have populations over 45,000 people and may be very near 50,000 people after the 2000 census now in progress. The average municipal population in the State is about 4,700 residents. Of the 156 municipalities, 62 have fewer than 1,000 residents.

The Emergency Number Systems Board was created in 1979 (Chapter 730 of 1979). The 13-member board coordinates installation and enhancement of county 9-1-1 systems, which are emergency telephone number services. A 9-1-1 system automatically connects a person dialing the digits 9-1-1 on a telephone to a public safety answering point from which police, fire, ambulance or other public safety services may be dispatched on a 24-hour basis. Since July 1, 1985, all counties and Baltimore City have had a 9-1-1 system installed.

The board issues guidelines for county 9-1-1 system plans and determines review procedures to approve or disapprove these plans. The board sets criteria for reimbursing counties from the original 9-1-1 Trust Fund and from ongoing funds, and provides for audit of trust fund accounts. All 9-1-1 related information and procedures are transmitted by the board to each county.

**State Fiscal Effect:** Of the State's 156 municipalities, 84 currently receive State Municipal Officer Grants. However, this number does not necessarily represent the number of municipalities with currently operating public safety communications or technology systems. According to State Police data drawn from audits of municipalities connected to the Criminal Justice Information System (CJIS), there are 76 municipalities currently connected to CJIS. Accordingly, it is assumed that only these municipalities would qualify for "updating" under the bill.

As examples of perceived needs by a municipality, both Takoma Park and Rockville estimate upgrade costs of approximately \$500,000 each. If all 76 municipalities cited above were to apply for and receive grants of this size, the Public Safety Technology Fund would need to have \$38 million in grant resources over some indeterminate time frame. However, given that these costs represent estimates of need to have fully operational 800 MHZ systems, reliable cost estimates for compatibility with the new State infrastructure (for 700 MHZ and not yet in place) are somewhat elusive.

In fact, without knowing the specific public safety communication and technology needs for

any given municipality, or the needs for the State's municipalities in general, a viable amount by which to endow this fund cannot be readily estimated. This is especially true given rapidly changing technological developments (including their costs), as well as the ongoing State communications and technology infrastructure efforts which may, over time, alter the components of any future grant requests estimated at this time.

In any event, regardless of the size of the fund, general fund expenditures could increase by an estimated \$67,297 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost to the Department of Public Safety and Correctional Services of hiring one fund administrator and one office secretary to operate fund activities. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$53,827
One-time Equipment Costs	8,370
Other Operating Expenses	<u>5,100</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$67,297</b>

Future year expenditures reflect (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

**Local Fiscal Effect:** Qualifying municipality public safety communication system and technology system needs could be significant. Actual grant requests cannot be reliably predicted.

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### **Additional Information**

**Prior Introductions:** In 1999, two similar bills (SB 148 and HB 176) were introduced. SB 148 was not reported from the Senate Budget and Taxation Committee. HB 176 received an unfavorable report from the House Judiciary Committee.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Department of Public Safety and Correctional Services, Department of State Police, City of Rockville, City of Takoma Park, City of College Park, Town of Indian Head, Department of Legislative Services

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Analysis by: Guy G. Cherry

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510