

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 634

(Delegate Jackson, *et al.*)

Health and Government Operations

Finance

Commission to Advance Next Generation 9-1-1 Across Maryland - Establishment

This bill establishes the Commission to Advance Next Generation 9-1-1 Across Maryland staffed jointly by the entities represented on the commission. In addition, the bill expressly authorizes the Emergency Number Systems Board (ENSB) to contract with a third party to provide staff for the commission. **The bill takes effect June 1, 2018, and terminates June 30, 2020.**

Fiscal Summary

State Effect: Special fund expenditures from the 9-1-1 Trust Fund increase from FY 2018 through 2020 for ENSB to contract with a third party to staff the commission, as discussed below. It is assumed that other State agencies represented on the commission can provide staffing assistance with existing resources. Revenues are not affected.

Local Effect: It is assumed that local government entities represented on the commission can provide staffing assistance with existing resources, as discussed below. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The commission must study and make recommendations regarding specified issues related to next generation 9-1-1 emergency communication services, including, among other things, (1) the implementation, management, operation, and ongoing development of a next generation system; (2) the costs required to plan, test,

implement, manage, and operate a next generation system; and (3) best practices, policies, and procedures for public safety telecommunicators.

By December 1, 2018, the commission must submit a preliminary report to the Governor and the General Assembly. A final report is due by December 1, 2019. The preliminary report must generally focus on the financing and procurement of a next generation 9-1-1 system, while the final report must generally focus on the implementation, management, and operation of the system. A jurisdiction may implement next generation 9-1-1 services before the commission has submitted its final report.

A commission member may not receive compensation but is entitled to reimbursement for travel expenses.

Current Law/Background: For information on the State's current 9-1-1 system and the status of modernizing the system, please see the **Appendix – 9-1-1 Funding and Modernization**.

State/Local Expenditures: The bill requires the entities represented on the commission (which includes both State and local agencies) to jointly provide staff for the commission and expressly authorizes ENSB to contract with a third party to provide staff for the commission. ENSB advises that, depending on the number of meetings held and the level of support needed from the third party consultant, costs could be as much as \$200,000 between fiscal 2018 and 2020. Consultant costs may be significantly less to the extent ENSB is able to leverage sufficient support from the other entities represented on the commission. It is assumed that other State and local agencies can provide staffing assistance with existing resources.

Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: SB 285 (Senator Kagan, *et al.*) - Finance.

Information Source(s): Department of Public Safety and Correctional Services;
Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2018
md/kdm Third Reader - March 17, 2018
Revised - Amendment(s) - March 17, 2018

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Appendix – 9-1-1 Funding and Modernization

Maryland's 9-1-1 System

A statewide 9-1-1 system and the Emergency Number Systems Board (ENSB) to oversee the new system were established by Chapter 730 of 1979. The legacy 9-1-1 model, which is based on a landline phone system, consists of local public safety access points (PSAPs) connected to an analog wireline phone network to deliver emergency calls via a circuit-switched architecture. However, 70% of 9-1-1 calls are now made from cell phones, and an increasing number are made via Voice over Internet Protocol (VoIP) networks, presenting a challenge as to how to process and obtain accurate caller location and phone number information.

The 9-1-1 system is funded through the 9-1-1 Trust Fund. The fund is administered by the Department of Public Safety and Correctional Services (DPSCS) and includes revenue from the following three funding sources (as well as investment earnings):

- the State 9-1-1 fee, which is set at \$0.25 per subscriber per month;
- the county additional charge, at an amount determined by each county through local ordinances, up to a maximum of \$0.75 per bill per month (All counties and Baltimore City have passed local ordinances establishing the additional charge at the maximum level of \$0.75 per bill per month.); and
- the fee added to the sales of prepaid wireless service (\$0.60 per transaction), collected at the point of sale.

Telephone companies, wireless carriers, and other 9-1-1 accessible service providers collect and remit monthly the State 9-1-1 fee and the county additional charge to the Comptroller for deposit into the fund. The State 9-1-1 fee is distributed to counties at the discretion of ENSB in response to county 9-1-1 system enhancement requests. The county additional charge, the prepaid wireless 9-1-1 fee remittances, and any investment earnings of the fund are all distributed quarterly to each county in prorated amounts according to the level of fees collected in each jurisdiction. The State 9-1-1 fee and 25% of all collected prepaid wireless 9-1-1 fees may be used to reimburse counties for the cost of enhancing the 9-1-1 system. The county additional charge and the remaining 75% of all collected prepaid wireless 9-1-1 fees may be spent on maintenance and operating costs of 9-1-1 systems.

Next Generation 9-1-1 Modernization

As analog landline communication is phased out completely, state and local governments are preparing for “next generation” technology that will allow 9-1-1 centers to access not only more accurate information about caller location, but also other information that will assist emergency personnel in communicating with callers and responding more efficiently. This Next Generation 9-1-1 (NG 9-1-1) technology will allow PSAPs to receive text, chat, video, location, and various other types of data from a single 9-1-1 call. However, local governments face challenges both in maintaining existing 9-1-1 systems and in transitioning to NG 9-1-1 systems, primarily due to a lack of funding.

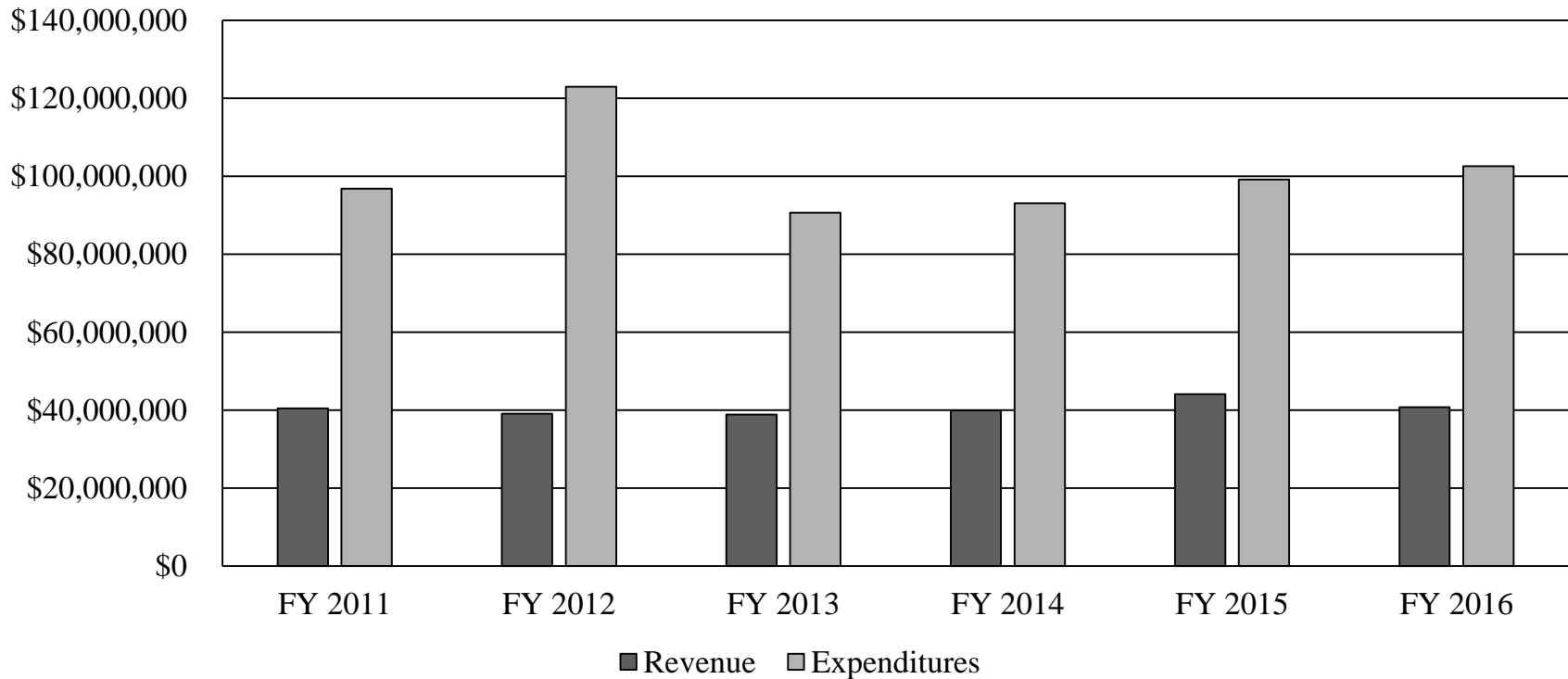
Funding Challenges

County expenditures for 9-1-1 systems consistently exceed available fee revenues. **Exhibit 1** shows the total 9-1-1 fee revenues collected and total 9-1-1 operating expenditures per fiscal year from fiscal 2011 to 2016 (the most recent publicly available data). Across all counties, in fiscal 2016, fee revenues covered 39.7% of operating costs. However, the percentage of costs offset by revenues varied significantly by county in that year. For example, only 7.8% of Talbot County’s costs were offset by fee revenues, while in Montgomery County, 63.3% of costs were offset. **Exhibit 2** shows fiscal 2016 fee revenues and operating expenditures by county.

Status of Next Generation 9-1-1 Implementation

ENSB has contracted with a consultant to (1) recommend a procurement strategy for NG 9-1-1; (2) analyze county geographic systems data for readiness; (3) assess county customer premise equipment for next generation readiness; and (4) provide grant writing assistance. After a procurement strategy is finalized, ENSB is expected to submit a request for proposals to implement a statewide NG 9-1-1 system. DPSCS is required, pursuant to the 2017 *Joint Chairmen’s Report*, to submit an update to the Senate Budget and Taxation Committee and the House Appropriations Committee on the status of the contractor, progress made, associated costs, timelines, and funding sources and options by June 30, 2018.

Exhibit 1
Total County 9-1-1 Fee Revenue and Operational Expenditures
Fiscal 2011-2016



Note: Prepaid wireless 9-1-1 fee revenues were first collected in fiscal 2014. County operating expenditures are costs as reported by county-selected independent auditors and typically include 9-1-1-related personnel salaries and benefits, recurring maintenance and service fees, mapping maintenance and updates, network associated fees, and capital expenditures not covered by the Emergency Number Systems Board.

Source: Emergency Number Systems Board annual reports (FY 2011-2016)

Exhibit 2
9-1-1 Fee Revenues and Operating Expenditures by County
Fiscal 2016

