

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 44 (Delegates Krebs and M. Jackson)(By Request -
 Commission to Advance Next Generation 9-1-1 Across
 Maryland)

Health and Government Operations

Finance

**Commission to Advance Next Generation 9-1-1 Across Maryland - Extension and
 Alteration**

This bill extends the termination date, from June 30, 2020, to June 30, 2022, of the Commission to Advance Next Generation 9-1-1 Across Maryland. The bill also requires the commission to submit two additional reports to the Governor and the General Assembly (one due December 15, 2020, and one due December 15, 2021) on the progress toward the implementation and evolution of Next Generation 9-1-1 service across the State. **The bill takes effect June 1, 2020.**

Fiscal Summary

State Effect: No effect in FY 2020. Special fund expenditures increase by \$100,000 annually in both FY 2021 and 2022 for staffing costs. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	100,000	100,000	0	0	0
Net Effect	(\$100,000)	(\$100,000)	\$0	\$0	\$0

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

Local Effect: Local government entities represented on the commission can continue to provide staffing assistance with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The additional reports that must be submitted by the commission must include:

- a determination as to whether the State 9-1-1 fee and local additional charge generate sufficient revenue to cover eligible expenses;
- a determination as to whether the State and counties are receiving the fees;
- an evaluation of the operational needs of the 9-1-1 system, including specified staffing information;
- recommendations for potential statutory or administrative changes to protect against cybersecurity threats to the system; and
- an evaluation of county satisfaction with the current 9-1-1 statutory and regulatory framework for the management and funding of the 9-1-1 system, as specified, and any recommendations for changes to that framework.

Current Law/Background: Chapters 301 and 302 of 2018 established the Commission to Advance Next Generation 9-1-1 Across Maryland to study and make recommendations regarding next generation 9-1-1 emergency communication services. The entities represented on the commission must jointly staff the commission; however, the Emergency Number Systems Board (ENSB) is authorized to contract with a third party to provide staff for the commission. The commission terminates June 30, 2020.

For more information on the commission, the 9-1-1 fee, the State's current 9-1-1 system, and recent legislation to modernize the system, please see the **Appendix – 9-1-1 Funding and Modernization**.

State Expenditures: ENSB advises that to implement Chapters 301 and 302, it contracted with a third party to staff the commission; to date, the cost for staff support totals approximately \$680,000. ENSB advises that, under the bill, it plans to continue its third-party contract for staffing. Accordingly, special fund expenditures from the 9-1-1 Trust Fund increase by \$100,000 annually in both fiscal 2021 and 2022 to pay the third-party contractor for continued services.

Other State agencies represented on the commission can continue to provide staffing assistance with existing resources. Any continued expense reimbursements for

commission members are assumed to be minimal and absorbable within existing budgeted resources.

Despite the bill's June 1, 2020 effective date, it is assumed that there is no impact in fiscal 2020 and that commission meetings recommence on July 1, 2020.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 47 (Senators Kagan and Reilly)(By Request - Commission to Advance Next Generation 9-1-1 Across Maryland) - Finance.

Information Source(s): Department of Public Safety and Correctional Services; Anne Arundel, Charles, Montgomery, and Somerset counties; Maryland Association of Counties; Department of Legislative Services

Fiscal Note History: First Reader - January 15, 2020
rh/lgc Third Reader - February 14, 2020

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Appendix – 9-1-1 Funding and Modernization

Maryland's 9-1-1 System

Chapter 730 of 1979 established a statewide 9-1-1 system, as well as the Emergency Number Systems Board (ENSB) to oversee the new system. 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 networks, presenting a challenge as to how to process and obtain accurate caller location and phone number information.

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.

9-1-1 System Funding

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 and includes revenue from a State fee, local fee, and fee on prepaid wireless services (as well as investment earnings on the fund).

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.

Commission to Advance NG 9-1-1 Across Maryland

Chapters 301 and 302 of 2018 established the Commission to Advance Next Generation 9-1-1 Across Maryland to study and make recommendations regarding next generation 9-1-1 emergency communication services. The commission's preliminary [report](#), released in November 2018, makes 23 recommendations regarding numerous issues, including, among other things, technology standards, cybersecurity, NG 9-1-1 implementation, staffing, and fees. The report emphasizes the importance of adjusting the State's 9-1-1 fee structure, concluding that, "current 9-1-1 funding is grossly insufficient to support the current 9-1-1 system, let alone the updated NG 9-1-1 technology." The commission's final report is expected to be released during the 2020 legislative session.

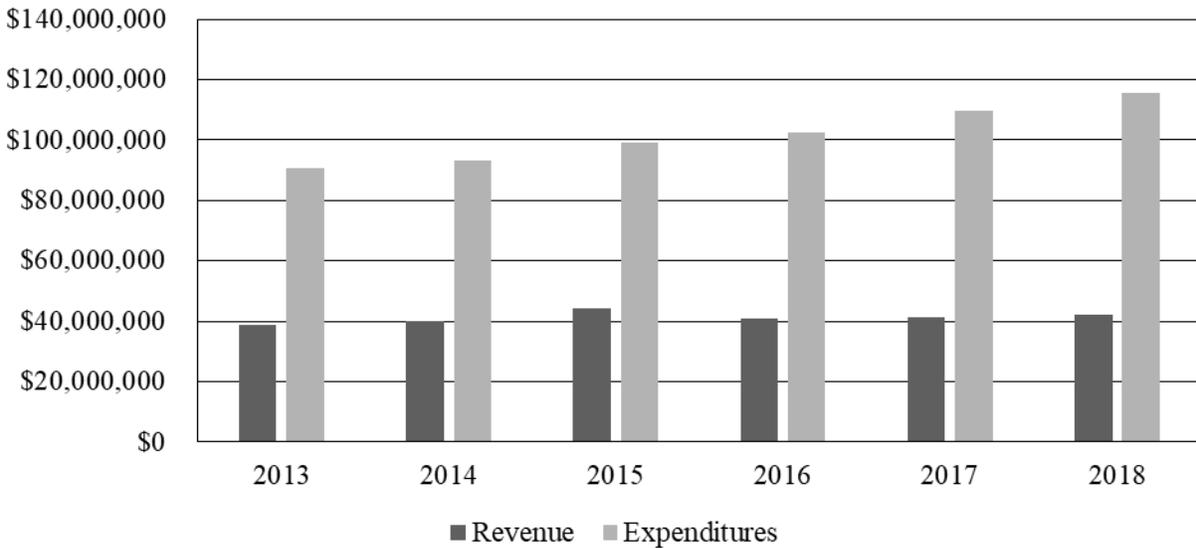
Recent Legislation to Modernize and Enhance the 9-1-1 System

Many of the commission's recommendations were addressed through Chapters 301 and 302 of 2019. Among other things, the Acts expanded the responsibilities of ENSB to include additional oversight and training for PSAPs, increased the 9-1-1 fees, and applied the fees to each separate outbound call voice channel capacity instead of each account.

Historically, county expenditures for 9-1-1 systems have consistently exceeded available fee revenues. **Exhibit 1** shows total 9-1-1 fee revenues and total 9-1-1 operating expenditures per fiscal year from fiscal 2013 to 2018 (the most recent publicly available data). Across all counties, in fiscal 2018, fee revenues covered 36.3% of operating costs. However, the percentage of costs offset by revenues varied significantly by county in that year, as shown in **Exhibit 2**. For example, only 9.7% of Dorchester County's costs were offset by fee revenues, while in Anne Arundel County, 55.7% of costs were offset. To address this shortfall, Chapters 301 and 302 modified the fees in the following manner:

- the State 9-1-1 fee and local 9-1-1 fee now both apply to each separate outbound call voice channel capacity (*i.e.*, lines), instead of each account, as specified;
- the State 9-1-1 fee was increased from \$0.25 per month to \$0.50 per month; and
- a local government is authorized to temporarily increase its local 9-1-1 fee under specified circumstances; combined with the existing local 9-1-1 fee, the maximum amount a local government may charge is increased from \$0.75 per month to \$1.50 per month.

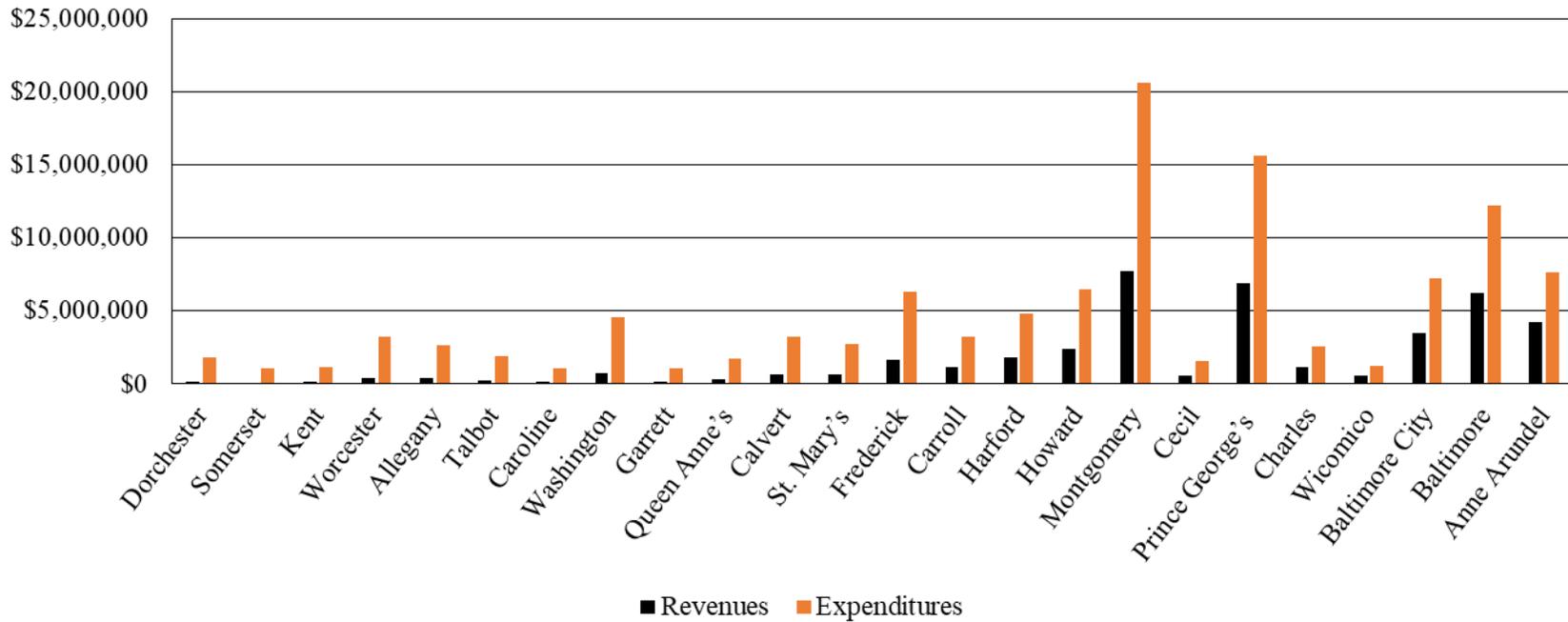
Exhibit 1
Total County 9-1-1 Fee Revenue and Operational Expenditures
Fiscal 2013-2018



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 2013-2019)

Exhibit 2
9-1-1 Fee Revenues and Operating Expenditures by County
Fiscal 2018



Source: Emergency Number Systems Board, 2018 annual report