

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 466

(Senator Kagan, *et al.*)

Finance

Health and Government Operations

Public Safety - 9-1-1 Emergency Telephone System - 9-1-1 Director's Council
(Carl Henn's Law)

This bill expands the purpose of the 9-1-1 Trust Fund to include reimbursing counties, if funds are available and with the discretion of the Emergency Number Systems Board (ENSB), for the capital and operating costs of an enhanced 9-1-1 system. The bill also establishes the 9-1-1 Director's Council within the Maryland Institute for Emergency Medical Services Systems (MIEMSS) and specifies its duties and responsibilities. MIEMSS must work with the Maryland Association of Counties (MACo) to secure necessary staff and logistical, technical, and administrative support for the council.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: Although the bill expands the purposes for which funds in the 9-1-1 Trust Fund within the Department of Public Safety and Correctional Services (DPSCS) may be used, total special fund expenditures are not materially affected. The fund already generally expends most or all of its balance each year for the purposes authorized under current law, as discussed below. MIEMSS can likely staff the council, with the assistance of MACo, using existing budgeted resources. Revenues are not affected.

Local Effect: Although the bill does not affect the total amount of funds available for distribution to counties, the bill provides additional flexibility in how counties may use the funds. This flexibility may result in reallocation of funds. Any counties requested by MACo to provide assistance can likely do so with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: The 9-1-1 Director's Council consists of the director of each public safety answering point (PSAP), or the director's designee, and the chair of ENSB, or the chair's designee. The council must meet at least once each quarter. The council must help ENSB identify, plan for, coordinate, and make recommendations regarding the call-taking and dispatch operations of PSAPs in the State; the council may collaborate with regional peer organizations to do so. The council must work with the communications industry to make recommendations to ENSB on methodology consistent with the industry best practices for collecting data for calls sent to PSAPs. The council's responsibilities include (1) recommending to ENSB a standard for service delivery that measures and reports on a PSAP's ability to receive and process 9-1-1 calls; (2) reviewing planning guidelines developed by ENSB for next generation 9-1-1 services system plans; and (3) annually reporting on its activities to the Governor and General Assembly.

Current Law: ENSB was established by Chapter 730 of 1979. It coordinates installation and enhancement of county 9-1-1 emergency telephone number services systems. ENSB issues guidelines and determines review procedures to approve or disapprove county plans for these systems, sets criteria for reimbursing counties from the original fund and from ongoing funds, and provides for audits of trust fund accounts. ENSB also provides guidance on equipment standards and assistance on training of 9-1-1 personnel.

"Enhanced 9-1-1 system" means a 9-1-1 system that provides (1) automatic number identification; (2) automatic location identification; and (3) any other technological advancements that ENSB requires.

The 9-1-1 Trust Fund is administered by DPSCS and includes revenue from three funding sources and investment earnings of the fund. The first funding source is the State 9-1-1 fee, which is set at \$0.25 per subscriber per month. The second is the county additional charge in an amount determined by each county, through local ordinance, up to a maximum of \$0.75 per bill per month. All counties and Baltimore City currently have passed local ordinances establishing the additional charge at \$0.75. Telephone companies, wireless carriers, and other 9-1-1 accessible service providers collect and remit monthly both portions of the 9-1-1 surcharge to the Comptroller for deposit into the fund. The third funding source is the surcharge fee added to the sales of prepaid wireless service (\$0.60 per transaction), collected at the point of sale.

Annually, the Secretary of Public Safety and Correctional Services requests a budget appropriation from the fund in an amount sufficient to carry out the statutory purposes of the fund, pay administrative costs, and reimburse counties for the cost of enhancing each county's 9-1-1 system. Through this process, the fund is distributed to counties at the discretion of ENSB in response to county 9-1-1 system enhancement requests. The county

additional charge and the county portion of the prepaid wireless fee remittances are distributed quarterly to each county in prorated amounts according to the level of fees collected in each jurisdiction.

The allowable uses of all 9-1-1 related funds collected are set by statute. Money collected from the State fee and 25% of all collected prepaid wireless fees may be used to reimburse counties for the cost of enhancing the 9-1-1 system through payment to a third-party contractor. Money distributed quarterly to the counties from the collection of the county additional charge and the remaining 75% of all collected prepaid wireless fees may be spent on the installation, enhancement, maintenance, and operation of a county or multi-county 9-1-1 system. Maintenance and operation costs may include telephone company charges, equipment costs, equipment lease charges, repairs, utilities, personnel costs, and carryover costs from previous years. Federal legislation enacted in 2008 prohibits states from receiving any federal 9-1-1-related grant funding if 9-1-1 fee revenues were used for purposes other than those defined as an eligible expense in state and federal law.

Background: The U.S. Bureau of Labor Statistics (BLS) reports that employees who receive reports in PSAPs are commonly known as dispatchers. Dispatchers must be available around the clock, so they often have to work evenings, weekends, and holidays. Overtime and long shifts (sometimes 12 hours) are also common. The pressure to respond quickly and calmly in alarming situations can be stressful as dispatchers must stay calm while collecting vital information from callers to determine the severity of a situation and the location of those who need help. BLS estimates that, across the United States, about 81% of dispatchers worked for local governments in 2014, with the majority employed by law enforcement agencies and fire departments.

ENSB advises that the combined 9-1-1 fees bring in an average of \$48.0 million to \$50.0 million annually. In fiscal 2016, for example, \$40.7 million was collected from the additional county fee and remitted to the counties. In that same year, ENSB awarded an additional \$15.8 million to counties for enhancement requests. The trust fund is projected to collect \$56.9 million in fiscal 2018.

At its January 2017 meeting, ENSB obligated about \$655,000 for the purpose of planning an enhanced 9-1-1 system for the State. ENSB advises that its planning consultant will be researching a procurement strategy. Based on the results of the study, the enhanced system network may be statewide, regional, or county specific. It is not clear at this time what will be purchased outright versus leased/managed, or if the ownership will fall on the State, regional authorities, or individual counties.

State Expenditures: ENSB advises the total expenditures from the 9-1-1 Trust Fund are not materially affected without a corresponding change in revenues because most or all of the fund's balance is generally expended each year. However, the funds may be expended

differently under the bill. Under current law, ENSB awards funding to local governments for initial capital costs, such as the purchase of a new 9-1-1 phone system or generator. Once the initial capital costs are paid, the county takes financial responsibility for maintaining the equipment. In large part, these costs are paid by the additional fee that is collected by ENSB and remitted to the county on a quarterly basis, and the balance often comes from county general funds or another revenue stream. The bill's changes authorize counties to apply to ENSB for such operating expenses; to the extent that awards are granted for this purpose, less funding is available for other projects or capital expenses.

Local Revenues: As discussed above, total expenditures from the 9-1-1 Trust Fund are not materially affected by the bill; therefore, total revenues for local governments from 9-1-1 Trust Fund awards are not materially affected. However, under the bill, a county may apply for funding for its 9-1-1 operating expenses. While the additional flexibility may be beneficial, presumably funding awarded for a county's operating expenses results in less funding for that county's capital expenses, resulting in no material effect on local expenditures. Alternatively, the bill may result in redistribution of funds amongst counties if funding for the new purpose is given the same or greater priority as existing purposes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Institute for Emergency Medical Services Systems; Department of Public Safety and Correctional Services; Public Service Commission; Chesapeake Employers' Insurance Company; Public Service Commission; Subsequent Injury Fund; Uninsured Employers' Fund; Maryland Association of Counties; Dorchester, Garrett, and Montgomery counties; cities of Frederick and Havre de Grace; Federal Communications Commission; Council of Interstate Testing Agencies; Department of Legislative Services

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