

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 838

(Senators Kagan and Reilly)(By Request - Commission
 to Advance Next Generation 9-1-1 Across Maryland)

Finance

Health and Government Operations

Public Safety - 9-1-1 Emergency Telephone System

This bill makes various changes to the statutory framework that governs the State’s 9-1-1 system.

Fiscal Summary

State Effect: Special fund revenues increase by \$74,300 in FY 2021 and by \$99,000 annually thereafter. Special fund expenditures increase by \$400,100 in FY 2021 and by \$120,000 annually thereafter; expenditures may be higher to the extent that additional county costs are reimbursed by the 9-1-1 Trust Fund, as discussed below.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	\$74,300	\$99,000	\$99,000	\$99,000	\$99,000
SF Expenditure	\$400,100	\$120,000	\$120,000	\$120,000	\$120,000
Net Effect	(\$325,900)	(\$21,000)	(\$21,000)	(\$21,000)	(\$21,000)

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

Local Effect: Local government expenditures may increase to develop and implement new 9-1-1 training and to hire additional public safety answering point (PSAP) staff, as discussed below. A portion of these costs may be offset to the extent they are reimbursed from the 9-1-1 Trust Fund. Local revenues are otherwise not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill enhances and alters the statutory framework that governs the State's 9-1-1 system in the following ways:

- the Emergency Number Systems Board (ENSB) is renamed to be the Maryland 9-1-1 Board;
- the county additional charge is renamed to be the county 9-1-1 fee;
- the roles and responsibilities of the Maryland 9-1-1 Board, PSAPs, and counties are expanded;
- the percentage of State 9-1-1 fees that each 9-1-1 service carrier is entitled to keep to cover administrative costs is reduced from 0.75% to 0.50% of the fees collected;
- funds in the 9-1-1 Trust Fund are prohibited from being used for the maintenance or operation of communications centers other than PSAPs;
- any person that installs or operates multiple-line telephone system must ensure that a line on the system can dial 9-1-1 without requiring the user to dial any other number or set of numbers; however, State Executive Branch agencies must comply with this requirement on the date that the multiple-line telephone system of the unit is next upgraded. A county or municipality is responsible for enforcing this requirement and may set a fine or series of fines to do so; and
- by June 30, 2020, the Department of General Services (DGS) must report to the Commission to Advance Next Generation 9-1-1 Across Maryland and the General Assembly on State agency compliance with the multiple-line telephone system requirement discussed above.

A more extensive discussion of the bill's provisions is provided below.

Maryland 9-1-1 Board Responsibilities

ENSB is renamed to be the Maryland 9-1-1 Board. In addition to its existing responsibilities, the board must establish training standards for PSAPs related to Next Generation 9-1-1. The board's training standards for PSAPs must include minimum continuing education standards for 9-1-1 specialists. At least once each year, the board must provide for an audit of each PSAP to ensure the training requirements are met. Such an audit may be conducted concurrently with an inspection of a PSAP as required under current law.

The board must also establish standards governing the processing of 9-1-1 requests for assistance that (1) minimize the transfer of those requests from the PSAP that received the request to other PSAPs, as specified, and (2) follow best practices for transferring requests to public safety agencies to ensure the optimal public safety response.

Public Safety Answering Point Responsibilities

The definition of PSAP is expanded to include a communications facility that (1) transmits incident data for the dispatch of public safety services or (2) transfers 9-1-1 requests for emergency services or transmits incident data to an appropriate federal emergency communication center, as specified, or an appropriate PSAP located within or outside the State.

Each PSAP must employ standards-based protocols for the processing of 9-1-1 requests for emergency assistance. Each PSAP must also adopt and implement programs compliant with best practices on 9-1-1 acute/traumatic and chronic stress management. A PSAP must ensure that each of its 9-1-1 specialists is certified in each discipline related to the requests for assistance the 9-1-1 specialist is responsible for receiving and processing. A PSAP may establish a telecommunicator emergency response team to relieve, assist, or augment other PSAPs when they are affected by natural or human-made disasters.

Local Government Responsibilities and Audits by the Maryland 9-1-1 Board

The bill restores a requirement that any person that installs or operates a multiple-line telephone system ensure that a line on the system can dial 9-1-1 without requiring the user to dial any other number or set of numbers. A county or municipality is responsible for enforcing this requirement and may set a fine or series of fines to do so. Fine revenue must be returned to the county or municipality that took the enforcement action. When a county submits a request to the board for the disbursement of 9-1-1 trust funds, it must submit a certification of the enforcement actions it has taken to the board.

If an audit performed by the Maryland 9-1-1 Board determines that a county has utilized 9-1-1 trust funds for any unauthorized purpose, the governing board of the county must (1) submit a report to the board explaining the diversion of funds and detailing the steps taken to ensure that the diversion of funds does not occur in the future and (2) restore the diverted funds to the county's 9-1-1 budget within that fiscal year.

Current Law/Background:

Emergency Number Systems Board

ENSB is the agency responsible for administering the 9-1-1 Trust Fund and overseeing the State's 9-1-1 system. Its responsibilities include, among other things, (1) dispersing funds to local governments from the 9-1-1 Trust Fund; (2) reviewing and approving or disapproving requests for reimbursement of the costs of enhancing 9-1-1 systems; (3) ensuring the inspection of PSAPs; (4) auditing counties to ensure that 9-1-1 trust funds

are being used for authorized purposes; and (5) establishing training standards for PSAP personnel based on national best practices.

9-1-1 Fee Collection and Related Audits

Each telephone company and commercial mobile radio service (CMRS) provider in the State must act as a collection agent for the 9-1-1 Trust Fund (with respect to both the State fee and the local additional charge) and must remit all money collected to the Comptroller on a monthly basis. A telephone company is entitled to credit 0.75% of the *State fees* it collects to cover the expenses of billing, collecting, remitting, and any related additional charge that it incurs.

ENSB must adopt procedures for auditing collection and remittance by CMRS providers. On request of the CMRS provider, and unless otherwise required by law, the information provided to ENSB must be confidential, privileged, and proprietary and may not be disclosed to any other person.

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

State Revenues: Under current law, 9-1-1 service carriers who collect fees on behalf of the State keep 0.75% of the fees, which is estimated to total approximately \$297,000 annually. Under the bill, they are only authorized to keep 0.50% of fees, which totals approximately \$198,000 annually. Therefore, 9-1-1 Trust Fund revenues increase by \$74,250 in fiscal 2021 (which reflects the bill October 1, 2020 effective date) and by \$99,000 annually thereafter.

State Expenditures: Special fund expenditures from the 9-1-1 Trust Fund increase by \$400,130 in fiscal 2021, primarily to upgrade county 9-1-1 systems to comply with the bill's requirements, as discussed below; the estimate also reflects minimal costs associated with renaming ENSB as the Maryland 9-1-1 Board. Future years reflect ongoing system maintenance costs. Otherwise, ENSB can handle the bill's requirements using existing resources. For purposes of this analysis, it is assumed that DGS completes and submits the required report as soon as practicable using existing budgeted resources.

The bill requires each county to employ standards-based protocols for the processing of 9-1-1 requests for emergency assistance; however, ENSB advises that (1) one county is not using a standard-based protocol system for fire and police 9-1-1 calls and (2) two counties are not using a standard-based protocol system for police 9-1-1 calls. These three counties must upgrade their systems in order to comply with the bill's requirements. Because 9-1-1 system upgrades are an authorized use of State 9-1-1 trust funds, ENSB plans to pay

for the upgrades. Therefore, special fund expenditures for the 9-1-1 Trust Fund increase by \$396,680 in fiscal 2021 (to upgrade the three systems) and by \$120,000 annually thereafter (for maintenance).

Renaming ENSB is anticipated to result in an increase in special fund expenditures of \$3,450 in fiscal 2021 only to update business cards, stationary, and the booth display that is used at conferences and other events.

Expenditures may be higher to the extent that State 9-1-1 trust funds are used to reimburse other operating costs incurred by a county to implement the bill; however, any such impact cannot be reliably estimated, as discussed below.

Local Fiscal Effect: Local government operating expenditures increase to the extent that a local government requires additional staff, or is required to pay overtime to existing staff, to (1) ensure PSAP employees receive the required training and (2) reduce the number of emergency 9-1-1 requests that are transferred to other PSAPs and public safety agencies. A precise estimate of the impact depends on the current status of each local government and PSAP with regard to current levels of training and staffing and, therefore, cannot be reliably estimated at this time.

A portion, but not all, of these costs may be offset by additional State 9-1-1 trust funds; for example, ENSB advises that it may use State 9-1-1 trust funds to reimburse counties for training costs.

Additional Comments: The bill's provision that decreases the share of State 9-1-1 fee revenues that may be kept by 9-1-1 service carriers is also present in Chapters 604 and 605 of 2020; the provision increases the State's share of State 9-1-1 fee revenues by \$99,000 annually. These revenues can partially offset the bill's additional costs or partially offset the additional costs associated with Chapters 604 and 605, but not both.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 934 (Delegates M. Jackson and Krebs)(By Request - Commission to Advance Next Generation 9-1-1 Across Maryland) - Health and Government Operations.

Information Source(s): Department of Public Safety and Correctional Services; Charles and Montgomery counties; Maryland Association of Counties; City of Havre de Grace; Maryland Municipal League; Comptroller's Office; Department of State Police; Department of Legislative Services

Fiscal Note History: rh/lgc
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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.

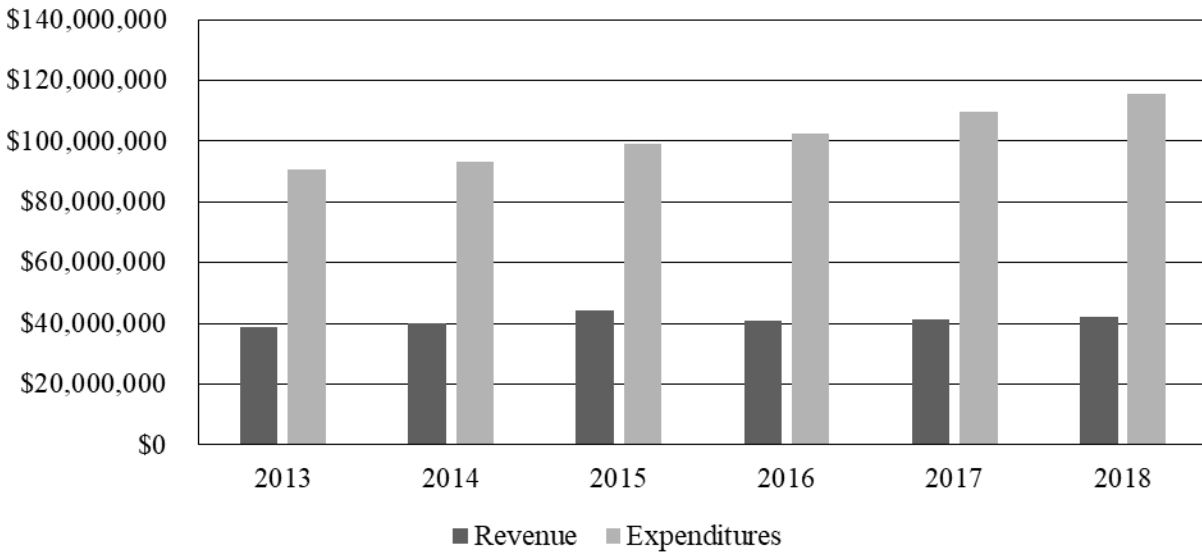
Recent Legislation to Modernize and Enhance the 9-1-1 System

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.

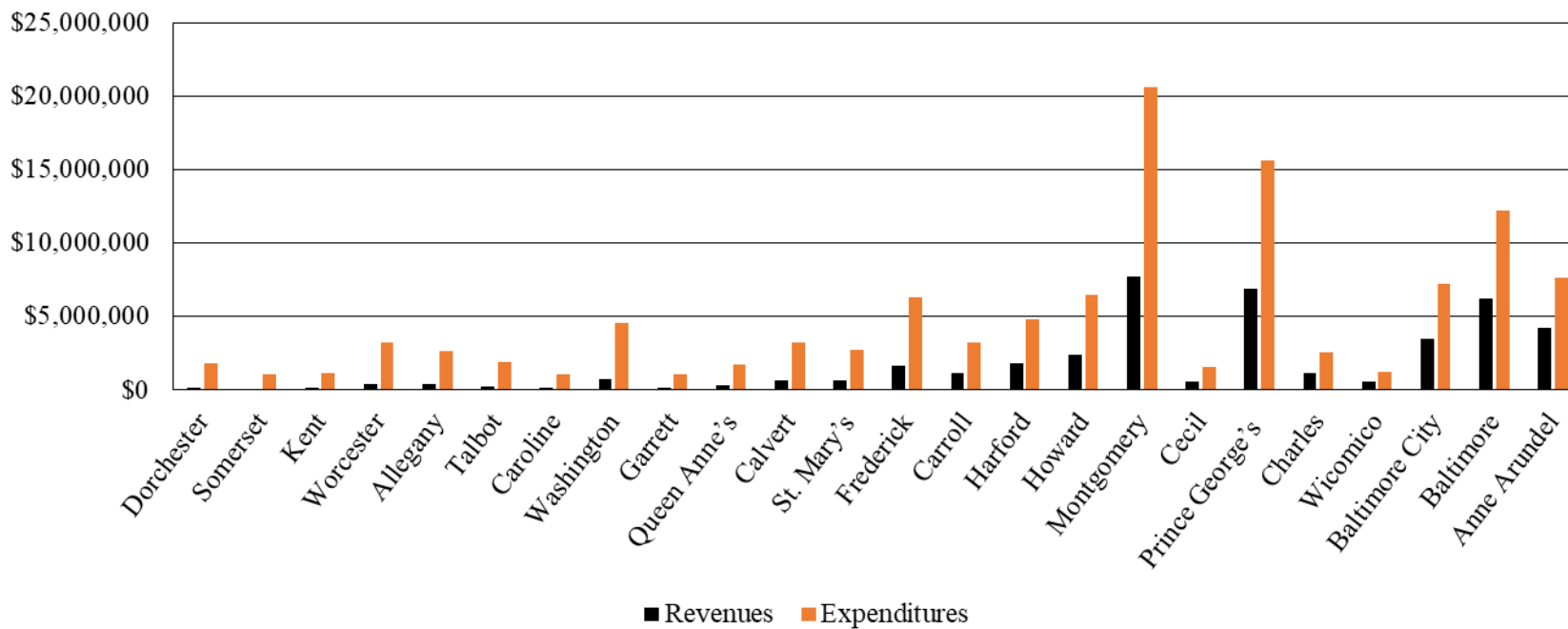
Exhibit 1
Total County 9-1-1 Fee Revenue and Operational Expenditures
Fiscal 2013-2018



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