

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB395

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron** Stolle

**3. Committee** Passed both Houses

**4. Title** Enhanced Public Safety Telephone Services Act.

**5. Summary/Purpose:** Expands the jurisdiction of the Wireless E-911 Services Board to include voice-over-Internet service and future communications technologies. The formula for distribution of money in the Wireless E-911 fund is revised to provide that 60 percent will be provided automatically to the public safety answering points (PSAPs) based on their current funding levels and the remaining 40 percent will be provided for needs-based grants to be defined by the Board for PSAPs and wireless carriers. The bill also increases the size of the Board from 14 to 15 members.

**6. Fiscal Impact:** See line 8.

**7. Budget amendment necessary:** No. However, the budget will need to be restructured for Item 421 (SB 30) using the proposed cost recovery methods for Wireless E-911 services. New service areas may be needed. At a minimum, service area titles will need to be renamed. Specifically, the funding amount for new and existing service areas in this item will need to be changed to reflect the proposed revenue collection percentages (for the base funding to PSAPs), and the exact amount in each program must be calculated based on the amount of funding drawn from the Wireless E-911 fund for other purposes such as the Public Safety Communications Division and State Police funding. Neither the House nor the Senate budgets provided for the restructuring, but this is not a problem as it can be handled administratively between the Department of Planning & Budget and the Virginia Information Technologies Agency (VITA).

**8. Fiscal implications:** This legislation causes a significant shift in funding policy for the Wireless E-911 Services Board. It removes the entitlement for cost recovery for all wireless E-911 costs replacing it with a more automatic base level of funding for the local 9-1-1 centers and a grant program allowing funding to be targeted to the greatest need. The overall funding amount does not change as it is still limited to the amount of funding collected so there is no increased fiscal impact upon the Commonwealth.

The potential recipients of funding have not changed, but the level of funding each receives may change since the guarantee of cost recovery is removed. Due to the split of funding being 60 percent for base funding of the 9-1-1 center and 40 percent for grants, the average increase of funding for each locality is about 40 percent. The result of this increase and the

remaining funding being provided for need-based grants is that some current recipients (while still eligible for funding under the grant program) will receive less overall funding from the Wireless E-911 Services Board.

The Wireless E-911 fund will absorb costs associated with the increase in Board members from 14 to 15.

**9. Specific agency or political subdivisions affected:** VITA, Wireless E-911 Services Board, PSAPs.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 03/20/06 / wfb

**Document:** G:\BOS Stuff\2006 Session\2006 Legislation\SB395ER.DOC

cc: Secretary of Technology