

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** HB1388

<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:** Leftwich

**3. Committee:** Passed Both Houses

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

**5. Summary:** Establishes requirements regarding the implementation of next generation 9-1-1 (NG9-1-1) service. By July 1, 2023, the 9-1-1 Services Board (the Board) is required to develop and implement NG9-1-1 transition plans to migrate public service answering points and originating service providers from E-911 to NG9-1-1. The measure alters the formula and criteria for the Board's distribution of funds from the Wireless E-911 Fund. The measure also repeals provisions regarding (i) notices that providers of Voice over Internet protocol service are required to give to subscribers regarding access to E-911 service; (ii) plans for access by Voice over Internet protocol service subscribers to obtain E-911 service; and (iii) the Board's Wireless Carrier E-911 Cost Recovery Subcommittee.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** No state fiscal impact.

**8. Fiscal Implications:** The NG-911 deployment plan approved by the 9-1-1 Services Board on January 11, 2018 called for borrowing up to \$30 million to finance the transition to NG-911 over three years. Virginia Information Technologies Agency (VITA) staff have indicated that extending the deployment plan to five years would eliminate the need to borrow. VITA staff also indicate that the current deployment plan plans to use the funding allocated for the grant program currently available to localities to pay for the planned NG-911 transition costs. Changes to the grant program are discussed later in this fiscal impact statement.

This legislation would modify the allocation of E911 surcharge revenues. Currently, 60 percent of E911 revenues are distributed to the local Public Safety Answering Points (PSAPs), 30 percent of E911 revenues are available to cell phone providers as reimbursement for improvements they have made to their networks related to 9-1-1 service, and 10 percent of revenues are available to PSAPs as a grant program for E911 system improvements. The bill would shift the 30 percent currently available to the cell phone providers to the grant program, so that the grant program would be comprised of 40 percent of E911 revenues. VITA staff indicate that the revenues allocated to the grant program would be used to pay for the transition to NG-911. Following the transition, these revenues can resume being used for the grant program.

The bill requires the Board to execute a contract to reimburse originating service providers when requested. VITA staff indicate that they estimate these reimbursements will be approximately \$5.0 million per year and will be paid from the 40 percent of surcharge revenues allocated for grant requests.

As mentioned previously, 60 percent of surcharge revenues are distributed back to localities. Under current law, the distribution is to be updated every five years beginning July 1, 2018 based on the cost and call load data of each PSAP for the previous five years. This legislation would change the basis of the distribution to be the population and call load data of each PSAP for the previous five years. This modification will affect the funding to provided to each PSAP but will not generate a state fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Information Technologies Agency, 9-1-1 Board, localities transitioning to NG911

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is identical to SB513.

Date: March 7, 2018  
File: HB1388ER