

PREPARED BY: Scott Danigole
 DATE PREPARED: March 29, 2016
 PHONE: 471-0055

LB 938

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to reflect any amendments adopted to date.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	2,138,337		1,988,709	
FEDERAL FUNDS				
OTHER FUNDS - AID	(1,000,000)		(1,000,000)	
TOTAL FUNDS	1,138,337		988,709	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 938, as amended, is the 911 Service System Act.

Section 3 states the Legislature's intent that

1. The Public Service Commission (PSC) plan, implement, coordinate, manage, maintain and provide funding assistance for a statewide 911 service system;
2. The PSC provide for the coordination of 911 service on a statewide basis;
3. Local governing bodies be responsible for the dispatch and provision of emergency services;
4. The PSC secure stakeholder support and provide public education, training, standards enforcement, dispute resolution and program evaluation;
5. The jurisdictions of the state, regional, and local governing bodies be clearly defined and aligned to produce the most efficient provision of 911 service, including next-generation 911 service capability, and;
6. The PSC adopt statewide uniform standards for technical support, training efficiency, and quality assurance for 911 service.

Sections 5-24 provide definitions for the Act.

Section 25-27 require the PSC to be the coordinating authority for the implementation of statewide 911 service system, to appoint a state 911 director, and develop and prepare a plan for a statewide 911 service system.

Section 28 creates the 911 Service System Fund. The fund shall consist of money transferred from the Enhanced Wireless 911 Fund, any federal funds received, and any other money designated for credit to the fund. The Fund shall be used for the costs of administering the fund and for the purposes specified in the Act.

Section 30 terminates the Act on June 30, 2018.

Section 33 requires a transfer of funds from the Enhanced Wireless 911 Fund to the 911 Service System Fund at the direction of the Legislature.

Section 35 is the emergency clause.

The PSC estimates the need to hire 7.0 FTE to administer the provisions of LB 938. These positions include a 911 Director, an Attorney, IT Analyst, Public Information Officer, Program Analyst/Field Coordinator, Administrative Assistant, and an IT Business Systems Analyst. In addition, the development of a master plan requires the PSC to assess the integrity of the wireless E-911 system as it relates to the accuracy of location information and call routing. It is estimated that \$1 million per year in contractual services will be needed to provide this statewide assessment. A contract directly between the PSC and a vendor is needed in lieu of direct aid to the Public Service Answering Points (PSAPs) in order to preserve the independence of the contractor. To accomplish this, the PSC plans to shift current aid funding to operational funding.

There is no basis to disagree with these estimates. Since the new program would be funded with a transfer of Cash Funds, the net impact on revenue balances to \$0 (one fund transferring out money, another fund receiving the same amount).

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 938 AM2356

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Office of the Chief Information Officer (OCIO)

Prepared by: ⁽³⁾ Julie Heyen Date Prepared: ⁽⁴⁾ 3/23/2016 Phone: ⁽⁵⁾ 402-471-4385

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB938 as amended by amendment 2356 instructs the Public Service Commission to consult with and seek advice and assistance from the DAS OCIO on the 911 Service System Act.

Depending on the requirements set forth, there could be costs involved, but the OCIO would rebill the Public Service Commission for those costs as part of the project. It is assumed that the OCIO could provide these services with existing revolving appropriation and the net fiscal impact to the OCIO would be zero.

Therefore LB938 AM2356 has no fiscal impact on the OCIO.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 938 AM2356

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Public Service Commission

Prepared by: ⁽³⁾ Suzanne Hinzman

Date Prepared: ⁽⁴⁾ 3/28/2016

Phone: ⁽⁵⁾ 402-471-0240

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS - Operations	2,138,337	_____	1,988,709	_____
CASH FUNDS - Aid	(1,000,000)	_____	(1,000,000)	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>1,138,337</u>	<u>0</u>	<u>988,709</u>	<u>0</u>

Explanation of Estimate:

Note: The estimates provided in this fiscal note assume that the “911 Service System Act” will reside under existing legislative program number 583, Enhanced Wireless 911 Fund. In addition, cash fund transfers from the current Enhanced Wireless E-911 fund to the new 911 Service System Fund in the amount of \$2,138,337 in FY2016-17 and \$1,988,709 in FY2017-18 would be required.

LB 938, AM2356 creates the 911 Service System Act and directs the Commission to implement, coordinate, manage, maintain, and provide funding for a statewide 911 service system including the implementation of next-generation 911 service capability. The bill also establishes a new department within the Commission. Under the bill, the Commission is responsible for statewide planning, implementation, coordination, funding assistance, deployment, and the management and maintenance of the statewide 911 service system to ensure that coordinated 911 service is provided to all residents of the state at a consistent level of service. The Commission is further tasked with establishing mandatory and uniform technical and training standards and promulgating rules and regulations for quality assurance standards governing the operation and maintenance of the statewide 911 service system with the consultation, advice, and assistance of stakeholders. Additionally, the Commission is to develop and prepare a plan for a statewide 911 service system, providing an update to the Legislature by February 1, 2017 and a final adopted plan to the Legislature by December 1, 2017. The Commission is to then implement the plan beginning sometime after July 1, 2018.

In addition, the development of a master plan requires the Commission to assess the integrity of the wireless E-911 system as it relates to the accuracy of location information and call routing. This will establish a baseline as to the current state of wireless E-911 service in the state upon which the master plan will be based. This information will be provided to the Legislature in the master plan. Additionally, this will allow the Commission to establish a pilot procedure regarding compliance with the changes proposed in Section 31 of AM2356. We estimate an additional \$1,000,000 in contractual services per year will be necessary to provide this statewide assessment. A contract directly between the Commission and the vendor is necessary in lieu of direct aid to the PSAPs in order to preserve the independence of the contractor. This fiscal note reflects a shift of appropriation type from aid to operations in the amount of \$1,000,000 per year accordingly.

To accomplish this shift, the following language could be added to the appropriation bill to LB938:

“There is included in the appropriation to this program for FY2016-17 \$11,000,000 Cash Funds for state aid, which shall only be used for such purpose. There is included in the appropriation to this program for FY2017-18 \$11,000,000 Cash Funds for state aid, which shall only be used for such purpose.”

Due to the technical, administrative, and legal aspects of the implementation and management of the program, along with the report and the aggressive implementation schedule, the Commission will need to add 7 FTEs to comply with the dictates of the bill. They are as follows:

- 911 Director – This position is created pursuant to section 26 of the bill;
- Attorney – To assist in the preparation of the report and the creation of rules, regulations, standards, policies, procedures, guidelines, and strategies for implementation and ongoing administration of the Act.
- IT Analyst – To assist in the technical and practical creation and implementation of statewide uniform standards for technical support, training efficiency, and quality assurance for 911 services along with analysis and oversight of creating managed networks for the provision of 911 services.
- Public Information Officer II – To assist in soliciting and dissemination of information regarding 911 services, engaging with stakeholders to secure support and coordinate public education and training programs.
- Program Analyst/Field Coordinator – To perform testing of systems and coverage and assist in establishing mandatory and uniform technical and training standards for quality assurance and ensuring implementation of operations and reviewing maintenance of the statewide system through direct interaction, training, and interfacing with municipal and county government, public safety answering points, public safety agencies, and state agencies.
- Administrative Assistant – To assist with the practical administration and organization of the department for the implementation and management of the Act within the Commission.
- IT Business Systems Analyst/GIS – Assist with the creation, implementation, and maintenance of the statewide next-generation Internet protocol-based system consisting of networks, functional elements, databases and utilizing a geographic information system for capturing, storing, displaying, analyzing, and managing data in connection with the statewide 911.

Estimated costs for staffing, additional office space/rent, contractual services to complete the statewide 911 service system plan, etc. are as follows:

Program 583:

FTE or Other Costs	PSL	Benefits	Operating/Travel	Contractual Services	Capital Outlay	FY 16-17 Total	FY 17-18 Total	FY17-18 PSL
Director	100,000	34,787	1,300		1,000	137,087	138,191	102,500
E911 Attorney	87,073	32,699	1,300		1,000	122,072	122,800	89,250
E911 IT Analyst	78,668	31,342	1,300		1,000	112,310	112,794	80,634
Public Information Officer II	43,024	25,585	1,300		1,000	70,909	70,358	44,099
Program Analyst/Field Coord.	45,153	25,929	6,100		22,000	99,182	77,933	46,281
Administrative Assistant	33,822	24,099	1,300		1,000	60,221	59,403	34,668

GIS Technician	55,000	27,520	1,300		1,000	84,820	84,617	56,375
Additional Building Rent/Office Space			38,578			38,578	38,578	
Shared Administrative Support	115,864	32,498	0	0	0	148,362	151,637	118,761
Contractual Services/Master Plan				1,264,796		1,264,796	1,132,398	0
Total	558,604	234,459	52,478	1,264,796	28,000	2,138,337	1,988,709	572,568

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
See table	<u>7</u>	<u>7</u>	<u>442,740</u>	<u>453,807</u>
Administrative Support Allocation			<u>115,864</u>	<u>118,761</u>
Benefits.....			<u>234,459</u>	<u>236,625</u>
Operating.....			<u>1,312,474</u>	<u>1,174,476</u>
Travel.....			<u>4,800</u>	<u>5,040</u>
Capital outlay.....			<u>28,000</u>	<u>0</u>
Aid.....				
Capital improvements.....				
TOTAL.....			<u>2,138,337</u>	<u>1,988,709</u>