

## **The Status of the State 911 Committee Legislative Proposal for Michigan 911**

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In June of 2016, the State 911 Committee (SNC) adopted a set of legislative recommendations for the Michigan Legislature. Those recommendations were formally submitted to the Legislature as part of the SNC's Annual Report to the Legislature in August of 2016. In May of 2017, those recommendations were introduced as Senate Bill 400 and House Bill 4651. Senate Bill 400 was moved through the legislative process during this legislative session, and it was signed into law as Public Act 51 of 2018 by Governor Snyder on March 6, 2018.

There were some changes to the SNC's original recommendations as the bill made its way through the legislative process. The key aspects of those recommendations remained intact and the new statute will facilitate the continued deployment of Next Generation 911 (NG911) in Michigan. Key changes in the 911 statute include a 911 fee increase on both postpaid and prepaid services that will generate the needed funding to move the entire state to a digital NG911 network. NG911 will allow for greater technical advancements in 911. Additional features in Public Act 51 of 2018 include:

- 1) Makes the technical fee consistent across the State of Michigan, rather than county by county.
- 2) Provides the Michigan Public Service Commission (MPSC) with standing to take action if the 911 fees are not reported, charged, collected or remitted into the fund. It also requires the SNC to report instances of non-payment and provide the supporting documentation to MPSC for appropriate action.
- 3) Requires counties (not just PSAPs) to ascertain that the auditing of 911 funds is conducted. Also, it changes the State 911 Fund audit by the Office of the Auditor General from an annual to a biennial cycle.
- 4) Requires a case to be heard at the MPSC to establish a process for NG911 reimbursement for recurring and non-recurring network costs for IP-911 providers that meet the National Emergency Number Association (NENA) i3 standards for NG911.
- 5) Counties and 911 service districts seeking to have their IP-based 911 network costs reimbursed, by the State of Michigan under the act, will need to provide the MPSC with documentation that they have gone through a competitive bid process.
- 6) Allows a county or a service district to change 911 service providers in the 911 Plan by a board resolution.
- 7) Requires the MPSC to issue a report to the legislature and governor by December 1, 2020. The report must contain the following information:
  - The total costs incurred by counties or 911 service districts that have transitioned to an IP-based 911 service provider.
  - The estimated transition costs to be incurred by counties or 911 service districts that have not transitioned to an IP-based 911 service provider and the estimated dates for transition.
  - The estimated ongoing, annual costs of operating the 911 network after the transition to an IP-based 911 service provider has been completed by all counties or 911 service districts that chose to transition.
  - The current 911 funding system revenues as reported by the SNC.
  - The estimated costs of operating the IP-based 911 network.
- 8) Provides the State 911 Office with the funding levels to maintain its current level of services to the 911 community and to automate its processes.

- 9) Changes the distribution of the State 911 fees to reflect the increased revenue and costs for NG911 and creates a “spillover” provision requiring any revenue in excess of \$37 million to be directed to NG911. Projected fund increases with the changes in distributions are below:

Estimated annual prepaid at 5% =	\$22.4m annually (an increase of \$13.8m)
Estimated annual postpaid at \$0.25 =	\$26.4m annually (an increase of \$6.4m)
Total annual estimate =	\$48.8m annually (total increase of \$20.2m)

The figures below are for the distribution levels at \$37m annually, and the remainder above \$37m will go into the NG911 fund (see f. below).

- a. **New** 65% to counties (approx. \$24,050,000)  
**Now** 82.5% to counties (approx. \$23,512,130)
- b. **New** 5.5% for training (approx. \$2,035,000)  
**Now** 6% for training (approx. \$1,709,973)
- c. **New** 1.5% to MSP for regional 911 center (approx. \$555,000)  
**Now** 1.88% to MSP for regional 911 center (approx. \$535,791)
- d. **New** 2.44% to State 911 Office (approx. \$902,800)  
**Now** 1.87% to State 911 Office (approx. \$532,941)
- e. **New** 25.56% to MPSC Case No. U-14000 and NG911 MPSC Case No. U-20146 (approx. \$9,457,200)  
**Now** 7.75% to MPSC Case No. U-14000 fund for wireless 911 (approx. \$2,208,715)
- f. **New** “spillover” the estimated funds above \$37m (approx. \$11,800,000).

Total for MPSC Case No. U-14000 and NG911 network under MPSC Case No. U-20146 (e + f) approx. \$21,257,200.