

HOUSE BILL 391: 911 Emergency Services Funding Reform

The Problem: The decline in popularity of landline telephones has left many local governments with decreasing revenues to support ever-more expensive 911 services.

- 911 services are funded primarily through landline and wireless user fees. Kentuckians are phasing out landline use, and funding is suffering. Local governments are now filling this funding gap providing more than 48 percent of funding for 911 services from general funds.
- **The 70-cent statewide 911 wireless fee has not been changed since its inception in 1998.** Funds generated by this fee account for around 20 percent of total local 911 revenues, despite that wireless calls make up approximately 75 percent of 911 calls. Furthermore, 911 call volumes have increased in recent years because of the instant and widespread access to 911 that cell phones provide.
- In FY 2011, 22 percent of all wireless subscribers were prepaid but only accounted for 10 percent of total wireless revenues. A Kentucky law passed in 2006 created a disparity between prepaid and postpaid mobile wireless subscribers and short changed local governments more than *\$21 million* in funding over eight years.

The Solution: HOUSE BILL 391 will update the 911 funding structure to match today's technology use. Ask your lawmakers to SUPPORT House Bill 391.

House Bill 391:

- Clearly states that 911 landline funding may only be spent on 911 emergency services, similar to language that exists for wireless devices.
- Increases the current monthly statewide wireless fee from 70 cents to \$1.00. The 70-cent statewide 911 wireless fee has not changed since its inception in 1998. **According to the CPI-U calculated by the Bureau of Labor Statistics, 70 cents in 1998 would equal \$1.00 in 2013 dollars.**
- Ends the disparity between prepaid and postpaid mobile wireless subscribers and requires prepaids to pay the equivalent of the statewide wireless fee.
- Eliminates cost recovery provisions for wireless providers like many other states have done. This repeal would free up approximately \$4.25 million annually for 911 services.
- Establishes a Next Generation fund to be distributed to wireless carriers and local public safety answering points (PSAPs) for implementation of mandated Next Generation systems.
- Encourages regionalization and consolidation of PSAPs by increasing available grant funding for consolidated PSAPs from \$100,000 to \$200,000.

This bill is not a windfall of new 911 revenue. It recaptures the 911 revenues that were lost due to the decline in landlines t simply aligns 911 user fees with the modern-day users and updates the wireless fee to today's consumer price index. The following organizations support this reform:

