

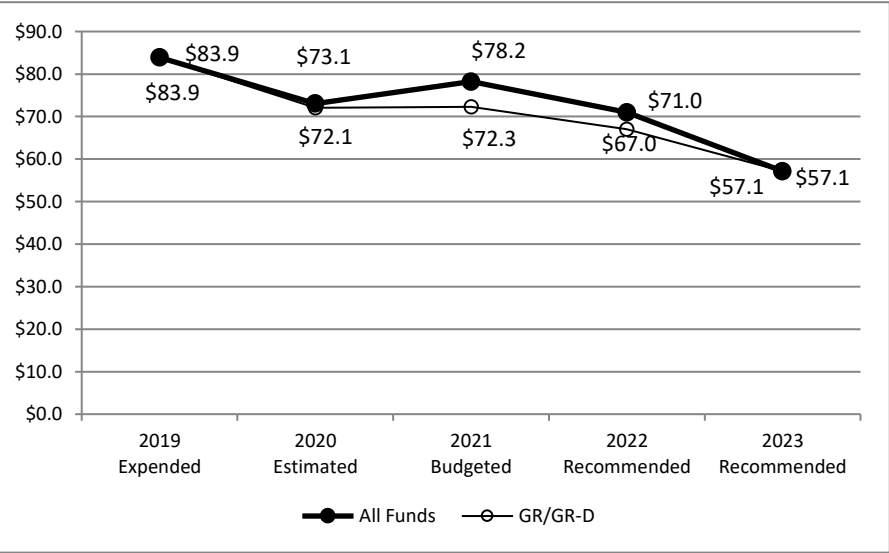
Commission on State Emergency Communications
Summary of Budget Recommendations - House

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Kelli Merriweather, Executive Director
George Purcell Jr, LBB Analyst

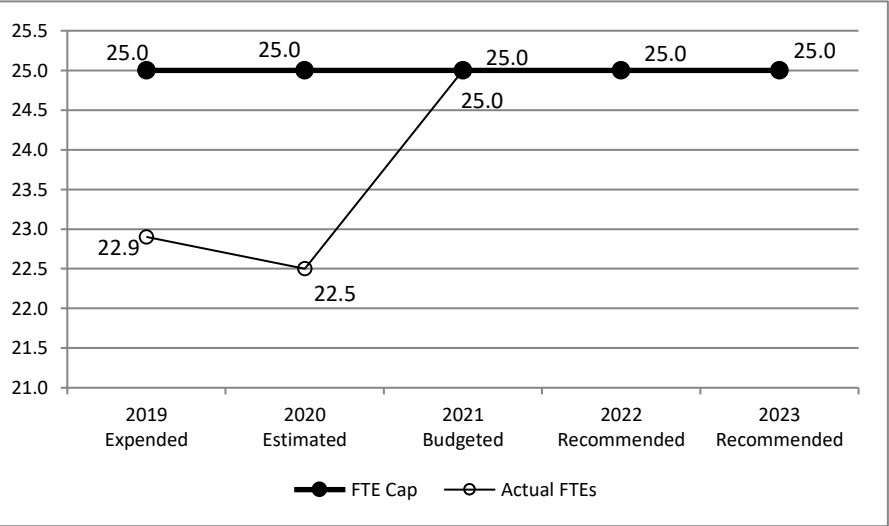
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$144,343,581	\$124,172,277	(\$20,171,304)	(14.0%)
Total GR-Related Funds	\$144,343,581	\$124,172,277	(\$20,171,304)	(14.0%)
Federal Funds	\$6,961,263	\$3,965,478	(\$2,995,785)	(43.0%)
Other	\$0	\$0	\$0	0.0%
All Funds	\$151,304,844	\$128,137,755	(\$23,167,089)	(15.3%)

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	25.0	25.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

**Commission on State Emergency Communications
Summary of Funding Changes and Recommendations - House**

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Departure of the North Central Texas Council of Governments from the CSEC Program, reducing available revenues to the state 9-1-1 program.	\$0.0	(\$14.7)	\$0.0	\$0.0	(\$14.7)	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Reductions to Regional Planning Commissions for 9-1-1 services to preserve balances in Fund 5050.	\$0.0	(\$7.1)	\$0.0	\$0.0	(\$7.1)	A.1.1
C)	Expiration of Federal E-911 Grant that funds upgrades to digital, IP-based, broadband-enabled technologies.	\$0.0	\$0.0	(\$3.0)	\$0.0	(\$3.0)	A.1.1
D)	Decrease for the ESINet Project due to the expenditure of balances carried forward to the current biennium for this project.	\$0.0	(\$1.6)	\$0.0	\$0.0	(\$1.6)	A.1.1
E)	Increase for staffing levels required to maintain accreditation for Poison Call Center operations.	\$0.0	\$2.5	\$0.0	\$0.0	\$2.5	B.1.1
F)	Increase costs related to a new case management system contract to support cybersecurity and information security requirements at Poison Control Centers and increases in other operating expenses.	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4	B.1.2
G)	Salary and benefits for a Contract Manager position previously funded through Federal Funds.	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2	C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	(\$20.2)	(\$3.0)	\$0.0	(\$23.2)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$3.2	\$0.0	\$0.0	\$3.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	(\$23.4)	(\$3.0)	\$0.0	(\$26.4)	As Listed

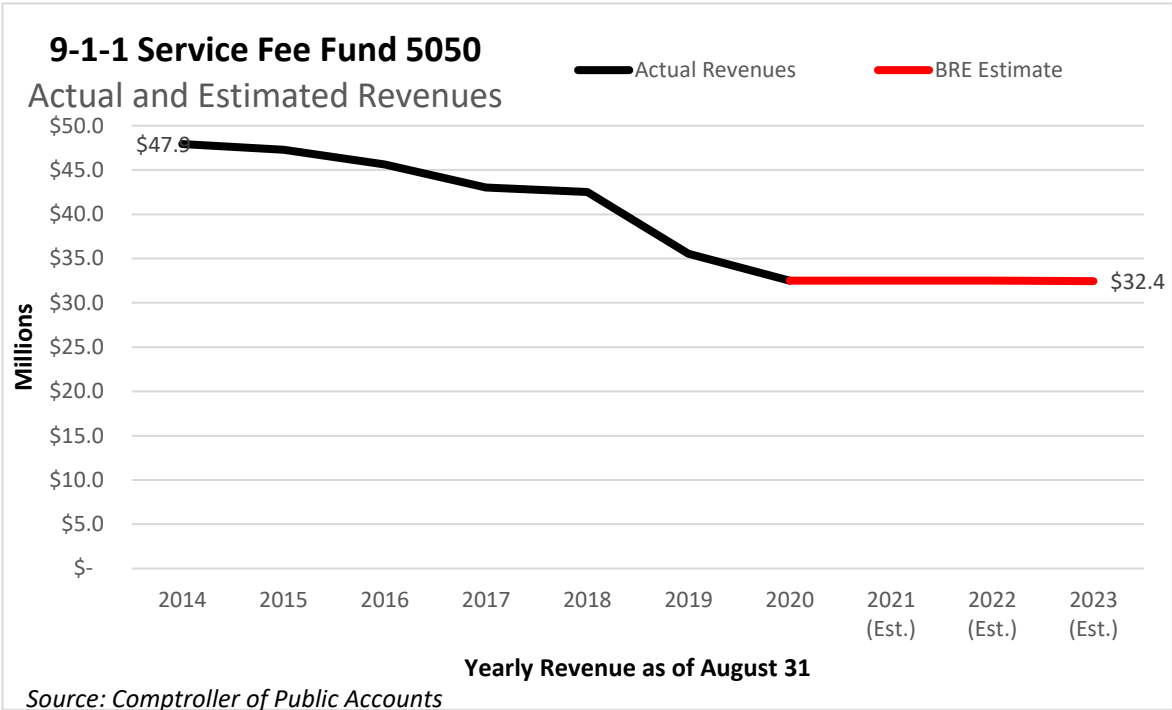
NOTE: Totals may not sum due to rounding.

Commission on State Emergency Communications
Selected Fiscal and Policy Issues - House

1. **Funding Structure for the Commission on State Emergency Communications is Unsustainable**

General Revenue-Dedicated Fund 9-1-1 Service Fees Account No. 5050 has historically provided the majority of funds for the CSEC 9-1-1 program. Based on the January 2021 Biennial Revenue Estimate (BRE) and funding included in the introduced House General Appropriation Bill, Fund 5050 is anticipated to draw near depletion at the end of fiscal year 2023 with an estimated cash balance at that time of \$4.3 million.

Fund 5050 receives revenue from three sources: statutory Emergency Service Fees of 50 cents on wireless and wired connections and a 2 percent Prepaid Wireless Service fee. Revenues from both Emergency Service Fees have been in decline. Since 2014, there has been a -26.0 percent decline for wireless fees and -49.3 percent decline in wired fees deposited into Fund 5050. Overall revenue from these two sources declined by an average of \$12.6 million per year from 2014 to 2020 and this drop is the primary cause in the reduction in fund balance projected by CSEC. The decline in Fund 5050 Wireless Service fees reflects the departure of Regional Planning Commissions from the statewide program while the decline in Fund 5050 wired service fees reflects both the decline in the program and the reduced amount of landline service that is occurring more broadly.



The agency also receives funding through General Revenue-Dedicated Fund Commission on State Emergency Communications Account No. 5007. Revenues from this fund are generated through an equalization surcharge of 6 cents per telecommunications connection per month, excluding prepaid wireless service. The cash balance of Fund 5007 has grown over time, from \$32.7 million in 2014 to \$49.9 million in August 2020. The CPA estimates \$18.4 million in yearly revenue for Fund 5007 for fiscal years 2021 to 2023 while CSEC predicts a cash balance for the fund of \$47.4 million in 2023. However, the statutory restriction of Health and Safety Code Sec. 771.072(e) requiring 60 percent of distributions from Fund 5007 be used for Poison Control Centers (Strategies 2.1.1 through 2.1.3) limits the use of revenue from the fund for supporting 9-1-1 services or addressing any fund balance shortfall. As a result, in the absence of statutory and regulatory changes to these two funds, funding CSEC operations will begin to require General Revenue in the near future, perhaps as early as fiscal year 2023.

Recommendation:

The recommendations include a rider directing CSEC to propose a long-term funding structure to support 9-1-1 operations following the depletion of Fund 5050 balances.

2. **North Central Council of Governments Departs the CSEC Program**

In December 2018, the North Central Council of Governments (NCTCOG) opted to exit the CSEC program and establish the independent North Central Texas Emergency Communications District. The area covered by this new district represents six percent of the population of Texas and prior to exiting was the largest Regional Planning Commission (RPC) in the CSEC program. The annual contribution of NCTCOG to Fund 5050 during the last five years the district was in the program averaged \$9.7 million per year. In fiscal year 2018, the last full year NCTCOG was in the CSEC program, it accounted for over 4 million 9-1-1 calls—more than the 3.5 million annual 9-1-1 call volume CSEC estimates for fiscal years 2022 and 2023 for the 21 remaining RPCs participating in the state program.

3. **Completion of the ESINet Program**

The Emergency Service IP Network Project (ESINet) is a multi-year and multi-phase project that implements digital 9-1-1 calling to replace the current legacy 9-1-1 system. The bill provide \$7,431,434 for this project and authorizes the transfer of unexpended balances to the 2022-23 biennium. The combined funding from both sources is expected to be sufficient to complete the ESINet transition.

**Commission on State Emergency Communications
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** The recommendations revise the Capital Budget rider to remove one-time capital funding for the Texas Poison Control Disaster Mitigation Site.
8. **Unexpended Balances.** The existing rider authorizing unexpended balance transfers between biennia for the ESINet Project is modified in these recommendations to authorize these transfers into the 2022-23 biennium.

New Riders

9. **Plan for Continued Funding of Statewide 9-1-1 Services.** These recommendations direct the agency to develop a plan for the long-term funding of the statewide 9-1-1 program out of General Revenue-Dedicated Fund 5050 (9-1-1 Service Fees) and deliver that report to the Legislative Budget Board and the Office of the Governor by July 2022. The report will also provide guidance on any regulatory and statutory changes that could help preserve the fund balance of Fund 5050.

Commission on State Emergency Communications
Items Not Included in Recommendations - House

	2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Add 1 FTE for a new information security position in Strategy C.1.1, Indirect Administration.	\$297,646	\$297,646	1.0	Yes	No	\$297,646
2)	Costs to move from Hobby Building to new facility in the Capitol Complex Phase 1 plan.	\$85,500	\$85,500	0.0	No	No	\$0

TOTAL Items Not Included in Recommendations		\$383,146	\$383,146	1.0			\$297,646
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Commission on State Emergency Communications
Appendices - House

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* Appendix is not included - no significant information to report

Commission on State Emergency Communications
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
9-1-1 NTWK OPER & EQUIP REPLACEMENT A.1.1	\$122,232,306	\$95,775,321	(\$26,456,985)	(21.6%)	Reduction of \$14.7 million in General Revenue-Dedicated (GR-D) funds reflects reduced expenses due to the departure of the North Central Texas COG from the CSEC program. A reduction of \$7.1 million in GR-D reflects reductions in future expenditures by Regional Planning Commissions to preserve fund balances in Fund 5050 and a reduction of \$3.0 million in Federal Funds is the result of the expiration of the Federal E-911 grant in fiscal year 2022. In addition to these reductions, the recommendations reflect the reallocation of costs for the Enterprise Geospatial Database Management System to Strategy A.1.3 for \$1.6 million.
NEXT GEN 9-1-1 IMPLEMENTATION A.1.2	\$9,287,471	\$7,671,812	(\$1,615,659)	(17.4%)	Reduction reflects an appropriation in the base request below expenditures in the 2020-21 biennium of \$1.6 million in GR-D due to use of unexpended balances in that biennium.
CSEC 9-1-1 PROGRAM ADMINISTRATION A.1.3	\$1,791,526	\$3,498,526	\$1,707,000	95.3%	This increase reflects the reallocation of the Enterprise Geospatial Database Management System from Strategy A.1.1 for \$1.7 and additional operating expenses.
Total, Goal A, STATEWIDE 9-1-1 SERVICES	\$133,311,303	\$106,945,659	(\$26,365,644)	(19.8%)	
POISON CALL CENTER OPERATIONS B.1.1	\$13,100,743	\$15,634,214	\$2,533,471	19.3%	The increase in these recommendations reflect costs to maintain American Association of Poison Control Centers Accreditation as required in CSEC Rider 7: \$0.7 million in GR-D to maintain Specialists in Poison Information (4 FTEs) at 6 Centers and \$1.8 million in GR-D to support staffing levels to meet the national staffing standard of care for Medical Directors, Educators, and Public Education.
STATEWIDE POISON NETWORK OPERATIONS B.1.2	\$2,402,010	\$2,811,466	\$409,456	17.0%	Increase reflects costs related to a new Case Management System contract to support cybersecurity and information security requirements (\$0.4 million in GR-D) and increases in other operating expenses.
CSEC POISON PROGRAM MANAGEMENT B.1.3	\$549,380	\$559,380	\$10,000	1.8%	
Total, Goal B, POISON CONTROL SERVICES	\$16,052,133	\$19,005,060	\$2,952,927	18.4%	

Commission on State Emergency Communications					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION C.1.1	\$1,941,408	\$2,187,036	\$245,628	12.7%	Increase of \$0.2 million in GR-D funds salary and benefits for a Contract Manager II position allowed under the agency's cap and currently supported by Federal Funds.
Total, Goal C, INDIRECT ADMINISTRATION	\$1,941,408	\$2,187,036	\$245,628	12.7%	
Grand Total, All Strategies	\$151,304,844	\$128,137,755	(\$23,167,089)	(15.3%)	

**Commission on State Emergency Communications
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	25.0	25.0	25.0	25.0	25.0
Actual/Budgeted	22.9	22.5	25.0	NA	NA

Schedule of Exempt Positions (Cap)

Executive Director, Group 3	\$123,562	\$132,835	\$132,835	\$132,835	\$132,835
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Notes:

- a) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.
- b) Fiscal years 2019 and 2020 actual FTE figures are less than cap limits due to staff vacancies and turnover.
- c) The State Auditor's Office Report *Executive Compensation at State Agencies* (Report 20-706, August 2020) indicates a market average salary of \$140,698 for the Executive Director position at the Commission on State Emergency Communications. The agency is requesting to increase the salary cap for the Executive Director from \$132,835 to \$140,698.