

February 12, 2024

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2690 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2690 is respectfully submitted to your committee.

HB 2690 would establish the State 911 Board as a new state agency on July 1, 2025, and the 911 Coordinating Council would be abolished. The Board would consist of 19 voting members, nine non-voting members, and a chairperson selected by the Governor. HB 2690 would transfer all the powers, duties, and functions of the 911 Coordinating Council to the new state agency. The bill would allow the Board to appoint an Executive Director and other employees, which would be in unclassified service of the Kansas Civil Service Act, to carry out the requirements of the Board. HB 2690 outlines actions for a seamless and orderly transfer of powers, duties, and functions from the Council to the Board and details the requirements of the new Board. The Board would be required to distribute funds to the public safety answering points (PSAP) and handle accounts receivable from PSAPs operating on the statewide 911 system, along with the daily accounting and payroll that is currently being administered by the local collection point administrator (LCPA). The Board would be allowed to apply for federal grants, impose civil penalties, contract for services, and other items as detailed in the bill. The bill would also authorize counties to contract for the provisions of the 911 PSAP services with another county. The bill would abolish the 911 Operations Fund, the 911 State Grant Fund, and the 911 State Fund and transfer all liabilities and fund balances to the newly established State 911 Operations Fund, the State 911 Grant Fund, and the State 911 Fund, respectively. The balance of the current funds would be transferred to the new funds on January 1, 2026.

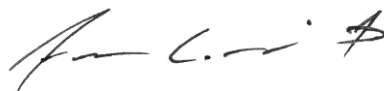
It is assumed that the new Board would be required to use the state accounting, payroll and budgeting system and pay 10.0 percent of its revenues to the State General Fund, up to \$100,000, to assist with paying for these services. The Board currently has 4.00 FTE positions that are independent contractors, do not receive benefits, and work more than 40 hours per week. The Council estimates it would need 2.00 or 3.00 additional FTE positions to perform accounting and payroll duties that would be required of the Board. These additional positions would cost between

\$179,767 for 2.00 FTE and \$265,153 for 3.00 FTE from fee funds starting in FY 2026. The Board would also use the Office of Information Technology Services for its computer services, but the additional costs for these services are unknown. The Council estimates revenues of \$39.8 million and expenditures of \$35.9 million, including PSAP payments, for calendar year 2023. Because the new agency is estimated to have a surplus of funds, the agency should be self-sustaining and not require any funding from the State General Fund.

The School for the Blind, School for the Deaf, Emergency Medical Services Board, Office of the Governor, Adjutant General, Legislature, State Fire Marshal, Office of Information Technology Services, Department of Revenue, and Office of Judicial Administration all state that the bill would not have a fiscal effect. Any fiscal effect associated with HB 2690 is not reflected in *The FY 2025 Governor's Budget Report*.

The Kansas Association of Counties states that enactment of the bill could impact the PSAP funding amounts which would affect counties. However, the Association cannot estimate the amount of effect, if any, the bill would have. The League of Kansas Municipalities states that the bill would not have a fiscal effect on cities.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Michael Neth, Office of the Adjutant General
Joe House, Emergency Medical Services Board
Jamie Schumacher, Office of the State Fire Marshal
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Adela Tan, School for the Deaf
Tom Day, Legislative Services
Ethan Belshe, Office of the Governor
Brian Reiter, Office of Information Technology Services
Trisha Morrow, Judiciary
Lynn Robinson, Department of Revenue