

Background – Landline Collections

- Prior To 2006, 911 Taxation Was Set And Collected By Localities; The Surcharge Ranged From \$1.00 To \$3.00
- For Many Localities The Collections Funded 911 Services
- In 2006, Communication Sales And Use Tax Became Effective Changing Collection To The State Level And Setting The 911 Surcharge At \$0.75; The Act Also Inacted Other Taxes With The Intent To Keep Jurisdictions Whole
- With The Consolidation Of CSUT, Visibility of 911 Funding from Land Line Surcharges Became Difficult to Determine
- Between 2006 And 2020, Landline Phones Have Dropped Significantly and CSUT is Decreasing Overall

Background – Wireless Collections

- Wireless Surcharge Has Been At \$0.75 For More Than 20 Years
- Since 2012, The Fund Has Increased By 2-3% Annually Which Is Approximately Covering Cost Of Living Adjustments
- Monthly Distributions To PSAPs Offset On Average 13% Of Operating Costs
 - This Was Derived Based On Budget Data Posted On Internet For 91 Of 124 PSAP's
- Grant Funding Only Covers A Percentage Of A PSAP's Capital Budget For Essential 911 Equipment – 911 Call Handling Equipment, Maps, Computer Aided Dispatch, Recorders

Background – Other Factors

- 911 Service Offerings Have Increased
 - Call Volume
 - Enhanced 911/Msag/Gis Data Creation And Maintenance
 - Text 2 911
 - Emergency Medical Dispatch (Currently ~50%; Legislated By 2024)
 - 311 Services
- Software Cycles Have Decreased Increasing Costs
 - 911 Software Including Cad And Map
 - Operating Systems Such As Windows
- Cybersecurity Risks Have Increased

Next Generation 911 Impacts

- Statewide The NG911 Connectivity Costs Are Predicted To Increase Telephony By 40%
 - Some Jurisdictions Costs Will Decrease
 - Others Will Double
- Telephony Increases Are Only The Beginning Of NG911 Impacts
 - Emerging Technologies
 - Regionalization
 - Training
 - Mental Health
 - Cybersecurity

FY2018 WATERFALL

Department of Taxation FY 18 Wireless Reconciliation				Funding Waterfall with Budget & Code Links	
				\$ 29,136,084.73	Link to Code Section 56-484.17 "C" The 60%
Beginning Cash Balance - July 1, 2017	2,476,138.90			\$ 19,424,056.49	Link to Code Section 56-484.17 "D" The 40% (2/3rds of 60%)
FY 18 Revenue	60,974,471.93			\$ 3,700,000.00	Budget Link to Virginia State Police dispatch center costs
FY 18 Interest	49,115.33			\$ 1,000,000.00	ISP Budget Item A1 network development
FY 18 Tax Expenses	(40,100.70)			\$ 4,000,000.00	ISP Budget Item A2 billing agreements
FY 18 Transferred to VITA	(31,759,946.67)			\$ 1,919,730.00	ISP Budget remaining after subtracting A1 and A2 from \$6,919,730
FY 18 Distributed to PSAPS	(29,136,084.73)	<-- The 60%		\$ 1,750,000.00	Budget Link to VGIN funding item 3D
Cash Transfer In - Non GF 2018	1,111.39				
				\$ 60,929,871.22	Total closely tracks Revenue total, but
Ending Cash Balance	2,564,705.45				won't exactly match it due to monthly variances.
					Additional budget link to \$8M for Sheriff's Dispatchers which comes out of the 40%

ROM ESTIMATE FOR 5 CENT INCREASE

5 Cent Increase Estimate	4,064,964.80				
.-05/.75	0.066666667				
				Funding Waterfall with Budget & Code Links	
Projected Revenue	65,039,436.73		\$	34,001,824.04	Link to Code Section 56-484.17 "C" The 60%
Deductions F7, F8, F10, F11	\$ (8,369,730.00)		\$	22,667,882.69	Link to Code Section 56-484.17 "D" The 40% (2/3rds of 60%)
Subtotal	56,669,706.73		\$	3,700,000.00	Budget Link to Virginia State Police dispatch center costs
60% Distributed to PSAP	34,001,824.04		\$	1,000,000.00	ISP Budget Item A1 network development
					ISP Budget Item A2 billing agreements
			\$	1,919,730.00	ISP Budget remaining after subtracting A1 and A2 from \$6,919,730
			\$	1,750,000.00	Budget Link to VGIN funding item 3D
			\$	65,039,436.73	Total closely tracks Revenue total, but
					won't exactly match it due to monthly variances.
					Additional budget link to \$8M for Sheriff's Dispatchers which comes out of the 40%

Need vendor participation to develop an accurate revenue projection

ROM ESTIMATE FOR 50 CENT INCREASE

50 Cent Increase Estimate	40,649,647.95				
-.5/ .75	0.666666667				
Projected Revenue	101,624,119.88		\$ 55,952,633.93	Link to Code Section 56-484.17 "C"	The 60%
Deductions F7, F8, F10, F11	\$ (8,369,730.00)		\$ 37,301,755.95	Link to Code Section 56-484.17 "D"	The 40% (2/3rds of 60%)
Subtotal	93,254,389.88		\$ 3,700,000.00	Budget Link to Virginia State Police dispatch center costs	
60% Distributed to PSAP	55,952,633.93		\$ 1,000,000.00	ISP Budget Item A1 network development	
				ISP Budget Item A2 billing agreements	
			\$ 1,919,730.00	ISP Budget remaining after subtracting A1 and A2 from \$6,919,730	
			\$ 1,750,000.00	Budget Link to VGIN funding item 3D	
			\$ 101,624,119.88	Total closely tracks Revenue total, but won't exactly match it due to monthly variances.	
				Additional budget link to \$8M for Sheriff's Dispatchers which comes out of the 40%	

Need vendor participation to develop an accurate revenue projection