

monthly surcharge on telephone customers is deposited into SETNA, which is expected to receive approximately \$215 million in surcharge revenue in fiscal year 2026-27. Actual fiscal impacts would depend on future Board decisions and the extent to which new programs, technologies, or operational models are mandated. As proposed by this bill, Board decisions would be made by one non-voting member and 11 voting members, two of whom are state officials and nine of whom may be non-state officials, with existing law authorizing a board member to designate another person to act as the member in their place and stead for all purposes as though the member were personally present.

- 3) Costs pressures of an unknown amount, potentially in the hundreds of thousands of dollars, to the Board to hire an independent technical expert for advisory or oversight purposes, as well as for the Board's expanded oversight responsibility and scope of work (General Fund (GF)).
- 4) Costs of an unknown, but potentially significant amount, to OES to produce the quarterly reports for the Legislature, the first of which is due in four months, and cooperate with the Auditor to facilitate the audit (GF).
- 5) Cost pressures of approximately \$850,000 to the Auditor to complete the audit (GF). The Auditor notes that it does not receive a per audit state budget appropriation. Instead, the Auditor would complete the work within its existing budget resources for all audits the Auditor must complete, either statutorily or by request of the Joint Legislative Audit Committee (JLAC). Given the urgency clause in this bill and the audit's required start date of September 1, 2026, the NextGen 911 audit would likely take precedence over other approved JLAC requests.

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** The author cites a recent LAO report that outlined serious management challenges with OES's implementation of the NextGen 911 system. According to the author:

Walking away from [NextGen] 911 is not an option. The Legislature has a key role to play in reorienting this project toward success. To do that, we need to understand what has gone wrong, and how the new proposal addresses all potential issues. That is why this bill directs the state auditor to complete a comprehensive audit of the [NextGen] 911 system, provide additional oversight powers to the 9-1-1 Advisory Board, and strengthens reporting requirements.

This bill is supported by the Orange County Fire Authority.

- 2) **NextGen 911.** OES is transitioning the state from "legacy 911" designed to operate on copper landlines to NextGen 911, which uses Internet Protocol-based technology to send 911 data from one computer to another. This technology allows 911 callers to share multimedia emergency communications, including text messages, and improved location data with dispatch centers, which can share this data directly with first responders. Additionally, NextGen 911 systems can be used to automatically re-route 911 calls to other dispatch

centers, which helps with high call volumes during natural disasters, large emergencies, or major events.

OES's original approach for the NextGen 911 system involved dividing the state into four network provider regions, with a single statewide vendor serving as a back-up provider. In 2021, 23 of the state's dispatch centers began transitioning voice calls from legacy 911 to NextGen 911, with some experiencing difficulties. In early 2025, OES paused the transition of additional dispatch centers to investigate and found four main concerns, one of which being that the regional approach created a situation where both the technical and operational design were significantly adjusted from industry-standard practices, introducing fragility and risk. In November 2025, OES released an updated transition plan, under which the state will switch away from the regional approach to a statewide approach with two statewide network providers – one prime network service provider and one back-up provider. OES states that the statewide approach will eliminate problematic interfaces and complexity while preserving system resiliency and notes that a statewide approach aligns with national standards and the network architecture used by other states.

In February 2026, the LAO released a report on the ongoing implementation of the NextGen 911 system, finding that the project is significantly delayed, the cost estimate for OES's new approach is unclear, and changing the system will bring tradeoffs, especially related to system redundancy. The LAO recommended the Legislature: (a) direct OES to pause implementation of the statewide approach until OES can provide answers to key questions, (b) consider halting the project to allow an independent third-party to evaluate the state's options, (c) require OES to provide ongoing monthly project updates and quarterly fiscal reports, and (d) consider implementing a new governance structure to provide greater ongoing oversight of the 911 system. This bill empowers the Board with oversight authority over the Office, requires OES to submit a series of quarterly reports to the Legislature regarding NextGen 911 implementation, requires the Auditor to perform an audit of NextGen 911 implementation, and prohibits OES from awarding a contract related to NextGen 911 until the audit is complete.

- 3) **Related Legislation.** SB 985 (Strickland) requires OES to submit certain quarterly reports to the Legislature regarding NextGen 911 implementation. SB 985 is pending on the Senate Appropriations Committee's suspense file.

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