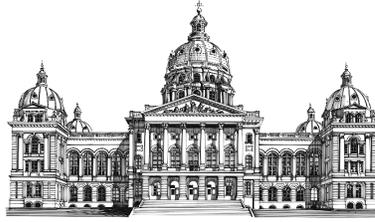

Iowa Legislative Services Agency Fiscal Services



Dennis Prouty
(515) 281-5279
FAX 281-8451

State Capitol
Des Moines, IA 50319
October 5, 2004

Enhanced 911 System

ISSUE

This *Issue Review* addresses the 2004 legislative changes to the Enhanced 911 (E911) emergency phone system, and provides a synopsis of the issues surrounding the system.

AFFECTED AGENCIES

Homeland Security and Emergency Management

CODE AUTHORITY

Chapter 34A, Code of Iowa
605, Iowa Administrative Code, Chapter 10

BACKGROUND

Senate File 530 (FY 1999 E911 Commission Act) provided for a statewide monthly \$0.50 per phone line surcharge on wireless communications, which began January 1, 1999. The monthly surcharge is collected by wireless providers and remitted to the State E911 Program Manager on a quarterly basis.

Funds generated from the surcharge are used for the development and on-going operation of the E911 network. Service providers are allowed to retain 1.0% of the surcharge collected as compensation for billing and collection of the surcharge. Service providers also submit itemized billings to the State for reimbursement for eligible costs to deliver E911 services. The eligible costs include hardware and software needed for the receipt and delivery of Enhanced 911. If the surcharge revenue is not sufficient to pay the eligible costs of the service providers, a percentage of the provider's expenses are remitted back and the remaining unpaid balance is carried forward into the next billing cycle.

CURRENT SITUATION

The State currently has approximately \$3.0 million in debt due to the carry forward of service provider debt into the next billing cycle. A renegotiation of the Qwest tariff reduced this

I
S
S
U
E

R
E
V
I
E
W

amount at the beginning of 2004, and a legislative change in SF 2298 (FY 2005 Omnibus Appropriations Act) eliminated the carryover practice beginning July 1, 2004.

At the beginning of the 2004 Legislative Session, all 99 counties had Phase 1 capability. Under Phase 1, when a 911 call is made from a wireless device, the call back number and the address of the nearest tower are forwarded to the appropriate Public Safety Answering Point (PSAP). There are currently 125 answering points in the State. A list of these points is provided in **Attachment A**.

To implement Phase 2 at all the answering points, updates and modifications need to be made to the equipment. Phase 2 capability adds the latitude and longitude coordinates of the phone at the time the 911 call is received. Of the 125 answering points, 56 have Phase 2 capability as a result of a \$500,000 grant from the Public Safety Foundation of America. The upgrade covered 55 counties and no match was required for the grant. In addition, some counties are using wireline equipment surcharge funds to upgrade equipment to Phase 2 capability. The wireline surcharge is set by local referendum and the funds are used at the local level.

The Federal Communications Commission (FCC) indicated that once an answering point requests an upgrade, the upgrade must be 50.0% complete within six months of the request and completely finished within 18 months. The average cost to upgrade Phase 1 and implement Phase 2 is estimated at approximately \$100,000 per answering point.

2004 LEGISLATIVE ACTION

Senate File 2298 (FY 2005 Omnibus Appropriations Act) amended the E911 language. The Act increased the E911 wireless surcharge from \$0.50 to \$0.65 per wireless phone subscriber. There are currently 1.3 million cell phone subscribers in Iowa. The estimated revenue generated by the new rate is \$2.5 million per quarter or \$10.1 million per year, an increase of \$2.1 million compared to the previous year. The Act established a priority order of payment and made the following revenue changes:

- Funds the E911 Program Manager and Administrator at \$50,000 per quarter.
- Reimburses wireless carriers for cost recovery up to 21.0%.
- Reimburses wire-line transport costs for local carriers.
- Reimburses automated location information costs for local carriers.
- Debt retirement (\$500,000 per quarter until January 1, 2006).
- Funds the Public Safety Answering Points System (PSAPS) with a minimum of \$1,000 for each of the 125 PSAPS. Prior to the debt being paid off, up to \$159,000 per quarter will be allocated to the PSAPS. After the debt is paid off, 24.0% of the total earnings will be distributed with 65.0% of the total based on square miles and 35.0% based on call volume with a minimum of \$1,000 per PSAP.
- Creates a non-reversionary fund for the carryover operating surplus to be used for future Phase 2 network and PSAP upgrades and improvements.

The Act also required the State Auditor to perform an annual audit on the non-reversionary Wireless E911 Emergency Communications Fund, which is controlled by the E911 Program Manager. An annual report is required to be submitted to the Government Oversight Committee on January 15 of each year. A calendar quarter report of revenues and expenditures is also due from the E911 Program Manager to the Fiscal Services Division for the Government Oversight Committee's

review. The Act also requires the Government Oversight Committee to review the priority order of the distribution of funds received from the \$0.65 wireless surcharge every two years.

BUDGET IMPACT

The new provision in SF 2298 (FY 2005 Omnibus Appropriations Act) eliminates the debt carryover by January 1, 2006. The chart below provides the debt carryover amounts from FY 2004.

| FY 2004 E911 Revenue and Expenditure Report | | | | |
|--|---|---|---|---|
| | Calendar Quarter #3 2003 | Calendar Quarter #4 2003 | Calendar Quarter #1 2004 | Calendar Quarter #2 2004 |
| | Jul. - Sept. | Oct. - Dec. | Jan. - Mar. | Apr. - June |
| <u>REVENUES</u> | | | | |
| Surcharge Collected | \$2,023,377 | \$1,958,505 | \$1,979,084 | \$2,075,013 |
| General Fund Allocation | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Funds Available | <u>\$1,973,377</u> | <u>\$1,908,505</u> | <u>\$1,929,084</u> | <u>\$2,025,013</u> |
| <u>EXPENDITURES</u> | | | | |
| Wireline Reimbursement | \$3,601,515 | \$3,353,365 | \$2,180,458 | \$2,120,300 |
| Wireless Reimbursement | 1,671,018 | 1,747,325 | 989,784 | 954,827 |
| Total Reimbursement | <u>\$5,272,534</u> | <u>\$5,100,690</u> | <u>\$3,170,242</u> | <u>\$3,075,126</u> |
| Total Reimbursement | \$5,272,534 | \$5,100,690 | \$3,170,242 | \$3,075,126 |
| Total Funds Available | <u>1,973,376</u> | <u>1,908,505</u> | <u>1,929,084</u> | <u>2,025,013</u> |
| Debt Carryover | <u><u>\$3,299,157</u></u> | <u><u>\$3,192,185</u></u> | <u><u>\$3,083,408</u></u> | <u><u>\$2,939,327</u></u> |

The FCC set October 2005 as the deadline for cell phone companies to upgrade wireless Enhanced 911 systems nationwide. If a public safety answering point requests the new technology, the site has to be upgraded by the October 2005 deadline. By the end of calendar year 2004, 56 answering points in Iowa will be able to accept longitude and latitude lines from 911 cell phone calls. **Attachment B** provides a list of the 55 counties that have completed Phase 2. Within the next two years, Iowa will be completely upgraded to Phase 2, at an overall estimated cost of \$5.0 million.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Public Safety Answering Points in Iowa

| | |
|---|--|
| Adair County Sheriff's Office | Grundy County Sheriff's Office |
| Adams County Sheriff's Office | Guthrie County Sheriff's Office |
| Allamakee County Sheriff's Office | Webster City Police Department |
| Appanoose County Sheriff's Office | Hancock County Sheriff's Office |
| Audubon County Sheriff's Office | Hardin County Sheriff's Office |
| Benton County Sheriff's Office | Iowa Falls Police Department |
| Black Hawk County Sheriff's Office | Harrison County Law Enforcement Center |
| Boone County Sheriff's Office | Henry County Sheriff's Office |
| Bremer County Sheriff's Office | Howard County Sheriff's Office |
| Buchanan - Independence Public Safety Center - Communications | Humboldt County Communications Center |
| Buena Vista County 911 Communications Center - Storm Lake | Ida County Sheriff's Office |
| Butler County Sheriff's Office | Iowa County Sheriff's Office |
| Calhoun County Sheriff's Office | Maquoketa Police Department |
| Carroll County Sheriff's Office | Jasper County Sheriff's Office |
| Cass County Public Safety Communications Center | Jefferson County Law Center |
| Cedar County Sheriff's Office | Iowa City Police Department |
| Clear Lake Police Department | Johnson County Sheriff's Office |
| Mason City Police Department | Jones County Sheriff's Office |
| Cerro Gordo County Sheriff | Keokuk County Sheriff's Office |
| Cherokee County Sheriff's Office | Algona Police Department |
| Chickasaw County Sheriff's Office | Keokuk Police Department |
| Clarke County Sheriff's Office | Lee County Sheriff's Office |
| Clay County Communications | Ft. Madison Police Department |
| Guttenberg Police Department | Linn County Sheriff's Office |
| Clayton County Sheriff's Office | Cedar Rapids Joint Comm. Agency |
| Clinton County Sheriff's Office | Marion Police Department |
| Crawford County Communications | Louisa County Sheriff's Office |
| Perry Police Department | Lucas County Sheriff's Office |
| Dallas County Sheriff's Office | Lyon County Sheriff's Office |
| Davis County Sheriff's Office | Madison County Sheriff's Office |
| Decatur County Sheriff's Office | Mahaska County E911 Center |
| Manchester Police Department | Pella Police Department |
| Burlington Police Department | Marion County Sheriff's Office |
| Dickinson County Sheriff's Office | Marshalltown Police Department |
| Dubuque County 911 Center | Mills County Communication Center |
| Emmet County Sheriff's Office | Mitchell County Communication Center |
| Fayette County Sheriff's Office | Monona County Sheriff's Office |
| Oelwein Police Department | Monroe County Sheriff's Office |
| Charles City Police Department | Montgomery County Sheriff's Office |
| Hampton Police Department | Muscatine County Sheriff's Office |
| Fremont County Sheriff's Office | Muscatine Police Department |
| Greene County Sheriff's Office | Sheldon Police Department |

Public Safety Answering Points in Iowa Continued

O'Brien County Sheriff's Office
Osceola County Sheriff's Office
Clarinda Police Department
Shenandoah Police Department
Palo Alto Sheriff's Office
Plymouth County Sheriff's Office
Pocahontas County Sheriff's Office
Des Moines Police Department
Polk County Sheriff's Office
Westcom - West Des Moines
Pottawattamie County Law Enforcement 911
Center
Poweshiek County Sheriff's Office
Ringgold County Sheriff's Office
Sac County Sheriff's Office
Scott County Sheriff's Office
Davenport Police Department
Bettendorf Police Department
Shelby County Emergency Management
Agency 911
Sioux County Sheriff's Office
Story County Sheriff's Office
Ames Police Department
Tama County Emergency Management
Agency
Taylor County Sheriff's Office
Union County Sheriff's Office
Van Buren County Sheriff's Office
Ottumwa Police Department
Wapello County Sheriff's Office
Warren County Sheriff's Office
Washington County Sheriff's Office
Wayne County Sheriff's Office
Webster County Law Enforcement Center
Winnebago County Sheriff's Office
Decorah Police Department
Woodbury County Communications
Worth County Sheriff's Office
Wright County Communications
Fairfield Communications Center
Johnston Communications Center (STARC
Armory)
Cedar Falls Communications Center
Cedar Rapids Communications Center

Source: Homeland Security and Emergency Management Division

Completed Phase 2 Public Safety Answering Point Upgrades



There are 56 public safety answering points in 55 counties that are Phase 2 ready as of August 31, 2004.