

# Budget Unit Brief

## FY 2017



## E911 Wireless Surcharge Administration

### Purpose and History

The E911 Program was created under the Homeland Security and Emergency Management Division, now its own Department, (HSEMD) during the 1988 Legislative Session. The law required each county to establish a joint E911 service board maintained by the county board of supervisors. Each board was responsible for developing a countywide E911 plan, detailing the manner and cost for the implementation of an E911 system. The HSEMD reviewed and approved the E911 service plans for all 99 counties. Service plans included a description of the service area, a list of all public and private safety agencies (such as a private ambulance service) within the E911 service area, the number of Public Safety Answering Points (PSAPs) within the service area, and the agency responsible for management and supervision of the E911 communication system. Funding for the service was provided by a surcharge on each telephone access line within the E911 service area. Telephone service providers remit the surcharge to the respective joint E911 service board on a calendar quarterly basis.

As wireless technology and the use of cell phones expanded, the wireless line surcharge began on January 1, 1999. During the 2013 Legislative Session, [HF 644](#) (E911 Surcharge Equalization Act) was enacted that imposed a \$1.00 surcharge on both wireless and wireline E911 programs. The Act also did the following:

- Eliminated the existing voter referendum requirement regarding the imposition of the local wireline E911 service surcharge and the alternative surcharge applicable to wireline communications.
- Reinstated the wireless carrier cost recovery for Phase 1 services.
- Required the E911 Program Manager, in consultation with the E911 Communications Council, to establish methodology for the collection of data on all costs and expenses related to the operation of a PSAP. Data collection began January 1, 2014, with a [report submitted](#) to the General Assembly in December 2015, and additional reports due every two years thereafter. The Auditor of State also performed an initial audit of the data collection beginning July 1, 2014, which was released March 1, 2016.
- Required the Homeland Security and Emergency Management Division to conduct a study to identify E911 operation and expense efficiencies.

### Surcharge Uses

Money from the surcharge is to be used for recurring and nonrecurring costs of the system. Nonrecurring costs include but are not limited to network equipment for the PSAPs, software, database, addressing, training, and other capital expenditures, including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider. Recurring costs include but are not limited to network access fees and other telephone charges, software, equipment, database management, and maintenance, including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider. Recurring costs cannot be used for personnel. Personnel costs are paid from county or city funds, depending on the PSAP. If money remains in the Fund after fully paying all obligations, the remainder may be accumulated in the Fund as a carryover operating surplus. The surplus will be used to fund future Phase 2 network and PSAP improvements and wireless carriers' transport costs related to wireless E911 services, if those costs are not otherwise recovered by wireless carriers through customer billing or other sources and approved by the program manager. (Iowa Code sections [34A.7A\(2\)\(f\)\(3\)](#) and [34A.7A\(2\)\(f\)\(3\)\(g\)](#))

### Wireless E911 Next Generation and Texting

The Iowa HSEMD has upgraded the wireless E911 system to support the use of the NG911 emergency services Internet Protocol (IP)-based system (ESInet). The NG911 ESInet is provided by the Iowa Communications Network (ICN). The upgrade will put Iowa in a position to accept text, video, and picture messaging as it is made available from wireless carriers to access emergency care via 911. The carryover fund will also be used for the NG911 network for costs associated with the hardware and software for ongoing maintenance and enhancements to the network.

### More Information

HSEMD – E911: [http://homelandsecurity.iowa.gov/programs/e\\_911.html](http://homelandsecurity.iowa.gov/programs/e_911.html)

Iowa General Assembly: <https://www.legis.iowa.gov/>

LSA Staff Contact: Alice Fulk Wisner (515-281-6764) [alice.wisner@legis.iowa.gov](mailto:alice.wisner@legis.iowa.gov)

## E911 Surcharge Administration

Telecommunications Systems Inc. (TCS) has a five-year contract with the HSEMD and provides the NG911 solution in the processing of the calls, and provides 24-hour tech support for the network and state-owned equipment at the PSAP and data centers, along with 24-hour services to the 113 PSAPs.

### 2016 Legislative Changes

[House File 2439](#) (E911 Surcharge Fund Act) establishes a priority of funding, increases the amount of moneys allocated for funding to the PSAPS, and limits the carryover amount to \$3.5 million annually beginning in FY 2019. The Act also requires the HSMED to conduct a study by January 15, 2017, to determine the most efficient method to consolidate the PSAPs.

The priority order for distributing funds from the E911 Emergency Communications upon enactment of [HF 2439](#) will be:

1. An amount appropriated by the General Assembly to implement, support, and maintain the functions of the director and program manager and employ the State Auditor to perform an annual audit of the E911 fund. This amount has previously been set at \$250,000 per fiscal year.
2. Sixty percent allocated to the individual PSAPs based on a formula. This formula allocates 65.0% in proportion to the square miles of the PSAP service area to the total square miles in the state, and 35.0% allocated in proportion to the wireless E911 calls received at the PSAP to the total calls received statewide. This amount is estimated to be \$16.8 million beginning in FY 2017. No PSAP will receive less than \$1,000 per quarter.
3. Ten percent of the total amount of surcharge revenue is available to the wireless carriers to recover their costs to deliver E911 Phase I services.
4. Reimbursement of communications service providers on a quarterly basis for their eligible transport costs.
5. Wire-line carriers and third-party E911 automatic location information costs.
6. Grants to any PSAP agreeing to consolidate. Grants will not exceed one-half of the projected cost of consolidation, or \$200,000, whichever is less.
7. An amount not to exceed \$100,000 for development of public awareness and educational programs for personnel responsible for the maintenance, operation, and upgrading of local E911 systems.
8. Any remaining funds will be distributed equally to the PSAPs to fund future network improvements and the receipt and disposition of 911 calls, for costs related to accessing the state's interoperable communications system; and costs related to the receipt and disposition of E911 calls, and wireless carriers' transport costs related to wireless E911 services, if those costs are not otherwise recovered.

Items 6, 7, and 8 listed above will be limited to a total expenditure of \$4.4 million for FY 2017.

### Related Statutes and Administrative Rules

Iowa Code chapter [34A](#)

[605](#) Iowa Administrative Code chapter [10](#)

Revised August 19, 2016