

---

## FISCAL TOPICS

Fiscal Services Division

September 7, 2022



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Public Safety Answering Point Funding

## Background

The Iowa 911 system consists of 112 public safety answering points (PSAPs) across all 99 counties that are administered by local Joint 911 Service Boards or the Department of Public Safety (DPS). A PSAP is a 24-hour communications facility that receives 911 emergency calls and directly dispatches emergency response services. Local PSAPs answer and dispatch resources for approximately 98.0% of 911 calls, while three PSAPs under the DPS handle the rest. The wireline 911 system was first launched in 1988, with the wireless 911 system launching in 1998. The entire Iowa 911 system is currently undergoing a significant upgrade into a Next Generation 911 (NG911) network.

## Wireline Surcharge

Pursuant to Iowa Code section [34A.7](#), the wireline surcharge is a \$1 surcharge included on the monthly phone bill of each wireline phone subscriber. The wireline surcharge is collected by telecommunications providers and deposited quarterly into the 911 Service Fund of the service area where the wireline phone subscriber is registered.

Local Joint 911 Service Boards may raise additional funds for PSAPs from other sources to supplement the wireline surcharge. Telecommunications providers may retain 1.0% of the surcharge collected as compensation for the billing and collection of the surcharge.

Pursuant to [605 IAC 10.10](#), the following entities are exempt from the surcharge:

- Federal agencies.
- Native American tribes, for access lines on the tribe's reservation.
- Enrolled members of a Native American tribe who do not receive 911 service, for access lines on the reservation.
- Telecommunications providers, for official station testing lines.
- Individual wireline subscribers who own more than 100 lines in a 911 service area, to the extent that they are not required to pay the surcharge on more than 100 lines.

## 911 Service Fund

Each Joint 911 Service Board manages a 911 Service Fund, which receives deposits from the wireline surcharge. The Fund may be used for recurring and nonrecurring costs that are directly attributable to the receipt and disposition of 911 calls. Pursuant to Iowa Code section [34A.2\(5\)\(d\)\(2\)](#), the Fund may not be used for the costs of other emergency services or expenditures on buildings or certain personnel. Moneys remaining in the Fund at the conclusion of each fiscal year are accumulated as a carryover operating surplus.

The Fund may be used for the following expenditures in priority order:

- The repayment of bonds issued by the Joint 911 Service Board.
- Actual recurring costs.

---

## More Information

Department of Homeland Security and Emergency Management: [homelandsecurity.iowa.gov](http://homelandsecurity.iowa.gov)

LSA Staff Contact: Evan Johnson (515.281.6301) [evan.johnson@legis.iowa.gov](mailto:evan.johnson@legis.iowa.gov)

- Nonrecurring costs.

### **Prepaid Wireless 911 Surcharge**

The prepaid wireless 911 surcharge is a \$0.51 surcharge on each purchase of prepaid wireless telecommunications services. The surcharge is collected by telecommunications providers and deposited into the 911 Emergency Communications Fund. A telecommunications provider may elect to not apply the surcharge for prepaid wireless transactions of \$5 or less, or 10 minutes or less.

A telecommunications provider may retain 3.0% of the prepaid wireless 911 surcharge to cover costs related to the billing and collection of the surcharge. The Department of Revenue may also deduct 2.0% of prepaid wireless 911 surcharge deposits into the Fund as reimbursement for the direct costs of administering the collection and remittance of the surcharge.

### **Emergency Communications Surcharge**

Pursuant to Iowa Code section [34A.7A](#), the emergency communications surcharge is a \$1 surcharge included on the monthly phone bill of each wireless phone subscriber. The surcharge is collected by telecommunications providers and deposited quarterly into the 911 Emergency Communications Fund. The surcharge is not imposed on wireline or prepaid wireless telecommunications services. As compensation for the costs of billing and collection, telecommunications providers may retain 1.0% of the surcharge collected.

### **911 Emergency Communications Fund**

The 911 Program Manager of the Department of Homeland Security and Emergency Management (HSEMD) manages the 911 Emergency Communications Fund, which receives deposits from the emergency communications surcharge. The Fund may also receive federal grants from the National 911 Office. Obligated moneys in the Fund at the end of each fiscal year carry forward and do not revert to the General Fund. Pursuant to Iowa Code section 34A.7A, expenditures from the Fund are made in the following priority order:

- An annual appropriation by the General Assembly from the Fund for implementation, support, and maintenance of the functions of the Director and Program Manager and to employ the Auditor of State to perform an annual audit of the Fund.
- Sixty percent of the Fund allocated to PSAPs, with 65.0% of the allocation being based on the square mileage of each PSAP's service area and 35.0% of the allocation being based on the number of wireless calls taken by each PSAP. Each PSAP receives a minimum of \$1,000 per quarter from the allocation.
- Ten percent of the Fund allocated to wireless carriers to cover costs for the delivery of Enhanced 911 (E911) Phase 1 services, which includes caller identification and location. If the allocation is greater than the costs to wireless carriers, the surplus funds remain in the Fund. This allocation is discontinued at the conclusion of FY 2026.
- The maintenance and upgrading of the 911 network. This includes funding for 911 network service providers, call processing equipment providers, call transport providers, automatic location identification (ALI) database providers, and geographic information system (GIS) grants.
- Allocations to the Catastrophic Reserve Fund. The Catastrophic Reserve Fund may contain up to 12.5% of the total 911 surcharge received each year and may only be used to replace or repair a PSAP's equipment in the event of catastrophic equipment failure. Unobligated moneys in the Catastrophic Reserve Fund may carry forward to future fiscal years.
- The development of public awareness and educational programs. Up to \$100,000 per fiscal year may be used for programs related to 911 education for the public; education for personnel responsible for the maintenance, operation, and upgrading of local 911 systems; and the expenses of members of the 911 Communications Council for travel, monthly meetings, and training.
- Grant remaining unobligated moneys to each PSAP equally for costs related to the receipt and disposition of 911 calls.