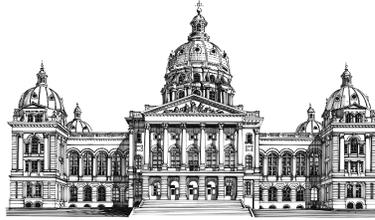


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# Iowa Legislative Services Agency Fiscal Services

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



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Des Moines, IA 50319  
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## Enhanced 911 Program

### ISSUE

This **Issue Review** provides information on the status of the 2004 legislative changes related to the Enhanced 911 (E911) emergency phone system, and examines issues regarding the system.

### AFFECTED AGENCIES

Homeland Security and Emergency Management Division  
State and local Public Safety Answering Points (PSAPS)

### CODE AUTHORITY

Chapter 34A, Code of Iowa  
605, Iowa Administrative Code, Chapter 10  
501, Iowa Administrative Code, Chapter 13

### BACKGROUND

Senate File 2298 (FY 2005 Omnibus Appropriations Act) addressed the State's Enhanced 911 System to facilitate Phase 2 implementation pursuant to federal requirements and to enable E911 dispatchers to locate cell phone callers by using the latitude and longitude coordinates of cell phones. This capability requires updates and modifications to equipment. In addition, the legislation addressed the increasing debt carryforward from wireless carrier billings. At the time the legislation was enacted, Iowa had 125 PSAPS and 56 (44.8%) were Phase 2 compliant.

In order to implement Phase 2 capabilities Statewide, SF 2298 amended Chapter 34A, Code of Iowa, by increasing the E911 wireless monthly surcharge from \$0.50 to \$0.65 per wireless phone subscriber. The Act also established a priority order for the distribution of these revenues as follows:

- Funds salaries for 2.0 FTE positions (E911 Program Manager and a Program Administrator) and employs the State Auditor to perform an annual audit of the Fund 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) at a minimum of \$1,000 per quarter for each of the 125 PSAPS. Prior to the debt retirement, up to \$159,000 per quarter will be allocated to the PSAPS. After the debt is paid, 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 PSAPS 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 by January 15 of each year. A calendar quarter report of revenues and expenditures must be provided by the E911 Program Manager to the Legislative Services Agency, Fiscal Services Division, to be reviewed by the Committee. The Act also requires the Committee to review the priority order of the distribution of funds every two years. Pursuant to the legislation, the next review is July 2006.

## **CURRENT SITUATION**

### **Debt Repayment**

During the second calendar quarter of 2005 (April through June), the Division received \$3.0 million from the E911 wireless surcharge. The priority order of the distribution of funds is based on paying off the \$3.0 million debt accrued from Phase 1 obligations incurred prior to July 1, 2004. Currently, the remaining debt balance is \$762,000, and it is assumed that the debt will be paid off during the fourth calendar quarter of 2005 (October through December). When the debt is paid, the priority order of the distribution of funds will be adjusted to distribute 24.0% of the revenue to the PSAPS according to the statutory formula provided in SF 2298.

### **Phase 2 Implementation Status**

At present, there are 70 PSAPS that are Phase 2 compliant, 27 have deployed the mapping software and are in the final phases of Phase 2 installation by the carriers, nine have requested Phase 2 and are receiving the mapping software, and 19 do not have Phase 2 mapping capabilities at this time. The Division is researching a way to get the mapping software out to these 19, leaving the final phases of Phase 2 installation up to the carriers. There is currently \$360,000 in carryover funds available for this project.

## **TRAINING**

Once the debt is retired and the formula takes effect, the PSAPS will have additional funds to update and maintain equipment. Funds for training were discussed by the General Assembly during the 2004 Session but not funded in the legislation.

Currently, dispatcher training is funded by a combination of local property taxes and wireline/wireless surcharge funds. Telecommunicator positions are a 24-hour a day, seven days a week job class. Due to financial constraints over the past four years, training budgets have decreased and training expenses are being evaluated against overtime expenses. Costs of training staff include lodging, meals, and travel expenses, training availability, and training fees.

At the request of the Government Oversight Committee, the Legislative Services Agency sent out a survey in August 2005 to receive Joint E911 Service Board Managers' opinions regarding the possibility of funds being set aside for training. Thirty-six PSAPS (28.8%) responded to the survey. Seventy-two percent of the respondents stated regional training would help reduce travel expenses and overtime expenses. Eight of the 36 counties did not respond to the final question on the survey (More money may be allocated to the Iowa Law Enforcement Academy (ILEA) to provide additional training, what are your thoughts on this?). Of the 28 PSAPS that responded to the final question, 57.1% said they would prefer regional training and to have additional funds appropriated to the PSAPS rather than ILEA. The majority report being short on staff and funds, making it difficult to send dispatchers to training while maintaining normal operations. The majority of the responses to the comment portion of the survey stated the primary concern was cost savings and that the money would be better used being allocated to the PSAPS to offset overtime expenses and help pay for travel expenses.

### **BUDGET IMPACT**

Once the debt is retired, the statutory formula will increase the distribution of funds to the PSAPS from \$159,000 per quarter to 24.0% of the surcharge generated which is approximately \$720,000 per quarter, with a minimum of \$1,000 per PSAP. In addition to offsetting some equipment expenses, these funds may be used to provide training to dispatchers.

There are approximately 1.4 million cell phone users in Iowa. As that number increases, revenues generated from the wireless surcharge will also increase. The remaining debt after the third calendar quarter payment is estimated to be approximately \$262,000. The E911 Program Manager plans to pay off the debt in the fourth calendar quarter and pro-rate the remaining \$238,000 in combination with the current \$159,000 allocation to the PSAPS.

The following chart illustrates E911 Program actual expenditures and revenues, as well as the progress made towards retiring the debt through FY 2005.

### FY 2005 E911 Revenue and Expenditure Report

	<b>Calendar Quarter 3 2004</b>	<b>Calendar Quarter 4 2004</b>	<b>Calendar Quarter 1 2005</b>	<b>Calendar Quarter 2 2005</b>
	Jul. - Sept.	Oct. - Dec.	Jan. - Mar.	Apr. - June
<b><u>Revenues</u></b>				
Total Funds Available	<u>\$ 2,747,133</u>	<u>\$2,712,784</u>	<u>\$2,934,920</u>	<u>\$2,972,365</u>
<b><u>Expenditures</u></b>				
E911 Program Expenses	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Wireless Reimbursement	566,398	559,185	604,495	574,446
Wireline Reimbursement	271,767	266,007	295,094	279,180
Automated Location Information Reimbursement	1,090,472	1,096,178	1,158,657	1,130,529
Debt Retirement	500,000	500,000	500,000	500,000
Public Safety Answering Points (PSAPS)	159,000	159,000	159,000	159,000
Non-reversionary Fund	109,496	82,414	167,674	279,210
Total Reimbursement	<u>\$ 2,747,133</u>	<u>\$2,712,784</u>	<u>\$2,934,920</u>	<u>\$2,972,365</u>
<b><u>Debt Reduction</u></b>				
Previous Debt Balance	\$ 2,792,792	\$2,292,792	\$ 1,792,792	\$ 1,261,957
Amount Paid Toward Debt	500,000	500,000	500,000	500,000
New Debt Balance	<u>\$ 2,292,792</u>	<u>\$ 1,792,792</u>	<u>\$ 1,261,957</u>	<u>\$ 761,957</u>

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Enhanced 911 Program

<http://www.staffweb.legis.state.ia.us/lfb/irview/irview.htm>

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