



To: Government Oversight Committee

From: Jennifer Acton

Date: May 7, 2013

Re: E911 Wireless Surcharge First Calendar Quarter Report
(January – March 2013)

The Legislative Services Agency has received the first calendar quarter report for 2013 from the Homeland Security and Emergency Management Division as required in [Iowa Code section 34A.7A\(3\)\(b\)](#).

The Division received \$4.3 million in revenue from the E911 wireless surcharge (\$0.65 per phone, per month). This is a decrease of \$123,600 compared to the previous quarter. The Fund earned \$8,000 in interest. [Iowa Code chapter 34A.7A](#) specifies the priority order for the collected surcharge funds to be expended. The total expended this quarter was \$2.6 million.

Listed below, by priority order, are the amounts expended:

- \$62,500 for administration. This includes 2.0 FTE positions, an annual audit, and program operating costs. Intent language in [HF 2335](#) (FY 2013 Justice System Appropriations Act) specifies that up to \$250,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$245,000 for wire-line transport costs for local carriers and actual network costs incurred by the ICN. This is a decrease of \$45,000 compared to the previous quarter. This amount is a reimbursement to telephone companies for the actual costs of transporting the wireless E911 call from the selective router to the Public Safety Answering Points (PSAPs). The decrease in costs was due to the ICN now providing these services to the E911 Program. Some of the previous costs are now being offset by the Broadband Technologies Opportunity Program (BTOP) Grant.
- \$375,000 for automated location information (ALI) costs, data center facilities and backup IP connectivity, and maintenance agreements for hardware and software. This is a decrease of \$1.1 million compared to the previous quarter. This amount is a reimbursement to TCS to provide Automatic Location Information (ALI) database services and selective routing. This contract was renegotiated and the new vendor is TCS (Telecommunications System from Seattle, WA). The contract is for five years with five additional one-year extensions for a total of 10 years.
- \$1.9 million for the PSAPs. This is a decrease of \$57,600 compared to the previous quarter. The decrease is due to less revenue received than during the previous calendar quarter.

There are currently 117 PSAPs providing 56,072 square miles of coverage. The square miles increased by 76 miles because an error was discovered in the mileage being reported in Greene County. In this quarter, the PSAPs received 167,025 wireless calls, a decrease of 51,900 calls compared to the previous quarter. The decrease is assumed to be due to the reporting differences between the two companies. The funding the PSAPs receive is 46.0% of the surcharge generated and is distributed to the PSAPs based on the following formula: 65.0% based on the square mileage of the local 911 service area and 35.0% based on the volume of wireless E911 calls received by the PSAPs.

- The total carryover available from this calendar quarter is \$1.7 million. The total carryover available in the Wireless Surcharge Carryover Fund is \$7.0 million. Of the total available in the Fund, \$3.5 million is obligated for network capacity increases. The increase in the total carryover funds available is due to the change in vendor contracts.