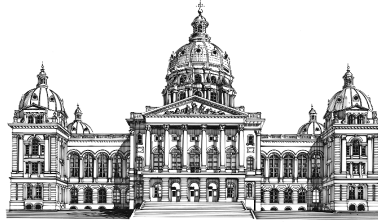

Iowa Legislative Services Agency Fiscal Services

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State Capitol
Des Moines, IA 50319
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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

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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.