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LEGISLATIVE SERVICES AGENCY

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To: Government Oversight Committee

From: Jennifer Acton

Re: Sixty-Five Cent E911 Wireless Surcharge Second Calendar Quarter Report (April through June 2007)

The Legislative Services Agency has received the second calendar quarter report for 2007 from the Office of Homeland Security and Emergency Management Division as required in Section 34A.7A(3)(b), Code of Iowa.

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The Division received \$3.7 million in revenue from the \$0.65 E911 wireless surcharge. This is an increase of \$87,000 compared to the previous quarter. The Wireless Carryover Fund earned \$31,000 in interest. Chapter 34A.7A, Code of Iowa, specifies the priority order in which the collected surcharge funds are to be expended. The total expended this quarter was \$3.0 million. Listed below, by priority order, are the amounts expended:

- \$50,000 per quarter for administration which includes 2.5 FTE positions, an annual audit, and program operating costs.

Intent language in HF 2558 (FY 2007 Justice System Appropriations Act) specifies that up to \$200,000 of the wireless surcharge money may be used for these expenses each fiscal year.

- \$714,000 for wireless service provider cost recovery. This is an increase of \$16,000 compared to the previous quarter. The \$714,000 is the actual amount billed and the remaining \$55,000 of the required 21.0% of the revenue generated is included in the carryover balance.

This money is allocated to the wireless carriers to recover costs associated with providing wireless E911 Phase 1 (tower address, call back number) service.

- \$259,000 for wire-line transport costs for local carriers. This is an increase of \$11,000 compared to the previous quarter.

This amount is a reimbursement to telephone companies for their actual costs of transporting the wireless E911 call from the selective router to the Public Safety Answering Point (PSAP).

- \$1.2 million for automated location information costs for local carriers. This is an increase of \$45,000 compared to the previous quarter.

This amount is a reimbursement to companies that provide Automatic Location Information (ALI) database services and selective routing.

- \$880,000 for the Public Safety Answering Points System (PSAPS). This is an increase of \$19,000 compared to the previous quarter.

There are currently 122 PSAPS which provide 55,996 square miles of coverage. This past quarter, the PSAPS received 185,681 wireless calls, an increase of 7,822 compared to the previous calendar quarter. The PSAPS receive 24.0% of the surcharge generated, which is distributed based on the following formula: 65.0% of the total based on the square mileage of the local 911 service area and 35.0% of the total based on the volume of the wireless E911 calls that the PSAPS receive. The number of PSAPS decreased from 124 last calendar quarter to 122 this calendar quarter due to the merging of the Guttenberg PSAP with the Clayton County PSAP and the Muscatine PSAP with the Muscatine County PSAP.

- \$625,000 in new carryover for future Phase 2 network and PSAP upgrades and improvements.

The total carryover funds available is \$2.6 million, of which, \$816,000 is obligated for Phase 2 expenditures. Of the \$816,000, \$525,000 is encumbered for interstate connections to Illinois and Wisconsin through Qwest, \$200,000 is encumbered for a project with Qwest and the PSAPS to identify which PSAPS need to increase inbound trunk capacity to address increasing volumes of wireless 911 calls, and \$91,000 is encumbered for network upgrade project approvals at the PSAPS. This calendar quarter Boone, Jasper, and Jefferson counties have received approval for funds. In addition, \$135,000 was expended for Phase 2 upgrades of the six Public Safety Answering Points for the Department of Public Safety which completes the Phase 2 project in Iowa and \$488,000 was expended to meet the requirements of SF 575 (FY 2008 Justice System Appropriations Act), which requires the E911 Program Manager to allocate \$4,000 to each PSAP for Phase 2 projects and requires a report from each PSAP on how the money will be expended. The remaining unencumbered amount in the Carryover Fund is \$1.1 million. There are approximately 10 network upgrade project approval application forms pending for this next calendar quarter.