



To: Government Oversight Committee

From: Alice Fulk Wisner

Date: June 11, 2015

Re: E911 Wireless Surcharge Fourth Calendar Quarter Report (January-March 2015)

The Legislative Services Agency has received the first calendar quarter report for 2015 from the Department of Homeland Security and Emergency Management as required in [Iowa Code section 34A.7A\(3\)\(b\)](#).

The Department received \$7.0 million in revenue from the E911 wireless surcharge. House File 644 (E911 Surcharge Equalization Act) imposed a \$1.00 surcharge on both wireless and wireline E911 programs. Of this amount, \$513,000 was received through prepaid wireless card revenue, an increase of \$16,700 (3.3%) compared to the previous calendar quarter. A total of \$21,800 of interest was earned during this quarter.

[Iowa Code chapter 34A.7A](#) specifies the priority order for expenditure of the surcharge funds collected. The total expended this quarter was \$3.9 million, a decrease of \$34,000 compared to the previous calendar quarter.

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 2450](#) (FY 2015 Justice System Appropriations Act) specifies that up to \$250,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$139,800 for wireless service provider cost recovery, an increase of \$1,300 compared to the previous calendar quarter. This reimbursement is 13.0% of the total amount received and is allocated to wireless carriers to recover costs associated with providing wireless E911 Phase 1 (tower address, call back number) service. The difference between the actual amount expended (\$139,800) and the allocation (\$903,900) is \$764,100. The difference is included in the carryover balance.
- \$577,400 for wireline transport costs and automated location information costs, a decrease of \$11,300 compared to the previous calendar quarter.
 - \$167,000 for costs incurred by the Iowa Communications Network (ICN) for transporting the call from the selective router to the Public Safety Answering Points (PSAPs). This is a decrease of \$4,800 compared to the previous quarter.
 - \$409,700 for contracted costs through Telecommunication Systems Inc. (TCS) for automated location information (ALI) costs, data center facilities and backup Internet Protocol (IP) connectivity, and maintenance agreements for hardware and software. This is a decrease of \$7,200 compared to the previous calendar quarter.

- \$3.2 million for the PSAPs. This is an increase of \$23,900 compared to the previous calendar quarter. There are currently 115 PSAPs providing 56,276 square miles of coverage. In this quarter, the PSAPs received 183,338 wireless calls, a decrease of 13,256 calls compared to the previous quarter.

The funding received by the PSAPs is equal to 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 funds available from the first quarter is \$3.0 million. The total carryover available in the Wireless Surcharge Carryover Fund is \$24.7 million, an increase of \$3.0 million compared to the previous calendar quarter. Of the total available in the Fund, \$13.4 million is obligated for the following:
 - \$3.0 million for network capacity increases. Network capacity needs to be increased for a particular PSAP whenever there is a continued long term increase in E911 calls which cause calls to roll over to be answered at other PSAPs or administrative lines.
 - \$4.2 million for continued PSAP projects. The PSAPs have been encouraged to upgrade their Internet Protocol (IP)-enabled equipment by December 2015 to support the use of the NG911 emergency services IP-based system. The upgrade will allow texting, video, and picture messaging as it becomes available from the carriers, to access emergency care via E911. The PSAPs may apply for up to \$100,000 in carryover funds with no local match requirement. \$11.5 million is projected to be spent on carryover PSAP projects.
 - \$4.3 million for the NG911 GIS Project. The money is to be used to upgrade the system to provide the PSAP with the address of the caller. A total of \$10.0 mil is projected to be expended for this project over 5 years.
 - \$1.9 million for a data center move from Newton to Davenport. Currently, there are two data centers; one in West Des Moines and the other in Newton. The minimum distance required between centers is 45 miles. This move is expected to be completed by August 2015.