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Joint Committee on Finance

Paper #552

Next Generation 911 (Military Affairs)

[LFB 2023-25 Budget Summary: Page 416, #4 and Page 416, #5]

CURRENT LAW

Under current law, the Department of Military Affairs (DMA) is required to contract for the creation, operation, and maintenance of an emergency services IP network (ESInet) that to the greatest extent feasible relies on industry standards and existing infrastructure to provide all public safety answering points (PSAPs) with the network necessary to implement Next Generation 911 (NG911). The Department's base budget for NG911 is \$18,908,600 SEG annually. Base funding supports: (a) supplies and services, \$11,408,600 (ESInet charges and NG911 implementation); (b) PSAP grants, \$6,000,000; and (c) grants for geographic information systems, \$1,500,000. Funding for NG911 is provided from the police and fire protection (PFP) fund.

DISCUSSION POINTS

1. Under current law, 911 is established as the statewide emergency services telephone number. Basic 911 service was first established in the 1960s as a voice-only service, meaning that the caller had to provide location and callback information verbally in order to receive assistance. The system was last updated in the 1990s to "Wireless Enhanced 911," which provides a mobile caller's number and approximate location. The system consists of separate networks maintained by telephone service providers through contractual relationships with local governments.

2. In general, 911 services are funded and administered on the local level. The state has approximately 121 PSAPs, locally-administered call centers that answer and process 911 calls. As of 2019 (the most recently available data), Wisconsin PSAPs employed 2,115 public safety personnel, served 2,288 first responder agencies, and handled approximately three million 911 calls each year. The current 911 system is primarily supported through three fees: (a) a landline fee assessed per county based on the number of access lines and population, collected by carriers and applied to the

cost of providing 911; (b) a portion of the monthly fee of \$0.75 on each assigned telephone number, deposited to the PFP fund; and (c) a portion of the \$0.38 fee per transaction on all prepaid wireless services, deposited to the PFP fund. The Public Service Commission (PSC) administers these fees.

3. The police and fire protection fund supports state programs and provides direct financial assistance to local governments through the shared revenue program. The shared revenue program is also funded by a capped, sum-sufficient general purpose revenue (GPR) appropriation, such that any PFP funds allocated for state programs are offset by an equal increase in GPR. In 2021-22, \$54.9 million was distributed from the PFP fund to local governments through the shared revenue program; an estimated \$34.4 million SEG is appropriated for this same purpose in 2022-23. Local entities have discretion in allocating shared revenues, and a portion may be used to offset the cost of providing 911 services.

4. Note that AB 43/SB 70 would fund existing and additional county and municipal aid and other shared revenue programs with 20% of state sales and use tax revenue. Recent legislative discussions have indicated an intent to fund county and municipal aid and other shared revenue programs from a similar 20% of state sales and use tax revenues. If such proposals were to be enacted, PFP funds currently used for county and municipal aid would be available to fund any increased costs of NG911.

5. Under current law, the landline fee allows service suppliers (telecommunications utilities which provide exchange telephone services within a county) to charge customers and keep the funds as reimbursement for services to county 911 entities. Nonrecurring costs incurred by service suppliers include services related to providing the trunking and central office equipment used only to operate a basic or sophisticated system established in that county and the database used only to operate that sophisticated system. Additionally, service suppliers incur recurring charges for services related to the maintenance and operation of a basic or sophisticated system established in that county. The fee is applied to the telephone network expenses related to 911 for each county. Each carrier deposits collected fees into a pooled fund, and takes from the fund the amount of its expenses incurred for providing 911 services.

6. To create an interoperable 911 system that is compatible with current and emerging digital technologies, emergency response agencies nationwide are upgrading to the NG911 system.

7. According to DMA, a statewide NG911 system will: (a) provide equal access for all callers, including the deaf and hard-of-hearing; (b) resolve current infrastructure limitations among PSAPs by creating a shared statewide network; (c) improve resiliency and reduce system downtime; (d) provide an increase in situational awareness through data sharing with first responders; (e) deliver increased location accuracy for all calls; (f) facilitate mutual aid collaborations between PSAPs; (g) provide the ability to re-route 911 calls during crises, periods of high call volume, and service outages; (h) support a variety of consumer devices as technology evolves; (i) enhance financial efficiencies; and (j) support the ability to change or add connections during emergencies. In addition to 911 voice capabilities, NG911 will enable the public to transmit text, images, video, and data to 911.

8. The ability of 911 callers to communicate silently through text message could increase the caller's safety; for example, during a home invasion, a caller could request a police response

without alerting the intruder to their presence. Next Generation 911 can also facilitate continuity of operations in the event of a natural disaster by allowing affected PSAPs to re-route calls to other answering centers. For example, in 2011 during Hurricane Irene, Vermont's second largest PSAP had to evacuate. Because Vermont had implemented NG911 prior to the hurricane, callers were able to be re-rerouted to other PSAPs and to receive assistance without delay.

9. The NG911 system consists of three key components: (a) the Emergency Services Internet Protocol Network (ESInet), a statewide internet-based network shared by all participating public safety agencies; (b) PSAP equipment, which facilitate the transmission of information between callers and emergency responders; and (c) geographical information system (GIS) data, which route calls and messages to the correct PSAP. Once NG911 is implemented, the system's network will be operated on the state-level, while local units of government will retain fiscal and administrative responsibility for PSAP operations. Local entities may also need to upgrade answering equipment to ensure that 911 calls can be processed under the new system.

10. Much of the decision-making related to public safety has been delegated to the local level in Wisconsin. According to DMA, the NG911 program will be administered on a state-guided, local control basis. For example, while the statewide ESInet will create the capacity to connect PSAPs, participation in the network is voluntary. Further, while consolidating PSAPs could increase efficiencies by requiring fewer call centers to purchase new equipment, current law does not allow the state to require consolidation.

11. In the 2021-23 biennium, 2021 Act 58 provided \$25,288,200 SEG for NG911 as follows: (a) \$7,379,600 in 2021-22 and \$9,708,600 in 2022-23 for the ESInet; (b) \$6,000,000 in 2022-23 for PSAP grants; (c) and \$500,000 in 2021-22 and \$1,700,000 in 2022-23 for GIS database management. Further, \$1,500,000 SEG was placed in the Joint Finance Committee's supplemental appropriation for GIS grants. On May 31, 2022, the Joint Committee on Finance released funding for GIS grants and created 2.0 SEG positions, including a GIS specialist and a GIS grants specialist; however, the Committee specified that these positions must be funded using the Department's base budget in the 2023-25 biennium. In addition to the 2.0 SEG positions created for NG911, a previously existing 1.0 PR position functions as the NG911 program manager. This position is funded from justice information systems fee receipts. Receipts are generated from a \$21.50 fee assessed for certain court proceedings, such as civil, small claims, forfeiture, and wage earner or garnishment actions.

12. Recurring ESInet costs are paid by DMA on behalf of PSAPs through the NG911 appropriation. The state has supported the development of NG911 with allocations from the PFP fund. Through 2021-22, DMA has expended \$1,839,700 SEG from the PFP fund on NG911 (\$280,200 in 2018-19, \$273,300 in 2019-20, \$537,400 in 2020-21, and \$748,800 in 2021-22). In 2021-22, DMA also encumbered \$5,556,700 SEG for NG911.

Public Safety Answering Point Grants

13. The first step to implement NG911 was to create the ESInet, an internet-based network that will connect PSAPs across the state. The ESInet will provide for broadband speed transmissions and facilitate the delivery of messages and data that public safety agencies use for field operations. The Department solicited bids for the ESInet through a request for proposal (RFP) in March, 2020. The ESInet contract was executed with AT&T in June, 2021. The contract term is five years. In 2026,

there will be an option to extend the contract for another five years. The contract will expire in June, 2031. Since the signing of the ESInet contract, DMA has been negotiating participation agreements with PSAPs joining the network. Additionally, several outreach sessions were conducted to inform PSAPs about the state ESInet. As of May, 2023, 86 PSAPs in 62 counties have signed participation agreements. Attachment 1 shows the NG911 status of counties and municipalities. The Department indicates that five PSAPs have not joined the state ESInet contract because they have existing ESInet contracts. The first PSAP went live on the state ESInet in April, 2023, in Saint Croix County.

14. In general, local governments are responsible for purchasing 911 call answering equipment. To receive and process calls through the NG911 system, PSAPs must have call answering equipment compatible with NG911 technology. According to the 2019 Statewide 911 System Assessment (the latest information available), 49 out of 98 of responding PSAPs already owned compatible equipment. Of the remaining 49 PSAPs that indicated they were not ready to transition to NG911 with their current equipment, and 29 indicated that they had plans to upgrade or replace the equipment within two years. The remaining 20 PSAPs did not have compatible equipment nor plans to purchase such equipment. The Administration indicates that equipment replacement cycles are generally every five years.

15. State and federal support has been made available to help PSAPs transition to NG911. Under 2019 Act 26, a competitive state grant program was created to help PSAPs transition to the NG911 system. In August, 2019, the Department received a one-time federal award of \$2.9 million to assist PSAPs with equipment upgrades. In June, 2020, DMA awarded 24 federally-funded grants totaling \$2.2 million. A second round of grants, totaling \$487,800, was distributed in February, 2021. Funding remaining after distribution of both rounds of grants was utilized for projects to assess and prepare local NG911 GIS data. However, \$88,000 was returned to the federal government because the grant performance period ended. As of September, 2022 (the latest information available), 35 PSAPs were able to complete either partial upgrades or full replacements of their answering equipment using federal grants. Additionally, in the 2021-23 biennium, \$6,000,000 SEG in 2022-23 was provided for PSAP grants. Applications for the state grants were due in October, 2022. As of March, 2023, funding of \$5,721,100 under the grant program has been obligated to 39 grantees, but not yet expended. Grant projects may extend until June, 2024. Attachment 2 indicates federal grant amounts by recipient agency. Attachment 3 indicates state grant amounts by recipient agency.

16. The Department did not expend all of the federal PSAP grant funding in the first round of grants. Some PSAPs that received a federal award in the first round experienced unplanned costs for the completion of their grant projects. As a result, DMA awarded a second round of federal grants, some of which went to PSAPs that did not receive awards in the first round, while some PSAPs received another award in the second round to complete their projects. Applications were denied for ineligible projects. It should also be noted that some PSAPs received both federal and state PSAP grants. According to DMA, this occurred because the state grant had more allowable expenses than the federal grant, allowing PSAPs to complete different projects with state PSAP grant funding.

17. Under Assembly Bill 43/Senate Bill 70 (AB 43/SB 70), an additional \$6,000,000 SEG annually would be provided for PSAP grants. The Administration indicates that this amount of additional funding for PSAP grants is recommended due to demand for the grants. Additionally,

providing increased resources to DMA for PSAP grants could accelerate the state-wide adoption of NG911. According to the Administration, the average grant amount made will depend on the number of eligible applicants. Under current law, DMA may only provide grants to one PSAP per county per year. As a result, DMA could make a maximum of 72 grants. In 2022-23, the average state award for 39 grantees was approximately \$148,000.

18. Given that PSAP grants provide assistance to PSAPs transitioning to NG911, the Committee could provide: (a) an additional \$6 million SEG annually, for a total of \$12 million annually; (b) an additional \$3 million SEG annually, for a total of \$9 million annually; or (c) an additional \$6 million SEG in 2023-24, for a total of \$12 million SEG in 2023-24 and \$6 million SEG in 2024-25. [Alternative A1a, A1b or A1c] Grants would be funded from the NG911 appropriation and supported by the police and fire protection fund. If additional PSAP grant funding is provided, there would be a decrease in SEG funding and a corresponding increase in GPR funding for shared revenue.

19. If the Committee chooses not to provide additional funding for PSAP grants, there would be a total of \$6 million SEG annually for PSAP grants in the 2023-25 biennium from base resources. [Alternative A2]

Cost Recovery

20. According to the Wisconsin Statewide NG911 Plan, the landline fee, which provides cost recovery for service providers under the Enhanced 911 system, will cease in each county once DMA declares the county operational on the ESInet. However, the landline fee for nonrecurring costs may continue after the declared operational date until the provider is fully compensated for these costs.

21. Under AB 43/SB 70, any ESInet contract made by the Department must require the ESInet provider to reimburse any originating service provider or, if applicable, the 3rd party providers it uses to connect to an ESInet, for all NG911 costs incurred by the originating service provider or 3rd party provider. Originating service providers are telecommunications providers/local phone companies that receive 911 calls and direct them to PSAPs. The bill defines NG911 costs as the costs incurred in the operation of a Next Generation 911 emergency number system by an originating service provider and, if applicable, the 3rd party provider it uses to connect to an emergency services IP network. According to the Administration, the purpose of this provision is to ensure that service providers have a mechanism for cost recovery under NG911. At this time, the costs incurred by originating service providers for NG911 services are unknown. However, examples of items for which costs are incurred may include: new equipment and replacement of this equipment and a new database (and maintenance of the database) that enables the sending of images, GPS location, and other NG911 information.

22. Given that service providers have a cost recovery method under Enhance 911 but not under NG911, the Committee could adopt a new cost recovery method for NG911. However, because DMA already has an ESInet contract in place and requiring changes to an existing contract is considered unconstitutional, the Committee could specify that any DMA ESInet contract entered into, extended, modified, or renewed must require the ESInet provider to reimburse an originating service provider for all NG911 costs incurred by the originating service or 3rd party providers. [Alternative

B1a] Until a new state ESInet contract is entered into, or the existing state ESInet contract is extended, modified, or renewed, service providers would not receive payment from the ESInet provider for NG911 costs.

23. Alternatively, the Committee could require DMA, rather than the ESInet contract provider, to reimburse an originating service or 3rd party providers for all NG911 costs incurred by the originating service provider or 3rd party providers. [Alternative B1b] Requiring DMA to make payments to service providers rather than the ESInet provider could result in more transparency because these payments would go through the state accounting system. It could also enable DMA to better report NG911 costs. For example, it could be easier to assess the total cost of NG911 if DMA made direct payments to originating service or 3rd party providers rather than a non-state entity. Additionally, under AB 43/SB 70, it is possible that DMA would need to reimburse the ESInet provider (AT&T) for the payments it makes to originating or 3rd party providers. In this case, it would be more efficient for DMA to pay the service providers directly. Finally, if DMA made payments to service providers instead of the ESInet contract provider, service providers could receive reimbursement for NG911 costs immediately, rather than being required to wait until a new state ESInet contract is entered into, or the existing state ESInet contract is extended, modified, or renewed.

24. On the other hand, because NG911 costs to originating service or 3rd party are yet unknown, the Committee could require service providers to submit information on costs incurred for NG911 to PSC for a period of one year. The Committee could require PSC to validate the costs and submit a report to the Committee on costs incurred by originating or 3rd party providers for NG911. [Alternative B2] After the costs incurred by service providers for NG911 are better understood, the Legislature could choose at a future date to take further action on requirements for contracts entered into, extended, modified, or renewed.

25. The Committee could take no action with regard to NG911 cost recovery. [Alternative B3] Under this alternative, as under current law, originating service or 3rd party providers would not receive reimbursement for NG911 costs.

ALTERNATIVES

A. PSAP Grants

1. Provide additional PSAP grants from the police and fire protection SEG funds in the amount of:

a. \$6,000,000 million annually;

ALT A1a. Change to Base	
DMA	
SEG	\$12,000,000
Shared Revenue	
GPR	\$12,000,000
SEG	<u>- 12,000,000</u>
Total	\$0

- b. \$3 million annually; or

ALT A1b. Change to Base	
DMA	
SEG	\$6,000,000
Shared Revenue	
GPR	\$6,000,000
SEG	<u>- 6,000,000</u>
Total	\$0

- c. \$6 million in 2023-24.

ALT A1c. Change to Base	
DMA	
SEG	\$6,000,000
Shared Revenue	
GPR	\$6,000,000
SEG	<u>- 6,000,000</u>
Total	\$0

2. Take no action with regard to the PSAP state grant program.

B. Next Generation 911 Cost Recovery

1. Regarding NG911 cost recovery, require either a. or b. below. [Either of these alternatives may be selected with Alternative B2.]

a. Any ESInet contract entered into, extended, modified, or renewed with DMA include a requirement for the ESInet provider to reimburse originating service or 3rd party providers for all NG911 costs incurred by the originating service or 3rd party providers.

b. Require DMA to reimburse originating service or 3rd party providers for all NG911 costs incurred by the originating service provider or 3rd party providers.

2. Require originating service or 3rd party providers to submit costs incurred for NG911 to PSC for one year. Require PSC to validate these costs and submit a report to the Committee on costs incurred by originating or 3rd party providers for NG911.

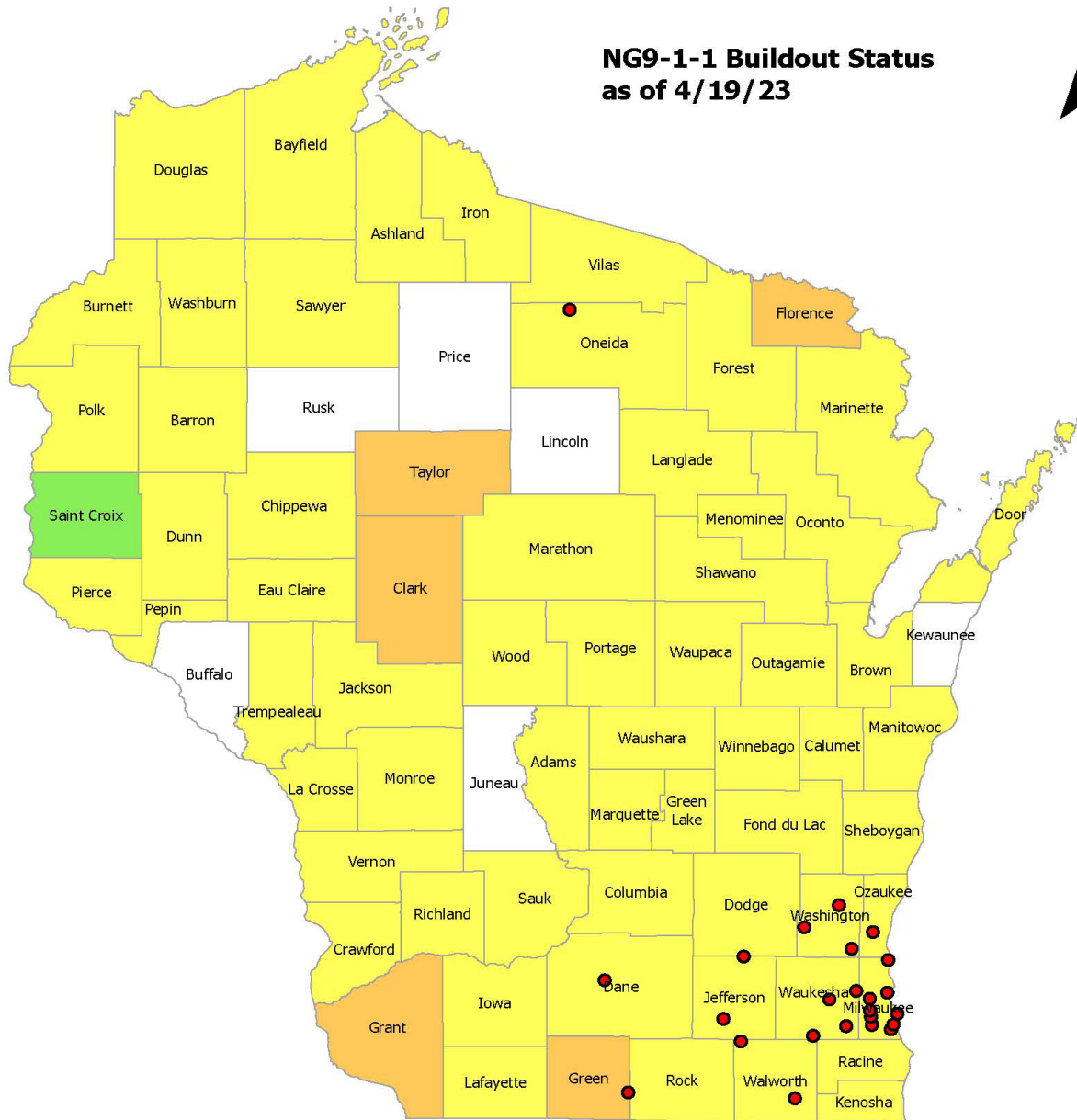
3. Take no action with regard to NG911 cost recovery.

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Attachments

ATTACHMENT 1



NG9-1-1 Buildout Status as of 4/19/23



Map Legend

- Participating Municipality
- Municipality Live On AT&T ESInet
- County Live on AT&T ESInet
- Signed AT&T Participation Agreement
- Signed with Other ESInet Provider
- County without ESInet Contract

Cartography by Zach Hassler OEC GIS Specialist
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Source: Military Affairs

ATTACHMENT 2

Federal PSAP Grant Recipients

Round 1		Round 2	
<u>Award Agency</u>	<u>Federal Grant Amount</u>	<u>Award Agency</u>	<u>Federal Grant Amount</u>
Barron County Sheriff's Department	\$76,200	Bayfield County Sheriff's Office*	\$4,600
Bayfield County Sheriff's Office	77,000	Crawford County Communications Center*	10,700
Bayside Communications Center	100,600	Franklin Police Department*	65,700
Cedarburg Police Department	59,200	Green Lake County Sheriff's Office	31,200
Clark County Sheriff's Office	57,700	Greenfield Police Department	65,900
Crawford County Communications Center	75,600	Hartford Police Department	5,800
Dodge County Sheriff's Office	109,800	Juneau County Sheriff's Office*	4,900
Eau Claire Communication Center	276,500	Lafayette County Sheriff's Office*	5,900
Florence County Sheriff's Office	11,100	Langlade County Sheriff's Office	9,700
Franklin Police Department	16,100	Manitowoc County	104,900
Iron County Sheriff's Department	93,000	Marinette County Dispatch	70,200
Juneau County Sheriff's Office	102,600	Minocqua Police Department*	3,000
Kewaunee County Sheriff's Department	125,300	Rock County Communications Center	48,900
Lafayette County Sheriff's Office	99,400	Sawyer County Sheriff's Office	12,700
Menominee County Sheriff's Office	79,900	UW – Madison Police Department	12,800
Minocqua Police Department	62,200	Watertown Police Department	12,100
Muskego Police Department	12,600	Waushara County Sheriff's Office	15,000
Oconto County Sheriff's Office	79,700	Winnebago County Sheriff's Office*	<u>3,800</u>
Portage County Sheriff's Office	198,400		
Richland County Sheriff's Department	14,900	Total	\$487,800
Sauk County	134,000		
Waukesha County Communications	122,300		
Winnebago County Sheriff's Office	125,500		
Wisconsin Dells Police Department	<u>72,900</u>		
Total	\$2,182,500		

ATTACHMENT 3

State PSAP Grant Recipients

<u>Award Agency</u>	<u>State Grant Amount</u>
Adams County Sheriff's Office	\$97,900
Barron County Sheriff's Department	55,400
Brown County Public Safety Communications	82,800
Burnett County Emergency Management	149,800
Chippewa County Sheriff's Office	256,300
Columbia County Sheriff's Office	200,500
Dane County Public Safety Communications	285,800
Door County	150,200
Douglas County	128,800
Eau Claire Police Department	71,900
Florence County Sheriff's Office	12,600
Green County Sheriff's Office	293,700
Green Lake County Sheriff's Office	181,100
Iron County Sheriff's Office	42,300
Jefferson County Sheriff's Office	400,000
Kenosha Joint Services	2,800
Manitowoc County	25,900
Marinette County Dispatch	71,300
Monroe County Communications Center	41,600
Oneida County Sheriff's Office	45,900
Outagamie County Sheriff's Office	388,600
Ozaukee County Sheriff's Office	132,400
Pierce County Emergency Management	104,300
Polk County Sheriff's Office	256,900
Portage County Sheriff's Office	85,000
Racine County	36,200
Richland County Emergency Services	215,700
Sauk County	29,200
Shawano County Sheriff	35,500
Sheboygan County Sheriff's Office	400,000
St. Croix County Sheriff's Office	49,700
Vernon County Sheriff's Office	190,200
Vilas County	55,000
Walworth County Sheriff's Office	227,500
Washington County Sheriff's Office	292,500
Waukesha County Communications	318,400
Waupaca County Sheriff's Office	23,700
Waushara County Sheriff's Office	176,500
Wood County	<u>107,100</u>
Total	\$5,721,100