

SUSANA MARTINEZ
GOVERNOR



DUFFY RODRIGUEZ
CABINET SECRETARY

RICK LOPEZ
DIRECTOR

MICHAEL MARIANO
ACTING DEPUTY DIRECTOR

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building ♦ 407 Galisteo St. ♦ Suite 202 ♦ Santa Fe, NM 87501
PHONE (505) 827-4950 ♦ FAX (505) 827-4948

ENHANCED 911 (E-911) PROGRAM



Report to the New Mexico 53rd Legislature, First Session, 2017

Duffy Rodriguez, Secretary of Finance and Administration
Rick Lopez, Local Government Division Director
Michael F. Mariano, Acting Deputy Director and E-911 Bureau Chief
Bill Range, E-911 Program Manager
Jolene Gonzales, E-911 Financial Coordinator
Glenn Condon, E-911 GIS Program Manager
Gary Gegenfurtner, E-911 GIS Program Manager

April 2017

I. FUND STATUS

The Enhanced 911 (E-911) Act, NMSA 1978, Section 63-9D-8 (H) “the Act,” requires the Local Government Division (LGD) of the Department of Finance and Administration (DFA) to report to the legislature each year on the status of the Enhanced 911 Fund (Fund), and whether the current level of the E-911 emergency surcharge is sufficient, excessive or insufficient to fund the anticipated needs for the next year.

The Act places the oversight responsibility of the E-911 Program with the E-911 Bureau of LGD. Through the use of grant agreements, the E-911 Bureau facilitates funding and provides oversight to the local public bodies charged with operating E-911 Public Safety Answering Points (PSAPs), also commonly referred to as dispatch centers. On behalf of the grantees, the E-911 Bureau procures price agreements and pays vendors for goods and services provided such as network access and database services, hardware, software, equipment maintenance, and training on E-911 and geographic information system (GIS) mapping.

The E-911 Program is funded by revenue from a \$0.51 surcharge on landline and wireless phones. Beginning in FY2018, VoIP and prepaid wireless phones will begin paying a surcharge due to enactment of Senate Bill 46 (Laws 2017, Chapter 122) during the 2017 Regular Legislative Session.

The table below illustrates the E-911 Fund’s audited revenues and expenditures for FY2014 through FY2016, and projected revenues and expenditures for FY2017 through FY2022. The fund’s cash balances were unusually high in FY2015 and FY2016 following difficulties with procurements in FY2014 that created a temporary bottleneck in capital expenditures. During the 2016 Special Legislative Session, Senate Bill 2 swept \$6,000,000 from the E-911 fund, reducing the FY2017 year-end fund balance to an estimated \$1,694,727. Consumer trends – including growing use of prepaid wireless and VoIP – reduced E-911 emergency surcharge revenue in recent years as those technologies were not subject to the surcharge previously. E-911 emergency surcharge revenue decreased steadily from \$12,157,461 in FY2012 to \$11,062,226 in FY2016, a decrease of 9 percent over four years.

Due to the passage of Senate Bill 46, projected revenues from the E-911 emergency surcharge will meet the needs of the E-911 Program if the program continues to replace capital equipment on a six-year replacement schedule, rather than the preferred five-year replacement schedule. Based on data provided by the Taxation and Revenue Department, surcharge revenue is now projected to increase by an estimated 28 percent (\$3 million) in FY2018 and stay flat in subsequent years. Flat revenue projections in future years reflect the positive impact to revenue from expected population growth, offset by the negative impact to revenue from the expectation that consumers will continue to consolidate phone lines.

Previously, a five-year capital replacement cycle was used and based on a best practice followed by several other states. In recognition of the fund’s limited capacity, certain capital expenditures were delayed that would typically have been expended following the five-year replacement schedule. To decrease expenditures, a six-year replacement schedule was followed instead. E-911 System upgrade projects originally scheduled for FY2017 but deferred to ensure fund solvency included \$1.4 million of enhancements at the Clovis, Portales, and Hidalgo County, and Quay County PSAPs. The E-911

program will monitor revenue and equipment health over the next several years to determine if the six-year cycle is adequate.

LGD is currently undertaking a review process of CenturyLink invoices to validate the vendor's voice network charges based upon current tariff rates (see line entitled "Operating Costs" in table below). This review was initiated after a report in FY2013 indicated that there may be issues with the amounts being charged. CenturyLink is currently in the process of auditing the services it provides to all PSAPs. Upon completion of CenturyLink's portion of the review, LGD will hire a consultant to assist with reconciliation of CenturyLink's results to reach an agreement. At this time, LGD has a small sample of CenturyLink's audits, the results of which suggest a 40% increase in CenturyLink network costs could occur. This percent increase could vary depending upon the outcome of the complete review.

	Actuals	Actuals	Projected	Projected	Projected	Projected	Projected	Projected
	7/14 - 6/15	7/15 - 6/16	7/16 - 6/17	7/17 - 6/18	7/18 - 6/19	7/19-6/20	7/20-6/21	7/21-6/22
Enhanced 911 Program	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
*SURCHARGE REVENUE	11,303,146	11,062,226	10,840,981	13,840,981	13,840,981	13,840,981	13,840,981	13,840,981
% Change From Prior Year	-4%	-2%	-2%	28%	0%	0%	0%	0%
Miscellaneous Revenue	156	163						
Interest Earned	11,398	27,990						
Total Revenues	11,314,700	11,090,379	10,840,981	13,840,981	13,840,981	13,840,981	13,840,981	13,840,981
Total Income	11,314,700	11,090,379	10,840,981	13,840,981	13,840,981	13,840,981	13,840,981	13,840,981
Cash Balance July 1	14,083,412	13,711,643	11,460,058	1,694,727	1,977,305	2,189,173	99,196	591,219
Projected Revenue	11,314,700	11,090,379	10,840,981	13,840,981	13,840,981	13,840,981	13,840,981	13,840,981
Transfer in								
Total Funds	25,398,112	24,802,022	22,318,933	15,558,553	15,841,131	16,030,154	13,940,177	14,432,200
Admin Costs	468,778	511,934	542,049	692,049	692,049	692,049	692,049	692,049
*Operating costs	8,856,288	8,104,020	10,227,909	10,227,909	10,227,909	10,227,909	10,227,909	10,227,909
One time equipment - prior year								
Fund Balance Sweep			6,000,000					
One time equipment - current year	2,361,403	4,726,010	3,854,248	2,661,290	2,732,000	5,011,000	2,429,000	5,801,879
Total costs through grants	11,686,469	13,341,964	20,624,206	13,581,248	13,651,958	15,930,958	13,348,958	16,721,837
Projected END of Year Cash	13,711,643	11,460,058	1,694,727	1,977,305	2,189,173	99,196	591,219	-2,289,637

II. PROGRAM STATUS

The E-911 Bureau of LGD currently contains four full-time equivalent positions, after one vacant Program Manager position was eliminated during FY2017. As of April 2017, five positions are filled. The current staff includes a Bureau Chief, two GIS Managers, and one E-911 Program Manager. The E-911 Bureau also receives support from a Financial Coordinator in another bureau of LGD.

The E-911 Program provides a variety of highly technical functions in support of New Mexico PSAPs. PSAPs receive funding through one-year grant agreements, which provide detailed accountability and oversight of budget line items. E-911 grant agreements include recurring operating costs such as network, GIS, training, and equipment maintenance, as well as capital equipment upgrades for PSAPs.

To reduce costs and create greater efficiencies, consolidation of PSAPs continues to be a focus of the E-911 Bureau. Over the past two years, DPS District 1 in Santa Fe was consolidated into DPS District 5 in Albuquerque and is being dispatched from District 5. Department of Public Safety (DPS) District 7 in Espanola has been consolidated with DPS District 2 in Las Vegas and is being dispatched from District 2. DPS District 3 in Roswell was consolidated with DPS District 4 in Las Cruces. In addition, DPS District 9 in Tucumcari is consolidating with DPS District 2 in Las Vegas and will be dispatched from District 2 by June of this year. Two more DPS sites are planning consolidation before the end of this year. Persistent consolidation efforts have reduced the overall number of PSAPs from 73 in 2006 to the current level of 43. The E-911 Program is continuing consolidation discussions with Otero County and the City of Alamogordo, as well as with the Village of Ruidoso and Ruidoso Downs in Lincoln County.

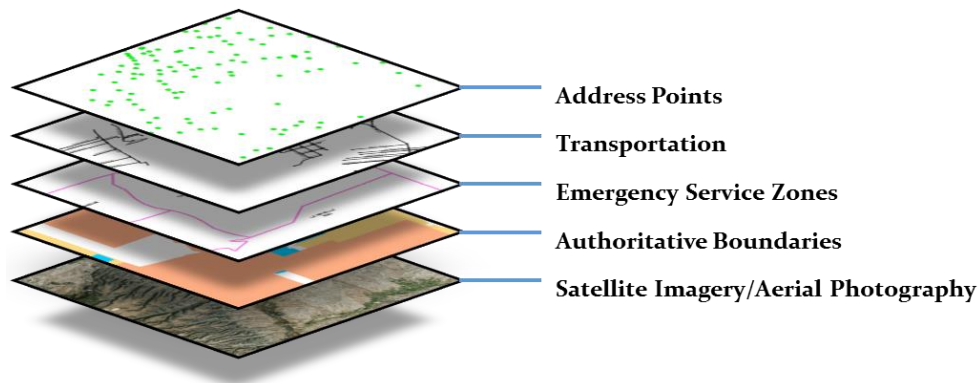
PSAP consolidation efforts comply with the 10.6.2.15 NMAC requirement for one PSAP per county excluding Native American pueblos, tribal and state police. Other exceptions have been requested under 10.6.2.15 NMAC and approved by the LGD as allowed. While the Bureau encourages consolidation whenever possible, limitations such as interruptions of radio coverage from one area to another, dissimilar computer aided dispatch (CAD) systems and record management systems (RMS) exist. Any recurring savings that may be achieved through further consolidation could be offset by non-recurring increased costs to transition PSAPs to compatible radio, CAD and RMS systems.

PSAPs handle over 1,700,000 calls per year, with an increasing trend of approximately 2-3% annually. For Calendar Year 2016, wireline calls accounted for 13% and Wireless calls accounted for 87% of the statewide E-911 call volume.

During FY2017, PSAP operating budgets totaled \$10.2 million, and 10 PSAPs were approved for installation of new E-911 equipment and/or system upgrades at a combined cost of over \$3.9 million, as detailed below. These new E-911 system upgrades include hardware, software and dispatch workstations.

County	Grantee	PSAP Location	FY17 Operating Budget	FY17 Capital Equipment Budget Request	FY17 Grant Totals
Bernalillo	City of Albuquerque	Albuquerque PD	841,899	2,828,542	3,670,441
Bernalillo	Bernalillo County	Bernalillo County/DPS Dist 5 Albuquerque	747,989	24,600	772,589
Catron	Catron County	Catron County (Reserve)	142,859		142,859
Chaves	City of Roswell	Pecos Valley/DPS Dist 3 Roswell	461,285		461,285
Cibola	Cibola County	Cibola County (Grants)	184,582		184,582
Colfax	City of Raton	Raton PD	161,255		161,255
Curry	City of Clovis	Clovis PD	148,649		148,649
De Baca	DeBaca County	DeBaca County (Fort Sumner)	153,409		153,409
Dona Ana	City of Las Cruces	MVRDA/DPS Dist 4 Las Cruces	583,035	36,800	619,835
Eddy	Eddy County	Eddy County (Artesia)	291,153		291,153
Eddy	City of Carlsbad	Carlsbad PD	165,897		165,897
Grant	Grant County	Grant County (Silver City)	219,652		219,652
Guadalupe	Guadalupe County	Guadalupe County (Santa Rosa)	158,433		158,433
Hidalgo	Hidalgo County	Hidalgo County (Lordsburg)	169,038	59,000	228,038
Lea	Lea County	Lea County (Hobbs)	565,315		565,315
Lincoln	Lincoln County	Lincoln County (Carrizozo)	195,205	14,000	209,205
Lincoln	Village of Ruidoso	Ruidoso PD/Mescalero	222,464		222,464
Los Alamos	Los Alamos County	Los Alamos PD	207,916		207,916
Luna	Luna County	Luna County (Deming)	167,543	10,000	177,543
McKinley	McKinley County	Gallup Metro/DPS Dist 6 Gallup/Zuni	630,627	20,734	651,361
Quay	Quay County	Tucumcari PD/DPS Dist 9 Tucumcari	298,952		298,952
Rio Arriba	City of Espanola	Espanola/DPS Dist 7 Espanola	274,915		274,915
Roosevelt	City of Portales	Portales PD	158,449		158,449
San Juan	San Juan County	San Juan County (Aztec)	524,497		524,497
San Miguel	City of Las Vegas	Las Vegas PD/DPS Dist 2 Las Vegas	333,613		333,613
Sandoval	City of Rio Rancho	Rio Rancho PD	376,435		376,435
Santa Fe	Santa Fe County	Santa Fe	394,935		394,935
Sierra	Sierra County	Sierra County (Truth or Consequences)	232,016		232,016
Socorro	City of Socorro	Socorro PD/DPS Dist 11 Socorro	206,781	8,000	214,781
Taos	Taos County	Taos PD	197,459	16,000	213,459
Taos	Town of Red River	Red River Marshall's Office	108,168		108,168
Torrance	Torrance County	Torrance County (Macintosh)	167,269		167,269
Union	Town of Clayton	Clayton PD	218,899		218,899
Valencia	Village of Los Lunas	Los Lunas PD/Isleta	317,318	836,572	1,153,890
TOTAL			\$ 10,227,909	\$ 3,854,248	\$ 14,082,157
Total Fiscal Year 2017 Budget Request			\$ 14,082,157		

The GIS technology component is essential to E-911 because it locates the caller using complex digital mapping, routing, boundary, and other spatial data. The figure below illustrates the various datasets that must be successfully layered together to effectively dispatch E-911 calls. The use of GIS by every PSAP is critical for the PSAP to relay to the correct jurisdiction's first responder to the precise location of the caller. The importance of GIS is increasing at a rapid pace as related technology advances.



As the E-911 Bureau transitions to the future Next Generation 9-1-1 (NG911), GIS will become even more critical by serving as the primary data component for providing 911 services. An abundance of work will be required to create and update GIS databases to prepare for NG911. GIS data must be consistent from one data source to the next, and must match data currently being used by PSAPs. This will require statewide communication and data modification between the E-911 Bureau, PSAPs, and corresponding data sources. Recognizing the importance of GIS, the E-911 Bureau added a second GIS Program Manager position in FY2016. The E-911 Bureau's GIS Program Managers assist PSAPs, manage the work of a GIS contractor, and work with county, municipal and tribal data providers to update GIS data.

NG911 involves the transition to a digital Internet Protocol (IP) architecture, which will allow for text messaging, still images, video clips and other services to be received by PSAPs and dispatched to emergency responders. In preparation for the future, all E-911 equipment currently purchased and installed is NG911 compliant.

During FY2017, the E-911 Program is still in the early planning stages with stakeholders to create the framework for a strategic plan necessary to implement NG911. In January 2016, the E-911 Program hosted a NG911 presentation by the Lafayette Group through the United States Department of Homeland Security, Office of Emergency Communications. This NG911 Overview Workshop was attended by more than 60 representatives from various PSAPs, local GIS data providers, telephone companies, elected officials and equipment vendors. The focus was on technology needs, transition models, funding challenges and successes, and planning considerations.

Approximately 30 states have developed strategic plans and 25 states have begun deploying various aspects of an IP-based NG911 system. It is anticipated that operating costs will be higher during transition to NG911 because of the need to maintain legacy systems during implementation. It is likely that New Mexico's current E-911 statutes and rule will need to be changed to facilitate the transition to NG911.