



**2006**

# **Statewide 911 Emergency Telephone**

## **Service Program Report**

December 15, 2006

***Minnesota Statewide  
9-1-1 Program***



## Table of Contents

<i>Table of Contents</i> .....	<i>i</i>
<i>Statewide 911 Emergency Telephone Service Program Report</i> .....	<i>1</i>
<b>I</b> <b><i>Executive Summary</i></b> .....	<b><i>1</i></b>
<i>Introduction</i> .....	<i>1</i>
<i>Reporting Requirement</i> .....	<i>1</i>
<i>FY2006 Financial Update</i> .....	<i>1</i>
<i>Financial Projections (through June 30, 2011)</i> .....	<i>1</i>
<i>Figure 1 - 911 Program Funding</i> .....	<i>2</i>
<i>Status of Enhancements and Improvements to the Minnesota 911 System</i> .....	<i>2</i>
<i>Conclusion</i> .....	<i>3</i>
<b>II.</b> <b><i>Background</i></b> .....	<b><i>3</i></b>
<b>III.</b> <b><i>FY2006 Expenditures and Prior Year 911 Obligations</i></b> .....	<b><i>4</i></b>
<b>IV.</b> <b><i>Financial Outlook (through June 30, 2011)</i></b> .....	<b><i>5</i></b>
<b>V.</b> <b><i>911 Goals and Status</i></b> .....	<b><i>6</i></b>
<i>Goal: Control Costs and Predictability to the 911 Program</i> .....	<i>6</i>
<i>Goal: Provide Enhanced 911 Benefits to Wireless 911 Callers</i> .....	<i>6</i>
<i>Goal: Integrate VoIP 911 Calls into the enhanced 911 networks</i> .....	<i>7</i>
<i>Goal: Improve the Interoperability Capabilities of Minnesota 911 Systems</i> .....	<i>8</i>
<i>Goal: Contract with Wireless Providers and 911 Service Providers</i> .....	<b>Error! Bookmark not defined.</b>
<i>Goal: Develop the next generation of 911</i> .....	<i>8</i>
<b>VI.</b> <b><i>Added Considerations/Risks</i></b> .....	<b><i>9</i></b>
<i>Costs for maintaining and improving 911 are increasing</i> .....	<i>9</i>
<i>More expenses may be incurred during migration to a new 911 system</i> .....	<i>9</i>
<i>Stability of 911 revenues</i> .....	<i>9</i>
<b>VII</b> <b><i>Conclusion</i></b> .....	<b><i>10</i></b>
<i>Appendix A – 911 Revenue / Expenses Required by Statute</i> .....	<i>11</i>
<i>Appendix A (Continued) - Fiscal Years 2005-2011 - Notes</i> .....	<i>12</i>
<i>Appendix B. - Cellular 911 Status in Minnesota</i> .....	<i>13</i>

# Statewide 911 Emergency Telephone Service Program Report

## I Executive Summary

### *Introduction*

Minnesota's 911 emergency telephone service is a vital component of the State's emergency response system. Dialing 911 provides rapid and effective access to public safety services. Citizens of Minnesota expect that dialing 911 will link them to the right public safety agency and that emergency personnel will have vital location information to help speed the responders to their calls for assistance. The Commissioner of Public Safety is responsible for helping counties implement 911 service and for funding part of the costs of getting 911 calls to a public safety answering point (PSAP), usually at county or city dispatch points.

### *Reporting Requirement*

Minnesota Statutes, Section 403.06, Subdivision 1a requires the Commissioner of Public Safety to prepare an annual report to the legislature. The annual report must include:

- Details of expenditures to maintaining the 911 system;
- 911 fees collected;
- The balance in the 911 Special Revenue Fund; and
- The administrative expenses of the 911 program.

This report explains the 911 expense elements in Appendix A and provides:

- (1) The required financial information as of November 1, 2006 (Revenue projections based upon the November 2006 revenue forecasts);
- (2) Projections of the 911 program financial position through June 30, 2011;
- (3) A brief summary of the status of enhancements and improvements to the Minnesota 911 system, and
- (4) Other considerations and risks related to the 911 program.

### *FY2006 Financial Update*

The 911 fee was increased to 65 cents per access line from 40 cents per access line on July 6, 2005. The fee generated \$46,229,523 in total revenue during the fiscal year 2006. The beginning balance in the 911 Special Revenue Fund was \$881,320 making the total available funding for the fiscal year \$47,110,843. The total expenses for the year were \$40,133,412 of which \$526,071 were 911 program administration expenses. The year end balance in the 911 Special Revenue Fund was \$6,977,431.

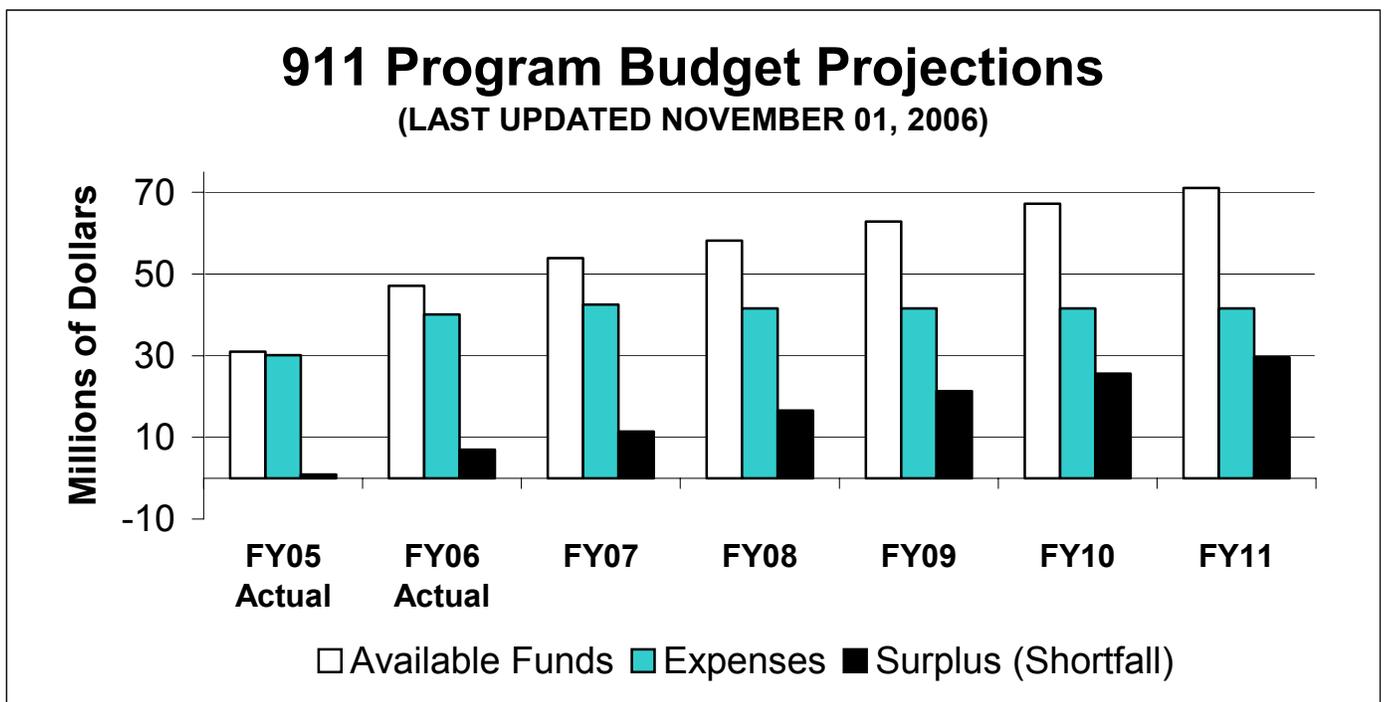
### *Financial Projections (through June 30, 2011)*

Legislation passed during the 2005 session increased the 911 program appropriation and raised the fee cap from 40 cents per access line to 65 cents per access line, added improved control over 911 spending, clarified the application of the 911 fee to packet based communications, provided funds to settle old obligations, funded continuing implementation of the statewide public safety

radio system, and doubled the funds allocated to PSAPs. Legislation passed in 2006 (laws 2006, Chapter 260 (H.F. 2656), Article 6, Sections 1 to 12) provided further refinement to our contracting process, and eliminated the certification process.

Fiscal procedures implemented over the last few year have improved predictability and accountability in the 911 Special Revenue Fund, but the program continues to be plagued by the basic premise that the State should pay the costs of maintaining 911 service for any and all comers. The competitive nature of the telecommunication industry drives a continued expansion of competitive telecommunication businesses vying for the same customer base. As existing and new telecommunication companies expand their markets, 911 program costs have a potential to rise with no appreciable increase in program revenues.

Figure 1 shows 911 program funding through fiscal year 2011. Revenue projections continue to demonstrate a modest decrease in subscriber counts after FY2007 and level costs from fiscal year 2008 through 2011. Those projections and cost estimates are based upon historical trends of an industry that is undergoing substantial technological changes and may be subject to change based on unforeseeable factors.



*Figure 1 - 911 Program Funding*

***Status of Enhancements and Improvements to the Minnesota 911 System***

Maintaining, enhancing, and expanding 911 services for both wire-line and wireless technologies are provided for under Minnesota Statutes, Section 403.025, Subdivision 7. Significant further progress has been made to integrate wireless 911 into the enhanced 911 systems, to increase the interoperability of separate 911 systems, and to position the state to be able to take advantage of enhanced 911 services for wireless and interconnected Voice over Internet Protocol (VoIP)

telecommunications services. Appendix B shows the status of wireless enhanced 911 as of December 15, 2006. Status updates are regularly posted on the Minnesota 911 website, <http://www.911.state.mn.us/>.

The telecommunications industry is migrating from circuit switched to packet-based digital communications over broadband connections. New standards are under development at this time for the next generation 911 system, to match the new technologies and to provide 911 functionality for all modes of communications including traditional wire-line and wireless voice, Voice over Internet Protocol (VoIP), VoIP over wireless broadband, and text and image devices.

### ***Conclusion***

The success of the 911 Program is a product of extensive cooperation among legislators, regulators, state and local government administrators and the telecommunications industry. Continued success will require further cooperation to maintain program efforts as new telecommunications technologies, services, and service providers compete for market share.

## **II. Background**

The 911 emergency telecommunications system provides rapid access to emergency services. It is a simple concise way to reach police, fire and emergency medical services, which saves time for the caller and reduces overall response time for emergency service providers. The enhanced 911 system allows caller location to be displayed to the 911 call taker so help can be sent even if the caller does not or cannot provide an address, or, as in wireless calls, may be at a location that has no address. Statewide 911 answering is provided by 87 county 911 systems, 16 city systems, 10 public safety answering points (PSAPs) operated by State Patrol, and 3 PSAPs operated by other government agencies.

The universal emergency 911 number is available throughout the state of Minnesota on wire-line and wireless phone lines. For wireless telephones, Federal Communication Commission (FCC) rules (Title 47, CFR 20.18) require the wireless carriers to put all 911 calls through to a PSAP, even if the caller is a non-subscriber. During 2005, the FCC enacted rules to require access to 911 from inter-connected Voice over Internet Protocol (VoIP) wire-line telephones to include location and callback number including the use of the wireless enhanced 911 technology where available (Title 47, CFR, Part 9). Because Minnesota is leading much of the country in the deployment of wireless enhanced 911, Minnesota PSAPs were prepared for the initial implementation of enhanced 911 service for inter-connected VoIP services.

The 911 Program at the Department of Public Safety provides technical assistance to the cities and counties implementing, maintaining, and improving 911 systems, and oversees system standards. It also pays from money collected through a monthly statewide wire-line and wireless telephone fee the state's share of wire-line and wireless 911 costs authorized by Minnesota Statutes, Section 403.11 and contracted for with carriers; and administers grant funds for 911 agencies in accordance with Minnesota Statutes, Section 403.113.

The 911 fee is set by the Commissioner with the consent of the Commissioner of Finance. Effective July 6, 2005, the fee was increased from 40 cents to the cap of 65 cents in order to fund appropriated amounts under Minnesota Laws, 2005 Chapter 136. The fee collections are deposited in the 911 Special Revenue Fund, and these funds are appropriated by the Legislature to the Commissioner of Public Safety and the Commissioner of Finance to cover the expenses authorized by statute.

### III. FY2006 Expenditures

Fiscal Year 2006 expenditures were less than anticipated, based upon settlements made over outstanding prior year obligations and the implementation of tighter financial controls made possible by 2005 legislation.

- M.S. 403.11: Network and database charges for 911 \$10,270,084

Reimbursements were made to local exchange carriers and 911 service providers (Qwest and Independent Emergency Services (IES)) for costs incurred connecting telephone central offices with 911 networks and for maintaining the network (selective routers, databases and connections to Public Safety Answering Points).

- M.S. 403.113: Enhanced 911 Grants (PSAP payments) \$13,640,000

PSAPs in 87 counties, 3 other governmental entities, and State Patrol Communications centers receive grants from the State to help defray the costs related to providing enhanced 911 service.

- M.S. 403.11: Wireless 911 Transfers \$675,000

A portion of the wireless customer 911 fee was directly transferred to the Minnesota State Patrol to offset the costs, including administrative and staffing costs, incurred in handling 911 emergency calls made from cellular phones.

- M.S. 403.11: Enhanced Wireless 911 Implementation \$3,728,216

Wireless carriers sign agreements with the State to implement enhanced 911 wireless services. The implementation costs incurred by these carriers and by the 911 service providers were reimbursed by the State and after implementation, ongoing operations costs were reimbursed.

- M.S. 403.27 & 403.275 Public Safety Radio Bond Debt service \$7,543,000

2005 Laws of Minnesota, Chapter 136 consolidated debt service provisions related to the Statewide Public Safety Communication System. Those provisions related to 911 revenue bonds previously sold by the Metropolitan Council and new revenue bonds authorized as part of the 2005 legislation.

- M.S. 403.11: Administrative Expenses Including Salaries \$526,071

Total cost is based upon administrative expense allocations, bargaining unit contracts, travel, and other miscellaneous expenses.

- M.S. 403.11: Other Obligations \$2,647,680

A total of \$8.2 million in prior year obligations had been carried forward from fiscal year 2003. All outstanding claims were finally resolved in fiscal year 2006.

- Laws 2005 c 136 art 1 s 9 sub 7, Medical Resource Communications \$682,000

Specific appropriation for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

- Laws 2005 c 136 art 1 s 9 sub 7, Statewide Radio Board \$421,361

Specific appropriation for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the first, second, and third phases that support mutual aid communications and emergency medical services, and for recurring charges for leased sites and equipment for those elements of the first, second, and third phases that support mutual aid and emergency medical communication services.

#### **IV. Financial Outlook (through June 30, 2011)**

Current projections of subscriber volumes are based on an assumption that the number of wire-line subscribers will continue to decline modestly as people abandon traditional phone service for wireless and VoIP services and switch modem lines to I.P. based connections. In recent years, this decline has been offset by wireless growth, but that growth is expected to level off, resulting in a projection of a slight decline in fee collections for fiscal years 2008 through 2011. See Appendix A.

The June 29, 2005 FCC order requires inter-connected VoIP service providers to integrate their services into the 911 systems.<sup>1</sup> That order also dealt with the matter of 911 fee collection from VoIP service providers<sup>2</sup> and has been interpreted in conjunction with Minnesota statute as requiring collection and submission of the 911 fee. Vonage, one of the dominate VoIP service providers began submitting 911 fees during the fiscal year as a result of the June 29, 2005 FCC order.

The VoIP technology, however, allows companies to sign up customers, provide service and receive payments over the internet, making location of the subscriber irrelevant to the business transaction. In order to meet the FCC 911 requirements, the VoIP providers are required to obtain the subscriber location, albeit a self reported address, allowing fee collection on a subscriber location basis. Considerable effort will be required to identify VoIP providers serving in Minnesota and obtain the correct amount of 911 fees.

---

<sup>1</sup> [70 FR 37286](#), released June 29, 2005

<sup>2</sup> In the Matter of IP-Enabled Services, WC Docket No. 04-36 and E911 Requirements for IP Enabled Service Providers, WC Docket No. 05-196, Adopted: May 19, 2005, Released: June 3, 2005, FCC05-116 at page 30.

There is no cap on 911 system costs under Minn. Stat. Section 403.11. However, the spending authority is capped in session law by direct appropriations from the 911 Special Revenue Fund. Similarly, 911 revenues are capped at 65 cents a month on all wireless and wire-line customers. This results in some uncertainty in projecting 911 network costs. More cost uncertainty is caused by the looming recognition the 911 network is likely to transition to an I.P. based network. It is also likely that it will be necessary to maintain two 911 systems while transitioning, causing increased costs for an uncertain amount of time.

## **V. 911 Goals and Status**

### ***Goal: Control Costs and Predictability to the 911 Program***

When the statewide 911 program was originally established the process of implementing 911 was reasonably clear. There was a finite number of incumbent local exchange carriers (ILEC) with telephone service discretely associated with fixed sites in fixed service areas. Deregulation of the telecommunication industry with the proliferation of competitive local exchange carriers (CLEC) and the wireless telephone industry changed the situation dramatically. In 1997, the legislature provided for reimbursement of the cost to implement and maintain enhanced 911 service for wireless carriers<sup>3</sup> and in 2001 the legislature provided for the reimbursement of the recurring costs of CLECs as they implement service within Minnesota.<sup>4</sup> As a result of these changes the statewide 911 network has become extremely complex. The process of administering changes and the costs of those changes have been a challenge.

*Status: Ongoing.* Legislative and procedural changes over the last three years<sup>5</sup> have given the Department of Public Safety a greater ability to deal with today's competitive telecommunications landscape. With those changes, the 911 program has been able to eliminate the certification process, reduce the billing period to less than 90 days and begin consolidating contracts and transactions with some vendors. Service level changes require specific approval before they can be implemented and retroactive approval of service level changes have been eliminated. The Department of Public Safety is also utilizing competitive bidding processes where services can be provided by more than one vendor.

### ***Goal: Provide Enhanced 911 Benefits to Wireless 911 Callers***

Although the present enhanced 911 systems routinely provide public safety responders an accurate location of each wire-line emergency caller when 911 is dialed from traditional landline

---

<sup>3</sup> Minn. Stat. Section 403.11, Subdivision 1(f) provides that the state will reimburse wireless carriers for installation costs and for their recurring costs for integrating wireless calls into the enhanced 911 system. This provision was enacted by Minnesota Laws 1997, Chapter 202, Article 3, Section 21. In 1999, the FCC ruled that wireless carriers were required to integrate into the 911 system irrespective of whether a state reimbursement provision was in place; Second Memorandum and Order, FCC Docket No. 99-352 revising FCC Docket No. 94-102, released December 8, 1999.

<sup>4</sup> Reimbursement of competitive local exchange carrier recurring charges did not begin until July 1, 2001. This provision was enacted by Minnesota Laws 2002, Chapter 372, Section 14. Prior to July 1, 2001, competitive local exchange carriers were required to and did provide 911 service without reimbursement of their expenses by the state.

<sup>5</sup> Laws 2005 Chapter 136, Article 10 and Laws 2006, Chapter 260, Article 6.

telephones, it is more difficult to determine caller location from wireless telephones. The increasing use of cellular telephones by the public means that cellular 911 calls are becoming as likely to be placed from dwellings, sidewalks, boats or snowmobiles as from cars on highways. In 1996 the FCC clarified the requirement for wireless carriers to provide specific and accuracy location information to the 911 network. This wireless enhanced 911 implementation has required network, database, and PSAP equipment changes.

*Status: Nearly complete.* During calendar year 2006, the wireless market went through further consolidations, leaving 10 of the 19 carriers providing service in Minnesota, and further 911 implementation progress was made. All 10 wireless carriers provide Phase II location information on 911 calls in all or most of their service areas. Phase II is provided by all carriers in 65 counties covering 83% of the state's population. Status updates are regularly posted on the Minnesota 911 website; <http://www.911.state.mn.us/>.

***Goal: Integrate VoIP 911 Calls into the enhanced 911 networks***

In the last few years advances in Voice over Internet Protocol (VoIP) technology and wider use of high speed Internet connections in homes and offices have made it possible to replace ordinary circuit switched telephone service with VoIP service. VoIP service is difficult to integrate into the existing systems because it can be provided with no knowledge of the customer's physical location, and that location can change quickly. For example, a Vonage customer living in Saint Paul can take the VoIP interface unit along when traveling to Orlando. By plugging the interface unit into an Internet connection in an Orlando hotel room the customer could place and receive "local" phone calls just as at home. Also a Minnesota customer could have a New York telephone number if desired. Nomadic usage and non-native telephone numbers are incompatible with our existing 911 systems that were built for traditional telephone service. In order to accommodate these potentially nomadic VoIP services, a technology model known as Interim i2 has been developed by the National Emergency Number Association (NENA). It uses a native routing number to get calls to the correct PSAP and a dynamically updated 911 database to provide the location of nomadic users that have updated their location profile. The dynamic update portion of the technology is similar to wireless enhanced 911. Because the 911 databases and PSAPs in Minnesota have already been modified for wireless enhanced 911, i2 can be readily implemented.

This is a transitional step in the evolution of the telecommunication industry. It is simply an adaptation to patch into the existing legacy 911 network. By all estimates, the telecommunication industry is in the midst of an industry wide evolution to a broadband network. An evolutionary step that will be required of the states' 911 networks, too.

With the implementation of the Interim i2 technology model, at least three CLECs in Minnesota have begun expanding their networks to provide VoIP related 911 services in various counties in the state. 911 Program costs continue to increase as these carriers expand into additional counties.

*Status: Ongoing.* Several interconnected VoIP providers have implemented enhanced 911 using Interim i2 standard.

***Goal: Improve the Interoperability Capabilities of Minnesota 911 Systems***

Minnesota is in the forefront of enhanced 911 coverage and in a good position to implement wireless enhanced 911 statewide because over 99 percent of the state's wire-line telephones are served by selective router based enhanced 911 systems. Delivering emergency calls to 911 PSAPs through selective routers allows calls to be sent to the correct PSAP regardless of caller location, and facilitates transfers to neighboring PSAPs. This generally holds true, however, only if the correct 911 PSAP is connected to the same 911 system as the caller's telephone exchange or cellular mobile switching center. The purpose of interoperability improvements is to allow 911 calls to be transferred and perhaps even selectively routed between different 911 systems. This applies both to different 911 service providers Qwest and IES in Minnesota, and to state border issues, such as between Washington and Goodhue served by Qwest 911 systems and the Wisconsin counties of Saint Croix and Pierce served by the AT&T 911 system.

*Status:* At this time, the only solution to this issue is to connect counties to both networks (Qwest and IES) and if interstate interoperability were sought a third network and to replicate data in each vendor's selective routing tables and ALI databases. Despite requests by counties to connect to multiple networks, paying for the same service twice and possibly a third time is simply counter intuitive. This is an item that lends itself to review and recommendations from representatives of the public safety community to determine what priority to assign to the feature. DPS is advancing the discussion of the next generation 911 network as a way to resolve this issue much more broadly.

***Goal: Develop the next generation of 911***

The commissioner of Public Safety directed the formulation of a 911 advisory committee composed of stakeholders in the 911 system to determine the present and future needs of the statewide 911 system. The 911 advisory committee scheduled monthly meetings to consider the improvements to the statewide 911 network and a migration path from a traditional telecommunication system to the telecommunication systems of the 21<sup>st</sup> century.

*Status: Ongoing.* The advisory committee issued a report to the commissioner on March 2, 2006. The report, from 25 stakeholders from the public safety and telecommunications industry, recommended the formulation of Policy, Visioning, and Operational committees to help set minimum standards for the 911 network throughout the state, set program priorities affecting funding decisions, define the strategy and steps necessary to improve the 911 network, and begin the planning process to migrate the 911 network to a new platform. DPS is currently in the process of formulating a Request for Proposals for a comprehensive assessment of the strategic direction and improvements of the 911 network.

***Goal: Efficient use of and consolidation of resources***

In 2003 the 911 program was asked to study the issue of PSAP consolidation and PSAP standards. The study completed in early 2004 clearly indicated that any overt efforts to mandate consolidation would be ill-advised. It did elevate the discussion and highlight some of the potential benefits of consolidating PSAP services.

*Status:* Over the last two years, three metropolitan area counties have moved toward consolidating their PSAP's. In 2006, Washington County consolidated two PSAP's into a single

operation. In 2007, Dakota County will effectively consolidate the operation of six PSAP's into a single operation and Ramsey County will consolidate three of the four PSAP's in the county into a single operation. Similarly, discussions of consolidating services and equipment (Computer Aided Dispatch systems and 911 telephone equipment) are occurring in different regions within the state.

## **VI. Added Considerations/Risks**

While good progress to date has been made in the conversion to enhanced 911, the following challenges jeopardize the future effectiveness of the 911 Program:

### ***Costs for maintaining and improving 911 are increasing***

The 911 Program is making progress to integrate wireless 911 into the enhanced 911 systems and increase the interoperability of separate 911 systems in order to take advantage of future fully enhanced Wireless 911 services. Improving the enhanced 911 networks and connecting wireless carriers will continue to increase the required expenditures for the 911 Program. Appendix A contains a table showing the different expense elements for 911.

### ***More expenses may be incurred during migration to a new 911 system***

The telecommunication industry is currently undergoing a significant change. The question concerning a transition to Voice over Internet Protocol (VoIP) technologies throughout the telecommunication industry is not considered a question of "if" but instead a question of "when" it will occur. There is a need to prepare for this transition, offer interim solutions and ultimately prepare to transition to a new packet switched system. It is also likely that it will be necessary to maintain the current system while providing a similar network for a substantial period of time causing increased costs to maintain the 911 systems.

### ***The cost of subsidizing competitiveness in the telecom industry***

It has previously noted that the basic premise of the 911 program is that the state collects a 911 fee and then pays all costs of maintaining the 911 network. With the continued expansion of Competitive Local Exchange Carriers, we have noted a diminished effort by CLECs to structure 911 connectivity to the 911 network in an efficient and cost effective manner. One Competitive Local Exchange Carrier is currently intent upon implementing service in every county in the state, currently offering service in 37 counties. The state's monthly cost for this vendor is \$15,408 or \$184,907 per year. In one county the cost is \$1,040 per month to serve the vendor's single customer in that county. Our estimates are that a statewide implementation of this single CLEC will exceed \$500,000 per year. Based upon the vendor's failure to respond to our requests to re-engineer its connectivity to the 911 network, DPS is in the process of formulating an RFP for engineering services to do the engineering work we had traditionally counted upon vendors to provide as part of their proposals. That proposal will also require DPS to contract for maintenance of this common network to assure efficient and cost effective approaches for providing this connectivity.

### ***Stability of 911 revenues***

Revenue projections shown in this report are based on continued modest growth in wireless subscribers and a slight decline in wire-line subscribers that are paying the 911 fee. A continued decline in wire-line and a leveling in wireless subscribers paying the 911 fee is considered likely, leading to an overall decline in revenues in the out years.

## **VII Conclusion**

Even if access line counts remain stable, the continued proliferation of competitive telecommunication service providers has the potential to drive up the costs of implementing and maintaining the state's 911 network. Similarly, if customer counts decline as voice services transition to wireless and unregulated data services over a broadband network there is a potential for additional strain upon the system.

The success of the 911 Program is a product of extensive cooperation among legislators, regulators, state and local government administrators and the telecommunications industry. Continued cooperation among these stakeholders is essential for ongoing success.

**Appendix A – 911 Revenue / Expenses Required by Statute**

	<b>ACTUAL FOR FY 2005</b>	<b>ACTUAL FOR FY 2006</b>	<b>PROJECTED FOR FY 2007</b>	<b>PROJECTED FOR FY 2008</b>	<b>PROJECTED FOR FY 2009</b>	<b>PROJECTED FOR FY 2010</b>	<b>PROJECTED FOR FY 2011</b>
--	-------------------------------	-------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------------------------

**Revenue**

Actual	\$ 27,323,188	\$ 46,229,523					
Projected		\$ 44,330,910	\$ 46,930,585	\$ 46,737,925	\$ 46,273,955	\$ 45,869,330	\$ 45,522,035
Appropriated/Est. Expenses		\$ 44,368,000	\$ 42,473,000	\$ 41,571,000	\$ 41,571,000	\$ 41,571,000	\$ 41,571,000
Difference			\$ 4,457,585	\$ 5,166,925	\$ 4,702,955	\$ 4,298,330	\$ 3,951,035

**Program Expenses**

<i>Unspecified Appropriations</i>							
911 Network	\$ 10,385,774	\$ 10,270,084	\$ 11,447,000	\$ 11,420,000	\$ 11,420,000	\$ 11,420,000	\$ 11,420,000
Wireless Transfers- MSP	\$ 684,631	\$ 675,000	\$ 723,000	\$ 723,000	\$ 723,000	\$ 723,000	\$ 723,000
Wireless 911Network	\$ 4,046,473	\$ 3,728,216	\$ 5,620,000	\$ 5,620,000	\$ 5,620,000	\$ 5,620,000	\$ 5,620,000
Administrative Expense	\$ 415,132	\$ 526,071	\$ 552,000	\$ 579,000	\$ 579,000	\$ 579,000	\$ 579,000
<i>Specific Appropriations</i>							
PSAP Grants	\$ 6,830,805	\$ 13,640,000	\$ 13,664,000	\$ 13,664,000	\$ 13,664,000	\$ 13,664,000	\$ 13,664,000
Debt Service- 911 Revenue Bonds	\$ 2,732,321	\$ 7,543,000	\$ 7,559,000	\$ 7,559,000	\$ 7,559,000	\$ 7,559,000	\$ 7,559,000
Statewide Radio Board		\$ 421,361	\$ 2,225,000	\$ 1,323,000	\$ 1,323,000	\$ 1,323,000	\$ 1,323,000
Medical Resource Center Grants		\$ 682,000	\$ 683,000	\$ 683,000	\$ 683,000	\$ 683,000	\$ 683,000
Prior Year Obligations	\$ 5,020,419	\$ 2,647,680					
<b>Total Current Expenses</b>	<b>\$ 30,115,555</b>	<b>\$ 40,133,412</b>	<b>\$ 42,473,000</b>	<b>\$ 41,571,000</b>	<b>\$ 41,571,000</b>	<b>\$ 41,571,000</b>	<b>\$ 41,571,000</b>

**Fund Balance**

Revenue over Expenses	\$ (2,792,367)	\$ 6,096,111	\$ 4,457,585	\$ 5,166,925	\$ 4,702,955	\$ 4,298,330	\$ 3,951,035
-----------------------	----------------	--------------	--------------	--------------	--------------	--------------	--------------

911 Special Revenue Account-Balance June 30, 2006

\$6,977,431

## Appendix A (Continued) - Fiscal Years 2005-2011 - Notes

This 911 Funding Matrix shows projections of the different expense elements for 911 expenses in each fiscal year from 2005 and 2006 (actual) and 2007 through 2011 (projected).

Assumed annual fee collection from one cent based on projections of the average number of wire-line and wireless customers in each fiscal year:						
FY 2005 Actual	FY 2006 Actual	FY 2007 Projected	FY 2008 Projected	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
\$ 683,079	\$ 711,223	\$ 722,009	\$ 719,045	\$ 711,907	\$ 705,682	\$ 700,339

The 911 fee cap was increased from 40 cents to 65 cents in order to correct a structural deficit and enable increased funding for 911 fee supported programs. The fee was increased to 65 cents effective July 6, 2005.

Specific appropriations were passed in 2005 (Minnesota Laws 2005, Chapter 136, article 1, Section 9, Subdivision 7) beginning in fiscal year 2006 for:

- The settlement of remaining past due obligations.
- A doubling of the enhanced 911 PSAP grant amount from 10 cents to the approximate equivalent of 20 cents.
- Bonding costs for continuing implementation of the statewide shared public safety radio system.
- The Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the first, second, and third phases that support mutual aid communications and emergency medical services, and for recurring charges for leased sites and equipment for those elements of the first, second, and third phases that support mutual aid and emergency medical communication services.
- Grants beginning in fiscal year 2006 to the Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000

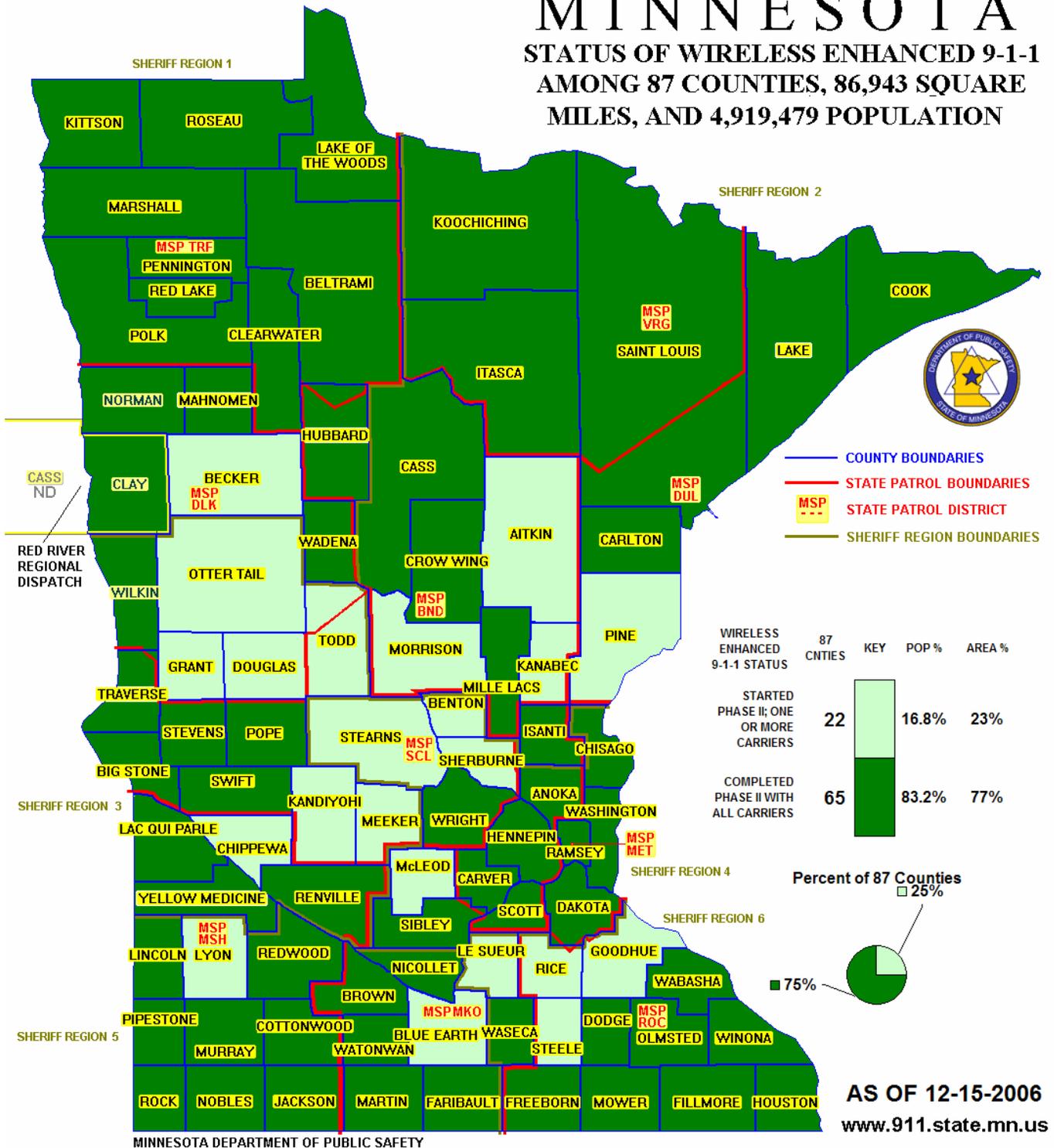
Statutory changes in 2006 (Minnesota Laws 2006, Chapter 260, Article 6) provided for procedural changes in the 911 programs contracting process:

- Requiring submission of telephone company bills within 90 days.
- Eliminating the certification process unless a claim is disputed by DPS.
- Eliminating the three party (state, county and telephone company) contract requirement, unless requested by the county.

## Appendix B. - Cellular 911 Status in Minnesota

# MINNESOTA

STATUS OF WIRELESS ENHANCED 9-1-1  
AMONG 87 COUNTIES, 86,943 SQUARE  
MILES, AND 4,919,479 POPULATION



All ten wireless carriers have converted to Phase I wireless enhanced 911 with cell sector location and callback number. In addition to Phase I, all ten wireless carriers are providing Phase II wireless enhanced 911 providing the latitude and longitude of the 911 caller. With few exceptions, all of these carriers are providing the location service in each of the 87 counties, and 65 counties are 100% Phase II, receiving Phase II 911 calls from all wireless carriers in the individual county.