

SUSANA MARTINEZ
GOVERNOR



DUFFY RODRIGUEZ
CABINET SECRETARY

RICK LOPEZ
DIRECTOR

Jolene Slown
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, Second Session, 2018

Duffy Rodriguez, Secretary of Finance and Administration

Rick Lopez, Director, Local Government Division

February 2018

I. FUND STATUS

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

The Act places the oversight responsibility of the Enhanced 911 Program (Program) with the Enhanced 911 Bureau (Bureau) within LGD. Through the use of grant agreements, the Bureau facilitates funding and provides oversight to the local public bodies charged with operating E-911 Public Safety Answering Points (PSAPs). On behalf of the grantees, the 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 Program, per Section 63-9D-5(A) NMSA 1978, is funded by revenue from a 51 cent surcharge billed to subscribers on each access line. Beginning in fiscal year 2018, voice over internet protocol (VoIP) and prepaid wireless phones were also subject to the surcharge due to the enactment of Senate Bill 46 (Laws 2017, Chapter 122). Since July 2017, E-911 revenues have increased \$100,000 per month with the inclusion of the above-referenced surcharges.

The table below illustrates the Fund's audited revenues and expenditures for fiscal years 2015 through 2017, and projected revenues and expenditures for fiscal years 2018 through 2022. Consumer trends, including growing use of prepaid wireless phones and VoIP services, reduced E-911 emergency surcharge revenue in recent years as those technologies were not eligible for surcharge prior to July 2017.

Due to the passage of Senate Bill 46, projected revenues from the E-911 emergency surcharge meet the needs of the Program so long as it continues to replace capital equipment on a six-year replacement schedule. Based on data provided by the Taxation and Revenue Department, surcharge revenue is projected to increase by an estimated 28%, or \$3 million, in fiscal year 2018.

Previously, LGD employed a five-year capital replacement cycle based on best practices followed by several states. In recognition of the Fund's recently-limited capacity, certain capital expenditures, normally expended following a five-year replacement schedule, were delayed in favor of a six-year replacement schedule. E-911 system upgrade projects originally scheduled for fiscal year 2017, including upgrades at the Clovis, Portales, Hidalgo County, and Quay County PSAPs, were deferred to ensure fund solvency. Upgrade projects currently scheduled for fiscal year 2019 include Hobbs, Raton, Clayton, Isleta, Los Alamos, and Sierra County. The Program will monitor revenue and equipment health over the next several years to determine if the six-year cycle is adequate.

In addition, LGD continues to undertake a review process of CenturyLink invoices to validate the vendor's voice network charges, which are based upon current tariff rates (see line entitled "Operating Costs" in table below). This review was initiated after a report in fiscal year 2013 indicated that there may be incorrect charge amounts. CenturyLink has completed an audit of the services it provides to all

PSAPs and LGD intends to hire a consultant in early 2018 to assist with reconciliation of CenturyLink’s results.

	Actuals	Actuals	Projected	Projected	Projected	Projected	Projected
	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	FY16	FY17	FY18	FY19	FY20	FY21	FY22
*SURCHARGE REVENUE	11,062,226	10,792,532	13,576,681	13,576,681	13,576,681	13,576,681	13,576,681
% Change From Prior Year	-2%	-2%	26%				
Miscellaneous Revenue	163	3,284					
Interest Earned	27,990	36,539					
Total Revenues	11,090,379	10,832,355	13,576,681	13,576,681	13,576,681	13,576,681	13,576,681
Total Income	11,090,379	10,832,355	13,576,681	13,576,681	13,576,681	13,576,681	13,576,681
Cash Balance July 1	13,711,643	11,460,058	4,719,552	4,728,199	4,666,137	2,325,075	2,566,013
Projected Revenue	11,090,379	10,832,355	13,576,681	13,576,681	13,576,681	13,576,681	13,576,681
Total Funds	24,802,022	22,292,413	18,296,233	18,304,880	18,242,818	15,901,756	16,142,694
Admin Costs	511,934	457,813	678,834	678,834	678,834	678,834	678,834
*Operating costs	8,104,020	8,101,588	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	4,726,010	3,013,460	2,661,290	2,732,000	5,011,000	2,429,000	5,801,879
Total costs through grants	13,341,964	17,572,862	13,568,033	13,638,743	15,917,743	13,335,743	16,708,622
Projected END of Year Cash	11,460,058	4,719,552	4,728,199	4,666,137	2,325,075	2,566,013	-565,928

II. PROGRAM STATUS

The Bureau, as currently constructed, contains five full-time equivalent positions. The 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 maintenance, 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 Bureau. Over the past three years, Department of Public Safety (DPS) District 1 in Santa Fe, District 6 in Gallup, District 11 in Socorro, and District 10 in Aztec have consolidated into District 5 in Albuquerque. District 7 in Espanola, as well as District 9 in Tucumcari, have been consolidated into District 2 in Las Vegas. In addition, District 3 in Roswell was consolidated into District 4 in Las Cruces. Persistent consolidation efforts have reduced the overall number of PSAPs from 73 in 2006 to 41 in 2018. These efforts are the result of a long-term strategic move by DPS to consolidate PSAPs into three Districts – Albuquerque, Las Vegas, and Las Cruces.

The 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 of one PSAP per county, excluding Native American pueblos, tribal, and state police. Additional exceptions have been requested under 10.6.2.15 NMAC and approved by LGD when 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 increased non-recurring costs to transition PSAPs to compatible radio, CAD, and RMS systems.

New Mexico PSAPs handle over 1.3 million calls per year. Wireline calls accounted for 13% of these calls, and wireless calls accounted for the remaining 87% of the statewide E-911 call volume.

During fiscal year 2018, PSAP operating budgets totaled \$9.4 million, and eight PSAPs were approved for installation of new E-911 equipment and/or system upgrades at a combined cost of over \$1.85 million, as detailed below. These new E-911 system upgrades include hardware, software, voice recorders, and dispatch consoles.

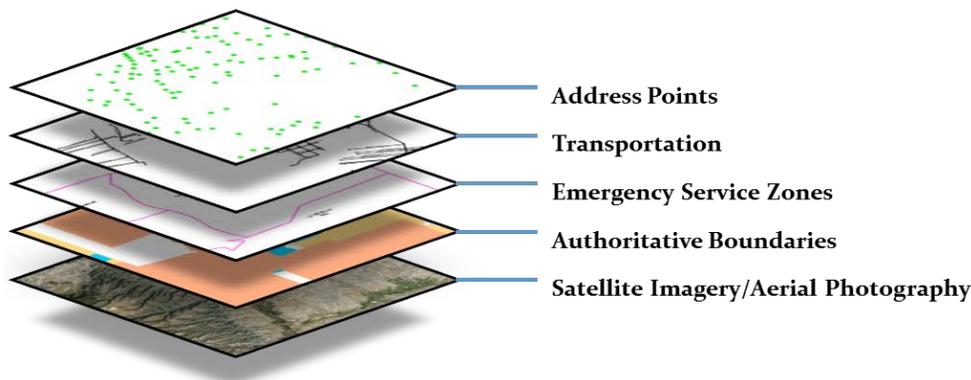
**State of New Mexico E-911 Program
Fiscal Year 2018 Budget Request**

Grantee	County	PSAP Location	FY18 Operating Budget	FY18 Capital Equipment Budget Request	Capital Equipment Previsouly Approved in Prior Year(s)	FY18 Grant Totals
Albuquerque, City of	Bernalillo	Albuquerque PD	367,829			367,829
Bernalillo, County of	Bernalillo	Bernalillo County/DPS Dist 5 Albuquerque	1,040,938		24,600	1,065,538
Carlsbad, City of	Eddy	Carlsbad PD	170,329			170,329
Catron, County of	Catron	Catron County (Reserve)	163,229			163,229
Cibola, County of	Cibola	Cibola County (Grants)	159,410			159,410
Clayton, Town of	Union	Clayton PD	223,629			223,629
Clovis, City of	Curry	Clovis PD	182,029	338,570		520,599
DeBaca, County of	De Baca	DeBaca County (Fort Sumner)	181,929			181,929
Eddy, County of	Eddy	Eddy County (Artesia)	271,294			271,294
Espanola, City of	Rio Arriba	Espanola/Jicarilla	246,029			246,029
Grant, County of	Grant	Grant County (Silver City)	167,029			167,029
Guadalupe, County of	Guadalupe	Guadalupe County (Santa Rosa)	160,629			160,629
Hidalgo, County of	Hidalgo	Hidalgo County (Lordsburg)	148,329	233,601		381,930
Las Cruces, City of	Dona Ana	MVRDA/DPS Dist 4 Las Cruces	503,929			503,929
Las Vegas, City	San Miguel	Las Vegas PD/DPS Dist 2 Las Vegas	324,329			324,329
Lea, County of	Lea	Lea County (Hobbs)	510,829	50,034		560,863
Lincoln, County of	Lincoln	Lincoln County (Carrizozo)	175,329			175,329
Los Alamos, County of	Los Alamos	Los Alamos PD	196,329			196,329
Los Lunas, Village of	Valencia	Los Lunas PD/Isleta	306,929		719,487	1,026,416
Luna, County of	Luna	Luna County (Deming)	155,129			155,129
McKinley, County of	McKinley	Gallup Metro/DPS Dist 6 Gallup/Zuni	596,029	21,814		617,843
Portales, City of	Roosevelt	Portales PD	103,729	180,738		284,467
Quay, County of	Quay	Tucumcari PD	191,629	277,137		468,766
Raton, City of	Colfax	Raton PD	143,629			143,629
Red River, Town of	Taos	Red River Marshall's Office	111,729			111,729
Rio Rancho, City of	Sandoval	Rio Rancho PD	388,729			388,729
Roswell, City of	Chaves	Pecos Valley (Roswell)	332,929			332,929
Ruidoso, Village of	Lincoln	Ruidoso PD/Mescalero	246,829			246,829
San Juan, County of	San Juan	San Juan County (Aztec)	466,229			466,229
Santa Fe, County of	Santa Fe	Santa Fe	395,029			395,029
Sierra, County of	Sierra	Sierra County (Truth or Consequences)	185,129			185,129
Socorro, City of	Socorro	Socorro PD/DPS Dist 11 Socorro	199,729			199,729
Taos, County of	Taos	Taos PD	231,329			231,329
Torrance, County of	Torrance	Torrance County (Macintosh)	184,829			184,829
	TOTAL		9,432,941	1,101,894	744,087	11,278,922
	Total Fiscal Year 2018 Budget Request		\$11,278,922			

Effective December 20, 2017, DFA and the Department of Information Technology (DoIT) entered into a Memorandum of Understanding (MOU) to transfer the Program, including personnel and resources, from DFA to DoIT. Through the MOU, DFA will remain responsible for payments from the Fund to service providers, reimbursements to local governments, funding for E-911 systems, adoption of reasonable rules, and establishment of 911 service areas in conjunction with local governing bodies. DFA also remains responsible for issuing an annual report to the legislature on the status of The Fund, and whether the current level of the 911 emergency surcharge is sufficient to fund the anticipated needs for the next year. In addition, DFA retains responsibility for paying the salary, benefits, and all related costs of E-911 personnel. The current MOU, which expires June 30, 2018, has a provision for renewal which may be exercised at that time.

DoIT is responsible for operational goals, such as expansion of the benefits of the basic 911 emergency telephone number through technological advancements. DoIT will provide office space, supplies, and administrative guidance for transferred E-911 staff, who will be subsequently governed by DoIT policies and procedures.

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 technology by every PSAP is critical to relay the precise location of a caller to the correct jurisdiction's first responder. As related technology advances, so too does the importance of GIS technology.



As the Bureau transitions to Next Generation 9-1-1 (NG911), the role of GIS will become even more critical by serving as the primary data component for providing 911 services. An abundance of services will be required to create and update GIS databases to prepare for NG911. GIS data must be consistent among data sources, and must match data currently utilized by PSAPs, which requires statewide communication and data modification between the Bureau, PSAPs, and corresponding data sources. The Bureau's GIS Program Manager assists PSAPs, manages the work of a GIS contractor, and works 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 data sources to be received by PSAPs and dispatched to emergency responders. In preparation for this transition, all E-911 equipment currently purchased and installed is NG911-compliant.

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 the implementation phase. New Mexico's current E-911 statute has been changed to facilitate the transition.