



PERFORMANCE AUDIT REPORT

Wireless Enhanced 911: Reviewing Implementation of the 2004 Act

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
February 2007**

Legislative Post Audit Committee

Legislative Division of Post Audit

THE LEGISLATIVE POST Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$11 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

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LEGISLATIVE DIVISION OF POST AUDIT

800 SW Jackson
Suite 1200
Topeka, Kansas 66612-2212
Telephone (785) 296-3792
FAX (785) 296-4482
E-mail: LPA@lpa.state.ks.us
Website:
<http://kslegislature.org/postaudit>
Barbara J. Hinton, Legislative Post Auditor

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LEGISLATURE OF KANSAS

LEGISLATIVE DIVISION OF POST AUDIT

800 SOUTHWEST JACKSON STREET, SUITE 1200
TOPEKA, KANSAS 66612-2212
TELEPHONE (785) 296-3792
FAX (785) 296-4482
E-MAIL: lpa@lpa.state.ks.us

February 6, 2007

To: Members, Legislative Post Audit Committee

Representative Peggy Mast, Chair	Senator Nick Jordan, Vice Chair
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This report contains the findings, conclusions, and recommendations from our completed performance audit, *Wireless Enhanced 911: Reviewing Implementation of the 2004 Act*.

The report also contains appendices showing information by PSAP. One shows implementation status, expected date of Phase II wireless enhanced 911 service implementation, estimated 2006 call volume, grant moneys awarded in 2005 and 2006, local fee funds received and spent, the current monthly land-line tax, and balance of land-line tax funds. Another shows projected funds available and estimated expenditures. The report includes recommendations for the Department of Administration and the Kansas Wireless Enhanced 911 Advisory Board.

We would be happy to discuss the findings presented in this report with any legislative committees, individual legislators, or other State officials. These findings are supported by a wealth of data, not all of which could be included in this report because of space considerations. These data may allow us to answer additional questions about the audit findings or to further clarify the issues raised in the report.

Barbara J. Hinton
Legislative Post Auditor

Get the Big Picture

Read these Sections and Features:

1. **Executive Summary** - an overview of the questions we asked and the answers we found.
2. **Conclusion and Recommendations** - are referenced in the Executive Summary and appear in a box after each question in the report.
3. **Agency Response** - also referenced in the Executive Summary and is the last Appendix.

Helpful Tools for Getting to the Detail 🔍

- In most cases, an “**At a Glance**” description of the agency or department appears within the first few pages of the main report.
- **Side Headings** point out key issues and findings.
- **Charts/Tables** may be found throughout the report, and help provide a picture of what we found.
- **Narrative text boxes** can highlight interesting information, or provide detailed examples of problems we found.
- **Appendices** may include additional supporting documentation, along with the audit **Scope Statement** and **Agency Response(s)**.

EXECUTIVE SUMMARY
LEGISLATIVE DIVISION OF POST AUDIT

Overview of Wireless Enhanced 911 Services in Kansas

Wireless E-911 services improve emergency response to calls made from cell phones. *Enhanced 911, which automatically identifies the location from which an emergency call is being made, has been available for calls made from regular “land-line” telephones for many years. In contrast, enhanced 911 for “wireless” calls made from cell phones is a fairly recent development. Determining the location from which a wireless E-911 phone call is being made involves complex, costly technology that many Public Safety Answering Points (or PSAPs for short) couldn’t afford.* page 3

A funding source was established in 2004 to help pay for implementation of wireless E-911 services. *The Wireless Enhanced 911 Act, which took effect July 1, 2004, assesses fees on all cell phone subscribers and purchasers of pre-paid wireless phones. The Act created a 25¢ local fee and a 25¢ grant fee that’s assessed monthly on all cell phone subscriber accounts, as well as a 1% grant fee assessed on the retail price of pre-paid phone service. Local fees are distributed to PSAPs based on each wireless cell phone subscriber’s primary place of use. Grant fees are remitted to the Secretary of Administration and held in the Statewide grant fund. PSAPs in counties with fewer than 75,000 people are eligible to apply for grants to supplement their revenue from the local fee.* page 4

The Statewide grant fund will be eliminated in 2010. Any remaining balance will be distributed to PSAPs based on population. Within each PSAP, the 911 fees for land-line or wireless phones, or for the Internet through Voice over Internet Protocol (VoIP) must be equalized. They also will be capped at 25¢ each in counties with populations of 125,000 or more, and at 50¢ each in counties with populations less than 125,000.

State law limits the use of wireless E-911 fees. *The Act specifies that wireless E-911 fees can be spent only on necessary and reasonable costs to implement services, buy equipment and upgrades, pay maintenance fees, and train personnel. Wireless E-911 fees can’t be used to lease, construct, acquire, remodel, renovate, or furnish a building.* page 6

Question 1: What Is the Status of Implementation of Wireless Enhanced 911 Service?

Wireless E-911 services should be fully implemented in half the PSAPs in 2006, and in all but one by 2010. *Fully implemented E-911 services means the PSAP can receive the cell phone number, billing* page 7

address, and a location based on longitude and latitude coordinates. In all, 53% of PSAPs told us they expected to be at this point by the end of 2006. More than 80% of Kansans live in areas that already have wireless E-911 services.

By 2010, all but one PSAP expects to be capable of offering full wireless E-911 service. Officials with that PSAP, which serves Comanche County, said they have installed all the necessary equipment, but because there's only one cell tower in their county, they can't reliably locate callers.

The availability of grant funds will affect whether some PSAPs are able to fully implement wireless E-911 service by the dates they estimated. Implementation is costly, and many PSAPs are counting on grant funds. For 2007, 56 PSAPs requested grant funding totaling almost \$8 million; however, only 37 PSAPs received awards, totaling about \$5 million.

Question 2: Are Public Safety Answering Points Using Wireless E-911 Fees Appropriately?

Through June 2006, PSAPs spent \$6.7 million from wireless E-911 fee revenues. page 10
About half the money (\$3.5 million) has been spent on such things as equipment, monitors, and software. PSAPs also have spent \$1.6 million on contractual services, such as ongoing costs for phone lines and maintenance contracts. In all, fee revenues of approximately \$21 million have been collected between July 2004 and November 2006.

Wireless E-911 fee moneys generally have been used as allowed by law. page 11
PSAPs can spend wireless moneys only on necessary and reasonable costs for implementing wireless E-911 service, buying equipment and upgrades, maintaining that equipment, and training personnel. Although the statute seems to limit equipment-related purchases to equipment that's used exclusively for wireless E-911 services, in reality the same equipment often handles both land-line and wireless calls or data.

All purchases we reviewed made from grant funds were appropriate. Expenditures made from grant moneys are carefully reviewed by staff in the Governor's Grants Program. PSAPs usually are reimbursed only after they submit invoices or other documentation. In our sample of 77 purchases accounting for \$875,000, all but one purchase (\$295 for a file cabinet) appeared reasonable, and staff at the Governor's Grants Program didn't reimburse the PSAP for that purchase.

We identified a small amount of spending from local fee funds that either wasn't allowable, or wasn't supported by documentation. Unlike grant funds, there's no regular outside oversight of the spending of local fee moneys that go directly to PSAPs. The League of Kansas Municipalities provides guidance to PSAPs about allowable purchases,

and PSAPs are required to send bi-annual informational reports to the Governor's Grants Program. Those reports show fees received, amount spent, and brief descriptions of purchases. In our sample of 55 purchases totaling \$1.2 million, we found no problems with 52 purchases. For the three other purchases: one purchase of \$1,286 wasn't an allowable expense, and two other expenditures totaling about \$5,200 involved inaccurate reporting or lacked supporting documentation.

About half the PSAPs haven't yet spent any local fee moneys. page 14
These 55 PSAPs are at varying levels of implementation. Some have a very small wireless subscriber base and don't generate much revenue. After receiving money for more than two years, 14 of the 16 PSAPs with only Basic wireless 911 service have less than \$20,000 in their wireless funds. Some other PSAPs have used grant moneys to improve their systems, while saving the local fee money for future upgrades or ongoing expenses.

Question 3: Is the Amount of Fee Money Being Collected Adequate To Fund the Implementation of Wireless Enhanced 911, and What Level of Funding Is Needed for Ongoing Support of the System?

This early assessment of the adequacy of wireless E-911 funding had to involve many estimates, projections, and assumptions. page 16
Looking accurately into the future is difficult because there's so little actual experience to base projections on. To develop estimates of PSAPs' future E-911 costs and the revenues that will be used to fund them, we surveyed PSAPs regarding their 2007-2012 estimated expenditures and any other sources of revenue they expected to use, and projected the wireless E-911 local and grant fee revenues over the next few years.

Expenditure estimates are particularly subject to error because some PSAPs have had little experience with actual implementation costs, and have little basis for knowing what their ongoing and upgrade costs will be in the future. Revenue projections also are subject to error. For example, the number of wireless phone subscribers could turn out to be quite different from our estimates, and the amount of grant funds PSAPs request could change as they get a better handle on their costs.

On a Statewide basis, estimated wireless E-911 revenues would far exceed PSAPs' estimated costs. page 17
From 2007 through June 30, 2010, projected fee revenues overall would be \$42 million, which is \$15 million greater than the expenses PSAPs estimated for our survey. Estimated revenues and expenditures are fairly close in 2007, but PSAPs' expenditure estimates drop off sharply in 2008 and beyond.

Some individual PSAPs wouldn't have enough funding to cover their estimated costs through June 30, 2010. page 18
The only revenues PSAPs are guaranteed to get are the local fees levied on wireless phones

in their areas. Based on the revenues and expenditures estimated, only 46 PSAPs would be able to cover their estimated costs with their local fee revenues alone. Many PSAPs applied for grants for 2007, others reported they expect to apply for grants in future years, and 50 reported they plan to bring in other sources of revenue to help pay costs.

PSAPs' ability through June 30, 2010 to fund their estimated expenditures with the projected funds they expect to have available is mixed. (Projected funds includes local fee revenues, grants they said they expected to apply for, and other local revenues they said they expected to spend on 911.) We compared the projected funding each PSAP might have available between 2007 and June 30, 2010, to the estimated expenditures they reported for that period. Based on those estimates, 85 PSAPs would be able to cover their estimated costs, while 26 PSAPs wouldn't be able to cover costs. The PSAPs that wouldn't be able to cover their estimated expenditures were more likely to have smaller populations.

Additional grant funds would be available for PSAPs that come up short in being able to cover their costs. page 21
Based on what PSAPs reported, after calendar year 2007 the grant requests would drop off dramatically. In contrast, fees going into the grant fund are expected to continue to increase each year. This could result in \$17.6 million in grant money being available to help most PSAPs cover their "unfunded" estimates between now and 2010.

Some PSAPs may not be able to cover their ongoing expenses with their wireless E-911 revenues after 2010. page 22
When the fee structure changes in 2010, the grant fund will be eliminated and PSAPs will be able to set their own wireless E-911 fees, within limits set by statute. We compared projected wireless E-911 revenues in 2011 for each PSAP (assuming they charged the maximum fee allowed) with the estimates of ongoing operating costs the PSAP provided us. Based on these projections and estimates, at least 16 PSAPs wouldn't be able to cover their ongoing operating costs with the new fee structure. Those PSAPs would need to charge fees ranging from 52¢ to \$1.52 to pay monthly expenses. In addition to these ongoing costs, PSAPs will have to fund recurring equipment upgrades.

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APPENDIX D: Agency Responses page 39

This audit was conducted by Lisa Hoopes, Brenda Heafey, Jill Shelley, and Ivan Williams. Cindy Lash was the audit manager. If you need any additional information about the audit's findings, please contact Lisa at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call us at (785) 296-3792, or contact us via the Internet at LPA@lpa.state.ks.us.

Wireless Enhanced 911: Reviewing Implementation of the 2004 Act

The Wireless Enhanced 911 Act imposed fees on all cell phone or “wireless” subscribers, and on all prepaid wireless phones. Those fees were intended to help local governments upgrade their 911 phone systems to provide enhanced 911 services (E-911) for wireless callers. With wireless E-911 services, local dispatchers can determine the location of a 911 call made on a wireless phone.

Wireless carriers collect a 50¢ wireless E-911 fee from their cell phone subscribers each month. Half that fee is distributed back to local governments. The other half—as well as all fees collected on prepaid wireless phones—is maintained in a Statewide grant fund.

The Act requires Legislative Post Audit to conduct an audit of the wireless E-911 service system during calendar year 2006 to determine whether local governments are using these moneys appropriately, whether the amount of money being collected is adequate, the status of implementation, and the need and level of continued funding of the system. The statute calls for a similar audit during calendar year 2008.

This performance audit answers the following questions:

- 1. What is the status of implementation of wireless enhanced 911 service?**
- 2. Are public safety answering points using wireless E-911 fees appropriately?**
- 3. Is the amount of fee money being collected adequate to fund the implementation of wireless enhanced 911, and what level of funding is needed for ongoing support of the system?**

To answer these questions, we surveyed all emergency response centers for 911 services (these are called public safety answering points, or PSAPs) to determine the current status of their wireless E-911 services, and their estimated dates for full implementation. We also obtained PSAPs’ estimates of future expenditures. We visited a sample of PSAPs to gain an understanding of the equipment needed and the process involved in receiving a wireless E-911 call.

We reviewed documentation for a sample of expenditures from both the Statewide grant fund and PSAPs' local funds to determine whether the expenditures were allowable, and whether self-reported expenditure data were reliable. We obtained information from the Kansas Association of Counties and the League of Kansas Municipalities on the amount of wireless fees paid to PSAPs through October 2006.

We used those data—along with projected growth rates in population and in cell phone subscribers—to project future revenues of individual PSAPs. Finally, we used the projected revenues and estimated expenditures to assess whether the amount of money being collected will be adequate to fund the implementation and ongoing costs of wireless E-911 services.

A copy of the scope statement for this audit approved by the Legislative Post Audit Committee is included in **Appendix A**.

In conducting this audit, we followed all applicable auditing standards set forth by the U.S. Government Accountability Office except that, because of time constraints, we did only limited testing of the monthly amounts of local fees paid out to the PSAPs. This testwork determined the accuracy and reliability of the data provided, it disclosed no errors, and we found no indication that the data are grossly or systematically wrong. Any inaccuracies would tend to overstate or understate the projected future revenues for PSAPs, but are unlikely to be extreme enough to affect our findings and conclusions.

The reader should note that the future expenditures used in our analyses were estimates PSAPs reported to us, which for some PSAPs may have been based on little or no experience with actual costs. In the absence of any other data, we had to use those estimates in concluding whether the fees being collected likely would be adequate to implement wireless E-911 services in Kansas.

Our findings begin on page 7, following a brief overview of wireless E-911 services in the State.

Overview of Wireless Enhanced 911 Services in Kansas

Wireless E-911 Services Improve Emergency Response to Calls Made From Cell Phones

Enhanced 911, which automatically identifies the location from which an emergency call is being made, has been available for calls made from regular “land-line” telephones for many years. Although not all 115 emergency response centers in Kansas (officially called public safety answering points, or PSAPs for short) were equipped to receive this location information, most were, particularly in the more populous areas.

In contrast, Enhanced 911 for “wireless” calls made from cell phones or other pre-paid wireless phones is a fairly recent development. Determining the location from which a wireless 911 phone call is being made involves complex and costly technology that many PSAPs couldn’t afford. When the Wireless Enhanced 911 Act was passed in 2004, however, PSAPs in Kansas were encouraged to update their systems to handle emergency calls from wireless phones.

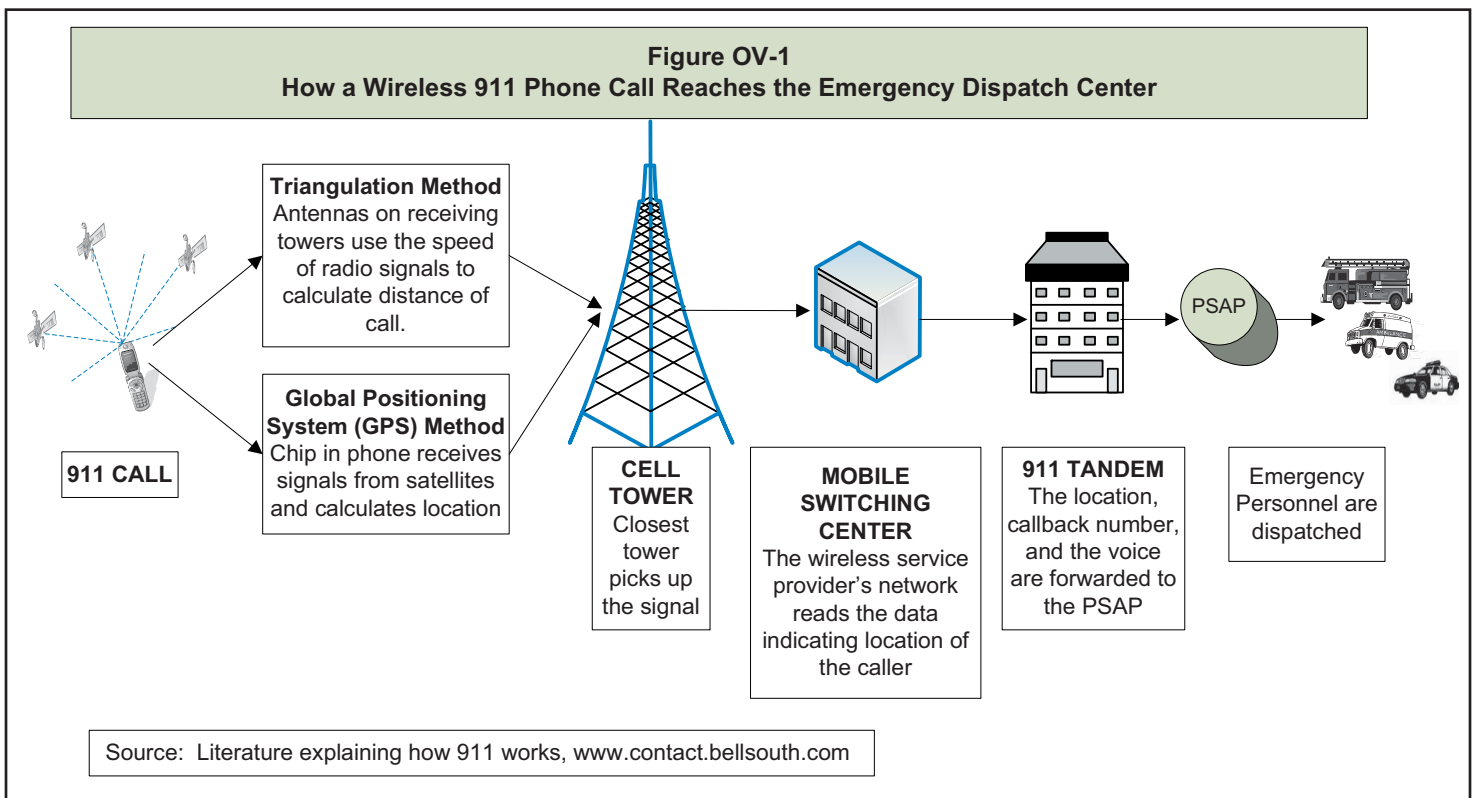
Kansas generally has one PSAP per county, although four counties have more: Cowley and Leavenworth Counties each have two PSAPs, Butler County has three, and Johnson County has seven. Currently, PSAPs vary in the level of information they’re capable of receiving about wireless calls. As described below, that can affect their ability to respond to emergencies:

Basic 911 means the PSAP simply has the capability to receive a call from a wireless phone. If the caller doesn’t know his or her location, or is unable to respond to the dispatcher’s questions, the PSAP may be unable to make any type of emergency response.

Phase I refers to the lowest level of wireless enhanced 911 services. PSAPs operating at Phase I automatically receive the number of the wireless phone and billing address of the phone’s owner. This additional information can help PSAPs locate some emergency callers, but isn’t adequate in situations where the caller is away from home and unable to respond.

Phase II refers is the highest level of wireless enhanced 911 services. In addition to Phase I information, the PSAP automatically receives location information based on longitude and latitude coordinates. This level is most similar to Enhanced 911 for land-line phones.

With Phase II wireless E-911 services, PSAPs can determine the location of a cell phone call in two ways. The first is through a method called triangulation. The signal from the wireless phone is picked up by three cell towers, then sent to the dispatch center. The second way is through Global Positioning System (GPS)



coordinates if the cell phone has a locator chip installed. *Figure OV-1* shows the steps a wireless call must go through to transmit information to a PSAP that has fully implemented Phase II of wireless E-911.

A Funding Source Was Established in 2004 To Help Pay for Implementation of Wireless E-911 Services

The Wireless Enhanced 911 Act, which took effect July 1, 2004, assesses fees on all cell phone subscribers and purchasers of pre-paid wireless phones to help offset the costs of implementing and offering E-911 services for wireless users. Although there's no State or federal requirement to offer Enhanced 911 for wireless callers, the funding provided as a result of the Act encouraged the development of that service throughout the State. The Act created the following fees:

- a 25¢ local fee, assessed monthly on all cell phone subscriber accounts
- a 25¢ grant fee, assessed monthly on all cell phone subscriber accounts
- a 1% grant fee, assessed on the retail price of pre-paid wireless phone service

These fees are collected by wireless phone companies (such as Verizon or Cingular) and by wholesalers of pre-paid wireless phones. Local and grant fees are handled differently:

- **Local fees** are remitted to the Kansas Association of Counties, which serves jointly with the League of Kansas Municipalities as administrator of the local fees. The Act calls for these local fees to be distributed to PSAPs based on each wireless cell phone subscriber's primary place of use.

- **Grant fees** are remitted to the Secretary of Administration, who contracts with the Governor’s Grants Program to administer the grant program. Grant fees are pooled, and PSAPs in counties with fewer than 75,000 people are eligible to apply for grants to supplement their revenue from the local fee. The State’s five largest counties—Douglas, Johnson, Shawnee, Sedgwick, and Wyandotte—aren’t eligible for these grants.

The Act requires the Secretary of Administration to obtain an audit during 2006 of wireless companies’ records of fee collections and remittances under the Act. The Governor’s Grants Program currently is conducting this audit on behalf of the Secretary. Staff are reviewing subscriber lists from each wireless company to determine if those lists substantiate the number of subscribers the companies report receiving fees from each month. The report is expected to be available in March 2007.

During the 2006 legislative session, the Legislature amended the Act to include Voice over Internet Protocol (VoIP) subscribers beginning July 1, 2006. Companies that provide VoIP service must collect the local fee and the grant fee from their subscribers, and remit those fees in the same manner as wireless companies.

The Statewide grant fund will be eliminated in 2010. The Act calls for significant changes to the funding stream for all 911 services (land-line, wireless, and VoIP) effective July 1, 2010. At that time, the following things happen:

- grant fees on wireless and VoIP subscribers will be eliminated, and the balance in the grant fund will be distributed to PSAPs based on population
- land-line 911 fees (currently up to 75¢ per month) will be limited to no more than 25¢ per month per line in counties with populations of at least 125,000 (currently only four counties), and to no more than 50¢ per month in counties with populations fewer than 125,000
- local fees for wireless cell phone and VoIP subscribers must be the same as for land-line phones

Figure OV-2 Changes in Maximum Monthly Fees for 911 Services Beginning July 1, 2010				
Fee Type	County population 125,000 or more		County population Less than 125,000	
	Before 7/1/10	After 7/1/10	Before 7/1/10	After 7/1/10
Land-line (local fee)	75¢	25¢	75¢	50¢
Wireless phone (local fee)	25¢	25¢	25¢	50¢
VoIP subscribers (local fee)	25¢	25¢	25¢	50¢
Wireless phone (grant fee)	25¢	none	25¢	none
VoIP subscribers (grant fee)	25¢	none	25¢	none

Source: Wireless Enhanced 911 Act and VoIP Enhanced 911 Act

Figure OV-2 shows how these changes will affect the maximum fees that can be charged. All 911 fees (land-line, wireless, and VoIP) will be merged after July 1, 2010, and can be spent on necessary costs for emergency 911 services.

***State Law Limits
The Use of Wireless
E-911 Fees***

The Act specifies that wireless enhanced 911 fees can be spent only on necessary and reasonable costs in the following areas:

- implementation of wireless E-911 services
- purchase of equipment and upgrades and modification to equipment used solely to process the data elements of wireless E-911 services
- maintenance and license fees for such equipment, and training of personnel to operate equipment

Allowable expenditures can include such items as software programs that map the general location of the caller, telephone trunk lines for receiving wireless phone calls, and staff training on the specialized software that's needed. The Act specifically states that wireless E-911 fees can't be used to lease, construct, acquire, remodel, renovate, or furnish a building.

***An Audit in 2008
Will Take a Broad
Look at E-911***

When the Act was passed in 2004, it called for us to conduct two audits: one in 2006 and one in 2008. The current audit looks at several issues related to wireless E-911 services, as follows:

- the status of implementation
- whether fee moneys are being spent appropriately
- whether fee moneys are adequate
- the need and level of continued funding

The 2008 audit is substantially broader, including the wireless E-911 system, the VoIP E-911 system, and the land-line system. That audit will address the following issues:

- the status of enhanced 911 implementation for wireless and VoIP systems
- whether wireless and VoIP fee moneys are being spent appropriately
- whether fees collected for wireless and VoIP are adequate
- the need and level of continued funding for wireless enhanced 911, VoIP enhanced 911, and the land-line 911 system

That audit is required to be submitted at the beginning of the 2009 legislative session, which will give legislators updated information before the changes to the fee structure take effect July 1, 2010.

Question 1: What Is the Status of Implementation Of Wireless Enhanced 911 Service?

ANSWER IN BRIEF: *By the end of 2006, more than half the 115 PSAPs across the State expected to have implemented wireless E-911 services, essentially covering 83% of all Kansans. All but one PSAP said they planned to have wireless E-911 services fully implemented by July 2010. State grant funds are available to help local governments implement wireless E-911 services, but in 2007 PSAPs requested \$3 million more in grant funding than was awarded. These and other findings are described in the sections that follow.*

Wireless E-911 Services Should Be Fully Implemented in Half The PSAPs in 2006, and In All But One by 2010

Counties' emergency response centers (called public safety answering points, or PSAPs for short) are under the control of local officials. We contacted representatives of each PSAP during November 2006 to find out what they expected their implementation status to be as of December 2006 as well as by July 1, 2010, when grant funds for wireless E-911 service are eliminated. (At that point, the remaining fees for land-line, wireless, and VoIP E-911 service must be equalized.)

By the end of 2006, slightly more than half the PSAPs expected to have fully implemented Phase II of wireless E-911 service.

As noted in the Overview, Phase II means the PSAP can receive the cell phone number, billing address, and a location based on longitude and latitude coordinates.

As **Figure 1-1** on the next page shows, 61 of the State's 115 PSAPs (53%) told us they expect to have fully implemented Phase II by the end of 2006. An additional 26 PSAPs (23%) said they expected to have started implementing Phase II by the end of 2006.

More than 80% of Kansans live in areas that already have wireless E-911 services. In all, 18 of the State's 21 most populous counties—including Johnson, Sedgwick, and Shawnee—have fully implemented Phase II of wireless E-911 services. PSAPs expecting to offer full Phase II wireless E-911 services by the end of 2006 covered 83% of the Kansas population.

By 2010, all but one PSAP expects to be fully capable of offering Phase II wireless E-911 services. Officials in Comanche County are facing an interesting challenge. Although their PSAP has all the necessary Phase II equipment, wireless carriers have only installed one cell tower in the area. For a PSAP to receive the Phase II data, the cell phone must either have Global Position System (GPS) capability, or there need to be three towers in the

The box on the left describes the situation in Chase County, a PSAP we visited during the audit whose grant request for 2007 wasn't funded. Question 3 of this audit, beginning on page 16, explores in detail the sufficiency of current funding.

Wireless E-911 Services Likely Will Be Delayed in Chase County Because Its 2007 Grant Request Was Denied

The PSAP for Chase County has begun implementing Phase I of wireless E-911 services, but needs a mapping system and additional trunk lines to complete Phase II. When we visited this PSAP, officials told us they'd been able to purchase some wireless E-911 equipment through a Homeland Security grant. Part of that equipment was in use, but part of it remains in storage—not usable until the PSAP comes up with funding to fully implement Phase II. The PSAP requested more than \$46,000 in State grant funds for 2007, but its request was denied. A PSAP official said he was relying on 2007 grant funds to fully implement the wireless E-911 system.

PSAPs Must Begin Implementation of Wireless E-911 Services To Continue Receiving Funding

Although PSAPs aren't required to implement wireless E-911 services, State law has created incentives to do so—and to do so in a timely manner—by instituting fees on all wireless subscribers yet placing the following limits on use of that money:

- it can be spent only for necessary and reasonable costs related to wireless enhanced 911
- PSAPs have to submit a valid request for wireless enhanced 911 services to wireless companies by July 1, 2007. Up to two one-year extensions are available.
- if a PSAP hasn't submitted a request by 2008, local officials must turn over all local fee money they've received for wireless E-911 services to the State Wireless Enhanced 911 Grant Fund, where it will be awarded to other PSAPs.

Wireless E-911 Service—Even When Fully Implemented—Will Have Holes

Advances in technology have significantly improved PSAPs' ability to provide emergency services to people calling for help from cell phones, but some fairly serious issues remain. As noted in a recent Consumer Reports article, these issues are nationwide. Some of these issues are discussed below.

Wireless phone signals can be difficult to locate. For a cell phone caller to be accurately located, there must be a clear signal. Trees, buildings, and other obstructions can interfere with the signal. In addition, some signals may not be located accurately if the caller is inside a vehicle or building. The Federal Communications Commission requires wireless phone companies to be able to locate a call within 50 meters for 67% of the wireless calls received, and within 150 meters for 95% of the wireless calls received for phones with GPS capability. This level of precision may not be very helpful in crowded areas.

Not all cell phones are equipped with a Global Positioning System (GPS) chip. The Federal Communications Commission required wireless companies to ensure that 95% of their customers' handsets are "location-capable" by the end of 2005, but customers can't be forced to buy those phones or update their old non-GPS-enhanced phones. Without a GPS chip, dispatch centers must rely on a cell phone signal being triangulated among cell towers to determine a general location of the caller. Often, towers can only narrow the caller's location to a square mile or more.

Cell phone calls can be sent to the wrong PSAP. Sometimes a signal bounces off the wrong face of a tower, and the call is sent to a dispatch center in a county different from where the call is originating. Because of technology or system differences, some PSAPs are unable to transfer these misguided calls, and the accompanying data, to the proper PSAP.

Pre-paid phones and "donated" phones can't fully benefit from wireless E-911 services. These phones don't provide pertinent information to the PSAP—such as subscriber address—and often don't have location-reporting capabilities. Without this information, it's difficult to find and help callers who aren't able to state their locations. Also, "donated" phones only have the capability of making an outgoing call to 911; they can't receive an incoming call.

Conclusions and recommendations for the audit are contained on page 24 at the end of Question 3.

Question 2: Are Public Safety Answering Points Using Wireless E-911 Fees Appropriately?

ANSWER IN BRIEF: *Public safety answering points (PSAPs) spent more than \$6.7 million in wireless E-911 fees through June 2006. About half that money was spent on equipment, and nearly one-fourth was spent on contractual services such as maintenance and phone bills for wireless lines. Nearly all the purchases have been for items allowed by law. All of the purchases made with grant funds—which receive lots of scrutiny from the Governor’s Grants Program—appeared to be appropriate. Spending from local fee funds doesn’t receive much outside oversight, but we found only very minor problems in that area. By the end of June 2006, about half the PSAPs hadn’t spent any of the local fees moneys they had received. These and other findings are discussed in the sections that follow.*

Through June 2006, PSAPs Spent \$6.7 Million From Wireless E-911 Fee Revenues

Since July 2004, a monthly fee of 50¢ has been collected from wireless phone subscribers, as well as a 1% fee on prepaid wireless service. These fees generated total revenues of approximately \$21 million by the end of November 2006.

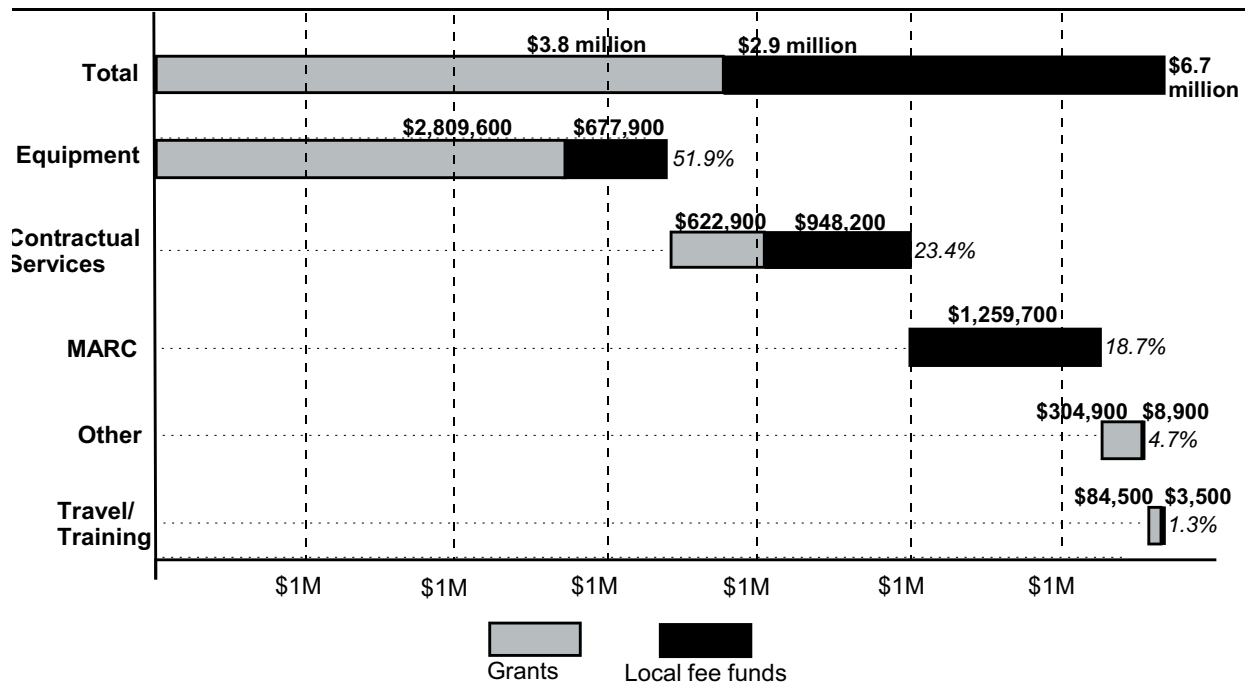
As noted in the Overview, 25¢ of each monthly fee goes directly to PSAPs based on the billing addresses of wireless subscribers. The remaining 25¢ and the fee on prepaid service goes into a grant fund administered by the Kansas Wireless Enhanced 911 Advisory Board. Grants have been awarded competitively to PSAPs since calendar year 2005.

About half the \$6.7 million spent from wireless E-911 fee moneys has been spent on equipment. As *Figure 2-1* shows, about \$3.5 million has been used to buy such things as Phase I and Phase II packages of equipment, monitors, and software.

The figure also shows that PSAPs have spent:

- About \$1.6 million (23.4% of the total) on contractual services, such as ongoing costs for phone lines added to handle wireless calls, maintenance contracts, and mapping services.
- About \$1.3 million (19%) on payments to the Mid-America Regional Council (MARC), which provides 911 equipment, maintenance, and technical support to PSAPs in the metropolitan Kansas City area and adjoining counties in Kansas and Missouri.
- About \$310,000 on other miscellaneous purchases, which included equipment installation, geographic information systems work, and a percentage of PSAP utility costs.

**Figure 2-1
Spending from Wireless E-911 Fee Moneys
Through June 30, 2006**



Source: LPA analysis of reports received by the Governor's Grants Program

Note: Spending by category is indicative, not absolute, as PSAPs aren't entirely consistent in how they classify various types of expenditures.

Wireless E-911 Fee Moneys Generally Have Been Used As Allowed by Law

As noted in the Overview, State statutes prohibit PSAPs from using wireless E-911 fee moneys to lease, construct, acquire, remodel, renovate, or furnish a building. They can spend those moneys only on necessary and reasonable costs in the following areas:

- implementation of wireless E-911 service
- equipment and upgrades, and modification of equipment used solely to process the data elements of wireless E-911 service
- maintenance and license fees for such equipment, and training of personnel to operate it

Although the statute seems to limit equipment-related purchases to equipment that is used exclusively for wireless enhanced 911 services, in reality the same equipment often handles both land-line and wireless calls or data. For example, a voice recorder used to capture a wireless 911 call also will be recording calls received from land-line phones.

To address this situation, the Kansas Enhanced 911 Wireless Advisory Board and the League of Kansas Municipalities have interpreted “implementation of wireless E- 911 service” to include any item that is necessary for a PSAP to provide that service, except those items specifically prohibited by law. (Officials said requests for grant funding have been greater than the amount of funding available; the Board has decided that grant funds will be awarded only for a pro-rated share of the costs of equipment that can be used for land-line and wireless E-911 calls.) Staff from the Revisor of Statutes Office told us this broader interpretation appeared to be consistent with legislative discussions at the time the bill was passed. For that reason, we followed that interpretation in determining whether PSAPs’ purchases were allowed by law. However, we did verify that the service or equipment was a necessary component of a wireless E-911 system.

Figure 2-2 to the right contains pictures of PSAP operations and lists examples of purchases made by PSAPs to implement and maintain wireless E-911 services.

Purchases made from grant funds appeared to be appropriate. During this audit, we reviewed a sample of 77 purchases from 20 PSAPs accounting for about \$875,000 of the \$3.8 million in grant funds spent through June 2006. PSAPs are required to attend a class on grant requirements and, as described below, expenditures made from grant moneys are carefully reviewed by the staff of the Governor’s Grants Program:

- the Wireless Enhanced 911 Advisory Board reviews / approves detailed grant applications. We observed Board members questioning specific proposed expenditures.
- PSAPs usually are reimbursed only after they submit invoices or other documentation to the Governor’s Grants Program (sometimes a PSAP will get an advance to pay a large bill)
- PSAPs must submit quarterly reports and report detailed information on equipment costing \$1,000 or more
- the Governor’s Grants Program performs on-site reviews after grant funds have been spent to ensure—among other things—that the proposed items actually were purchased, and that they were in place and in use

In our sample, all but one of the 77 expenditures we reviewed appeared to be reasonable (an expenditure of \$295), and staff at the Governor’s Grants Program didn’t reimburse the PSAP for that purchase.

We identified a small amount of spending from local fee funds that either wasn’t allowable, or wasn’t supported by

**Figure 2-2
A System To Receive and Process Wireless E-911 Calls Has Many Components**

The components needed for a PSAP to receive wireless E-911 calls are complex, but include certain basic things:

- **a 911 controller.** This computer is the system’s “traffic director.” It determines whether the calls coming in will require additional information—such as the caller’s location—and makes that information available to the PSAP.
- **equipment to access remote databases.** This equipment includes phone lines that connect each company to the PSAP, and computers, cables, and the like to run the 911 call-taker’s work station.
- **maps that can help pinpoint an emergency location.** The necessary software and monitors often are part of a computer-aided dispatch system, but some stand-alone packages also have this capability. The maps must show sufficient detail (e.g., seldom-used roads, small streams) to be useful to the personnel on the ground.
- **addresses.** The phone company must have an up-to-date master street address guide showing all addresses within the PSAP’s jurisdiction for its database, so that the location information can come to the PSAP through the controller. Developing this database is a cooperative effort between the phone company and the PSAP.
- **a means to record 911 calls.** A recorder’s many components allow the PSAP to capture call information.

Examples of Purchases Listed on Reports		
Category	Description	Amount
equipment	four-position 911 call-taking system, including training, installation, and warranty	\$108,170
	22-channel voice recorder	\$20,540
	computer for computer-aided dispatch	\$980
contractual services	addressing, mapping, software updates, master street address guide database	\$19,530
	phone line bill for 6 months	\$1,132
	wireless company testing to ensure calls from all parts of the county can be received	\$270
travel/training	training on mapping software	\$2,425
	fuel to and from training on grant reporting requirements in Salina	\$41
other	wireless percentage of utilities at the radio power source	\$1,500

Source: reports submitted to the Governor’s Grants Program



top: new system monitors on top of old radio system in Anderson County; right: new call-taking position in Coffey County

top: phone system equipment in Shawnee County; bottom: backup power supply (left), units of the computer-aided dispatch system (top), and the recorder system (bottom) in Coffey County

documentation. We reviewed detailed supporting documentation for a sample of 55 purchases from 31 PSAPs totaling \$1.2 million. These purchases accounted for 41% of the \$2.9 million in **local fees** PSAPs reported spending through June 2006. (We also looked at the descriptions of the remaining expenditures to see if there were any that, on their face, appeared to be a questionable use of local fee money.)

Unlike the situation described above for grant funds, there's no regular outside oversight of the spending of local fee moneys that go directly to PSAPs. The League of Kansas Municipalities provides guidance to PSAPs and answers specific questions about whether items are allowable. And as required by law, PSAPs send informational reports to the Governor's Grants Program every six months showing the amount they received in fees, the amount they spent, and brief descriptions of what was purchased. But State staff have no authority over that spending.

We found no problems with 52 of the 55 purchases in our sample. For the other three purchases, we found the following:

- we identified only one payment for an item that wasn't allowable: \$1,268 in trunk-line fees from Smith County. A Smith County official told us the expense had been for land-line phone lines, not wireless, and that paying the bill from the wireless fee fund had been an error. She also said the County had previously identified and corrected other bills inadvertently charged to the wireless fund, but had missed this one.
- we identified two situations where the payment wasn't accurately recorded or supporting documentation wasn't available. In one case, Marion County reported spending \$1,266 more from wireless fee moneys for a \$92,000 mapping project than was shown on vouchers from the various accounts used to pay for the item. In the other case, Shawnee County officials said they couldn't find the invoices for \$3,963 in "software licensing and maintenance."

About half the PSAPs haven't yet spent any local fee moneys.

As shown in *Figure 2-3*, these 55 PSAPs are at varying levels of implementation. Some have a very small wireless subscriber base and don't generate much revenue. After receiving fee moneys for more than two years, 14 of the 16 PSAPs with only Basic wireless 911 service have less than \$20,000 in each of their wireless funds. These PSAPs likely will need State grants to implement wireless E-911 services.

Just because a PSAP hasn't spent any of its local fee moneys doesn't mean it's not working on implementation. *Figure 2-3* shows that many of these PSAPs (indicated with dashed lines) have used State **grant moneys** to progress beyond Basic wireless service. Information about the amount of grant moneys received is included in *Appendix B*, which

Question 3: Is the Amount of Fee Money Being Collected Adequate To Fund the Implementation of Wireless Enhanced 911, and What Level of Funding Is Needed for Ongoing Support of the System?

ANSWER IN BRIEF: *Because there are still so many unknowns, our assessment had to involve many estimates, projections, and assumptions. If they held true, wireless revenues through June 30, 2010, would exceed estimated expenditures on a Statewide basis by about \$15 million. But 26 individual PSAPs would fall \$1.5 million short of being able to cover their estimated costs with all the funding sources they projected they'd have available. Because PSAPs' estimates of the grant funds they would request are almost \$18 million less than the estimated amount of grant funds that would be available, grant funds likely could cover most of these funding "shortfalls" through 2010. After that, grant funds dry up, and at least 16 PSAPs would need to charge a fee higher than the 50¢ anticipated by State law just to cover their estimated ongoing operating costs. In addition, PSAPs will have recurring costs for equipment upgrades. These and other findings are discussed in the sections that follow.*

This Early Assessment of The Adequacy of Wireless E-911 Funding Had To Involve Many Estimates, Projections, and Assumptions

Looking accurately into the future is difficult because there's so little actual experience to base projections on. To develop estimates of PSAPs' future E-911 costs and the revenues that will be used to fund them, we did the following:

- Surveyed all 112 PSAPs regarding their 2007-2012 **estimated expenditures** for:
 - ▶ fully implementing wireless E-911
 - ▶ ongoing monthly costs (like maintenance contracts and phone bills)
 - ▶ for those PSAPs that already have implemented wireless E-911, any expected system upgrades to keep their components up-to-date with changing technologies (like equipment replacement)

Note: Earlier sections reported on 115 PSAPs, but three were combined for financial reporting. Geary County didn't provide financial data; therefore all analysis was completed on data for 111 PSAPs.

- Projected the **wireless E-911 local and grant fee revenues** that will be generated over the next few years based on historical actual revenue data, national data on the projected growth in cell phone subscribers, and county-specific projections of population growth.
- Surveyed all PSAPs regarding the amount of money they expected to use for wireless E-911 from **other sources of revenue** in 2007-2009 (including the amount of grant funds they expected to apply for, any land-line 911 revenues or general fund moneys they expected to use, and the like)

Expenditure estimates are particularly subject to error. That's because some PSAPs may have had little or no experience with actual implementation costs, they may have little basis for knowing what their ongoing costs will be or how they will increase in the future, and they may have no idea about what their upgrade costs will be.

Revenue estimates also are subject to error. For example, the number of wireless phone subscribers potentially could be quite different from our estimates, and the amount of grant funds PSAPs request may change considerably in the future as they get a better handle on their costs.

Despite such limitations, we had to use those estimates in this initial assessment of whether the fees being collected likely would be adequate to implement wireless E-911 services in Kansas. Our 2008 audit should be able to provide much more accurate estimates.

Finally, as noted in the Overview, on June 30, 2010, the current funding structure of local fees, grant fees, and mandated fee levels will be replaced with a system that eliminates the grant program and gives PSAPs the flexibility to determine their own fee level, within a statutory cap. The following sections address the adequacy of fees under both structures.

***On a Statewide Basis,
Estimated Wireless
E-911 Revenues
Would Far Exceed
PSAPs' Estimated Costs***

Revenues for wireless E-911 services are generated in the form of a local fee, grant fee, and a fee on the sale of prepaid wireless phones. PSAPs use those revenues to cover the costs of implementing the wireless E-911 systems, and for ongoing expenses and necessary equipment upgrades. **Figure 3-1** on the next page shows that, from 2007 through June 30, 2010, projected fee revenues overall would be \$15 million greater than the expenses PSAPs estimated for our survey.

As the figure shows, estimated revenues and expenditures are fairly close in 2007, but PSAPs' expenditure estimates drop off sharply in 2008 and beyond. Some potential factors could be coming into play here:

- PSAPs are bound to have a much better idea of what their expenditures will be during the current year than during the "out" years
- by the end of 2007, 100 PSAPs expect to have fully implemented wireless E-911. As a result, far fewer PSAPs would have significant costs in future years, and most of those PSAPs are ones with smaller populations
- as noted above, many PSAPs may not know what their equipment upgrades costs will be in future years, so they didn't report those costs on their surveys

Figure 3-1
Estimated Wireless E-911 Fee Revenues Generated and
Estimated Expenditures for Implementing and Operating Wireless E-911 Systems
(in millions)

Category	2007	2008	2009	2010 (through June 30) (a)	Totals
Estimated Revenues					
Local fee	\$5.2	\$5.6	\$6.0	\$3.1	\$19.9
Grant fee:					
Subscribers	\$5.4	\$5.7	\$6.1	\$3.3	\$20.5
Prepaid	\$0.4	\$0.4	\$0.5	\$0.3	\$1.6
Total Est. Revenues	\$11.0	\$11.7	\$12.6	\$6.7	\$42.0
Estimated Expenditures					
Implementation	\$6.0	\$0.1	\$0.02	None	\$6.1
Ongoing Costs	\$3.0	\$3.3	\$3.5	\$1.8	\$11.6
Upgrades	\$2.5	\$2.7	\$1.6	\$2.5	\$9.3
Total Est. Expend.	\$11.5	\$6.1	\$5.1	\$4.3	\$27.0
Difference Between Estimated Revenues and Estimated Expenditures	(\$0.5)	\$5.7	\$7.5	\$2.3	\$15.0
(a) 2010 through June 30 includes estimated expenditures based on wireless fees of 25¢ for six months, half of the 2010 estimated ongoing expenditures, and all of the 2010 estimated upgrades for fully implemented PSAPs.					
Source: LPA analysis of revenue data and estimated expenditures					

***Some Individual PSAPs
Wouldn't Have Enough
Funding To Cover Their
Estimated Costs
Through June 30, 2010***

The only revenues PSAPs are guaranteed to get are the **local fees** levied on wireless phones in their areas. Based on the revenues and expenditures estimated for this audit, only 46 PSAPs would be able to cover their estimated costs with local fee revenues alone. *Appendix C* shows financial information for all PSAPs and identifies those 46. As described in the Overview, however, through June 30, 2010, all PSAPs except those located in the State's five most populous counties are eligible to apply for the **grant fees** levied on wireless phone users.

Many PSAPs applied for grants for 2007, others reported they expected to apply for grants in future years, and 50 reported they plan to bring in other sources of revenue (often land-line 911 fees or local general fund moneys) to help pay the costs of implementing, operating, or upgrading their wireless E-911 systems.

For the revenue and expenditure comparisons in the subsections that follow, we used "projected funds available" for each PSAP, which includes the local fee revenue we projected for each year, as well as any grant moneys the PSAP said it planned to request through 2009, and any other funds the PSAP said it planned to use. In all cases, if PSAPs reported grant requests exceeding total expenditures, we reduced the grant request to equal total expenditures.

New Fees Help Extend E-911 for Internet Phones

Voice over Internet Protocol (VoIP) is a relatively new technology that allows voice calls using a broadband Internet connection rather than an ordinary telephone line. The 2006 Legislature imposed 911 fees on VoIP users whose service allows calls to and from regular land-line phones. Those local and grant fees are the same amount as for wireless telephone users, a total of 50¢ for each line, and are to be used to assist PSAPs with costs of providing VoIP enhanced 911 service. VoIP companies submitted approximately \$20,000 in fees in the first four months the fees were collected.

The current limitations of using VoIP for emergency calls include that calls may go to a PSAP's administrative line, not to a 911 call-taker, and that PSAPs may not have the special equipment needed to locate a mobile computer using VoIP.

PSAPs' ability to fund their estimated expenditures through June 30, 2010, with the projected funds they expect to have available, is mixed. We compared the projected funding each PSAP might have available between 2007 and June 30, 2010, to the estimated expenditures they reported for that period. That comparison showed there was a significant difference between the cumulative projected funds available and estimated costs for some individual PSAPs. Based on the estimates in this audit:

- 85 PSAPs (77% of the total) would be able to cover their estimated costs with the projected funding available; 25 of these PSAPs would have at least \$100,000 "leftover" as of June 30, 2010.
- 26 PSAPs (23% of the total) wouldn't be able to cover their estimated costs. For these 26 PSAPs, the estimated shortfall would be a total of \$1.5 million.

Figure 3-2 on the next page shows the difference between projected available funds and estimated expenditures through June 30, 2010, for the 20 PSAPs with the largest positive difference and the 26 PSAPs with a negative difference.

Appendix C shows this information for all PSAPs.

In general, PSAPs with the largest amount of "excess" projected funding tended to be more populous. The PSAPs that wouldn't be able to cover their estimated expenditures were more likely to have smaller populations.

The exception was Sedgwick County, where the PSAP's estimated expenditures exceeded its projected funds available by more than \$500,000. Sedgwick County is planning a major upgrade that's expected to cost \$2.4 million through 2010, and an additional \$3 million beyond 2010.

Finally, we looked at the annual (rather than cumulative) differences between projected available funding and estimated costs for each PSAP. That information is summarized in *Figure 3-3* on page 21.

In all, 18 of the 27 PSAPs shown on that figure already have implemented wireless E-911, but based on current estimates they wouldn't be able to cover their ongoing operating or equipment upgrade costs. (Greenwood County is included in *Figure 3-3* because of a shortfall in 2007, but isn't included in *Figure 3-2* because it won't have a negative difference by 2010.)

**Figure 3-2
PSAPs With the Greatest Differences Between
Cumulative Projected Funds Available and Estimated Expenditures
2007 through June 30, 2010**

PSAP Coverage Area	Projected Funds Available	Expenditure Estimates	Difference (a)
PSAPs with the highest estimated balance			
Wyandotte County	\$1,506,000	\$209,000	\$1,297,000
Douglas County	\$985,000	\$409,000	\$576,000
Overland Park, City of	\$1,969,000	\$1,393,000	\$576,000
Shawnee County	\$1,244,000	\$758,000	\$486,000
Riley County	\$434,000	\$53,000	\$381,000
Lenexa, City of	\$753,000	\$376,000	\$377,000
Johnson County	\$1,033,000	\$665,000	\$368,000
Olathe, City of	\$1,222,000	\$869,000	\$353,000
McPherson County	\$323,000	\$13,000	\$310,000
Reno County	\$711,000	\$443,000	\$268,000
Pottawatomie County	\$262,000	\$19,000	\$243,000
Cowley County	\$465,000	\$238,000	\$227,000
Dickinson County	\$421,000	\$197,000	\$224,000
Lyon County	\$257,000	\$64,000	\$193,000
Ellis County	\$291,000	\$111,000	\$180,000
Ford County	\$288,000	\$116,000	\$172,000
Butler County	\$517,000	\$348,000	\$169,000
Labette County	\$253,000	\$88,000	\$165,000
Shawnee, City of	\$587,000	\$448,000	\$139,000
Neosho County	\$158,000	\$22,000	\$136,000
PSAPs with a negative estimated balance			
Smith County	\$166,700	\$167,000	(\$300)
Anderson County	\$62,500	\$63,000	(\$500)
Graham County	\$164,000	\$165,000	(\$1,000)
Rooks County	\$203,000	\$204,000	(\$1,000)
Kingman County	\$75,000	\$76,000	(\$1,000)
Mitchell County	\$309,000	\$311,000	(\$2,000)
Marion County	\$120,000	\$123,000	(\$3,000)
Rawlins County	\$313,000	\$316,000	(\$3,000)
Morris County	\$201,000	\$205,000	(\$4,000)
Wichita County	\$21,000	\$26,000	(\$5,000)
Pawnee County	\$46,000	\$52,000	(\$6,000)
Norton County	\$263,000	\$273,000	(\$10,000)
Morton County	\$232,000	\$252,000	(\$20,000)
Meade County	\$33,000	\$53,000	(\$20,000)
Finney County	\$288,000	\$308,000	(\$20,000)
Hodgeman County	\$345,000	\$366,000	(\$21,000)
Cloud County	\$182,000	\$213,000	(\$31,000)
Seward County	\$142,000	\$179,000	(\$37,000)
Scott County	\$79,000	\$118,000	(\$39,000)
Clay County	\$92,000	\$136,000	(\$44,000)
Stanton County	\$210,000	\$264,000	(\$54,000)
Sherman County	\$55,000	\$133,000	(\$78,000)
Leavenworth County	\$864,000	\$949,000	(\$85,000)
Franklin County	\$338,000	\$531,000	(\$193,000)
Harvey County	\$215,000	\$458,000	(\$243,000)
Sedgwick County	\$3,507,000	\$4,010,000	(\$503,000)
(a) Amounts rounded to nearest thousand, except Smith and Anderson Counties. Source: LPA analysis of revenue data and estimated expenditures.			

**Figure 3-3
Annual Differences for PSAPs Whose Projected Funds Available Wouldn't Cover
Their Estimated Wireless E-911 Expenditures
2007 – June 2010**

PSAP Coverage Area	2007	2008	2009	2010 (through June)	Cumulative Totals (a)
Anderson County				-\$500	-\$500
Clay County				-\$43,700	-\$44,000
Cloud County			-\$38,600		-\$39,000
Finney County				-\$19,900	-\$20,000
Franklin County ^(b)	-\$84,800	-\$31,900	-\$32,000	-\$45,400	-\$194,000
Graham County				-\$1,400	-\$1,000
Greenwood County	-\$1,800				-\$2,000
Harvey County		-\$282,600			-\$283,000
Hodgeman County	-\$1,500	-\$7,700	-\$7,600	-\$3,700	-\$21,000
Kingman County			-\$4,800		-\$5,000
Leavenworth County	-\$1,400	-\$2,100	-\$39,100	-\$42,100	-\$85,000
Marion County				-\$2,700	-\$3,000
Meade County	-\$19,800	-\$500			-\$20,000
Mitchell County				-\$2,100	-\$2,000
Morris County				-\$3,900	-\$4,000
Morton County ^(b)		-\$4,900	-\$7,000	-\$7,200	-\$19,000
Norton County			-\$2,500	-\$7,100	-\$10,000
Pawnee County		-\$2,400	-\$2,400	-\$1,300	-\$6,000
Rawlins County ^(b)			-\$900	-\$2,900	-\$4,000
Rooks County				-\$1,400	-\$1,000
Scott County				-\$39,100	-\$39,000
Sedgwick County				-\$503,400	-\$503,000
Seward County		-\$5,600	-\$19,700	-\$11,900	-\$37,000
Sherman County	-\$8,800	-\$27,000	-\$27,400	-\$14,600	-\$78,000
Smith County				-\$300	-\$300
Stanton County	-\$13,400	-\$13,000	-\$16,800	-\$10,300	-\$54,000
Wichita County			-\$3,500	-\$1,800	-\$5,000

Shaded areas represent years in which the difference between revenue and expenditures is likely to be positive.

(a) Rounded to nearest thousand, except Anderson and Smith Counties.

(b) Cumulative totals don't match Figure 3-2 and Appendix C totals because of rounding.

Source: LPA analysis of projected revenues and estimated expenditures.

Additional grant funds would be available for PSAPs that come up short in being able to cover their costs. Based on what PSAPs reported, after calendar year 2007, the grant requests would drop off dramatically. However, fees going into the grant fund are expected to continue to increase each year.

As *Figure 3-4* on the next page shows, this could result in \$17.6 million in grant money being available to help most PSAPs cover their “unfunded” estimated costs between now and 2010 (the five largest PSAPs aren't eligible for grant funds). As that happened, much more of the grant funds would be awarded than shown on the figure.

Under State law, any balance in the grant fund as of June 30, 2010, is to be distributed to PSAPs based on population. PSAPs in the most populous counties, which weren't eligible to apply for grants, will receive a pro-rata share of any fund balance.

Figure 3-4 Estimated State Grant Fund Revenues and Reported Future Requests (a)				
	CY 2007	CY 2008	CY 2009	CY 2010
Estimated Grant Funds Available at Start of Year	\$3,583,000	\$2,195,000	\$7,695,000	\$14,013,000
ESTIMATED REVENUES				
25¢ Remittance Fee	\$5,363,000	\$5,741,000	\$6,135,000	\$3,273,000
1% Prepaid	\$409,000	\$438,000	\$468,000	\$250,000
Interest Earned	\$273,000	\$292,000	\$312,000	\$167,000
Estimated New Revenue	\$6,045,000	\$6,471,000	\$6,915,000	\$3,690,000
Total Estimated Revenues Available	\$9,628,000	\$8,666,000	\$14,610,000	\$17,703,000
ESTIMATED EXPENDITURES and REQUESTS				
Reported Grant Requests	\$7,325,000 ^(b)	\$856,000	\$474,000	— ^(c)
Administrative Expenditures	\$108,000	\$115,000	\$123,000	\$66,000
Total Estimated Expenditures and Reported Grant Requests	\$7,433,000	\$971,000	\$597,000	\$66,000
Estimated Grant Funds Available at End of Year	\$2,195,000	\$7,695,000	\$14,013,000	\$17,637,000
(a) Rounded to nearest thousand. (b) Only \$5 million in grants were awarded in 2007. Our analysis includes all grant funds requested by PSAPs in order to account for all the money PSAPs are planning to obtain from the grant fund. We needed to account for the fact that some or all of these unfunded requests might be re-submitted in future years. (c) The questionnaire sent to PSAPs didn't ask for 2010 grant requests. Source: Governor's Grants Program, LPA Projections, PSAP Questionnaire Responses				

Some PSAPs May Not Be Able To Cover Their Ongoing Expenses With Their Wireless E-911 Revenues After 2010

When the fee structure changes in 2010, the grant fund will be eliminated and PSAPs will be able to set their own wireless E-911 fees, within the following caps determined by the Legislature:

- PSAPs in counties with populations of 125,000 or more will be able to charge the same amount they currently receive (25 cents per wireless phone per month)
- PSAPs in the remaining counties will be able to double their current fee (up to 50 cents).

We compared PSAPs' projected monthly wireless E-911 revenues in 2011—the first full year after the fee change—with the estimates of ongoing operating costs they provided us. In projecting fee revenues, we assumed that PSAPs would charge the maximum fee allowed. It's important to note that PSAPs' cost estimates varied greatly; some showed their ongoing operating costs increasing over time, while others showed their costs remaining flat across the years.

Given these estimates and assumptions, at least 16 PSAPs wouldn't be able to cover their ongoing operating costs with the new fee structure authorized by law. As shown in **Figure 3-5**, those PSAPs would need to charge a fee higher than the 50¢ cap set by statute.

**Figure 3-5
PSAPs That Would Need a Higher
Wireless Fee After 2010 To Cover Their
Estimated Ongoing Operating Expenses**

PSAP Coverage Area	Estimated 2011 Wireless Fee Needed
Stanton County	\$1.52
Rush County	\$1.07
Cheyenne County	\$1.00
Morton County	\$1.00
Clark County	\$.94
Smith County	\$.91
Hodgeman County	\$.90
Sherman County	\$.77
Graham County	\$.71
Trego County	\$.67
Jewell County	\$.59
Hamilton County	\$.59
Franklin County	\$.55
Republic County	\$.54
Rawlins County	\$.54
Norton County	\$.52

Source: LPA analysis of projected revenues and estimated expenditures.

As the figure shows, many of these PSAPs are in rural areas, with populations of less than 5,000. All but four have not yet fully implemented Phase II.

In addition to ongoing costs, PSAPs will have to fund recurring equipment upgrades. We have limited data in this area, but the PSAPs that already have implemented Phase II have begun to budget for upgrades to their equipment. Based on the estimates they reported, we calculated an estimated average annual upgrade cost for different-sized PSAPs:

- For PSAPs with populations more than 100,000, the estimated average annual cost was \$68,000
- For PSAPs with populations between 25,000 and 100,000, the estimated average annual cost was \$38,000
- For PSAPs with populations less than 25,000, the estimated average annual cost was \$21,000

Although very rough estimates, these averages give some indication that upgrades will be a significant cost for PSAPs in the future. PSAPs that purchased an entirely new system when upgrading to Phase II may not have to buy any upgrades for several years. But many PSAPs told us they “made-do” with as many parts of their existing systems as they could, buying only the elements they absolutely needed to fully implement wireless E-911. These PSAPs anticipate fairly significant expenses soon, as they begin to replace other aging parts of their emergency response system.

Statutory changes to the wireless E-911 funding system in 2010 also will have an effect on the revenues PSAPs earn from land-line phones. Most PSAPs currently charge a land-line 911 fee of 75¢. When changes are made in 2010, the land-line fee must be equal to that of the wireless fee, which will be capped at 50¢ for most PSAPs. Although PSAPs will be able to double their local wireless fee in 2010, that increase may be offset by a decrease in land-line revenues. There may be more of an impact on the four largest counties, which will have to cap their wireless and land-line fees at 25¢ starting July 2010.

Conclusion:

When the Wireless E-911 Act was passed, little was known about how quickly local PSAPs could implement systems that allow them to identify the location of people who call 911 from their wireless phones, or how much that would cost. Most reported their wireless E-911 systems would be fully implemented by the end of 2007; all but one said they will be fully implemented by 2010. The wireless fee levels currently set in statute should generate more than enough money to fund overall implementation and operations costs of the system, but many individual PSAPs will have to rely on grant funds for wireless E-911 or local moneys to cover their costs over the next several years. Most PSAPs have no way of knowing what their post-implementation equipment upgrade costs may be in the future.

It's too early to say with any certainty how PSAPs' financial status will be affected by the changes in the fee structure in 2010, but there are indications of potential problems ahead. Even assuming that PSAPs will charge the maximum allowed by law for wireless and VoIP subscribers, those fees probably won't generate enough revenue just to pay ongoing monthly operating costs for about 14% of the PSAPs. Many PSAPs also could face a notable reduction in their landline 911 revenues (after 2010, those fees have to be the same as the wireless 911 fees). Our 2008 audit of the E-911 system will address this issue further, and should give the Legislature enough time to decide what changes, if any, will need to be made in the 911 fee structure going out beyond 2010.

Recommendations:

1. Because there currently is no ongoing way to know whether wireless companies and VoIP providers are collecting and remitting all E-911 fees owed to the local PSAPs and the State grant fund, the Department of Administration should do the following:
 - a. use its statutory authority to conduct periodic audits of providers' records, in addition to the initial audits mandated in 2006 for wireless providers and in 2008 for VoIP providers.
 - b. require these audits to identify all providers who should be collecting 911 fees, make sure they are collecting the fees, and make sure they are remitting the fees. Such audits could include site visits to review and evaluate applicable accounting and control procedures, and to ensure those procedures are being appropriately followed.

2. To help ensure that all PSAPs achieve timely implementation of wireless E-911, the Wireless Advisory Board should follow up with the PSAPs identified in Appendix B of this report as implementing Phase II in 2008 or later. The Board should determine whether those PSAPs need technical assistance in planning for implementation, and whether they have a reliable funding strategy.

APPENDIX A Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on July 11, 2006. The audit was required by the 2004 Kansas Wireless Enhanced 911 Act.

Wireless Enhanced 911: Reviewing Implementation of the 2004 Act

The Wireless Enhanced 911 Act imposed fees on wireless subscribers and prepaid wireless phones to generate funds that would enable local governments to upgrade their emergency phone systems to provide Enhanced 911 services (E-911) for wireless callers. An enhanced 911 system automatically displays the caller's phone number and location when a call is received.

Wireless carriers collect a 50¢ E-911 fee from their subscribers each month. They remit half of the fee to the Local Collection Point Administrator, who distributes that money back to the local units of government where the subscribers are located. The other half of the fee, as well as the fee on prepaid wireless services, is remitted to the Department of Administration, where it is used to make grants to counties with a population of less than 75,000 to assist with implementation.

To help ensure that wireless fees are being spent appropriately, the law requires each answering point to report to the Department of Administration semi-annually on how the local fee moneys are being used. There are additional reporting requirements for grant funds.

The Act requires Legislative Post Audit to conduct an audit of the wireless enhanced 911 service system during calendar year 2006 to determine whether local units of government are using moneys received under this act appropriately, whether the amount of money being collected is adequate, the status of implementation, and the need and level of continued funding of the system. The statute calls for a similar audit during calendar year 2008.

A performance audit of this topic would answer the following questions:

- 1. What is the status of implementation of wireless enhanced 911?** To answer this question, we would review spending and accomplishment reports that answering points submit to the Department of Administration for local fee moneys and grant moneys. In addition, we would survey answering points and conduct site visits as necessary to obtain specific information on what they have left to do, when they expect to be done, and the reasons for any delays. We would use this information to prepare an inventory showing implementation status for each answering point, as well as an assessment of overall State progress, areas of greatest delays, and an estimate of when full implementation will be accomplished Statewide.

- 2. Are Public Safety Answering Points using money from local fees and grant fees appropriately?** To answer this question, we would review State statutes to identify allowable uses for wireless enhanced 911 fee moneys. We would review and summarize the detailed purchasing reports and grant expenditure reports submitted to the Department of Administration to identify broad categories of spending. To assess the accuracy of this self-reported spending, we would look at the grant compliance reviews that have been conducted, and for a sample of answering points, we would review documentation of purchases made with local fee moneys to see if those purchases were for allowed uses. We would conduct additional work as needed.

- 3. Is the amount of fee money being collected adequate to fund the implementation of wireless enhanced 911, and what level of funding is needed for ongoing support of the system?** To determine whether the amount of money being collected is adequate, we would analyze the answering points that have not yet completed implementation of wireless enhanced 911. We would obtain their cost estimates for the work that remains to be done, and compare that to the local fee moneys on hand and available over the next few years as well as the to grant fee moneys for which they might qualify. In addition, we would compare their proposed expenses to those of answering points that have completed implementation, to see if unreasonable expenses might be contributing to delays. To determine the level of ongoing funding needed after implementation, we would review the types and amounts of ongoing expense that answering points that have completed implementation are incurring to maintain their systems. We would compare that to the amount of funding they receive from the current local fee. We would conduct additional work as needed.

Estimated Time To Complete: 8-10 weeks

APPENDIX B

Local Funds, Grants, and Call Volume by PSAP

This appendix provides additional information about individual PSAPs:

- number of wireless 911 calls per month (estimated average)
- number of total 911 calls per month (estimated average)
- percentage of wireless 911 call volume
- grant moneys awarded in 2005 and 2006
- local fee funds received and spent through June 30, 2006
- current monthly land-line tax
- balance of land-line tax funds as of June 30, 2006

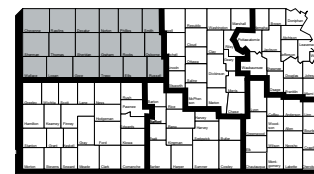
Information on grant awards and local fee funds came from the Governor's Grants Program staff. All other information was supplied by PSAPs.

For ease of viewing, we grouped PSAPs into the regions similar to those used by the Kansas Highway Patrol.

- Table 1: Northwest
- Table 2: North Central
- Table 3: Northeast
- Table 4: Southwest
- Table 5: South Central
- Table 6: Southeast

**Appendix B, Table 1
Northwest Region**

Dec '07	Dec '07	Dec '08	Dec '10	Dec '07	June '07
Cheyenne	Rawlins	Decatur	Norton	Phillips	Smith
Sherman	Thomas	June '09	Graham	Dec '07	Osborne
June '07	Logan	Sheridan	Dec '08	Rooks	Wallace
Wallace	Logan	Gove	Trego	Dec '07	Russell



- Basic Wireless
- Started Phase I
- Phase I Completely Operational
- Started Phase II
- Phase II Completely Operational

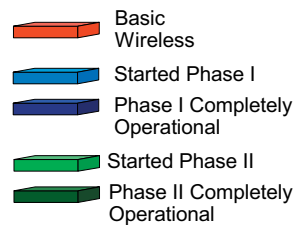
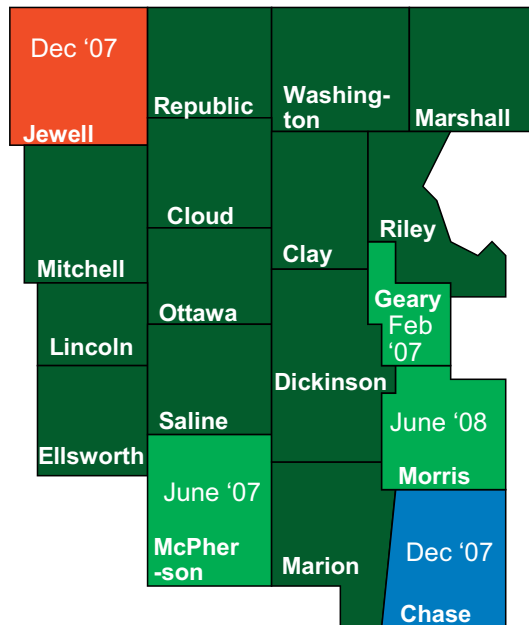
If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Grant Money Awarded	Wireless Local Fee Funds Through 6/30/06 (a)			Landline	
	Wireless	Total	Wireless %		Received	Spent	Balance	Current Monthly Tax	Balance 6/30/06
	Cheyenne County	unknown	50		unknown		\$6,170	\$0	\$6,170
Decatur County	60	130	46%	(b)	\$7,135	\$0	\$7,135	75 cents	\$22,516
Ellis County	385	805	48%	\$134,316 '05	\$80,590	\$11,529	\$69,062	75 cents	\$71,499
Gove and Logan Counties	75	131	57%	\$46,230 '05 \$83,550 '06	\$19,912	\$1,125	\$18,787	75 cents	\$19,378
Graham County	20	55	36%	\$108,500 '06	\$6,501	\$631	\$5,870	50 cents	\$40,735
Norton County	10	40	25%		\$12,762	\$0	\$12,762	none	\$16,667
Osborne County	35	55	64%	\$85,900 '05	\$14,195	\$2,381	\$11,815	50 cents	\$19,000
Phillips County	28	89	31%	\$83,383 '05 \$99,732 '06	\$13,933	\$0	\$13,933	75 cents	\$14,570
Rawlins County	13	29	45%		\$6,092	\$0	\$6,092	75 cents	\$17,037
Rooks County	92	242	38%		\$13,884	\$1,863	\$12,021	75 cents	\$18,484
Russell County	150	250	60%	\$93,961 '05	\$18,443	\$6,878	\$11,564	75 cents	\$20,820
Sheridan County	20	41	49%		\$7,153	\$150	\$7,003	75 cents	\$3,539
Sherman County	63	196	32%		\$26,711	\$7,421	\$19,291	50 cents	\$14,374
Smith County	50	80	63%	\$88,000 '05 \$34,120 '06	\$12,078	\$1,268	\$10,810	75 cents	\$20,062
Thomas County	139	215	65%	\$114,792 '05	\$19,703	\$6,568	\$13,135	50 cents	\$60,505
Trego County	100	200	50%		\$5,786	\$0	\$5,786	75 cents	\$28,441
Wallace County	100	177	56%	\$226,742 '06	\$4,299	\$0	\$4,299	none	\$0

(a) Includes interest, when the PSAP reported interest

(b) Decatur County was granted \$75,873 in '05, but it didn't spend any of the grant and returned all to the fund.

Appendix B, Table 2 North Central Region

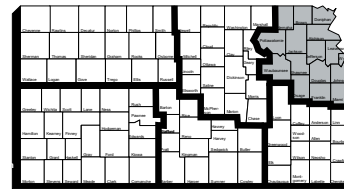
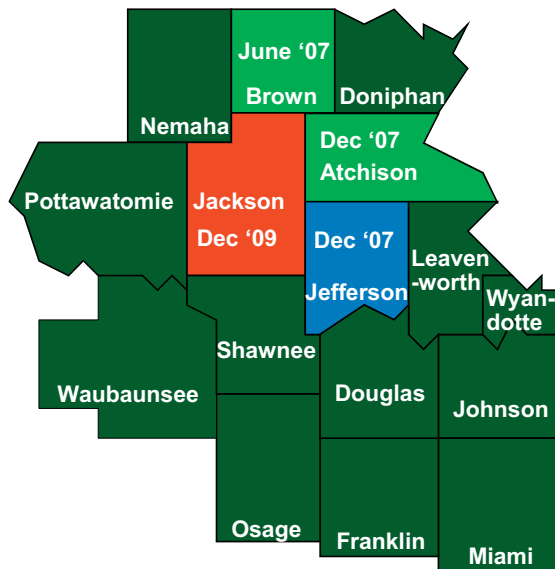


If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Grant Money Awarded	Wireless Local Fee Funds Through 6/30/06 (a)			Land-line	
	Wireless	Total	Wireless %		Received	Spent	Balance	Current Monthly Tax	Balance 6/30/06
Chase County	83	150	56%		\$6,256	\$0	\$6,256	75 cents	\$31,224
Clay County	85	197	43%	\$137,492 '05 \$69,220 '06	\$21,338	\$709	\$20,629	75 cents	\$33,595
Concordia, City of	72	224	32%	\$67,056 '05	\$23,267	\$9,804	\$13,463	75 cents	\$140,415
Dickinson County	238	478	50%	\$39,051 '05 \$60,551 '06	\$80,956	\$19,737	\$61,218	75 cents	\$113,341
Ellsworth County	85	139	61%		\$17,530	\$2,254	\$15,276	75 cents	\$15,276
Geary County	550	1,150	48%	\$91,358 '05	\$79,737	\$0	\$79,737	75 cents	\$218,302
Jewell County	13	29	44%		\$6,724	\$0	\$6,724	75 cents	\$43,080
Lincoln County	unknown	41	unknown	\$84,750 '05	\$8,846	\$1,154	\$7,692	75 cents	\$13,672
Marion County	356	628	57%	\$125,100 '05 \$32,000 '06	\$63,718	\$32,223	\$31,495	75 cents	\$43,605
Marshall County	92	220	42%	\$3,331 '06	\$24,630	\$10,471	\$14,159	75 cents	\$98,776
McPherson County	unknown	unknown	unknown		\$70,258	\$0	\$70,258	75 cents	\$58,399
Mitchell County	81	150	54%	\$133,038 '05 \$59,316 '06	\$18,839	\$1,150	\$17,690	75 cents	\$57,629
Morris County	unknown	255	unknown		\$17,262	\$0	\$17,262	75 cents	\$63,630
Ottawa County	222	338	66%	\$107,777 '05	\$17,280	\$10,187	\$7,093	75 cents	\$4,568
Republic County	119	204	58%	\$107,055 '05 \$40,550 '06	\$13,289	\$0	\$13,289	75 cents	\$48,308
Riley County	1,080	1,800	60%	\$60,955 '06	\$120,983	\$12,620	\$108,362	50 cents	\$467,579
Saline County	1,438	2,693	53%		\$150,495	\$141,765	\$8,729	75 cents	\$373,999
Washington County	43	93	46%	\$62,537 '05	\$17,713	\$3,808	\$13,905	75 cents	\$67,747

(a) Includes interest, when the PSAP reported interest

**Appendix B, Table 3
Northeast Region**



- Basic Wireless
- Started Phase I
- Phase I Completely Operational
- Started Phase II
- Phase II Completely Operational

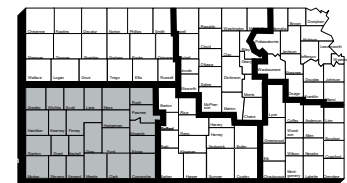
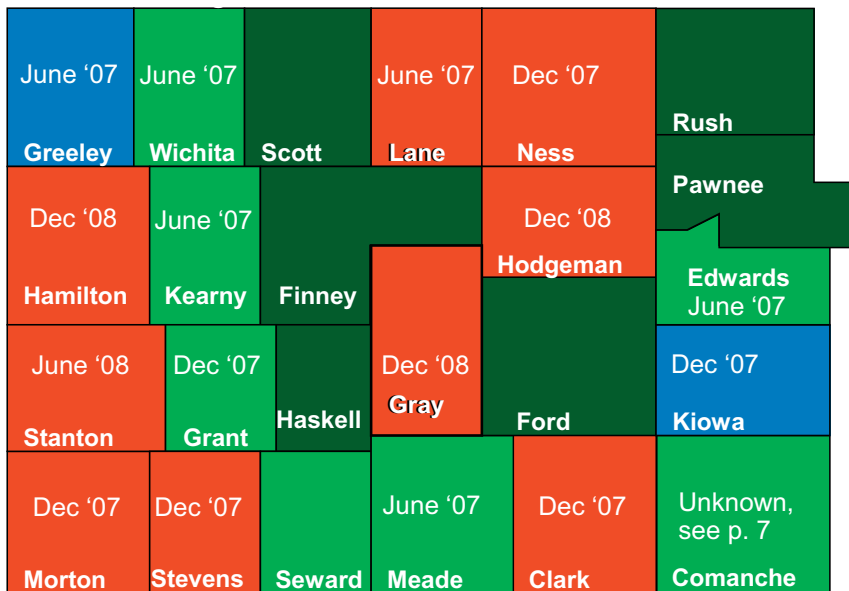
If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Wireless				Land-line	
	Wireless	Total	Wireless %	Grant Money Awarded	Local Fee Funds Through 6/30/06 (a)			Current Monthly Tax	Balance 6/30/06
					Received	Spent	Balance		
Atchison County	unknown	954	unknown	\$114,347 '05	\$37,287	\$249	\$37,038	75 cents	\$200,781
Brown County	40	60	67%	\$103,858 '06	\$28,072	\$0	\$28,072	75 cents	\$47,598
Doniphan County	25	100	25%	\$115,816 '06	\$14,148	\$0	\$14,148	75 cents	\$11,006
Douglas County	2,500	4,200	60%		\$270,358	\$133,269	\$137,088	75 cents	\$617,832
Franklin County	1,046	1,670	63%		\$67,884	\$47,543	\$20,340	75 cents	\$144,348
Jackson County	159	437	36%	\$67,000 '05	\$29,404	\$0	\$29,404	75 cents	\$98,341
Jefferson County	300	750	40%	\$105,166 '06	\$41,921	\$29,064	\$12,857	75 cents	\$16,161
Johnson County	2,861	5,873	49%		\$316,107	\$166,484	\$149,623	2% of base tariff	\$2,729,219
Leavenworth County	1,342	2,734	49%		\$231,765	\$208,193	\$23,572	75 cents	\$0
Leawood, City of	447	801	56%		\$109,579	\$64,755	\$44,824	2% of base tariff	(b)
Lenexa, City of	1,512	2,533	60%		\$207,071	\$94,228	\$112,843	2% of base tariff	(b)
Miami County	800	1,300	62%		\$97,989	\$50,751	\$47,238	50 cents	\$105,156
Nemaha County	100	550	18%		\$18,429	\$0	\$18,429	75 cents	\$0
Olathe, City of	2,287	3,803	60%		\$377,106	\$217,717	\$159,389	2% of base tariff	(b)
Osage County	unknown	375	unknown	\$205,462 '05	\$35,876	\$0	\$35,876	75 cents	\$56,123
Overland Park, City of	4,157	7,015	59%		\$618,565	\$349,130	\$269,435	2% of base tariff	(b)
Pottawatomie County	unknown	236	unknown	\$80,800 '05	\$76,335	\$10,575	\$65,759	75 cents	\$61,947
Prairie Village, City of	316	666	47%		\$82,203	\$51,656	\$30,546	2% of base tariff	(b)
Shawnee County	5,167	8,334	62%		\$464,584	\$351,661	\$112,923	75 cents	\$112,923
Shawnee, City of	1,148	1,927	60%		\$184,143	\$112,398	\$71,746	2% of base tariff	(b)
Wabaunsee County	150	240	63%	\$75,764 '05 \$26,964 '06	\$12,122	\$0	\$12,122	75 cents	\$35,026
Wyandotte County	8,700	16,050	54%		\$377,125	\$0	377125	75 cents	\$877,996

(a) Includes interest, when the PSAP reported interest

(b) Only Johnson County imposes this tax

Appendix B, Table 4 Southwest Region



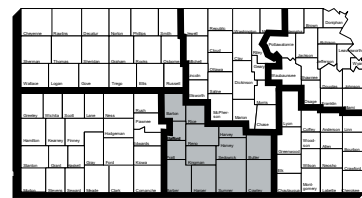
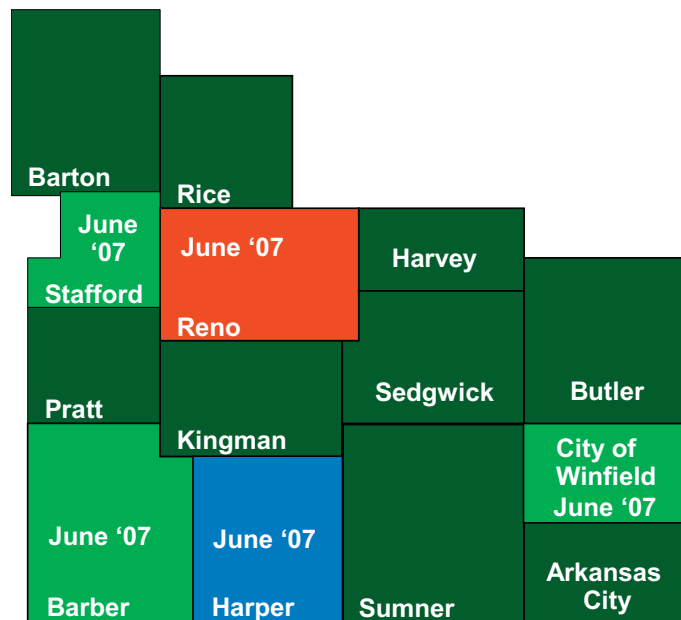
- Basic Wireless
- Started Phase I
- Phase I Completely Operational
- Started Phase II
- Phase II Completely Operational

If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Grant Money Awarded	Wireless Local Fee Funds Through 6/30/06 (a)			Landline	
	Wireless	Total	Wireless %		Received	Spent	Balance	Current Monthly Tax	Balance 6/30/06
Clark County	unknown	54	unknown		\$3,708	\$0	\$3,708	75 cents	\$56,251
Comanche County	12	35	34%	\$30,000 '05 \$30,000 '06	\$4,360	\$0	\$4,360	50 cents	\$6,986
Edwards County	10	16	63%	\$197,896 '06	\$8,264	\$0	\$8,264	75 cents	\$62,215
Ford County	500	1,400	36%	\$97,314 '06	\$68,302	\$10,072	\$58,230	75 cents	\$301,701
Garden City	500	1,100	45%		\$74,310	\$13,005	\$61,305	75 cents	\$737,322
Grant County	41	96	43%		\$22,909	\$13,550	\$9,359	25 cents	\$94,078
Gray County	90	185	49%		\$19,457	\$0	\$19,457	75 cents	\$18,675
Greeley County	10	20	50%	\$231,480 '06	\$4,439	\$0	\$4,439	none	\$0
Hamilton County	20	32	63%		\$6,066	\$0	\$6,066	50 cents	\$6,066
Haskell County	70	100	70%	\$244,904 '06	\$9,306	\$0	\$9,306	75 cents	\$67,944
Hodgeman County	13	28	46%		\$4,136	\$0	\$4,136	75 cents	\$11,453
Kearny County	66	144	46%	\$225,568 '05	\$10,557	\$0	\$10,557	none	\$0
Kiowa County	30	75	40%		\$6,202	\$0	\$6,202	25 cents	\$27,703
Lane County	16	26	62%	\$44,950 '05	\$6,023	\$0	\$6,023	50 cents	\$8,951
Larned, City of	110	345	32%	\$45,018 '06	\$17,349	\$20,198	-\$2,849	75 cents	\$16,130
Meade County	unknown	unknown	unknown	\$92,050 '06	\$11,345	\$0	\$11,345	50 cents	\$16,488
Morton County	61	108	57%		\$5,904	\$0	\$5,904	none	\$0
Ness County	unknown	31	unknown		\$11,014	\$0	\$11,014	75 cents	\$53,689
Rush County	65	120	54%	\$100,590 '05 \$77,200 '06	\$10,693	\$0	\$10,693	25 cents	\$17,952
Scott County	21	35	59%	\$85,584 '06	\$14,811	\$0	\$14,811	75 cents	\$37,692
Seward County	300	1,400	21%	\$153,456 '06	\$44,779	\$0	\$44,779	75 cents	\$309,788
Stanton County	60	100	60%		\$6,017	\$0	\$6,017	none	\$0
Stevens County	35	185	19%		\$14,292	\$0	\$14,292	25 cents starting Jan 2007	\$0
Wichita County	unknown	25	unknown	\$235,120 '06	\$5,484	\$0	\$5,484	none	\$0

(a) Includes interest, when the PSAP reported interest

Appendix B, Table 5 South Central Region



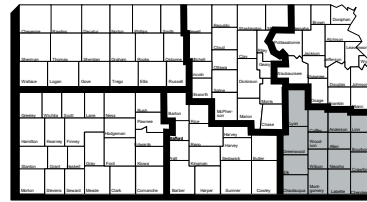
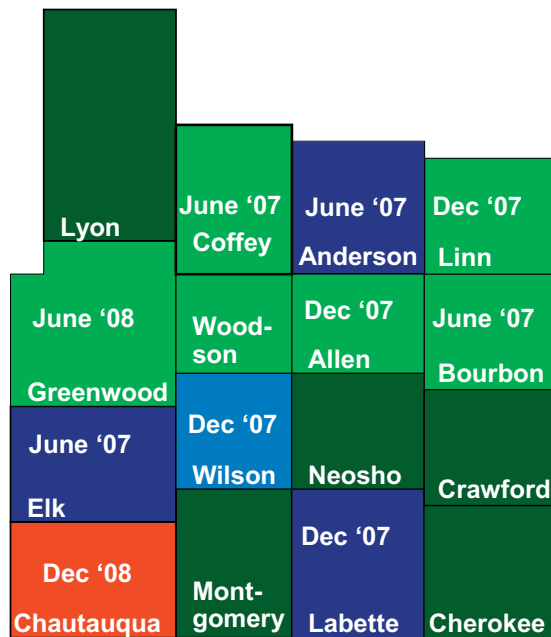
- Basic Wireless
- Started Phase I
- Phase I Completely Operational
- Started Phase II
- Phase II Completely Operational






If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Grant Money Awarded	Wireless Local Fee Funds Through 6/30/06 (a)			Landline	
	Wireless	Total	Wireless %		Received	Spent	Balance	Current Monthly Tax	Balance 6/30/06
	Andover, City of	165	337		49%	\$11,809 '06	\$23,467	\$8,500	\$14,967
Arkansas City & Winfield	422	878	48%	\$156,254 '06	\$79,256	\$740	\$78,516	75 cents	\$178,183
Augusta, City of	220	410	54%		\$17,507	\$17,507	\$0	75 cents	\$15,421
Barber County	unknown	85	unknown	\$254,732 '06	\$17,861	\$0	\$17,861	25 cents	\$6,603
Barton County	915	2,196	42%	\$117,913 '05	\$66,109	\$0	\$66,109	75 cents	\$44,156
Butler County	1,381	2,425	57%	\$135,266 '05 \$68,861 '06	\$109,727	\$52,825	\$56,902	75 cents	\$75,000
Harper County	unknown	521	unknown	\$249,969 '06	\$9,394	\$0	\$9,394	75 cents	\$138,742
Harvey County	1,650	3,600	46%	\$14,318 '06	\$76,806	\$70,612	\$6,194	75 cents	-\$147
Kingman County	unknown	560	unknown	\$8,643 '05 \$277,391 '06	\$21,840	\$0	\$21,840	25 cents	\$16,071
Pratt County	103	428	24%		\$27,399	\$8,859	\$18,540	75 cents	\$22,146
Reno County	unknown	2,964	unknown		\$155,275	\$0	\$155,275	75 cents	\$912,108
Rice County	297	436	68%	\$67,366 '05	\$31,039	\$7,629	\$23,410	75 cents	-\$1,390
Sedgwick County	20,065	36,565	55%		\$1,000,061	\$302,156	\$697,905	75 cents	\$940,004
Stafford County	30	55	55%	\$165,396 '06	\$11,566	\$0	\$11,566	75 cents	\$18,366
Sumner County	766	1,666	46%		\$50,298	\$0	\$50,298	75 cents	\$76,854

(a) Includes interest, when the PSAP reported interest

Appendix B, Table 6 Southeast Region



-  Basic Wireless
-  Started Phase I
-  Phase I Completely Operational
-  Started Phase II
-  Phase II Completely Operational

If not Phase II operational as of December 2006, expected date added when available

PSAP	Monthly Call Volume ('06) (est.)			Grant Money Awarded	Wireless Local Fee Funds Through 6/30/06 (a)			Landline	
	Wireless	Total	Wireless %		Received	Spent	Balance	Current Monthly Tax	Balance 6/30/06
	Allen County	218	440		50%	\$20,065 '05	\$33,457	\$1,478	\$31,979
Anderson County	45	107	42%	\$133,768 '06	\$15,288	\$0	\$15,288	75 cents	\$97,765
Chautauqua County	15	60	25%		\$8,287	\$0	\$8,287	75 cents	\$24,446
Cherokee County	195	367	53%	\$53,409 '06	\$40,361	\$0	\$40,361	75 cents	\$60,000
Coffey County	85	157	54%	\$133,738 '06	\$53,386	\$15,108	\$38,277	50 cents	\$20,482
Crawford County	700	1,500	47%	\$27,435 '05 \$134,693 '06	\$147,002	\$118,892	\$28,110	75 cents	\$29,676
Elk County	45	91	49%	\$76,930 '06	\$3,438	\$0	\$3,438	75 cents	\$505
Emporia, City of	2,247	2,808	80%		\$85,630	\$32,970	\$52,660	25 cents	-\$14,173
Fort Scott, City of	210	510	41%	\$182,703 '06	\$40,332	\$20,023	\$20,310	75 cents	\$138,621
Greenwood County	35	55	64%	\$40,875 '05	\$15,840	\$13,191	\$2,650	75 cents	\$15,669
Independence, City of (Montgomery County)	215	333	65%		\$74,259	\$48,249	\$26,010	25 cents	\$35,633
Layette County	unknown	387	unknown	\$77,774 '06	\$49,883	\$4,951	\$44,932	75 cents	-\$1,735
Linn County	208	342	61%	\$142,232 '06	\$21,601	\$0	\$21,601	75 cents	\$8,172
Neosho County	375	750	50%	\$120,619 '06	\$41,642	\$0	\$41,642	75 cents for county, 40 cents for Chanute	\$0
Wilson County	1,125	1,500	75%		\$18,540	\$0	\$18,540	75 cents	\$1,712
Woodson County	40	100	40%	\$141,278 '06	\$9,566	\$0	\$9,566	75 cents	\$9,823

Appendix C
Differences Between PSAPs' Projected Funding Available
And Estimated Expenditures for Implementing and Operating
Their Wireless E-911 Systems,
2007 Through June 30, 2010 (a)

PSAP Coverage Area	Projected Funds Available				Estimated Expenditures				Difference Between Funds and Expenditure Estimates	Are Local Fees Enough to Pay Costs?
	Local Fees	Grant Requests (b)	Other Funds	Total Funds Available	Implement-ation	Ongoing	Upgrade	Total Estimated Expenditures (c)		
Allen County	\$120,000			\$120,000	\$30,000	\$39,000		\$69,000	\$51,000	Yes
Anderson County	\$44,500		\$18,000	\$62,500		\$63,000		\$63,000	(\$500)	
Andover, City of	\$88,000			\$88,000		\$35,000		\$35,000	\$53,000	Yes
Atchison County	\$147,000			\$147,000		\$90,000		\$90,000	\$57,000	Yes
Augusta, City of	\$70,000		\$40,000	\$110,000	\$57,000	\$22,000		\$79,000	\$31,000	
Barber County	\$58,000	\$69,000		\$127,000	\$69,000	\$7,000		\$76,000	\$51,000	
Barton County	\$262,000	\$60,000	\$128,000	\$450,000		\$218,000	\$225,000	\$443,000	\$7,000	
Bourbon County	\$110,000			\$110,000		\$42,000		\$42,000	\$68,000	Yes
Brown County	\$103,000			\$103,000		\$11,000		\$11,000	\$92,000	Yes
Butler County	\$442,000	\$75,000		\$517,000		\$163,000	\$185,000	\$348,000	\$169,000	Yes
Chase County	\$26,000	\$46,000	\$41,000	\$113,000	\$46,000	\$27,000		\$73,000	\$40,000	
Chautauqua County	\$29,000	\$309,000	\$95,000	\$433,000	\$352,000	\$44,000		\$396,000	\$37,000	
Cherokee County	\$154,000	\$31,000		\$185,000		\$55,000	\$23,000	\$78,000	\$107,000	Yes
Cheyenne County	\$19,000	\$385,000	\$60,000	\$464,000	\$378,000	\$58,000		\$436,000	\$28,000	
Clark County	\$13,000	\$214,000	\$50,000	\$277,000	\$204,000	\$36,000		\$240,000	\$37,000	
Clay County	\$66,000	\$21,000	\$6,000	\$92,000		\$36,000	\$100,000	\$136,000	(\$44,000)	
Cloud County	\$89,000	\$79,000	\$15,000	\$182,000		\$4,000	\$209,000	\$213,000	(\$31,000)	
Coffey County	\$142,000	\$51,000		\$193,000		\$146,000	\$42,000	\$188,000	\$5,000	
Comanche County	\$11,000	\$7,000	\$28,000	\$46,000		\$13,000		\$13,000	\$33,000	
Cowley County	\$277,000	\$158,000	\$30,000	\$465,000		\$158,000	\$80,000	\$238,000	\$227,000	Yes
Crawford County	\$221,000			\$221,000		\$120,000	\$45,000	\$165,000	\$56,000	Yes
Decatur County	\$27,000	\$264,000	\$39,000	\$330,000	\$247,000	\$30,000		\$277,000	\$53,000	
Dickinson County	\$175,000	\$33,000	\$213,000	\$421,000		\$197,000		\$197,000	\$224,000	
Doniphan County	\$66,000		\$2,000	\$68,000		\$51,000		\$51,000	\$17,000	Yes
Douglas County	\$985,000			\$985,000		\$217,000	\$192,000	\$409,000	\$576,000	Yes
Edwards County	\$30,000			\$30,000		\$13,000		\$13,000	\$17,000	Yes
Elk County	\$13,000	\$60,000		\$73,000	\$51,000	\$11,000		\$62,000	\$11,000	Yes
Ellis County	\$291,000			\$291,000		\$51,000	\$60,000	\$111,000	\$180,000	Yes

PSAP Coverage Area	Projected Funds Available				Estimated Expenditures				Difference Between Funds and Expenditure Estimates	Are Local Fees Enough to Pay to Costs?
	Local Fees	Grant Requests (b)	Other Funds	Total Funds Available	Implement-ation	Ongoing	Upgrade	Total Estimated Expenditures (c)		
Ellsworth County	\$59,000	\$246,000	\$39,000	\$344,000	\$276,000	\$54,000		\$330,000	\$14,000	
Finney County	\$288,000			\$288,000		\$8,000	\$300,000	\$308,000	(\$20,000)	
Ford County	\$174,000		\$114,000	\$288,000		\$46,000	\$70,000	\$116,000	\$172,000	Yes
Franklin County	\$202,000	\$131,000	\$5,000	\$338,000		\$307,000	\$224,000	\$531,000	(\$193,000)	
Geary County										
Gove and Logan Counties	\$58,000	\$140,000		\$198,000		\$23,000	\$143,000	\$166,000	\$32,000	
Graham County	\$28,000	\$133,000	\$3,000	\$164,000		\$70,000	\$95,000	\$165,000	(\$1,000)	
Grant County	\$86,000	\$137,000	\$43,000	\$267,000	\$137,000	\$27,000		\$164,000	\$103,000	
Gray County	\$62,000	\$94,000		\$156,000	\$114,000	\$23,000		\$137,000	\$19,000	
Greeley County	\$22,000	\$2,000		\$24,000	\$2,000	\$7,000		\$9,000	\$15,000	Yes
Greenwood County	\$58,000			\$58,000	\$40,000	\$2,000		\$42,000	\$16,000	Yes
Hamilton County	\$23,000	\$245,000	\$26,000	\$293,000	\$244,000	\$42,000		\$286,000	\$7,000	
Harper County	\$44,000	\$160,000	\$50,000	\$254,000	\$160,000	\$66,000		\$226,000	\$28,000	
Harvey County	\$215,000			\$215,000		\$96,000	\$362,000	\$458,000	(\$243,000)	
Haskell County	\$36,000		\$32,000	\$68,000		\$27,000		\$27,000	\$41,000	Yes
Hodgeman County	\$14,000	\$331,000		\$345,000	\$331,000	\$35,000		\$366,000	(\$21,000)	
Jackson County	\$115,000	\$24,000	\$20,000	\$159,000		\$42,000		\$42,000	\$117,000	Yes
Jefferson County	\$149,000		\$15,000	\$164,000	\$50,000	\$47,000		\$97,000	\$67,000	Yes
Jewell County	\$26,000	\$344,000	\$86,000	\$456,000	\$382,000	\$47,000		\$429,000	\$27,000	
Johnson County	\$1,033,000			\$1,033,000		\$439,000	\$226,000	\$665,000	\$368,000	Yes
Kearny County	\$31,000			\$31,000		\$17,000		\$17,000	\$14,000	Yes
Kingman County	\$75,000			\$75,000		\$26,000	\$50,000	\$76,000	(\$1,000)	
Kiowa County	\$24,000	\$206,000		\$231,000	\$206,000	\$1,000		\$207,000	\$24,000	
Labette County	\$186,000	\$67,000		\$253,000	\$39,000	\$49,000		\$88,000	\$165,000	Yes
Lane County	\$21,000	\$55,000	\$5,000	\$80,000	\$51,000	\$12,000		\$63,000	\$17,000	
Leavenworth County	\$490,000		\$374,000	\$864,000		\$493,000	\$456,000	\$949,000	(\$85,000)	
Leawood, City of	\$348,000			\$348,000		\$171,000	\$88,000	\$259,000	\$89,000	Yes
Lenexa, City of	\$753,000			\$753,000		\$248,000	\$128,000	\$376,000	\$377,000	Yes
Lincoln County	\$28,000	\$200,000	\$3,000	\$231,000		\$21,000	\$200,000	\$221,000	\$10,000	
Linn County	\$70,000	\$80,000	\$20,000	\$169,000	\$75,000	\$24,000		\$99,000	\$70,000	
Lyon County	\$257,000			\$257,000		\$39,000	\$25,000	\$64,000	\$193,000	Yes
Marion County	\$97,000	\$23,000		\$120,000		\$78,000	\$45,000	\$123,000	(\$3,000)	

No information provided by local officials

PSAP Coverage Area	Projected Funds Available				Estimated Expenditures			Difference Between Funds and Expenditure Estimates	Are Local Fees Enough to Pay Costs?	
	Local Fees	Grant Requests (b)	Other Funds	Total Funds Available	Implement-ation	Ongoing	Upgrade			Total Estimated Expenditures (c)
Marshall County	\$72,000	\$153,000	\$6,000	\$232,000		\$23,000	\$153,000	\$176,000	\$56,000	
McPherson County	\$312,000		\$11,000	\$323,000		\$13,000		\$13,000	\$310,000	Yes
Meade County	\$33,000			\$33,000	\$24,000	\$29,000		\$53,000	(\$20,000)	
Miami County	\$317,000			\$317,000		\$219,000		\$219,000	\$98,000	Yes
Mitchell County	\$71,000	\$238,000		\$309,000		\$92,000	\$219,000	\$311,000	(\$2,000)	
Montgomery County	\$248,000	\$66,000	\$2,000	\$315,000		\$107,000	\$107,000	\$214,000	\$101,000	Yes
Morris County	\$62,000	\$121,000	\$18,000	\$201,000	\$121,000	\$84,000		\$205,000	(\$4,000)	
Morton County	\$17,000	\$187,000	\$29,000	\$232,000	\$187,000	\$65,000		\$252,000	(\$20,000)	
Nemaha County	\$69,000			\$69,000		\$18,000		\$18,000	\$51,000	Yes
Neosho County	\$148,000	\$10,000		\$158,000	\$5,000	\$17,000		\$22,000	\$136,000	Yes
Ness County	\$43,000	\$264,000	\$99,000	\$406,000	\$332,000	\$26,000		\$358,000	\$48,000	
Norton County	\$53,000	\$210,000		\$263,000	\$185,000	\$88,000		\$273,000	(\$10,000)	
Olathe, City of	\$1,222,000			\$1,222,000		\$574,000	\$295,000	\$869,000	\$353,000	Yes
Osage County	\$156,000	\$19,000		\$175,000		\$85,000	\$40,000	\$125,000	\$50,000	Yes
Osborne County	\$44,000	\$207,000	\$6,000	\$256,000		\$18,000	\$222,000	\$240,000	\$16,000	
Ottawa County	\$49,000	\$124,000		\$173,000		\$35,000	\$116,000	\$151,000	\$22,000	
Overland Park, City of	\$1,969,000			\$1,969,000		\$920,000	\$473,000	\$1,393,000	\$576,000	Yes
Pawnee County	\$46,000			\$46,000		\$52,000		\$52,000	(\$6,000)	
Phillips County	\$63,000	\$132,000		\$194,000	\$134,000	\$21,000		\$155,000	\$39,000	
Pottawatomie County	\$259,000		\$4,000	\$262,000		\$8,000	\$11,000	\$19,000	\$243,000	Yes
Prairie Village, City of	\$247,000			\$247,000		\$136,000	\$70,000	\$206,000	\$41,000	Yes
Pratt County	\$83,000	\$176,000		\$258,000		\$26,000	\$200,000	\$226,000	\$32,000	
Rawlins County	\$22,000	\$281,000	\$9,000	\$313,000	\$281,000	\$35,000		\$316,000	(\$3,000)	
Reno County	\$573,000	\$15,000	\$123,000	\$711,000	\$310,000	\$133,000		\$443,000	\$268,000	Yes
Republic County	\$47,000	\$147,000		\$194,000	\$92,000	\$74,000		\$166,000	\$28,000	
Rice County	\$104,000	\$300,000	\$52,000	\$456,000		\$61,000	\$300,000	\$361,000	\$95,000	
Riley County	\$434,000			\$434,000		\$46,000	\$7,000	\$53,000	\$381,000	Yes
Rooks County	\$52,000	\$151,000		\$203,000		\$53,000	\$151,000	\$204,000	(\$1,000)	
Rush County	\$27,000	\$102,000	\$121,000	\$249,000		\$110,000	\$97,000	\$207,000	\$42,000	
Russell County	\$60,000	\$284,000		\$344,000		\$22,000	\$284,000	\$306,000	\$38,000	
Saline County	\$371,000		\$101,000	\$473,000		\$427,000	\$20,000	\$447,000	\$26,000	

PSAP Coverage Area	Projected Funds Available			Estimated Expenditures			Difference Between Funds and Expenditure Estimates	Are Local Fees Enough to Pay Costs?		
	Local Fees	Grant Requests (b)	Other Funds	Total Funds Available	Implementation	Ongoing			Upgrade	Total Estimated Expenditures (c)
Scott County	\$55,000		\$24,000	\$79,000		\$28,000	\$90,000	\$118,000	(\$39,000)	
Sedgwick County	\$3,507,000			\$3,507,000		\$1,625,000	\$2,385,000	\$4,010,000	(\$503,000)	
Seward County	\$142,000			\$142,000		\$179,000		\$179,000	(\$37,000)	
Shawnee County	\$1,244,000			\$1,244,000		\$608,000	\$150,000	\$758,000	\$486,000	Yes
Shawnee, City of	\$587,000			\$587,000		\$296,000	\$152,000	\$448,000	\$139,000	Yes
Sheridan County	\$24,000	\$244,000		\$267,000	\$236,000	\$28,000		\$264,000	\$3,000	
Sherman County	\$55,000			\$55,000		\$130,000	\$3,000	\$133,000	(\$78,000)	
Smith County	\$25,500	\$102,800	\$38,400	\$166,700	\$82,000	\$85,000		\$167,000	(\$300)	
Stafford County	\$45,000	\$20,000		\$65,000		\$35,000		\$35,000	\$30,000	Yes
Stanton County	\$22,000	\$178,000	\$10,000	\$210,000	\$200,000	\$64,000		\$264,000	(\$54,000)	
Stevens County	\$54,000	\$165,000	\$14,000	\$233,000	\$165,000	\$18,000		\$183,000	\$50,000	
Sumner County	\$193,000			\$193,000		\$42,000	\$36,000	\$78,000	\$115,000	Yes
Thomas County	\$99,000		\$6,000	\$105,000		\$7,000	\$8,000	\$15,000	\$90,000	Yes
Trego County	\$24,000	\$215,000	\$51,000	\$289,000	\$215,000	\$47,000		\$262,000	\$27,000	
Wabaunsee County	\$48,000			\$48,000		\$14,000		\$14,000	\$34,000	Yes
Wallace County	\$16,000		\$24,000	\$40,000		\$23,000		\$23,000	\$17,000	
Washington County	\$57,000	\$12,000		\$69,000		\$7,000	\$20,000	\$27,000	\$42,000	Yes
Wichita County	\$21,000			\$21,000		\$26,000		\$26,000	(\$5,000)	
Wilson County	\$76,000	\$57,000		\$133,000	\$36,000	\$83,000		\$119,000	\$14,000	
Woodson County	\$29,000		\$5,000	\$34,000		\$4,000		\$4,000	\$30,000	Yes
Wyandotte County	\$1,506,000			\$1,506,000		\$69,000	\$140,000	\$209,000	\$1,297,000	Yes

(a) Amounts rounded to nearest thousand, except Anderson and Smith Counties
 (b) The questionnaire sent to PSAPs didn't ask for 2010 grant requests.
 (c) 2010 through June 30 includes estimated expenditures based on wireless fees of 25¢ for six months, half of the 2010 estimated ongoing expenditures, and all of the 2010 estimated upgrades for fully implemented PSAPs.
 Source: LPA analysis of revenue data and estimated expenditures.

APPENDIX D

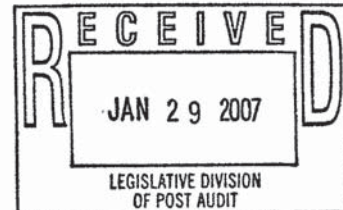
Agency Responses

On January 24, 2007 we provided copies of the draft audit report to the Department of Administration, the Chair of the Wireless Enhanced 911 Advisory Board, and the Governor's Grants Program. Their responses are included as this Appendix; the Administrator of the Grants Program responded on behalf of the Advisory Board.

The agencies generally concurred with the report's findings, conclusions, and recommendations.

January 30, 2007

Barbara J. Hinton
Legislative Post Auditor
800 SW Jackson Street, Suite 1200
Topeka, Kansas 66612-2212



Dear Ms. Hinton:

Thank you for the opportunity to respond to the Legislative Post Audit's report on *Wireless Enhanced 911: Reviewing Implementation of the 2004 Act*. We are pleased to present the following official response.

We appreciate the cooperation of your staff in the review of the state grant program. As you know, we have a memorandum of agreement with the Governor's Grants Program to administer the E-911 state grant program. This report continues to reflect the thoroughness the Program provides to overseeing these grant funds and ensuring the implementation of Wireless E-911 Services.

Currently the audit of the wireless carriers is taking place and should be completed by March 2007. There have been a number of challenges in completing the report with a number of wireless carrier companies insisting on a subpoena before completing the audit requirement. The current act does not provide subpoena power to the department. This is an issue that may need to be addressed once the findings of the audit are completed.

The recommendations outlined in the report state that periodic audits of wireless carriers and VoIP providers, other than those mandated by statute, should be conducted to ensure that these companies are remitting all the E-911 fees. In order to incorporate this additional procedure and to audit carriers and providers on site, additional resources will be needed. As we look to implement the recommendations, we will determine the costs to conduct the additional audits and if it exceeds the five percent allowed to administer the state funds, we will advise legislators.

We appreciate the opportunity to review the report and implement the recommendations.

Sincerely,



Carol L. Foreman
Deputy Secretary of Administration

pc: Duane Goossen
Juliene Maska

DEPUTY SECRETARY OF ADMINISTRATION
1000 S.W. Jackson Street, Suite 500, Topeka, KS 66612-1368 • (785) 296-3011 • Fax: (785) 296-2702
e-mail: carol.foreman@da.ks.gov



KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

KANSAS WIRELESS ENHANCED 911 ADVISORY BOARD

January 30, 2007

Barbara J. Hinton
Legislative Post Auditor
800 SW Jackson Street, Suite 1200
Topeka, KS 66612-2212



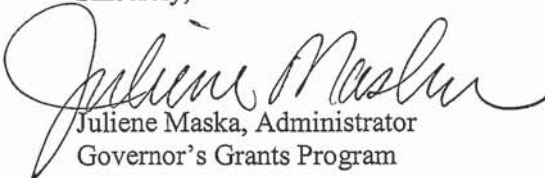
Dear Ms. Hinton:

On behalf of the Kansas Wireless Enhanced 911 Advisory Board, we want to thank you for the opportunity to respond to the audit report on *Wireless Enhanced 911: Reviewing Implementation of the 2004 Act*. The Board views its responsibilities seriously and diligently works to move Public Safety Answering Points (PSAPs) to wireless enhanced 911 compliance by 2010.

You can be assured that the Board will implement the recommendation to work closely with PSAPs in implementing Phase II. This recommendation also is included in the state plan that the Board developed in October 2005.

The Board appreciates the work of the Legislative Division of Post Audit staff and the findings in this report.

Sincerely,


Juliene Maska, Administrator
Governor's Grants Program

Xc: Kansas Wireless Enhanced 911 Advisory Board

CAPITOL BUILDING, ROOM 212S, TOPEKA, KS 66612-1590
Voice 785-291-3205 Fax 785-291-3204 <http://www.governor.ks.gov>