

# Kentucky Office of Homeland Security (KOHS)

## Kentucky 911 Services Board Show Me the Money! September 26, 2024

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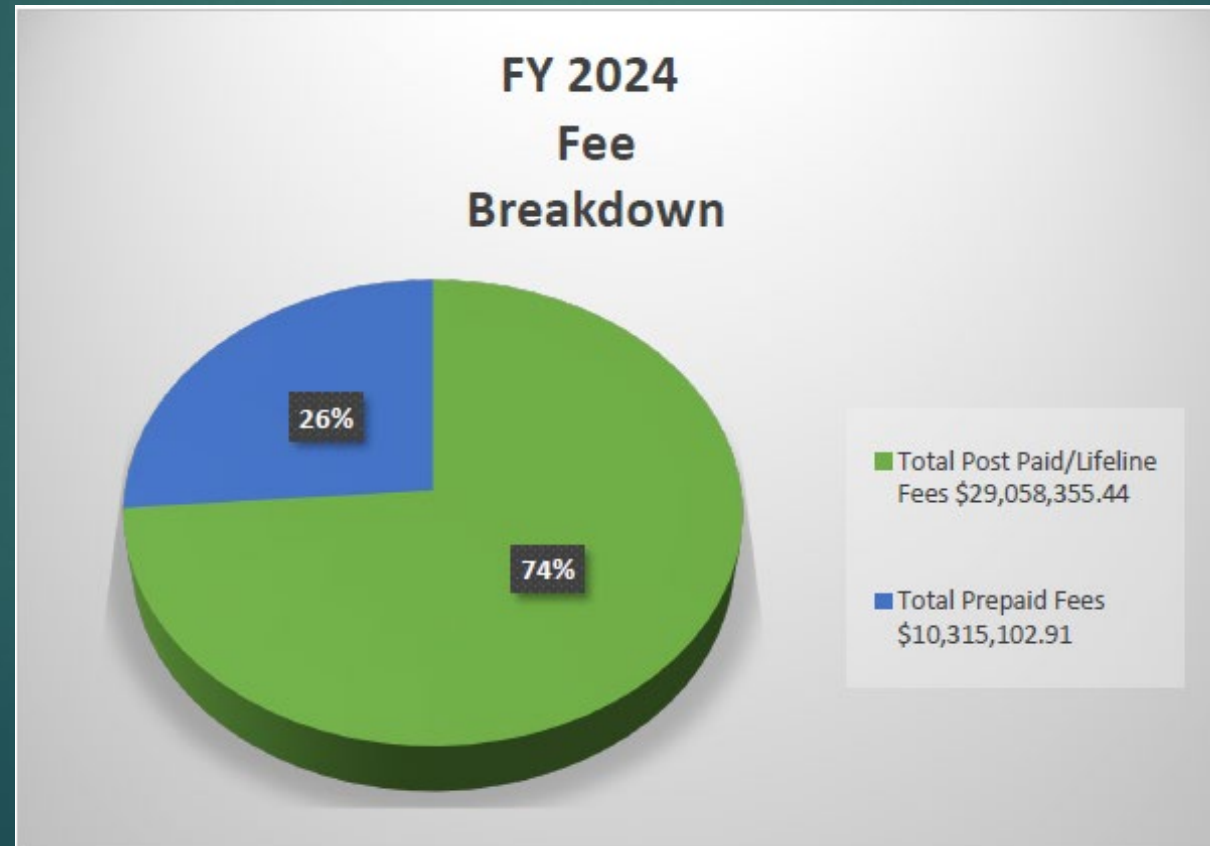


# Financial Role of 911 Services Board

Collect and distribute wireless 911 fees to **117** certified PSAPs per KRS 65.7631

# Where does the money come from?

- Postpaid/Lifeline = \$.70/mo. (1998)
- Prepaid = \$.93/transaction @POS (2016)
- Compliance Officer



# What's the deal with Lifeline 911 fees?

- Cat and mouse game between some Lifeline providers and the 911 Services Board going back to 2016
  - 2016 HB 585
  - 2017 failed effort to overturn
  - 2018 “Telecommunications Fairness Act
  - 2020 Lifeline statute fix
  - 2020 litigation
  - 2021 Lifeline fee collection suspended
  - 2024 court victory/collection reinstatement
    - ~\$2 million in retroactive fees since June

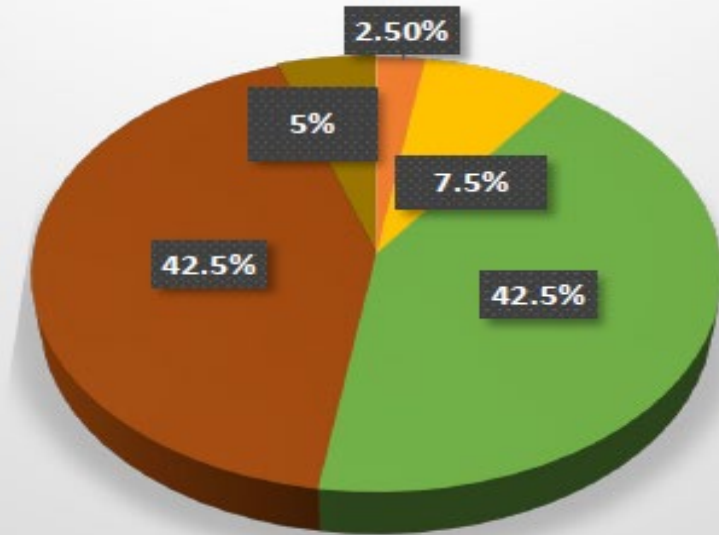
# Where does the money go?

- Current distribution formula \*97.5% returned to PSAPs
  - 42.5% pro rata (equal share to all)
    - How to get more than one pro rata share
  - 42.5% wireless subscribers
    - How is this calculated?
  - 7.5% competitive grants (\$3 million cap)
  - 5.0% Statewide NG911 projects
  - 2.5% administrative
- New mix for 2025
  - 10% grant fund (\$3 million cap)
  - 2.5% Statewide NG911 projects

# Where does the money go?

Fiscal Year 2024 CMRS fee distribution

Apportionment of CMRS Fees



911 Coordinator Fund \$984,336.45

CMRS Grant Fund \$2,934,338.11

Prorata \$16,733,719.85

Call Volume \$16,733,719.85

NG911 Technology Fund \$1,987,344.09

# What the heck is the “overage” fund?

Section 4, Subsection C of KRS 65.7631 states “When the balance of money collected under this subsection and not yet obligated for permitted uses exceeds three million dollars (\$3,000,000) in any fiscal year, the excess amount shall be allocated under subsection (5) of this section.”



# In plain English?!?

If the balance of the grant fund—after removing previously awarded grant awards that have yet to be reimbursed—grows to more than \$3 million, those excess “overage” funds get flushed into (exclusively) the pro rata and wireless subscriber funds to be distributed to PSAPs in the next quarterly payment.

This usually happens at the end of the fiscal year (May/June) and can lead to a larger than average August quarterly payments.



# CMRS Funding trends

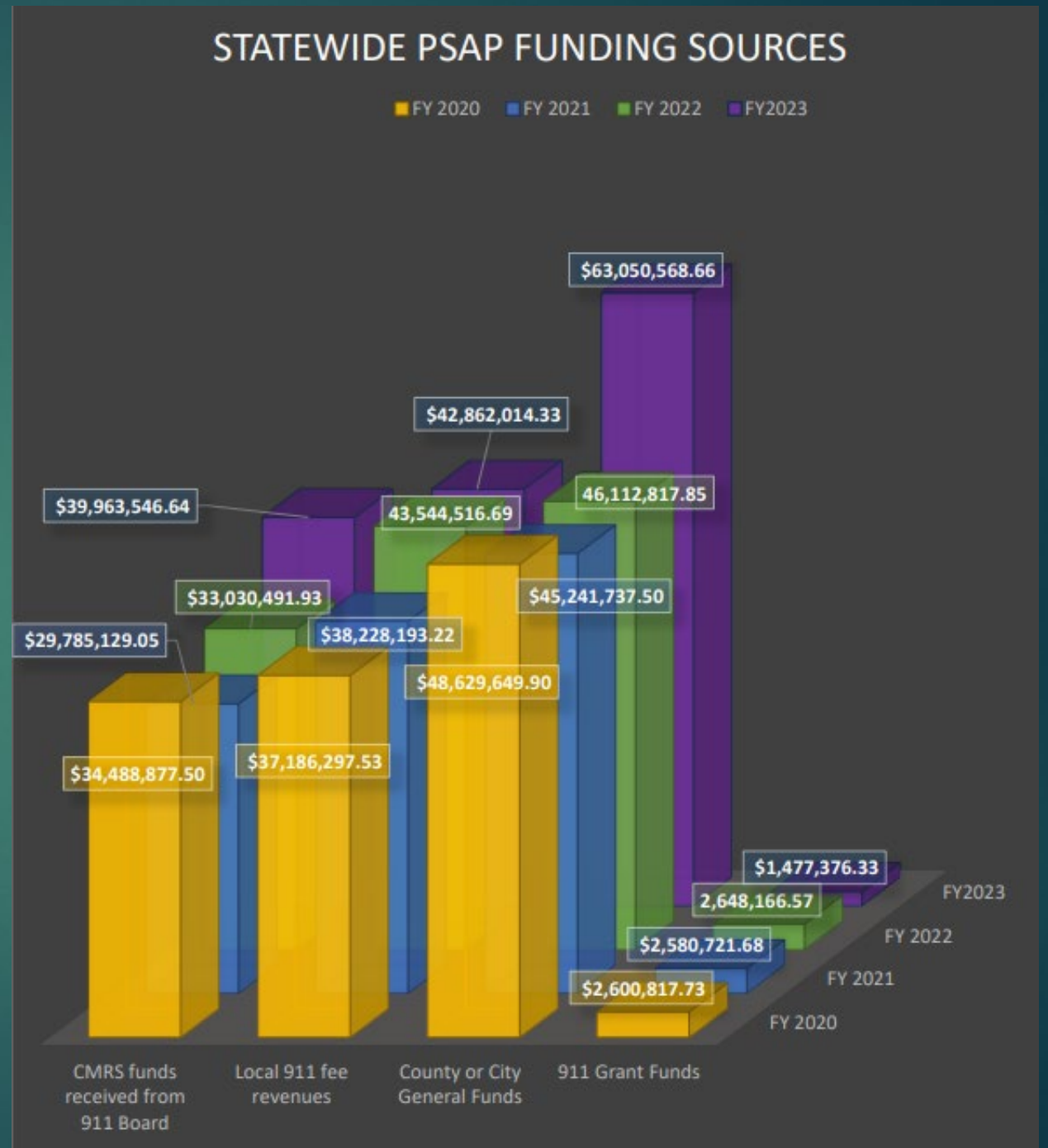
- \$26 million FY 2015
- \$34 million FY 2019
  - Impact of prepaid
- \$40 million FY 2024
  - \$29.05 million postpaid
  - \$10.3 million prepaid
  - \$650k interest income

# 911 funding mix (FY 2023)

\$145.88 million spent on 911

- 28% 911 Services Board funds
- 43% City/county general funds
- 29% Local 911 fees

# 911 funding mix FY 2020-2023



# What the future holds

- What about the future?
  - Ever-increasing reliance on local gov't funding
  - Ever-decreasing landline fees
- How to pay for statewide NG911
  - \$10 million kickstart
  - 911 fee vs. General Fund

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## Discussion and Questions

**Kentucky Office of Homeland Security**

<https://homelandsecurity.ky.gov>

**911 Services Board**

<http://911board.ky.gov>

