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GOVERNOR
KE KIA'ĀINA



DEPT. COMM. NO. 51

KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII'
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

November 7, 2023

VIA ELECTRONIC MAIL

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the State of Hawaii Department of Accounting and General Services Annual Report on The Enhanced 9-1-1 Board for Fiscal Year 2022-2023, pursuant to Section 138-6, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at: <http://ags.hawaii.gov/reports/legislative-reports/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Regan".

KEITH A. REGAN
Comptroller

Enclosure

bc: Governor's Office
Lieutenant Governor's Office
Legislative Reference Bureau
Legislative Auditor
Department of Budget and Finance



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON
THE ENHANCED 9-1-1 BOARD
FOR THE PERIOD OF
JULY 1, 2022, THROUGH JUNE 30, 2023

SUBMITTED TO
THE THIRTY-SECOND LEGISLATURE
IN RESPONSE TO SECTION 138-6, HAWAII REVISED STATUTES

FY 2023-2024 Annual Legislative Report on the Enhanced 9-1-1 Board

STATE OF HAWAII

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

ANNUAL REPORT ON THE ENHANCED 9-1-1 BOARD

FOR THE PERIOD OF JULY 1, 2022, THROUGH JUNE 30, 2023

According to section 138-6, Hawaii Revised Statutes (HRS), the Enhanced 9-1-1 Board shall submit an annual report to the Legislature no later than twenty days before convening of each regular session. The Enhanced 9- 1-1 Fund is comprised of monthly surcharges imposed on communications service connections, except connections of the public utility providing telecommunications and land line Enhanced 9-1-1 Services. For this report, Enhanced 9-1-1 Fund will be referred to as “The Fund” the Public Safety Answering Points as “PSAPs”, the Wireless Connection Service Providers as “WSPs”, and the Voice over Internet Protocol Connection Service Providers as “VoIP”.

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I. Executive Summary

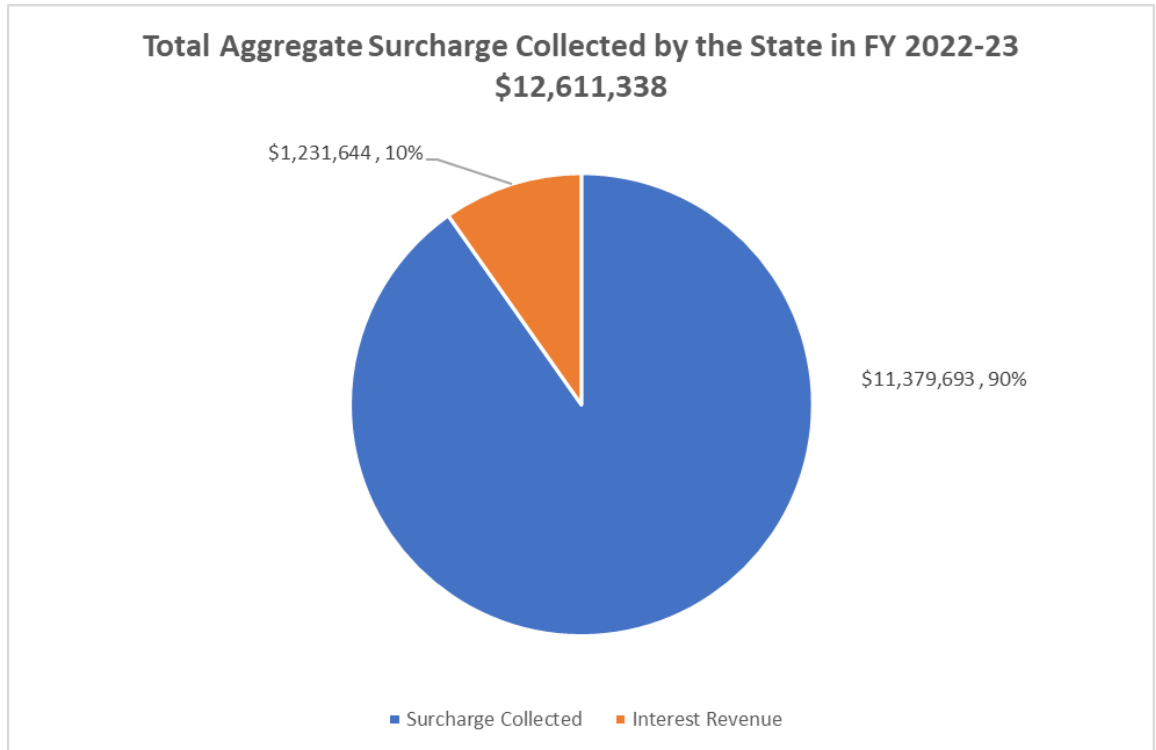
Act 168/SLH 2011 (the Act) created an Enhanced 9-1-1 Board (the Board) on June 27, 2011, which is administratively attached to the Department of Accounting and General Services (DAGS). The Enhanced 9-1-1 Board supersedes the Wireless Enhanced 9-1-1 Board created by Act 159/SLH 2004.

The purpose of the Enhanced 9-1-1 Board is to manage, administer, provide technical expertise, and perform fiscal duties necessary for the collection of 9-1-1 surcharge tax revenue. In addition, the Board manages the distribution of the Fund in accordance with the law to the five primary and three secondary county public safety answering points in Hawaii and the wireless/VoIP carriers providing service to the public. The Enhanced 9-1-1 Fund was established outside of the State treasury as a Special Fund.

The Enhanced 9-1-1 Board is comprised of thirteen members appointed by the Governor. The members of the Board represent each county PSAP, three wireless service providers, one VoIP representative, Hawaiian Telcom, City & County of Honolulu, and two permanent seats consisting of the Consumer Advocate or designee, and the State Chief Information Officer. The current board members are:

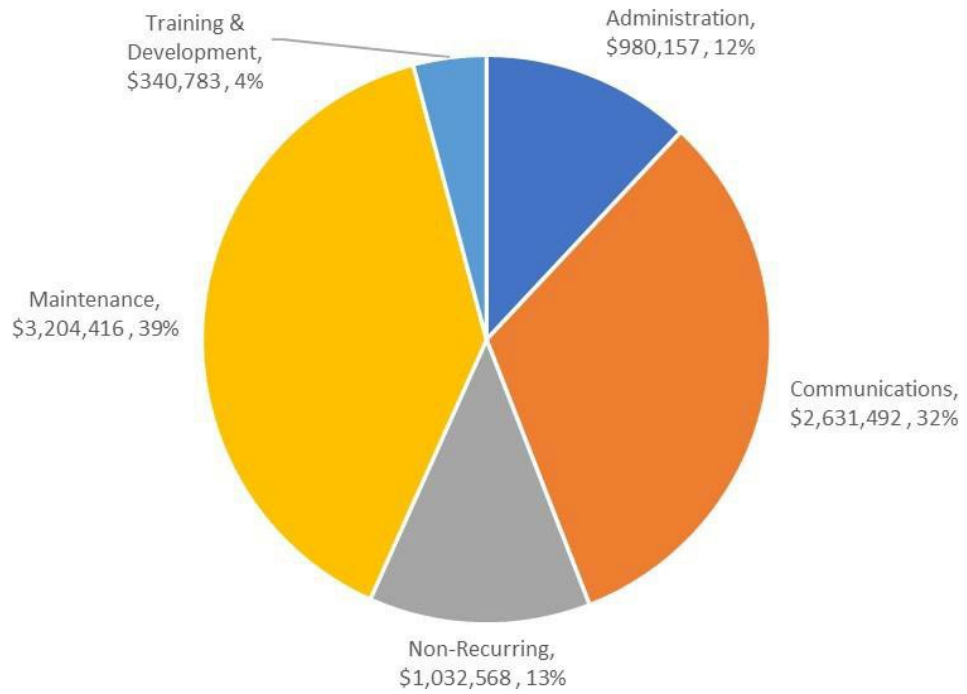
- Elliott K. Ke, Assistant Chief of Police, Kauai County Police Department, Board Chair
- Corey Shaffer, Verizon Service Provider Representative, Vice Board Chair
- Matthew Kurihara, Captain, Honolulu Police Department (Awaiting Appointment)
- Reed Mahuna, Acting Deputy Chief of Police, Hawaii County Police Department
- Nani Blake, T-Mobile Service Provider Representative
- Gregg Okamoto, Assistant Chief, Maui County Police Department
- Keola Tom, Assistant Chief, Maui Police Department
- Francis Alueta, Hawaiian Telcom Service Provider Representative
- Elizabeth Gregg, FirstNet Solutions Consultant
- Rebecca Liberman, Director of State Government Affairs, Charter Communications
- Dean Nishina, Executive Director, State of Hawaii, DCCA/Division of Consumer Affairs
- Stephen Courtney, Deputy CIO, City & County of Honolulu
- Douglas Murdock, CIO

II. The Total Aggregate Surcharge Collected by the Fund in FY 2022-2023



III. Projects for Disbursed Funding in FY 2022-2023

FY 2022-23 Description of Projects for Disbursed Funding
\$8,189,416



IV. Project Descriptions

| Item | Description of Disbursements | Recipient |
|--|---|-------------------------|
| Maintenance | | |
| <p>Computer Hardware and Software</p> | <p>Hawaii, Kauai, and Oahu PSAPs are undergoing modernization of their CAD systems for their PSAPs to continue to provide first responders with the services necessary to respond to emergency 9-1-1 calls from their residents and visitors quickly and safely.</p> | <p>All PSAPs</p> |
| <p>Program Management Consulting Services</p> | <p>VSE Corp. provides continued Enhanced 911 Program Management Services and Geographic Information Systems Services for the counties of Hawaii, Maui, and the City and County of Honolulu.</p> <p>The services rendered include:</p> <ol style="list-style-type: none"> 1. Program mgmt. support. 2. PSAP Day-to-Day Operational support. 3. Geographic Information System (GIS) services. 4. Master Street Address Guide (MSAG) services. 5. Database synchronization. <p>Benefits include:</p> <ol style="list-style-type: none"> 1. Up-to-date location information on emergency calls received by the respective dispatch center. 2. Current GIS information. 3. Coordination for implementation and testing of new additions to the network with wireline, wireless, VoIP and Telemetric service providers. 4. Dealing with only one company with which to coordinate activities and issues. | <p>All PSAPs</p> |
| <p>Computer Hardware and Software Maintenance</p> | <p>Maintenance support from vendors is essential to keep hardware and software running efficiently and provide Immediate troubleshooting support.</p> | <p>All PSAPs</p> |

FY 2023-2024 Annual Legislative Report on the Enhanced 9-1-1 Board

| Item | Description of Disbursements | Recipient |
|---|---|------------------|
| | Conferences & Training | |
| New & Emerging Technology Training | Conferences & Training attended by PSAPs offer an effective opportunity to stay abreast of national standardization efforts and receive training in day to day operational 9-1-1 issues impacting their PSAPs - Specifically, regarding new and emerging technologies. In addition, trainings provide networking opportunities with subject matter experts and with fellow PSAPs in the US and worldwide. | All PSAPs |

| Item | Description of Disbursements | Recipient |
|------------------------------------|---|------------------|
| | Communications | |
| Telecom Service Connections | Hawaiian Telecom tariff, network and equipment costs necessary for PSAPs to receive Enhanced 911 calls. | All PSAPs |
| SMART 911 Database Software | SMART 911 Database software provides first responders the ability to access the SMART 911 Database for information on the subscriber that will enable the first responders to determine the appropriate life-saving measures. | Oahu PSAP |
| EMS Tower Lease | City & County fiber provides network connections between EMS and other Oahu PSAPs which enables them to share data and information. | Oahu PSAP |

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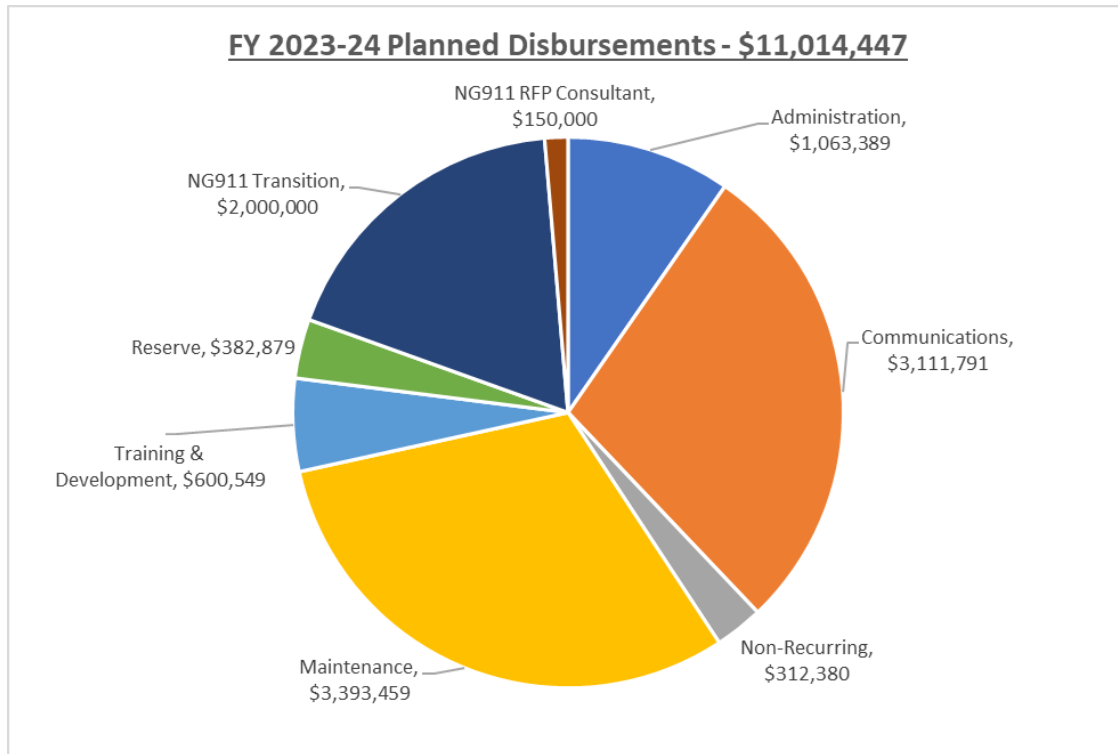
| Item | Description of Disbursements | Recipient |
|------------------------------------|--|------------------------------|
| | Administrative Expenses | |
| Revenue Assessment | Department of Budget & Finance Revenue Assessment: Authorized under Section 36-27, HRS: 5% of total revenue | State of Hawaii General Fund |
| Administrative Assessment | Department of Budget & Finance Revenue Assessment: Authorized under Section 36-30, HRS: 2.3334% of total Enhanced 9-1-1 Fund disbursements. | State of Hawaii General Fund |
| Executive Director & Staff Payroll | <p>The Executive Director and staff positions provide essential support to the Board which includes:</p> <ol style="list-style-type: none"> 1. Legislative agenda, policy, and regulatory support to PSAPs 2. Lead the statewide initiative on new and emerging 9-1-1 technologies. 3. Accounting 4. Surcharge revenue collection services 5. Banking relations 6. Drafting legislation 7. Board & Committee agendas and minutes 8. Supervision of audits 9. Cash disbursements 10. Record keeping 11. Provide expert counsel on Enhanced 9-1-1 issues 12. Strategic Budget Planning | State of Hawaii Payroll |
| Annual CPA Audit | Independent CPA Audit services to perform an annual audit in accordance with general acceptable accounting principles (GAAP). | Egami & Ichikawa CPAs, Inc. |
| Conference Expenses | New & Emerging Technologies Conference expenses are necessary to keep PSAP personnel abreast of legislative and technological issues impacting 9-1-1 centers and updates in training. | Various Conferences |
| Office Supplies | Office Supplies/Xerox/ Office Equipment | Various Vendors |

V. The Conditions If any Placed by the Board on Disbursements from the Fund

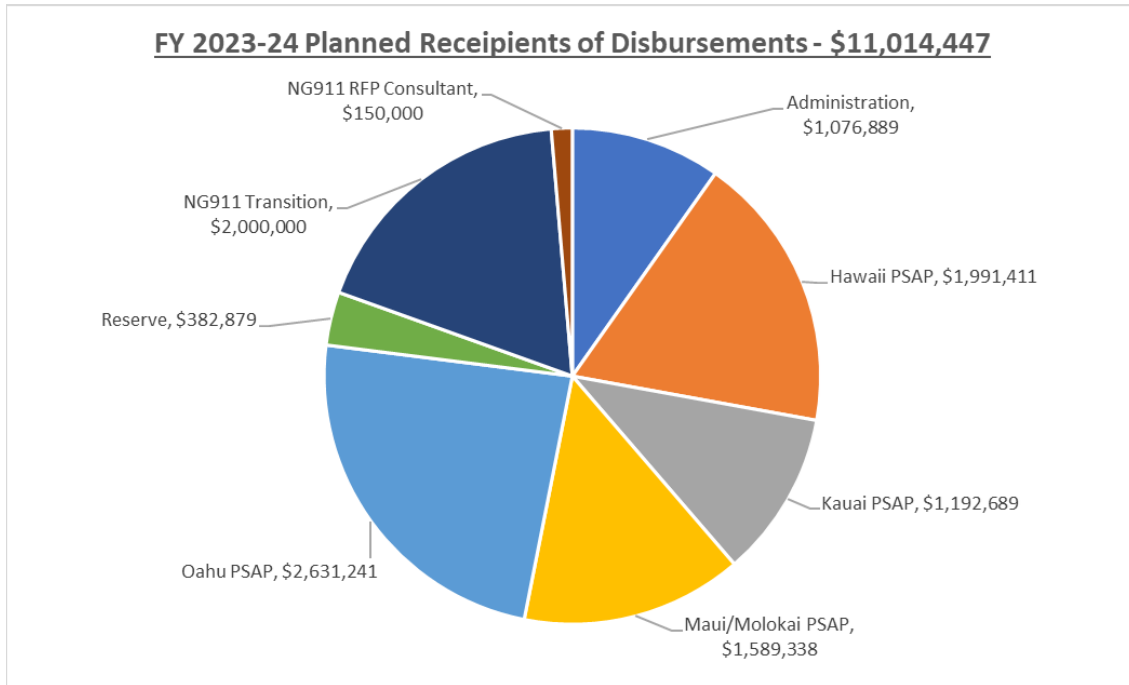
The Board has implemented policies and procedures for the PSAPs, WSPs, VoIPs, and approved vendors seeking reimbursement from the Fund. The Board requires the following for disbursements:

1. Must be permitted under Hawaii law.
2. There must be sufficient funds available for disbursement.
3. Review and approval by the Technical and Finance Committee, subject to the Board's approval.
4. Approval for payment by the Board Chair, Finance Committee Chair, and an authorized Board member.
5. A valid invoice or receipt of payment approved by the appropriate PSAP authorized official(s).
6. Two Board approved signatories must sign disbursement check.
7. All disbursements are subject to audit.

VI. Planned Expenditures from the Fund for FY 2023-2024



VII. Planned Recipients of Disbursements from the Enhanced 9-1-1 Fund in FY 2023-2024



VIII. The Amount of Any Unexpended Funds to be Carried Forward for FY 2022-2023

| | <u>Actual</u> |
|--------------------------------------|---------------|
| <u>Bank Balance Analysis:</u> | FY 2022-2023 |
| | |
| Beginning Cash Balance: July 1, 2022 | \$32,518,676 |
| | |
| Net Bank Balance: | \$37,221,708 |
| | |
| Net Cash Receipts/(Disbursements): | \$4,703,032 |
| | |
| Outstanding Encumbrances/Accruals: | \$11,480,192 |
| | |
| Unencumbered Cash Balance: | \$25,741,517 |

Amount of remaining Enhanced 9-1-1 Funds carried forward to FY 2024 was \$37,221,708. Outstanding Encumbrances at the end of FY 2023 amounted to \$11,480,192, reducing the Unencumbered Cash Balance to be carried forward to FY2024 to \$25,741,517.

IX. A Cost Study to Guide the Legislature Towards Necessary Adjustments to the Fund and the Monthly Surcharge

The State of Hawaii is part of the national movement to transition to a Next Generation 9-1-1 internet protocol (IP) system that will improve emergency response, save lives, and reduce property damage and/or loss. Enhanced current capabilities will allow increased location accuracy and efficiency. Migrating to an IP-based system will allow faster call routing to the closest PSAP, avoiding delays and misdirected calls. These are some of the benefits of migrating to Next Generation 9-1-1. As new technologies emerge this system will be able to accommodate those features that are currently in testing phases.

The Board has engaged a consulting firm to estimate the costs to update our 911 call centers statewide to become Next Generation 9-1-1 i3 compliant. The fundamental element of the i3 architecture is an Emergency Service IP network designed as an IP-based inter-network shared by all public safety agencies involved in an emergency. Consequently, the Board has chosen to conserve cash in anticipation of this significant cash outflow due to the transition to Next Generation 9-1-1. The National Highway Traffic Safety Board commissioned the NG9-1-1 Cost Estimate Report to Congress in October 2018 that estimated the lifecycle Next Generation 9-1-1 costs would amount to \$13.5 - \$16 billion nationwide. Next Generation 9-1-1 costs for deployment nationwide will amount to \$9.5-\$12 billion. Due to the uncertainties associated with the transition to this new emergency response system and revenue collections, the Board will recommend the current surcharge fee rate remain at the current level for the fiscal year.

X. A Status Report of Jurisdictional Capabilities for Enhanced 9-1-1 Services, Including Public Safety Answering Points and Communications Service Providers.

All requirements of FCC Order 94-102 have been met by the Public Safety Answering Point (PSAPs), Wireless Service Providers (WSPs), and the Incumbent Local Exchange Carrier (ILEC). The State of Hawaii is currently Phase II capable throughout the State, and each PSAP can use the data elements being transmitted by the WSPs and delivered by the ILEC. All WSPs (AT&T, T-Mobile/Sprint, and Verizon) provide Phase II services in all counties and jurisdictions with limited coverage, radio frequency interference, and terrain anomalies. The WSPs continue to expand their existing networks by steadily adding additional sites in each jurisdiction.

Advancements in technology in the wireless industry have also placed demands on the PSAPs by WSPs deploying new and improved networks that support broadband capabilities such as the wireless 3G, 4G, and 5G Wireless technology networks deployed by a majority of the WSPs. These advancements have deployed to the Hawaii market, and it has been difficult for the PSAPs to forecast their needs and related costs in this environment.

The State of Hawaii Wireless 9-1-1 service has graduated from a wireless Phase II maintenance phase to Wireless Phase II expansion and New Wireless Technology implementation phase. This wireless expansion phase has opened the door for the PSAPs to start receiving New and Emerging Technology 9-1-1 services such as Voice over Internet Protocol (VoIP) telephone calls and Telemetric emergency services. Also, these recent technologies have been added or are in the development stages:

1. Location Accuracy (horizontal & vertical) – improved location accuracy to multi-level structures such as hotels and shopping centers throughout the State by providing the floor and suite and/or apartment number. In addition, telecommunications service providers must meet the timeline for development and completion, as established by the FCC.
2. Text-to-911 allows the 911 caller to contact the 911 call center by text instead of voice call to avoid an active shooter's detection or in a domestic abuse situation. Hawaii was one of the first in the nation to deploy Text-to-911 statewide.
3. Real-Time Texting allows vast improvement in the deaf and hard-of-hearing communications capability compared to the TTY legacy system.
4. Smart911 – Establishes a database of information on the caller's medical condition, residence, or other information that is useful for first responders to facilitate a quick and safe response.

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5. Kari's Law Enforcement – Mandates multi-line telephone service (MLTS) to eliminate dialing an outside phone line before dialing 911.
6. Third-party location apps. Companies such as Uber and Apple have partnered with RapidSOS to provide Apps to improve location accuracy in 911 callers' smartphones.
7. Location-Based routing - Uses caller location, not cell tower location, as the basis for initial 911 call routing. This technology can significantly reduce the number of wireless 911 calls transferred from one PSAP to another and enable geospatial routing in the NG911 environment.

The majority of these new 9-1-1 services have been deployed, while others are in the later stages of development. The PSAPs have responded expeditiously to keep pace with the demands of the New Technologies. As such, the primary activities being undertaken by the PSAPs have been concentrated on maintaining and developing all their 9-1-1 databases into i3 compliance as part of Next Generation 9-1-1 service implementation. The PSAPs have performed and are maintaining database synchronizations with each of the Communication Service Providers (CSPs) and GIS improvements to improve location accuracy and dispatch 9-1-1 resources efficiently and effectively via Computer Aided Dispatch System (CADS) at each PSAP.

The Wireless E9-1-1 Board is now the Enhanced 9-1-1 Board with the passage of HB 1000, and the Governor signed Act 168 (11) into law on June 27, 2011. This statute established a single entity to administer Enhanced 9-1-1 Services for the State along with expanding board membership. The broadening of scope for the Enhanced 9-1-1 Board's responsibilities allows the leadership to improve and modernize the current 9-1-1 system, improve emergency response, save lives, and reduce property damage. In addition, the Enhanced 9-1-1 Board has undertaken the investigation and recommendations necessary for the migration of the State of Hawaii's Enhanced 9-1-1 resources into New and Emerging Technology 9-1-1 services referred to as Next Generation 9-1-1.

XI. FY 2022-2023 Independent Audit Report Summary

Chapter 138, HRS, requires the Board to perform an audit every two years to determine whether the Special Fund is being managed under this chapter. Accordingly, the Board has elected to conduct an audit every year to provide additional assurance to the Board and the Legislature of the integrity of its oversight over the fund. All independent audits have resulted in "clean" or unqualified opinions.

The subsequent independent audit report will cover July 1, 2021, through June 30, 2022, and was approved by the Board on March 9, 2022. FY 2022-23 Audit was not conducted this year due to the expiration of the prior auditor's contract. Currently, the Board is in the process of procuring a new auditor.

Current and past audit reports are posted on the Enhanced 9-1-1 website (<http://ags.hawaii.gov/hawaii-enhanced-9-1-1-board/>).

Glossary of Terms

ALI – Automatic Location Identification
CAD- Computer Assisted Dispatch
CDMA-Code Division Multiple Access
GIS-Geographic Information Systems
GSM-Global System for Mobile

FY 2023-2024 Annual Legislative Report on the Enhanced 9-1-1 Board

Reviewed and Approved by:

Elliott Ke

Oct 27, 2023

Elliott Kalani Ke
Enhanced 911 Board Chair

Date