

## MCECD Charter and Fee Structure

9-1-1 Districts, such as the MCECD exist to improve emergency communications on both sides of the 9-1-1 call – for those in need of help, and by those 9-1-1 Telecommunicators whose job it is to provide efficient and effective responses to 9-1-1 calls. Currently there are twenty-four 9-1-1 Districts in the State. It is our mission to continually strive to improve the quality of 9-1-1 systems which in today’s environment calls for a highly functional, intuitive, interoperable “system of systems,” known as Next Generation 9-1-1, capable of handling and utilizing voice, video, and data to enable a more tailored response to every emergency. It is essential that today’s 9-1-1 centers have the advanced technology needed to better serve 9-1-1 callers and the District is now in the process of installing such a system.

The MCECD is a separate governmental agency whose creation was allowed in 1986 under the re-codified Texas Health & Safety Code, 772.02, which supports 9-1-1 as the primary emergency calling number in the State and mandates that a District’s primary purpose is to design, implement, and administer 9-1-1 systems for residents of the area it serves. The enabling legislation also established the make-up of the District and approved its funding mechanisms. The District is governed by a Board of Managers which consists of two members representing the county who are appointed by the Commissioners’ Court; two members who are appointed by the 14 mayors of the Cities and Towns; one member who is appointed by the Montgomery County Fire Chief’s Association (MCFCA), and one non-voting member who is appointed by the principal telephone service supplier.

Unlike other agencies that have taxing authority, the District is solely funded by a surcharge imposed on all local exchange access lines of telephone companies and on Wireless (Cellular) and Voice Over Internet Protocol (VoIP) carriers providing telephone service within the District’s territory (Montgomery County boundaries). Thus, the District’s funding and revenue stream is totally dependent on Telecommunications Market Generated revenues subject to the ups and downs of that market. As a separate governmental agency, the MCECD has one of the smallest operating budgets in the County but it impacts significantly every resident in the County.

9-1-1 service fees are used for the 9-1-1 network, telephone and 9-1-1 equipment, in some cases 9-1-1 call-takers, 9-1-1 database services, public education, training and staffing. The MCECD was created under State auspices with all the power to carry out its mission, which includes collecting a fee, not to exceed 6% of the primary telephone service provider’s equivalent base rate which has now been reached.

The monthly fees, range from \$0.62 to \$1.66 for residential lines and \$1.29 to \$2.23 for business lines and static VoIP customers. These are not per calls fees but strictly monthly flat fees. The Commission on State Emergency Communications (CSEC) collects a \$0.50 monthly flat fee from all wireless customers and returns \$0.35 to the District based on population densities while retaining \$0.15 for administrative purposes. Nomadic VoIP fees are \$.50 monthly per line and are remitted directly to the District. Each telephone company retains funds for administrative costs, currently set at one (1%) percent. Prepaid wireless fees have been mandated in 2010 by the State Legislature at

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2% of the retail rate for those services although revenues to Districts as of yet have not been remitted by the State.

In addition to the service fees, there is a 9-1-1 equalization surcharge of 0.3 (three tenths of one percent) and a Texas Poison Control surcharge of 0.3 (three tenths of one percent) monthly on intrastate long distance calls. These surcharges were authorized by the Texas Legislature to finance these services in counties without adequate population to support them. These fees are remitted to the CSEC.

Currently 70% of residential line service has been lost to contract based wireless services. Contract based wireless services have lost about 20% of their business to pre-paid wireless services due mainly the current hard economic times. Nomadic VoIP services are currently a very small percentage of the District's telecommunications revenues.

The purpose of the 9-1-1 system is to deliver emergency telephone calls to public safety agencies' 9-1-1 Call-Takers. The District strictly coordinates and facilitates Enhanced 9-1-1 service and provides addresses and map location services for 9-1-1 call centers. Its primary purpose is to provide the 9-1-1 Call-Taking network and equipment, including related databases, for the Montgomery County Sheriff's Office (MCSO), the Conroe Police Department (CPD), the Montgomery County Hospital District (MCHD) and the Woodlands Fire Department (WFD) as well as a 9-1-1 backup center to:

- Answer all 9-1-1 calls within seconds.
- Assure the caller is connected to the correct agency.
- Train public safety personnel on the use of the 9-1-1 equipment and features.
- Assure that everyone has a physical address.
- Assure that location technology is in place for wireless 9-1-1 calls.
- Educate the public on when and how to use 9-1-1.

During these difficult economic times the District and its Board of Managers are working diligently to be good stewards of the District's limited funds and budgets by making sure that expenditures meet 9-1-1 specific functions only while providing the residents of Montgomery County first rate 9-1-1 systems and networks.

It is important to note that a subtle trend has crept in nationwide whereby many states and local governments have appropriated 9-1-1 funds to balance budgets and/or expended them on non-9-1-1 specific items due to the economic downturn. The FCC has taken note of this process and in a first time ever move early in 2010 mandated the States provide 9-1-1 funding mechanism information with all supporting data down to the local arena in order to determine how 9-1-1 funds are being used.

On August 13, the F.C.C. submitted a report on the state collection of 9-1-1 fees. In the report, the F.C.C surveyed the states and several territories to determine how 9-1-1 fees are collected and distributed throughout the country. The report revealed that twenty-two (22) states (or territories) collect 9-1-1 fees at the state level. Eleven (11) collect fees at the local level, and nineteen (19) have a hybrid system with collection at both the state

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and local level. The report also contained an estimate of 9-1-1 fee receipts for each state for the year 2009. Finally the report stated that thirty-two (32) states were able to certify that 9-1-1 fees were only used for 9-1-1 purposes. Thirteen (13) states reported using 9-1-1 funds for non-9-1-1 purposes. It is expected that in the FCC will continue to drill down further into this issue with a potential impact on future legislation and regulatory policies within the Public Safety and Homeland Security arenas.