



September 27, 2019

Lisa Sherrod, Administrator
California Department of Tax and Fee Administration,
MIC: 31
450 N Street
Sacramento, California 95814

SUBJECT: EMERGENCY TELEPHONE USERS SURCHARGE RATE FOR YEAR 2020

Dear Ms. Sherrod:

As stipulated by Revenue and Taxation Code Sections 41030 and 41031, the Governor's Office of Emergency Services (Cal OES) shall determine no later than October 1st annually, a surcharge rate that will produce sufficient revenues to fund the expenditures authorized in support of California's 9-1-1 program. The authorized expenditures and calculations are summarized in Table 1.

Description	Ref.	Amount
Authorized Expenditure	B2	\$170,247,000
Balance from Fund Condition Statement	B3	\$6,086,000
Revenue Needed for FY 2019-2020	B4	\$164,161,000
Revenue transferred from General Fund	B5	\$50,000,000
Estimated Revenue July-December 2019	B6	\$30,072,000
Revenue needed to repay General Fund	B7	\$10,000,000
Revenue needed Jan - Jun 2020	B8	\$94,089,000
B4=B2-B3, B8= B4-(B5+B6)+B7, B12=B10*B11*6 months	B9	
Estimate number of Access Lines	B10	53,447,725
Surcharge per month for 6 months	B11	\$0.30
Projected Revenue	B12	\$96,205,905

Table 1: Surcharge Calculations for FY 2019-2020

*FCS = Fund Condition Statement

Based on the revenue needed to repay the General Fund loan, and on revenue projections as defined in the Governor's Budget Fund Condition Statement, and the State Emergency Telephone Number Account (SETNA) for Fiscal Year



2019-20, Cal OES recommends the SETNA surcharge be set at 30 cents (\$0.30) for calendar year 2020.

Table 2 provides an overview of the estimated number of access lines reported to Cal OES by the service providers.

Category	Estimated Access Lines
Wireline	4,686,691
Wireless	44,032,825
VoIP	4,728,209
Total	53,447,725

Table 2: Estimated number of Access Lines

Should you require any additional information, please contact Mr. Budge Currier, Branch Manager, California 9-1-1 Emergency Communications Branch at Budge.Currier@CalOES.ca.gov or (916) 657-9911.

Sincerely,



MARK S. GHILARDUCCI
Director