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IOWA UTILITIES BOARD
Telecommunications Section

TO: The Board

FROM: Joni Nicoll, Project Manager, Equipment Distribution Program *JN*
Amy Christensen, Dual Party Relay Council Chair *AC*

SUBJECT: Recommendation for Additional Funding for Wireless Devices in Iowa's Equipment Distribution Program

DATE: October 6, 2015

I. Background

On April 2, 2015, staff wrote a memo to the Iowa Utilities Board (Board) which laid out a proposal to initiate a wireless device¹ pilot program that adds wireless devices to the current Iowa Equipment Distribution Program (EDP). Staff subsequently wrote two additional supplemental memos to the Board, dated April 16, 2015, and May 20, 2015, to address several concerns expressed by Board members regarding the "sole source" vendor, the equipment and applications used to provide telecommunications access, and communication with the telecommunications carriers who could experience an increase in their assessments for the program.

After consideration of the additional information gathered since the original recommendation of a wireless device pilot program, the Board approved the staff recommendation to incorporate certain wireless devices directly into the existing EDP, detailed in the May 20, 2015, memo and replicated here for the Board's convenience.

- Abandon pilot program; incorporate mobile devices directly into existing EDP
- Distribution of Wi-Fi iPads only for the first year for several reasons.
 - Ease of administration at the inception of the changes to the program
 - Avoids the complicated carrier issues experienced by other states
 - Deaf people have been underserved by our EDP for many years. It is likely that most deaf people will choose an iPad or iPad mini because of the larger screen size, which would work better for video calls.
- Equipment offered
 - 64 GB iPad and 64 GB iPad mini, Wi-Fi only
 - Specialized apps that exceed \$10.00, if person is otherwise qualified and has compatible equipment (list of qualified apps to be

¹ For purposes of this memo, mobile devices mean cellular phones and tablets.

established by EDP Administrator and approved by IUB). Provided only as a special request so EDP Administrator can review compatibility and purpose

- Use Teltex as sole source provider of goods and services until other companies that offer similar services become available
- Inclusion of security measures to protect the device
- If a person has previously received equipment through the EDP, they must wait five years before they can re-apply (the original proposal waived this requirement)
- Equipment budget not to exceed \$65,000 per year for the first year
- Establish focus groups for first year only, not to exceed three meetings, with oversight by EDP Administrator
- Focus group's annual expenses not to exceed \$16,000
- Additional administrative expenses not to exceed \$5,000 for first year
- Total proposed budget of \$86,000 (assuming all \$86,000 is spent and all else remaining the same – 26% increase for the wireless carriers, as opposed to 48% increase originally proposed)
- Implement changes on or after July 1, 2015

The EDP began offering iPads to qualified applicants on July 1, 2015. The Board's EDP administrator, Telecommunications Access Iowa (TAI) began receiving completed applications the week of July 27, 2015. By the end of that week, 23 iPad vouchers were issued to eligible applicants. Subsequent weeks saw similar results and on August 17, 2015, TAI notified staff that over \$64,000 in iPad vouchers had been issued. Since there was a funding cap of \$65,000 for iPad vouchers, subsequent applicants were notified that their names had been placed on a waiting list until additional funding became available. The applicants were also informed it was possible that no more funds would be available until July 2016 (the beginning of a new fiscal year and a new EDP budget).

At this same time, a notice was posted on TAI's website indicating that all new iPad applications will be placed on a waiting list until more funding becomes available, and informing readers that additional funding may not be available until July 2016. In order to help further inform the affected communities about the depletion of funds and the waiting list, staff at TAI personally contacted key individuals in those communities to explain the situation.

On August 19, 2015, staff informed the Board and the Dual Party Relay Council (DPRC or Council) of the depletion of budgeted funds for the iPads and the notification actions taken by TAI. In addition, staff met with the Board on August 24, 2015, to further discuss the funding situation and answer any questions the Board had regarding the issue. The Board was also informed that the DPRC had a meeting scheduled for September 16, 2015. Since the DPRC is the entity that the Board relies upon for advice regarding the EDP, staff recommended that input and recommendations be obtained from the Council members at that meeting regarding how to address the iPad funding issues.

II. Legal Standards

Iowa Code 477C sets out the purpose of the Dual Party Relay Service (DPRS) and gives the Board, with the advice of the DPRC, authority to “plan, establish, administer, and promote a statewide program to provide dual party relay service.”

Specifically, section 477C.4 allows the Board, again with the advice of the DPRC, to “plan, establish, administer, and promote a program to secure, finance, and distribute telecommunications devices for the deaf.”

Section 477C.2 gives definitions of specific terminology used in these programs. *Telecommunications device for the deaf* is defined as “any specialized or supplemental telephone equipment used by communication-impaired persons to provide access to the telephone system.” *Communication impairment* is defined as “the inability to use the telephone for communication without a telecommunications device for the deaf.” Persons with communication impairments include persons who are deaf, hard of hearing, deaf-blind, or have difficulty speaking.

Section 477C.5 explains the role of and requirements of membership in the DPRC.

Section 477C.7 describes the funding of the DPRS, including which types of telecommunications carriers are assessed and how the assessment is calculated and allocated between carriers.

199 IAC 37 sets out the rules for the EDP. 199 IAC 37.1 gives the policy and purpose of the EDP and states, in part:

The needs for equipment to allow persons with communication impairments to use the telephone are not being satisfied in Iowa at this time. A reasonable distribution program is desirable. All customers will benefit when access to the telephone system is available to more persons. The existing dual party relay service will be more fully utilized when more persons have the equipment necessary to gain access to the relay service.

III. Analysis

The DPRC meeting was held as scheduled, on September 16, 2015. One of the agenda items was discussion of the iPad funding issues. For details of the Council’s discussion, see the attached meeting minutes.²

² The relevant discussion begins on page 3 of the meeting minutes.

At the meeting, TAI presented several different options for the Council to consider on how to continue the iPad program and where to find additional funding. TAI's options are listed below.

1. Request an additional \$65,000 from the landline telephone companies, to restore the original funding proposal of \$130,000.
2. Eliminate the Focus Groups and use the \$16,000 budgeted to Focus Groups for equipment. One of the initial purposes of the focus groups was to determine if iPads should be added to the program permanently, which has already been done. TAI still plans to do surveys and is already receiving a lot of feedback from users through phone calls and other messages. The written surveys will also be videotaped and done in American Sign Language with captioning, making the survey accessible to all users.
3. Keep the waiting list until additional funding is budgeted for the next fiscal period, beginning July 2016.
4. Use the existing funds budgeted for *all* equipment. In comparing the amount actually spent in prior years to the amount budgeted, there is an average of about \$100,000 left over every year. The amount allowed to be spent on iPad vouchers could be controlled by placing caps on the funds. These caps could include such alternatives as allowing only \$10,000 per month to be spent on iPads, restricting the number of iPad vouchers issued to 10 per month, or restricting the number of iPad vouchers issued to 5 per month for deaf applicants and 5 per month for other applicants.
5. Go to the legislature to change the manner in which the program is funded so that all carriers are assessed in the same way.

After much discussion and consideration, the Council agreed to recommend the following to the Board.

- Place a cap of 10 iPad vouchers that can be issued per month
- Use the existing Fiscal Year 2016 equipment budget of \$315,000 to include the purchase of iPads
- Cancel all Focus Group meetings and instead rely on surveys for feedback
- Reallocate the \$16,000 budgeted for Focus Groups to the equipment budget for purchase of iPads

If the Board agrees with the above recommendations, Council member Pat McGowan³ has volunteered to have a further conversation with the Iowa Communications Alliance, an organization that represents most of the landline telecommunications carriers in the state, to discuss the Council's

³ Mr. McGowan is one of two telecommunications company representatives on the Council.

recommendation and the Board's decision, and to explain the reasoning behind the decision to allow for additional iPad funding.

IV. Recommended Motion

The Dual Party Relay Council and Board staff recommends that the Iowa Utilities Board allow additional funding for iPad vouchers in the Iowa Equipment Distribution Program, as outlined above. The Dual Party Relay Council and Board staff also recommends that the Board approve Mr. McGowan's offer to talk with the Iowa Communications Alliance regarding the Council's recommendation and the Board's decision.

DUAL PARTY RELAY COUNCIL
Meeting of September 16, 2015
10:00 a.m.
Iowa Utilities Board Hearing Room
1375 E. Court Avenue, Des Moines

Present:

Amy Christensen, Chair	Pat McGowan	Anna Ryon
Cathy Hardy	Kathy Miller	Mike Struck
Stephanie Lyons	Joni Nicoll, Project Mgr.	

Brett Seeberger and Barbara Carlin notified the Project Manager that they were unable to attend the meeting. In addition, Kelly Johnson notified the Project Manager that he has accepted a new position in Kansas and is resigning from the Council. The Project Manager read Kelly's email that indicated the sincere impact the Council had on his life, and which said he will always be an advocate for people with disabilities.

The Project Manager reminded the Council members that there are now two vacancies on the DPRC and asked them to let her know if they know of someone who might be a good candidate.

Other news is the recent passing of a former long-time DPRC member, Lester Ahls. Lester was from Cedar Falls and was a Council member from 1996 to 2010.

Finally, a note of appreciation was received by the Project Manager from a family member of a man who recently passed away. The note shared that his family was able to communicate with him through the use of Voice-Carryover through the relay service which was "a life-line" for the family for many years.

Board staff attorney Mary Whitman was also in attendance. Board members Nick Wagner and Geri Huser joined the meeting later.

- 1. Review and approval of minutes from May 13, 2015, meeting.** The minutes were approved unanimously.
- 2. Introduction of new Relay Iowa Account Manager, Connie Phelps.** Connie is Lori Sporrer's replacement and has been active in the relay business for many years. She introduced herself to the group, stating she was formerly the state program administrator for the relay and equipment distribution programs in Montana. She has also held various elected positions for the national relay and EDP associations, including president of both NASRA (National Association of State Relay Administrators) and TEDPA (Telecommunications Equipment Distribution Program Association).
- 3. Relay Iowa Report—Ashley Hagedorn.** A written Relay Iowa report, dated May 1 to September 16, 2015, was provided to the Council prior to this meeting. It is attached to the minutes.

- **Updates since last meeting.** Ashley has been working with the Iowa Department for the Blind and is working to get a demo CapTel braillephone once it is released. Other highlights include a Veteran's Appreciation Day in June in Cherokee and the selection of the Deaf Community Leader award which will be presented to Robert Vizini of Cedar Rapids. As indicated in the last DPRC meeting, Ashley has been trying new events to reach more people throughout the state. Some of the new events held were with the Central Iowa Center for Independent Living in Des Moines, the Center for Active Seniors in Davenport, and the Healthcare Providers Network of Central Iowa which meets monthly. This group meets monthly and represents assisted and independent living facilities, medical staff and caregivers, case workers, home health employees, etc. There are 17 future events booked, including a Relay Friendly Business event with employees for the city of Cedar Rapids, continuing emergency dispatch training, and another Town Hall Meeting, scheduled for Wednesday, November 11, 2015, at the Windsor Heights Community Center.

In response to the Council's concern about the familiarity of processing relay calls in 911 centers, Ashley explained that the level of knowledge varies from center to center. She conducts training four times a year at the law enforcement academy, with 40 to 50 participants at each training. She is looking to add another TTY to the training for demo calling. The Council commented that the dispatchers should also be aware of videophone calls. Ashley also mentioned that once text to 911 is mandated, processing of emergency calls will change considerably.

4. TAI Report—Gayle Boeke. A written TAI report, dated September 16, 2015, was provided to the Council prior to this meeting and is attached to the minutes.

- **Updates since last meeting.** The percentage of repeat applications and new applications has been pretty steady over the last several years, about 25% reapplications and 75% new applications. The number of applications received so far in 2015 is close to the number received in the same timeframe in 2014.

The main administrative focus since the last meeting has been the launch of the addition of iPads to the program. TAI was able to get a demo iPad for no charge from Teltex, which Gayle brought it to the meeting. As the Council is aware, the budgeted amount for iPads, \$65,000, was depleted by August 21 and a waiting list is being maintained. The tracking system developed for iPad applications and vouchers is also being used for the iPad waiting list.

The TEDPA conference will be in Jackson Hole, Wyoming, September 27 – 30, 2015. Gayle will attend and participate in two panels, Outreach and the addition of iPads into EDPs.

The Council questioned the reaction of those who applied after the budget was depleted and were informed they will be added to a waiting list. Gayle said that there were many

calls asking what happened, and that although callers were disappointed, they understood. It appears the word has gotten out, as the number of applications has really slowed down. There were only two last week and three so far this week.

5. Proposed changes to EDP rules – Joni Nicoll. The changes to the Chapter 37 EDP rules were provided to the Council prior to the meeting and are attached to the minutes.

There are few substantive changes that are being proposed to the rules. Some of the content is rearranged to organize the sections in a more meaningful way, and there are slight changes to the way in which sections are worded to either clarify or make processes more efficient. The substantive changes include 1) the addition of requiring access to the Internet if applying for a device that requires such access; 2) change of gross household income limit from \$70,000 for a family of four to \$78,000 for a family of four; and 3) a change in the reapplication period from five years to three years.

Joni explained that the income guideline changes provided to the Council prior to the meeting differs from the recommendation made in this meeting. The EDP income guidelines are based upon the Iowa median income by family size, as published by the federal Census Bureau. The proposed income limit for a family of four as reflected in the rule changes originally shared with the Council was \$74,000. Because it has been eight years since the EDP rules have been reviewed and after further review of average increases of median income over the last eight years, it became apparent that in order to more closely match the most current median income levels published by the Census Bureau, the income for a family of four should be \$78,000.

The Council did not dispute the non-substantive changes or the addition of requiring access to the Internet. However, some of the Council members were concerned that reducing the amount of time for when a person can reapply and the increase in the income guidelines could increase program costs overall, at a time when the funding is limited due to the addition of iPads. The decision was made to discuss the rulemaking further after the iPad program update was presented.

6. iPad Program update—Gayle Boeke & Diana Kautzky. A copy of TAI's PowerPoint presentation is attached to the minutes.

Gayle gave an overview of the program. After issuing 52 vouchers, the budgeted \$65,000 in funds were encumbered and subsequent eligible applicants are being placed on a waiting list. As of September 11, there are 34 on the waiting list with three more applications that have come in so far this week. Of those who were issued vouchers, 49 are deaf, 2 are hard of hearing, and 1 has difficulty speaking. The ages range from 5 to 90, the average age being 65 years old. The applicants come from all areas of the state, as evidenced by the map in the presentation. About 65 percent of the vouchers issued are reapplications.

The influx of applications at the start of adding iPads into the EDP appears to be typical, according to information from Teltex. In six weeks' time, New Mexico distributed 200 devices. Now they average 2 to 4 per week. South Dakota distributed 70 devices in the first six weeks and now averages 5 to 6 per week. Board member Wagner asked if other iPad states had a cap or if they served all of the market right away. Gayle and Diana offered to find out.

TAI already had a plan in place if the EDP ran out of funding. In order to maintain transparency, applicants were sent letters to inform them of the funding situation and will be contacted every quarter as long as they remain on the waiting list. TAI also contacted key people in the affected communities to help spread the word about the waiting list. Council member Anna Ryon suggested that TAI put information in the waiting list letter about the option of purchasing specialized apps separately for those who already have an iPad.

TAI presented several different options to consider on how to continue the program and where to find additional funding.

1. Request an additional \$65,000 from the landline telephone companies, to restore the original funding proposal of \$130,000.
2. Eliminate the Focus Groups and use the \$16,000 budgeted to Focus Groups for equipment. One of the initial purposes of the focus groups was to determine if iPads should be added to the program permanently, which has already been done. TAI still plans to do surveys and is already receiving a lot of feedback from users through phone calls and other messages. The written surveys will also be videotaped and done in ASL with captioning, making the survey accessible to all users.
3. Keep the waiting list until additional funding is budgeted for the next fiscal period, beginning July 2016.
4. Use the existing funds budgeted for *all* equipment. In comparing the amount actually spent in prior years to the amount budgeted, there is an average of about \$100,000 left over every year. The amount allowed to be spent on iPad vouchers could be controlled by placing caps on the funds. These caps could include such alternatives as allowing only \$10,000 per month to be spent on iPads, restricting the number of iPad vouchers issued to 10 per month, or restricting the number of iPad vouchers issued to 5 per month for deaf applicants and 5 per month for other applicants.
5. Go to the legislature to change the manner in which the program is funded so that all carriers are assessed in the same way.

The Council questioned the \$100,000 amount left over each year and how that was accounted for. Joni explained that there is no reserve of unspent funds, as the IUB reconciles the Dual Party fund at the end of every fiscal year. This means that any amount that was assessed to the carriers but not actually spent is credited back to the carriers during the next fiscal period. Therefore, the carriers are ultimately assessed only for the amount actually spent on the programs.

The Council discussed whether to restrict issuing vouchers only to those who do not already have an iPad, at least for this first year. Diana Kautzky countered by stating she believes the surge is mostly over. She also pointed out that the program has never had this restriction for other types of equipment. She cautioned about changing the rules now and then changing back at a later time, which will create confusion. She also warned about creating the appearance of treating different disabilities differently.

Pat McGowan, the telephone company representative on the Council, volunteered to discuss the funding issue with the Iowa Communications Alliance (ICA), an organization that represents most of the telephone companies in the state. ICA was previously opposed to increasing the EDP budget for the addition of iPads more than the \$65,000 amount budgeted for this first year of the iPad program. Pat would emphasize that: 1) the equipment budget of \$315,000 would not be exceeded during the fiscal year, and 2) the contemplated changes to the rules that would increase the income guidelines and decrease the amount of time for reapplication would not be implemented at this time.

Anna wanted to know if Teltex would be able to provide the same services to iPad recipients after the three year warranty expires. Gayle will check with Teltex and will follow up with the Council when Teltex's response is received.

The Council members agreed to recommend that the program place a cap of ten iPad vouchers to be issued per month, use the existing equipment budget to include the purchase of iPads, cancel the Focus Group meetings, and reallocate the \$16,000 earmarked for Focus Groups to the equipment budget. The Council members supported Pat's offer to discuss the issue with the ICA.

The Council also agreed to defer taking any action on the EDP rule changes regarding the reapplication period and the income guidelines until the next meeting.

7. Date and Agenda for next meeting. The next meeting is scheduled for Wednesday, January 27, 2016, at 10:00 a.m. in the Iowa Utilities Board office building. An alternate date of February 10, 2016, is set in case of inclement weather. The agenda will include updates from Relay Iowa and TAI, continued discussion about rule changes for the equipment distribution program, updates on the iPad Program, and a presentation on a new service for purchase, offered by Hamilton, called Visually Assisted Speech to Speech.

The meeting adjourned at 1:00 p.m.

Respectfully submitted,

/s/

Joni Nicoll
Project Manager