



NG9-1-1 Sustainable Funding Committee

Virtual Meeting

June 10, 2019





Agenda

1. Call to Order
2. Minutes (May 23rd)
3. Latest Version of Research Survey
4. Additional Wireless Funding Analysis
5. Recommendations
6. Next Meeting Date
7. Public Comment
8. Adjourn



Survey





Research Survey

- Added this question to revenue section
 - Should the GA remove the Communication Sales & Use Tax exemption for prepaid devices and cards?
- Added this question to cost section
 - If it resulted in significant cost savings on both state and local levels, how interested would you be in participating in a physical or technological consolidation?



Additional Wireless Funding Analysis





Additional Analysis

- Revised comparative analysis spreadsheet to include the following:
 - Amount of NG9-1-1 cost not covered by FY 19 distribution (especially for smaller PSAPs)
 - Individual PSAPs that benefit if Board pays for connectivity



Additional Analysis

- Funding waterfall revised to include ESInet connectivity:
 - Add budget language to pay for NG9-1-1 recurring costs “off the top”
 - When billing agreements end, \$4M included in 60% and 40% split
 - \$4M used to support PSAP Grant Program exclusively



Things to consider

- Only in first year of new funding formula
- Wireless E-911 Fund continues to grow
- Current NG9-1-1 recurring costs are an estimate
- We may have more than one NG9-1-1 solutions provider with a different approach to NG9-1-1 recurring costs



Recommendations





Three Approaches

- Increase wireless surcharge
- Change funding methodology or percentages
 - Includes budget language
- Remove prepaid wireless exemption (§58.1-648)
 - Estimate about \$20M in additional funding to localities through disbursements



Revenue Recommendations

- Eliminate prepaid wireless exemption identified in the Report of the 2015 CSUT Study
- Increase the 9-1-1 surcharge from \$0.75 to what amount?



Fund Distribution Recommendations

- Short-term
 - Modify the formula from 60%/40% to 70%/30% and authorize VITA to pay NG9-1-1 ESInet fees; or,
 - Modify the minimum to \$56K to recognize the 40% increase for NG9-1-1 connectivity
- Long-term
 - Eliminate the minimum to encourage consolidation of smaller agencies to ensure a minimum standard of service for all citizens



Cost Recommendations

- Include a strategic initiative in the 9-1-1 Comprehensive Plan to analyze the feasibility and potential cost savings for a statewide solution (with allowable exemptions) for the following:
 - Call Handling Equipment/Services
 - Others to be identified from the survey
 - New NG9-1-1 capabilities



And In Conclusion

- Next meeting date is June 26th at 11 am
- Public Comment
- Adjourn

Sustainable Funding Recommendations (contingent on support from Survey):

REVENUE

- Given supportable evidence that NG911 will increase a major expense category by 40%; and personnel, equipment and maintenance costs have increased at a faster pace than revenue since the 911 surcharge was set in 2005; and NG911 will bring an expectation for PSAPs to enable new capabilities that will come with a cost; the Sub-Committee recommends the following:
 - Eliminate exceptions identified in the 2015 Tax Report
 - Increase the 911 Surcharge from \$0.75 to ?

DISTRIBUTION METHODOLOGY

- Analysis has demonstrated that the FY2019 60% allocation distributed based on population and call volume with a minimum of \$40,000 is insufficient to cover smaller agencies NG911 connectivity costs. The Sub-Committee has a short-term and longer term recommendation:

SHORT-TERM (4 Years)

- Modify the formula from 60%/40% to 70%/30%, and authorize VITA to pay the NG911 ESINET fees; OR
- Modify the minimum to \$56,000 to recognize the 40% increase for NG911 connectivity

LONGER-TERM (Next Formula Reset)

- Eliminate the minimum to encourage consolidation of smaller agencies to ensure a minimum standard of service for all citizens

COST

- Include an activity in the Strategic Plan to analyze the feasibility and potential cost savings for a statewide solution (with allowable exemptions) for the following:
 - Call Handling Equipment/Services
 - Others to be identified from the survey
 - New NG911 Capabilities

Sustainable Funding Committee Meeting

June 10th, 2019 11:00AM

Council Members in Attendance

Jolena Young Eddie Reyes J.R. Powell Terry Hall
Sheriff Hieatt Christian Collier Joe Lerch

Staff in Attendance

Dorothy Spears-Dean Steve Marzolf Lewis Cassada

1) Call Meeting to Order

The meeting of the Sustainable Funding Committee was called to order at 11:00AM by Ms. Spears- Dean.

2) Approval of the May 23rd Minutes

Ms. Young called for a motion to approve the minutes from May 23rd. Mr. Hall made the motion, and Mr. Reyes seconded it. The motion passed without opposition.

3) Latest Version of the Research Survey

Ms. Spears-Dean reviewed the latest version of the research survey. Two questions were added to the survey. The first regarded removal of the Communication Sales & Use Tax exemption for prepaid wireless and the seconded asked PSAPs for interest in physical or technological consolidation. Mr. Lerch suggested adding a link to the referenced section in Code that has the Communication Sales and Use tax exemption. Ms. Spears-Dean said she would add it. Mr. Hall stated that at a VML meeting he advocated that new funds from the elimination of the prepaid CSUT exemption be dedicated to 9-1-1. Also, the executive director of VML supported the removal of the exemption. Mr. Lerch said VACO would also support the removal as well. Mr. Hall said that VML would be able to release the survey within two weeks of receipt of the survey from Staff.

Ms. Young asked for a motion to approve the final version of the survey and to submit it to VML for distribution to the localities/PSAPs. Mr. Collier made the motion and it was seconded by Sheriff Heatt. The motion passed without opposition.

4) Additional Wireless Funding Analysis

Ms. Spears-Dean and Ms. Young reviewed the [Funding Waterfall with Budget Scenarios](#) and the [06/10 Analysis Spreadsheet](#) for the Committee. There was Staff/Committee discussion. Mr. Hall and Mr. Marzolf discussed cost savings through consolidations.

5) Next Meeting Date

Ms. Spears-Dean stated the next meeting date of the Committee would be June 26th. After Staff/Committee discussions, the date was changed to the 24th.

6) Recommendations

Ms. Young discussed additional analysis, and the probability that there will be tiered recommendations. They would center on if additional revenue is received, and when. Mr. Cassada discussed the current 60%/40% funding split and in order to pay expected recurring costs from the Fund, the funding split would need to change to 30%/70%. There was discussion on the removal of the pre-paid exemption. Since that money flows into the Communications Sales and Use Tax, that new pre-paid revenue would likely be sent out through CSUT disbursements and not the 9-1-1 Fund. There was additional Staff/Committee discussion. Ms. Spears-Dean asked for preliminary recommendations to pass on to the Board. Ms. Young asked Committee members for their input to be sent to her and Ms. Spears-Dean for the next Committee meeting.

7) Public Comments

Ms. Young called for public comments, there were none.

8) Adjourn

The meeting of the Sustainable Funding Committee ended at 12:15 PM.