



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

CHAD WALLDORF, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

FRANK A. RAINWATER
Executive Director

RFA BOARD AGENDA

November 10, 2016

2:45 or Upon Adjournment of the Board of Economic Advisors Meeting
Room 417, Rembert Dennis Building

- I. Welcome
- II. Adoption of Meeting Minutes for August 25, 2016
- III. Employee Recognition - Years of Service

Sundra Ladson	30 Years
David Morrison	20 Years
April Walling	10 Years
Dianne Davis	10 Years
Deb Wilcox	10 Years
Veronica Watson	5 Years
- IV. Adoption of Organizational Chart (§11-9-1110 (A))
- V. E9-1-1 Wireless Program
 - A. Strategic Plan Update (§23-47-65 (C)(4))
 - B. Adoption of Wireless Fee for 2017 (§23-47-50 (F))
- VI. Other Matters
- VII. Future Meetings
 - A. December 15, 2016 (If necessary - Members via WebEx)
 - B. February 15, 2017 (If necessary - Upon adjournment of BEA Meeting)
 - C. April 10, 2017 (If necessary - Upon adjournment of BEA Meeting)
 - D. 2016 Calendar at <http://rfa.sc.gov/meetings>
- VIII. Adjournment

Please note that the agenda is subject to change.

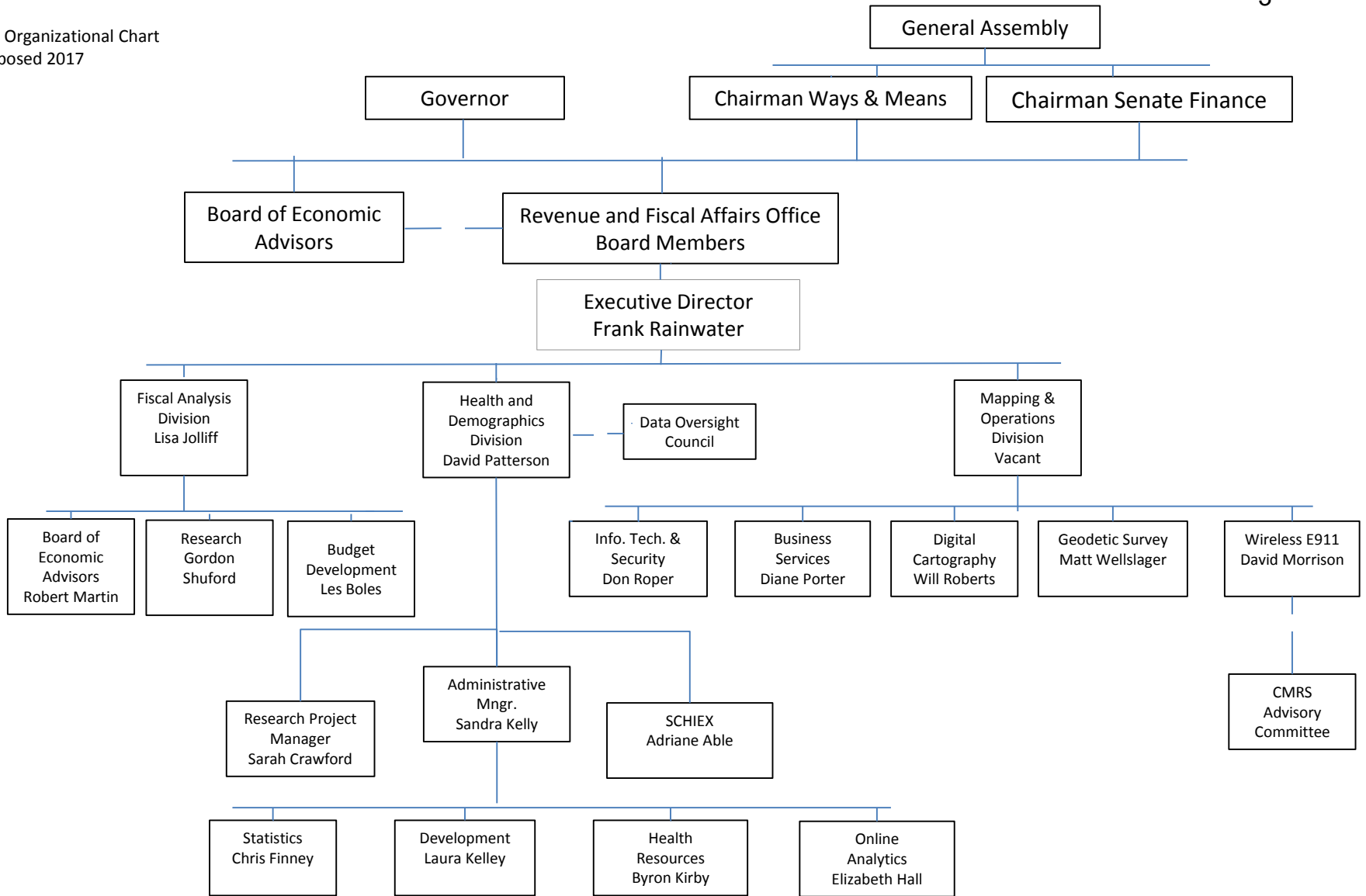
For further information, please contact Karen Rhinehart at (803) 734-2265,
or visit the RFA webpage at www.rfa.sc.gov



Recognition of Years of Service

Sundra Ladson	30 Years
David Morrison	20 Years
April Walling	10 Years
Dianne Davis	10 Years
Deb Wilcox	10 Years
Veronica Watson	5 Years





REPORT TO THE RFA BOARD

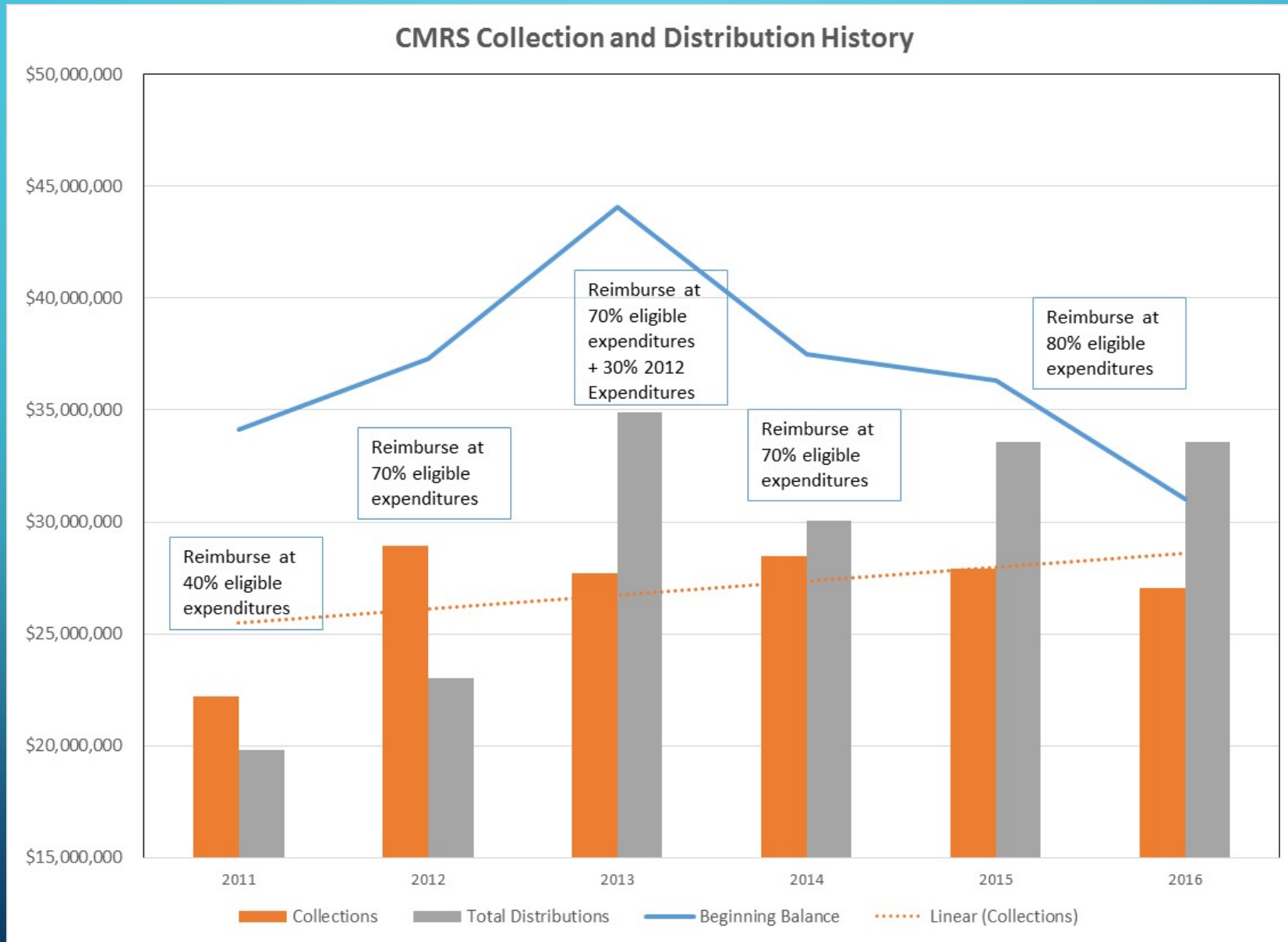
AN UPDATE FROM THE CMRS ADVISORY COMMITTEE WITH FEEDBACK FROM ITS
SUBCOMMITTEES AND LOCAL 911 OFFICIALS REGARDING THE NG9-1-1
STRATEGIC PLAN.

NOVEMBER 10, 2016

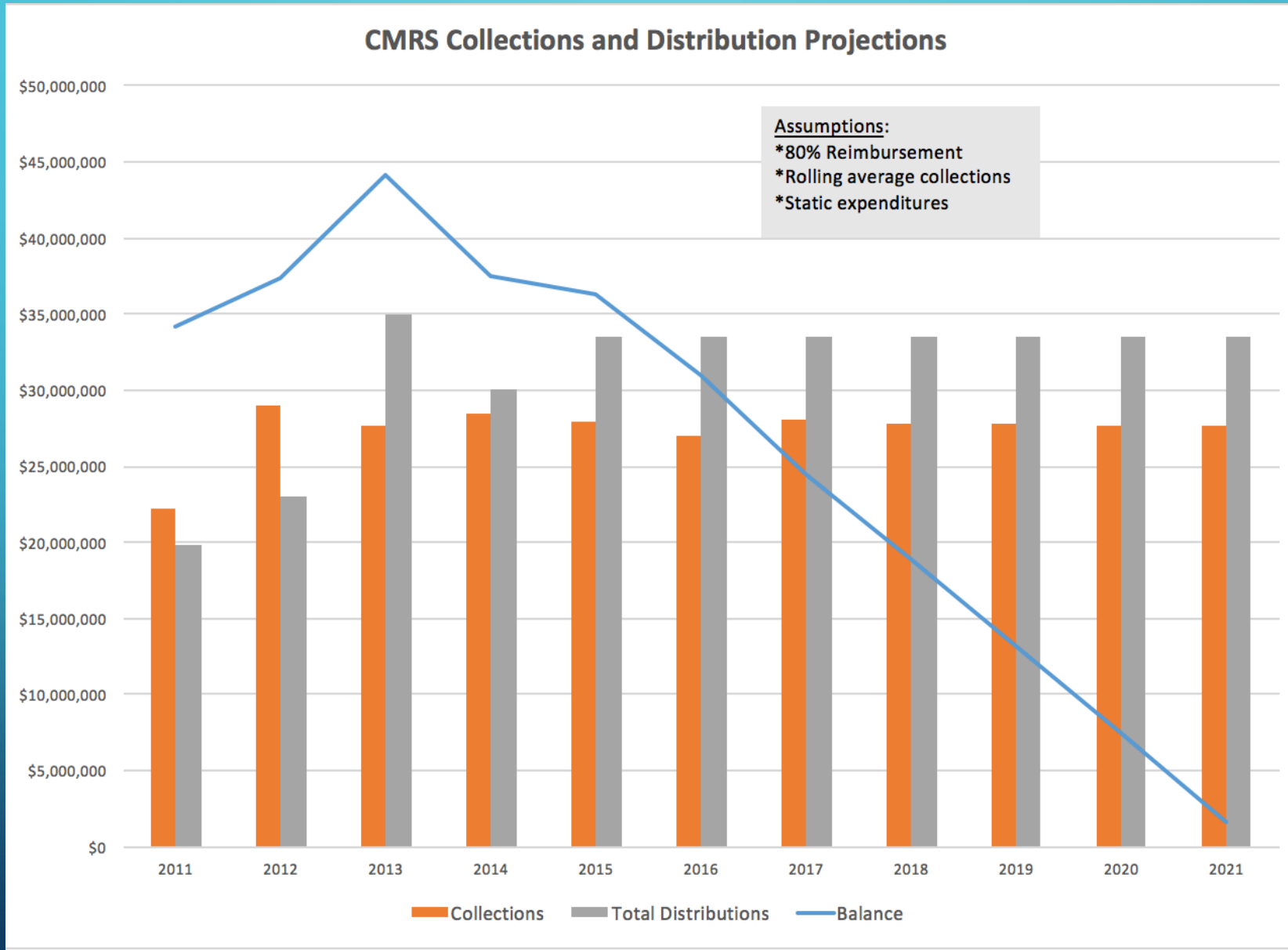
SOUTH CAROLINA E9-1-1 FINDINGS ON CURRENT STATUS

- Current system is not sustainable; technology is approaching end of life.
- Projections show a depletion of funds in five years if current reimbursement model is unchanged.
- New technology, services, and customer expectations are replacing existing “Legacy” 9-1-1 systems.

COLLECTION AND DISTRIBUTION HISTORY

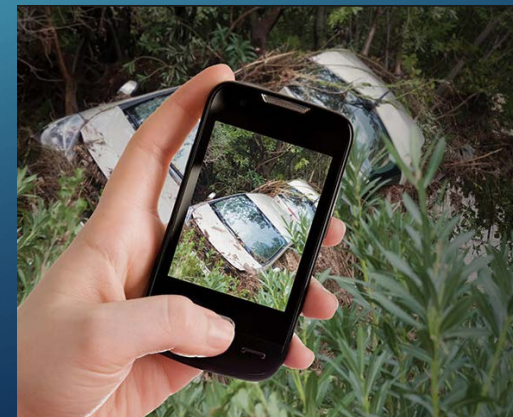


FINDINGS – CURRENT SYSTEM



SOUTH CAROLINA TRANSITION TO NG9-1-1

- Statewide ESInet (Emergency Services Internet Protocol Network) replacing local copper wire 9-1-1 systems.
- Broadband-enabled networks that support the transmission of text, images, video, and other bandwidth intensive data.
- Improve level of service to citizenry and enhance resiliency and redundancy.
- Allow for efficient PSAP backup and consolidation of services and technology.



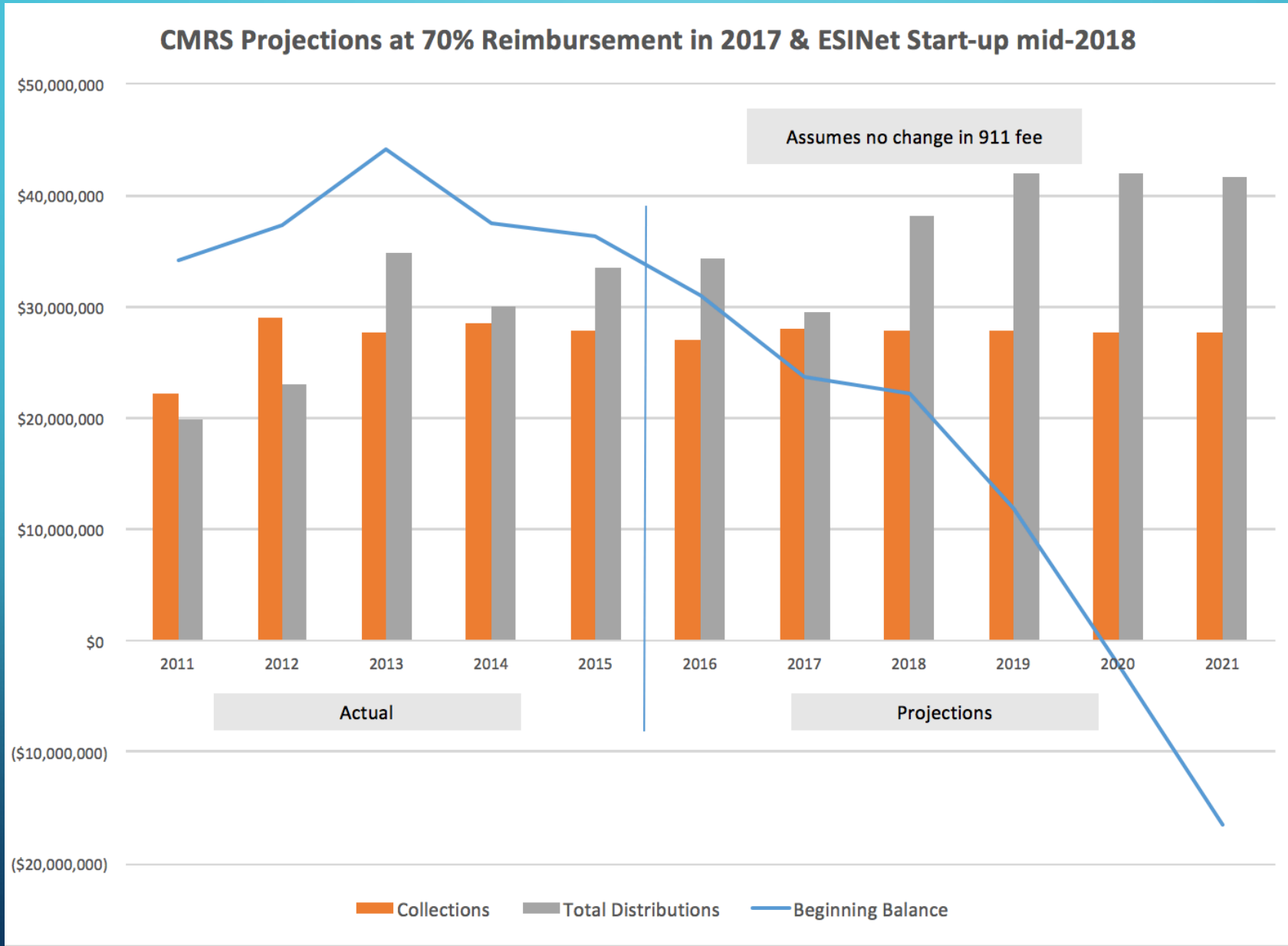
FINDINGS BASED ON REVIEW OF OTHER STATE IMPLEMENTATIONS: MAINE, IOWA, AND TENNESSEE

- NG9-1-1 will cost more money for transition and enhanced services.
- Compliance portion (58.2%), which is currently restricted to PSAP reimbursements, will expand to allow for direct state expenditures for NG9-1-1 network.
- We expect cost savings at the local level as the statewide network will be providing NG9-1-1 core services.
- Provide incentive programs for consolidation such as Tennessee and Iowa.

STATE COSTS

- State costs will be paid by reducing the reimbursement percentage from 80% to 50% over 3 years and increases in the wireless fee.
- Approximately \$8 million in start up costs to build a statewide ESInet.
- SC can expect to pay approximately \$8.5 million annually for ESInet services.
- Approximately \$3.5 million a year to update CPE (Customer Premise Equipment). Shared services and/or consolidation would reduce this costs.
- Anticipate other costs for GIS and Training.
- Costs will be reviewed and updated based upon the Final design of the NG9-1-1 Network.
- Funding will include adjustments to the reimbursement model, cost savings, and the wireless 911 surcharge.

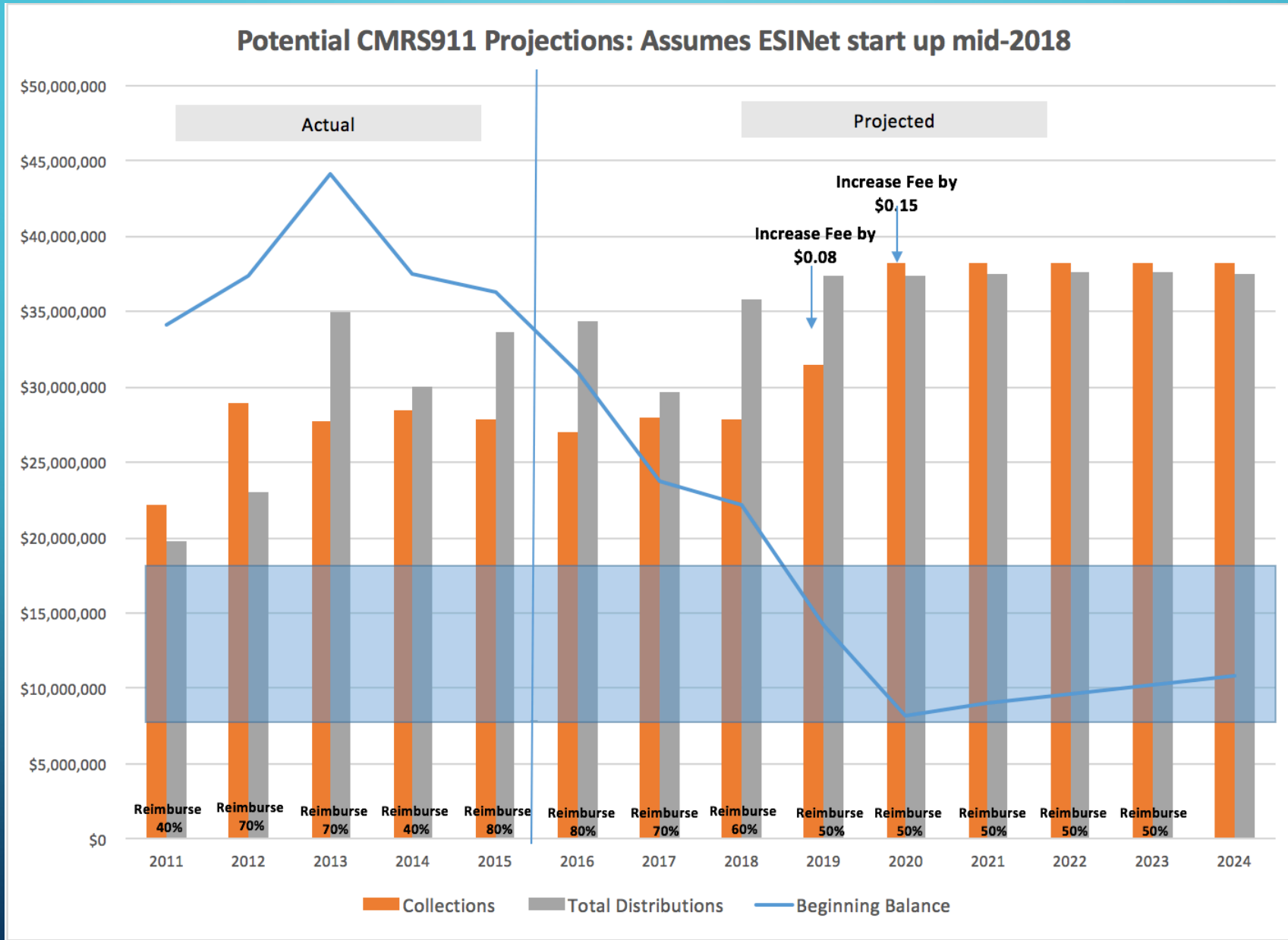
NG9-1-1 PROJECTIONS



ASSUMPTIONS USED IN THE FISCAL MODEL

- Transition and core services of NG9-1-1 will be managed by the state.
- Reimbursement rate to PSAPs for 58.2% expenditures will decline from 80%. CMRS Committee will recommend the reimbursement rate and priority funding for the board to adopt on an annual basis.
- A minimum operating reserve will be established at 25% of prior year expenditures.
- A maximum cash balance will be established at 50% of prior year expenditures.
- Additional revenue generated by a change in wireless 911 fee will be dedicated to implementation of NG9-1-1 and will not be distributed to the 58.2/39.8/2 percent pools.
- Need more flexibility when determining the wireless 911 surcharge fee.

DRAFT NG9-1-1 COST MODEL



KEY GOALS IN LEGISLATION

- This model will require significant legislative changes.
- Update definitions and add flexibility for a changing environment.
- State's role transitions from a funding source to a service provider.
- State needs the authority to contract for the development and the operation of the Statewide NG9-1-1 Network.
- Funding model needs to be actuarially based.
- Costs, services, and use of wireless 911 funds need further definition.

CODE SECTION 23-47

Public Safety Communications Center

CODE CITE	COMMENTS
<p>SECTION 23-47-10. Definitions.</p> <p>As used in this chapter:</p> <p>(1) "911 charge" means a fee for the 911 service start-up equipment costs, subscriber notification costs, addressing costs, billing costs, and nonrecurring and recurring installation, maintenance service, and network charges of a service supplier providing 911 service as provided in this chapter.</p> <p>(2) "911 system" or "911 service" means an emergency telephone system that provides the user of the public telephone system with the ability to reach a public safety answering point by dialing the digits 911. The term 911 system or service also includes "enhanced 911 service", which means an emergency telephone system with 911 service and, in addition, directs 911 calls to appropriate public safety answering points by selective routing based on the geographical location from which the call originated and provides the capability for automatic number identification and automatic location identification features. "911 system" and "911 service" include those systems and services that use or rely upon Internet protocol or other similar technologies to provide services that direct voice calls to public safety answering points.</p> <p>(3) "911 plan" means a plan for the 911 system, enhanced 911 system, or any amendment to the plan developed by a county or municipality.</p> <p>(4) "Basic 911 system" means a system by which the various emergency functions provided by public safety agencies within each local government's jurisdiction may be accessed utilizing the three-digit number 911, but no available options of enhanced systems are included in the system.</p> <p>(5) "Enhanced 911 network features" means selective routing, automatic number identification, and location identification.</p> <p>(6) "Enhanced 911 system" means enhanced 911 service, which is a telephone exchange communications service consisting of telephone network features and public safety answering points designated by the local government which enables users of the public telephone system to access a 911 public safety communications center by dialing the digits 911. The service directs 911 calls to appropriate public safety answering points by selective routing based on the geographical location from which the call originated and provides the capability for automatic number identification and automatic location identification.</p> <p>(7) "Addressing", with respect to <u>non-CMRS</u> exchange access service, means the assigning of a numerical address and street name (the name may be numerical) to each location within a local government's geographical area necessary to provide public safety service as determined by the local government. This address replaces any route and box number currently in place in the 911 database and facilitates quicker</p>	<p>Amend Section 23-47-10 Definitions</p> <ul style="list-style-type: none"> ➤ "CALL" any information, written, data or voice, that is delivered to the PSAP initiating an emergency response. ➤ "IP-Enabled Services" means services and applications making use of Internet Protocol (IP) including, but not limited to, voice over IP and other services and applications provided through wireline, cable, wireless and satellite facilities, and any other facility that may be provided in the future through platforms that may not be deployable at present, that are capable of connecting users dialing or entering the digits 911 to public safety answering points ➤ "NextGen 911 (NG911)" The delivery of 911 calls over an IP based network ➤ "Communications Service" means a service capable of accessing, connecting with, or interfacing with a 911 system by dialing, initializing, or otherwise activating the system exclusively through the digits 911 by means of a local telephone device or wireless communications device. ➤ "Communications Service Provider" means a service provider, public or private, that transports information electronically via landline, wireless, internet, cable or satellite, including but not limited to wireless communications service providers, personal communications service, telematics and voice over internet protocol. ➤ Wireless communications service means commercial mobile radio service. "Wireless communications service" includes any wireless two-way communications used in cellular telephone service, a person communications service or a network access line. "Wireless communications service" does not include a service whose customers do not have access to 911 or 911-like service, a communications channel utilized only for data transmission or a private telecommunications system. ➤ "Wireless Communications Provider" means a company that offers wireless

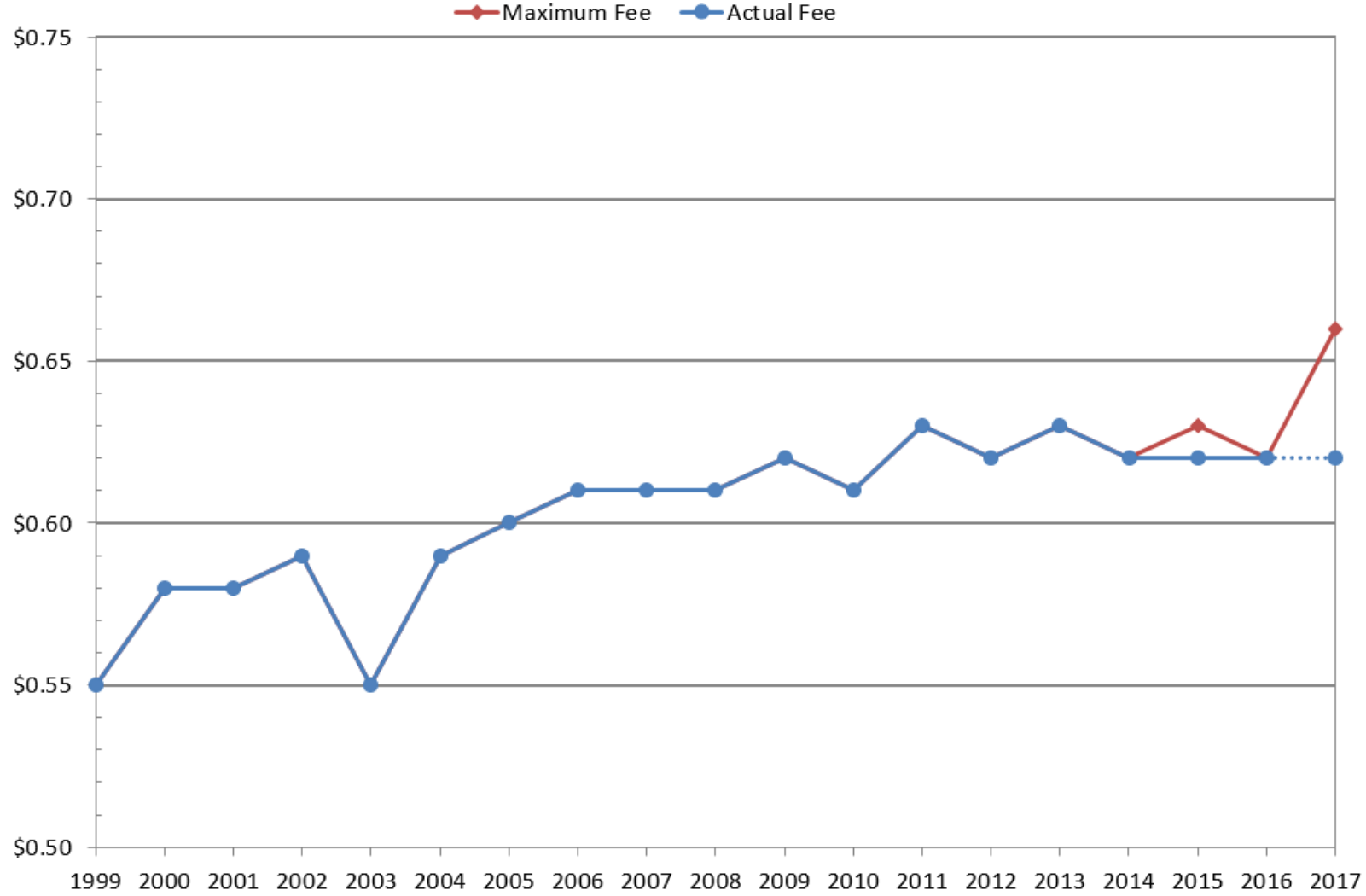
NEXT STEPS

- Share preliminary plan with legislative and executive branches (Section 23-47-65(4)).
- Finish the final design of the NG9-1-1 model and determine additional state expenditures.
- Create and adopt final legislation.

ANNUAL WIRELESS FEE §23-47-50

- The board is required to adopt annually the monthly surcharge on wireless phones.
- The surcharge cannot exceed the average monthly telephone charges paid in South Carolina.
- For 2017, the maximum allowable rate has been calculated at \$0.66.
- The SC CMRS Committee recommends that the fee remain at the rate of \$0.62.

WIRELESS EMERGENCY SURCHARGE FEE



The average wireless fee nationally is between \$0.83-\$0.91 with a range between \$0-\$1.75

REQUESTED BOARD ACTIONS

- Maintain the wireless 911 surcharge fee at \$0.62 for 2017 (Section 23-47-50).
- Authorize staff to brief legislative and executive branches on the current status of E9-1-1 in SC and the challenges associated with implementing NG9-1-1 to gather additional feedback in completing NG9-1-1 plan (Section 23-47-65(4)).