



EDWARD B. GRIMBALL, Chairman  
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## SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER  
Executive Director

### RFA BOARD AGENDA

November 9, 2017

3:00pm or Upon Adjournment of BEA Meeting  
Bowers Conference Room 417, Rembert C. Dennis Building

1. Welcome
2. Adoption of Meeting Minutes for August 24, 2017
3. Employee Recognition – Years of Service
  - Ciara Andrews 5 Years
  - George Kokolis 5 Years
  - Joe Magagnoli 5 Years
  - Jim Moore 10 Years
  - Amy Simpson 10 Years
  - Tracy Smith 20 Years
4. E9-1-1 Wireless Program
  - A. Next Generation 9-1-1 Update
  - B. Adoption of Wireless Fee for 2018 (§23-47-50 (F))
5. Other Business
6. Future Meetings
  - A. December 14, 2017 – **If Necessary**, WebEx for Members
  - B. January 2018 – **NO Meeting**
  - C. February 15, 2018 - (Upon Adjournment of BEA Meeting)
  - D. 2017 Calendar at <http://rfa.sc.gov/calendar>
7. Adjournment

*Please note that the Agenda is subject to change.*



# EMPLOYEE RECOGNITION

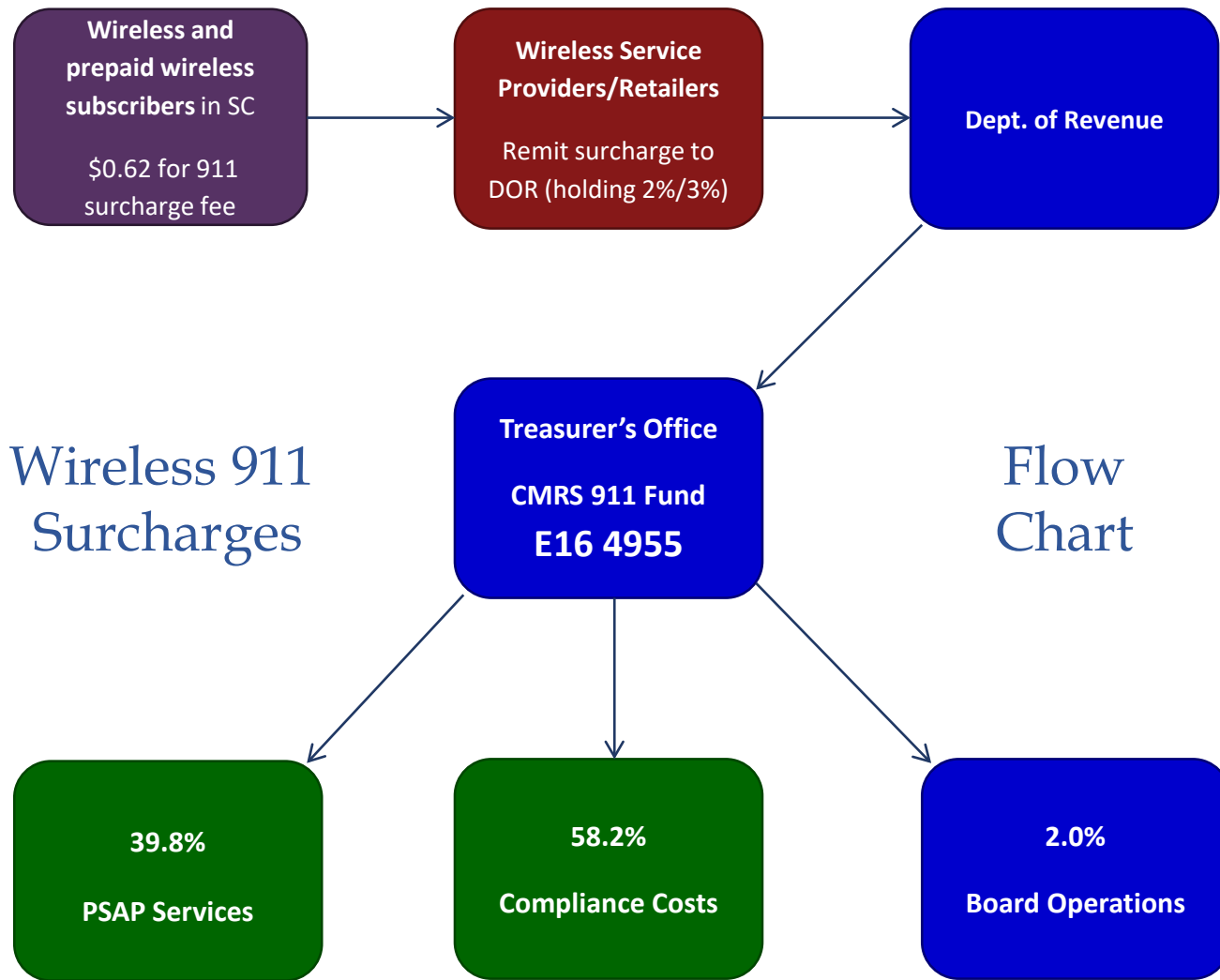
Ciara Andrews	5 Years
George Kokolis	5 Years
Joe Magagnoli	5 Years
Jim Moore	10 Years
Amy Simpson	10 Years
Tracy Smith	20 Years

# ***SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE***



- ❖ Update on the Transition to NG9-1-1
- ❖ Requested Board Actions

# South Carolina Wireless E9-1-1 Program



Wireless 911 Surcharges

Flow Chart

# South Carolina Wireless E9-1-1 Program

**PSAP Services (39.8%)** - distributed back to the PSAPs (Public Service Answering Points) every quarter based on their wireless 911 call volume.

- FY16-17 - \$11.6 million

**Compliance Costs (58.2%)** – used to reimburse specific 911 equipment purchases, upgrades, and maintenance. Funds are distributed based on cost recovery requests submitted by the PSAPs and WSPs.

- FY16-17 - processed 227 requests totaling \$21.2 million
  - \$18.6 - PSAPs
  - \$2.4 - WSPs

**Board Operations (2.0%)** - allotted for auditing, administrative, legal, or other support services.

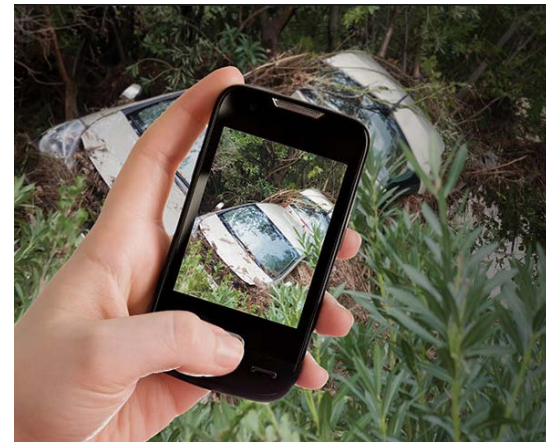
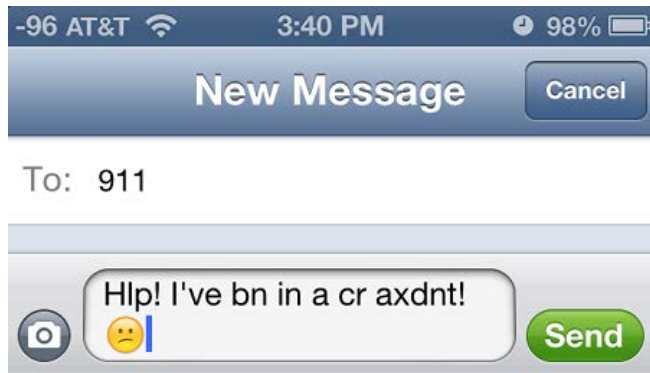
# Current State of E9-1-1

- ❖ Aging 911 technology is approaching end of life and primarily utilizes wireline technology.
- ❖ Predicted that as early as 2020, all 911 calls will be handled through IP networks.
- ❖ Broadband-enabled networks referred to as **ESInets** (Emergency Services Internet Protocol Networks) that support the transmission of **text, images, video**, and other bandwidth-intensive **data sets** are replacing local copper wire 911 systems.
- ❖ Many of the PSAPs do not support the latest applications.
- ❖ Although many PSAPs are in the process of replacing outdated technology with new equipment capable of receiving these new data sets, the **network on which most are currently connected cannot support the transmission of information.**



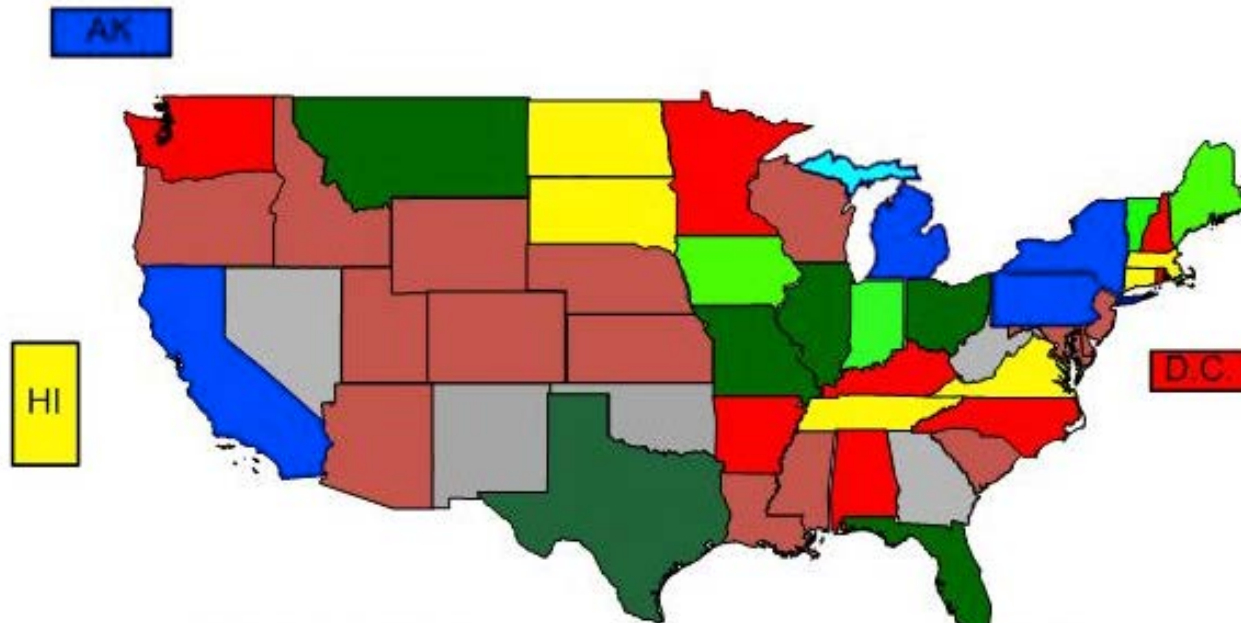
# Transition to NG9-1-1: Definition

(NENA Definition) NG9-1-1 is an Internet Protocol (IP) based system comprised of managed Emergency Services IP networks (ESInets), functional elements (applications), and databases that replicate the traditional E9-1-1 features and functions and provides additional capabilities. NG9-1-1 is designed to provide access to emergency services from all connected communications sources, and provide multimedia data capabilities for Public Safety Answering Points (PSAPs) and other emergency service organizations.





# Transitional NG9-1-1 Progress by State



- Unknown or No Activity
  - IP Network Available at Sub-State Level
  - IP Network Available at State Level
  - NG9-1-1 Planning Started
  - NG9-1-1 Preparation Activity at Sub-State Level
  - NG9-1-1 Preparation Activity at State Level
  - NG9-1-1 Implementation in Progress at Sub-State Level
  - NG9-1-1 Implementation in Progress at State Level
  - NG9-1-1 Implemented at Sub-state Level
  - NG9-1-1 Implemented at State Level
- Grey
  - Fuchsia
  - Light Blue
  - Light Brown
  - Blue
  - Red
  - Dark Green
  - Yellow
  - Turquoise
  - Green

# Transition to NG9-1-1: Expectations

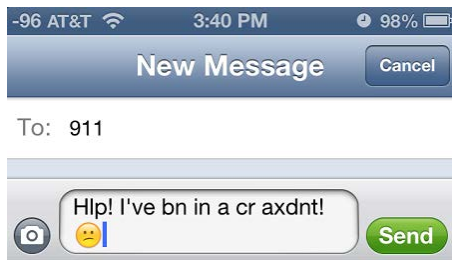
Based on our review of other state implementations (Maine, Iowa, and Tennessee), we can make the following assumptions with a statewide transition:

- ❖ We anticipate program costs will increase as a result of the initial investment in transitioning to NG9-1-1 technology as well as the ongoing expense to provide enhanced services.
- ❖ We should, however, experience some cost savings at the local level due to efficiencies and economies of scale.
- ❖ We intend to provide incentive programs to encourage PSAPs towards consolidation based on our research of several other states.

# Transition to NG9-1-1: Benefits

Benefits to a statewide ESInet and NG functionality:

- ❖ Increased efficiency, enhanced resiliency and redundancy, and an improved, consistent, and **standardized level of 9-1-1 service** across the state.
- ❖ **Cost and operational efficiencies** through statewide solutions and shared services.
- ❖ Efficient PSAP backup and **consolidation of services and technology**.
- ❖ **Expanded communication** capabilities for text, images, video, and other bandwidth-intensive data.



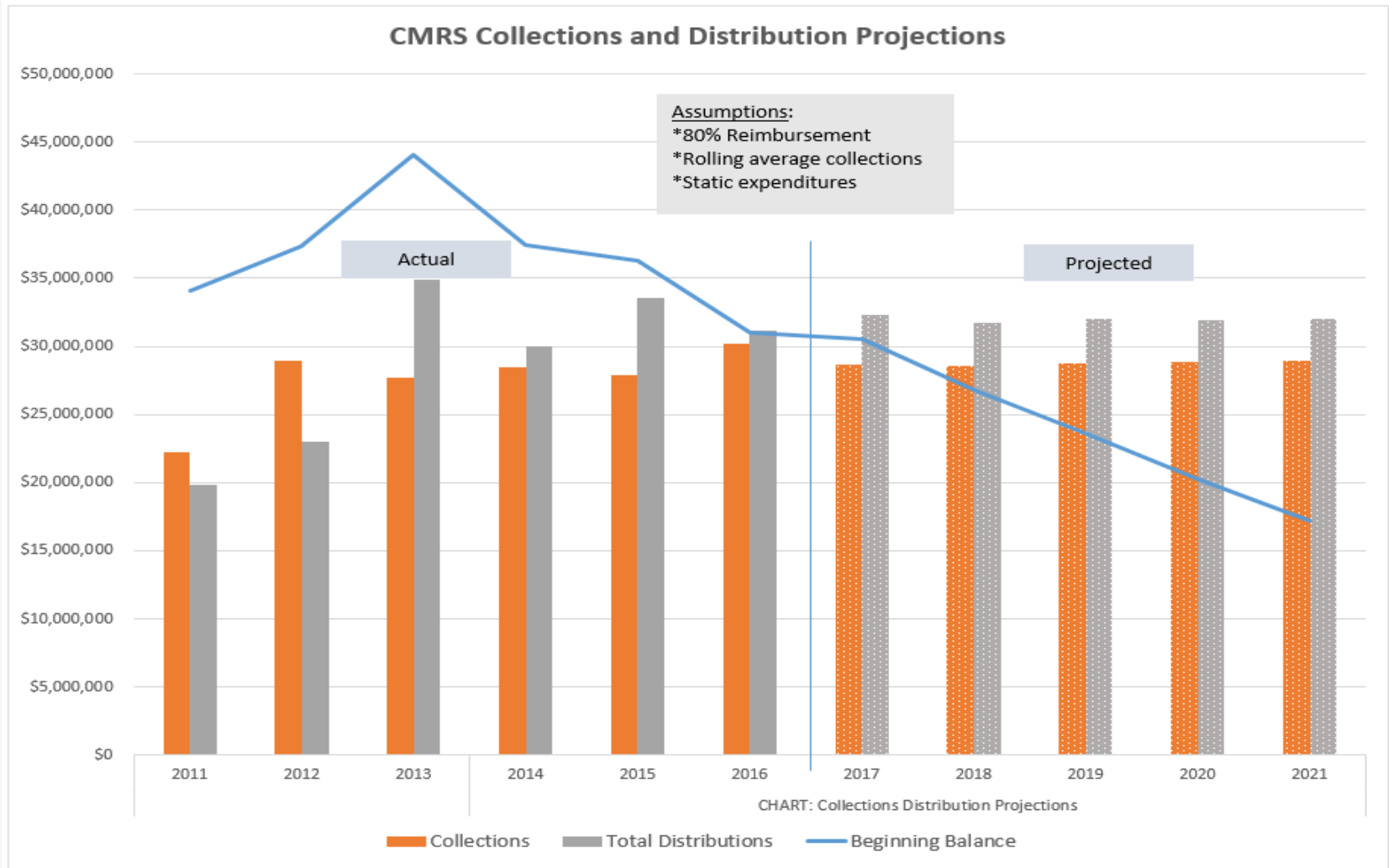
# Transition to NG9-1-1: Costs

- ❖ State will cover costs by gradually reducing the reimbursement percentage to PSAPs over a three (3) year period and increasing the wireless surcharge fee.
- ❖ S.C. will incur approximately \$8 million in start up costs to build a statewide ESInet, with a recurring annual cost of approximately \$7.5 million for these services.
  - **We anticipate a reduction in network service charges at the local level.**
- ❖ An estimated \$3.5 million per year is required to update CPE (Customer Premise Equipment).
  - **Shared services and/or consolidation would help reduce/offset these costs.**
- ❖ Other costs for GIS and Training are anticipated.
- ❖ The Fiscal Committee will monitor, review, and update cost estimates based upon the final design of the NG9-1-1 Network.
- ❖ Funding will include adjustments to the reimbursement model, offsets from cost savings, and the wireless 911 surcharge.

# Transition to NG9-1-1: Financial Model

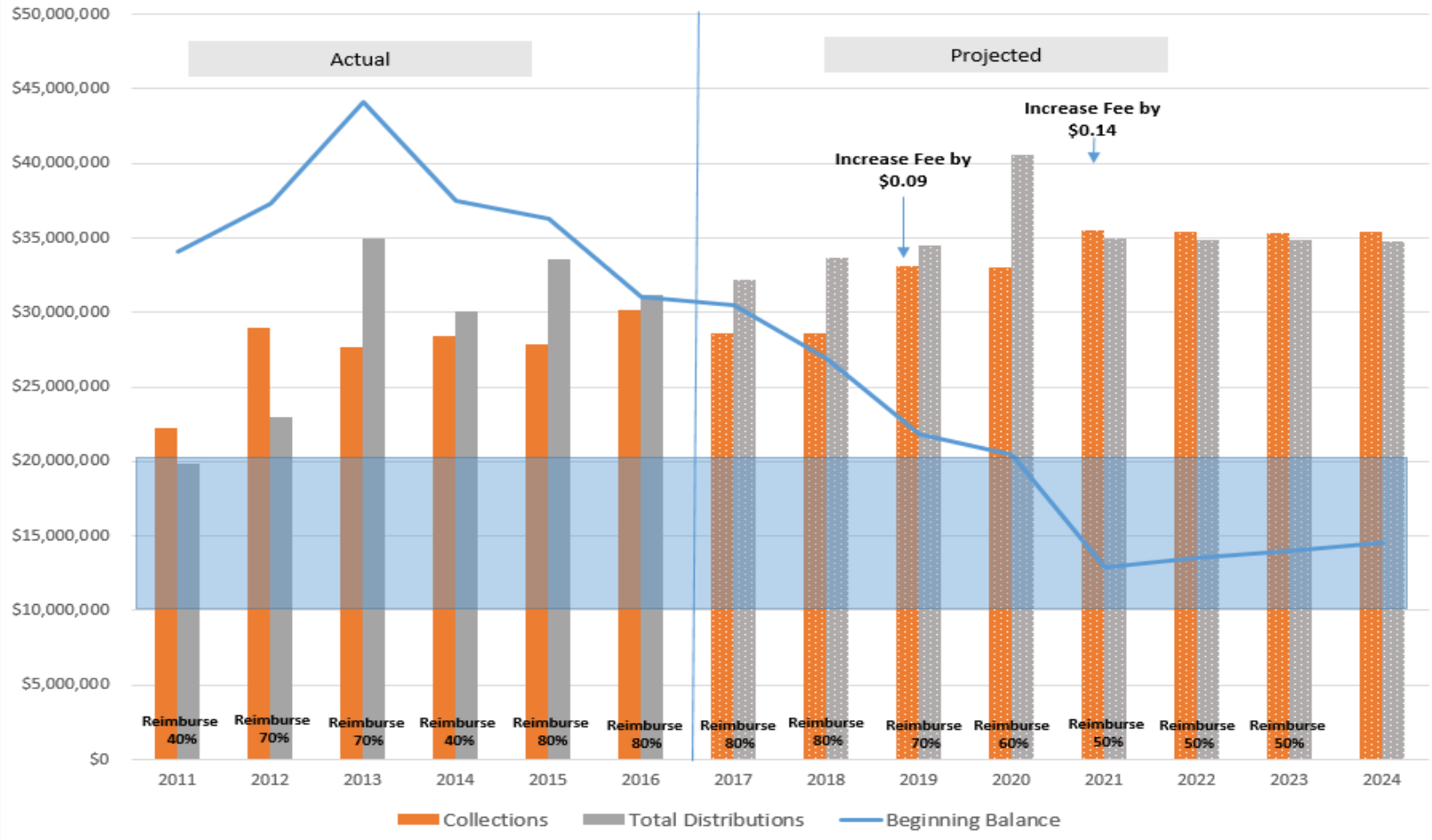
- ❖ Transition and core services of NG9-1-1 will be managed by the State.
- ❖ Reimbursement rate to PSAPs for expenditures will decline from the current level of 80%. CMRS Committee will recommend the reimbursement rate and priority funding for the RFA board to adopt on an annual basis.
- ❖ Operating reserve will be established within a range of no less than 25% and no more than 50% of prior year expenditures.
- ❖ Additional revenue generated by an increase in the wireless 911 fee will be dedicated to the implementation of NG9-1-1. **Note that this increase is only a projection and is contingent upon actual transition costs.**

# Draft NG9-1-1 Financial Model



# Draft NG9-1-1 Financial Model

Potential CMRS911 Projections: Assumes ESINet start up mid-2019





# Transition to NG9-1-1: Legislation

## ❖ Section 1

- Adds new terms and definitions for technology associated with an NG9-1-1 system.

## ❖ Section 2

- Gives RFA the responsibility for creating and updating a comprehensive strategic plan for a coordinated statewide 911 system with input from the CMRS committee, local officials, service providers, and the public.
- Allows RFA to request written verification from PSAPs regarding compliance with the standards as outlined in this section.
- Updates the minimal requirements of NG9-1-1 or subsequent systems throughout subsections 1-21.
- Subsection 15(a) would allow CJA to “certify” dispatchers but allows for training at the local agency/regional level.

## ❖ Section 3

- Prohibits the use of 911 funds for communication equipment outside the 911 system. Removes the prohibition on the use of funds for aerial photography.

# Transition to NG9-1-1: Legislation

## ❖ Section 4

- Adds requirements for the repayment of funds, within 90 days, if an audit discovers inappropriate use of 911 funds and authorizes RFA to review these audits and withhold funding from an entity's state aid-to-subdivision, up to 10%.
- A portion of 911 funds, up to one thousand dollars or an amount determined by the RFA board, may be used to cover the cost of this audit.

## ❖ Section 5

- Sets a July 2019 deadline for RFA to establish standards for the NG9-1-1 system and provide a date and timeline for all local systems to comply.
- Allows RFA to designate one office per county as the addressing official.

## ❖ Section 6

- Increases the membership of the SC 9-1-1 Advisory Committee from 8 to 11 members.

# Transition to NG9-1-1: Legislation

## ❖ South Carolina 9-1-1 Advisory Committee

### 8 Appointed by Governor

- 2 PSAP employees
  - 1 recommended by SC APCO
  - 1 recommended by SC NENA
- 2 PSAP employees
- 2 CMRS providers (Wireless)
- 1 Telephone service provider (Wireline)
- 1 Consumer

### 3 Appointed by RFA Director

- RFA Designee
- GIS Expert
- Communications and/or technology expert

# Transition to NG9-1-1: Legislation

## ❖ Section 6 (continued)

- Allows committee members to be reimbursed for travel associated with education or training expenses in connection service to the committee.
- Clarifies a member cannot circumvent the two term limit by being appointed in a different capacity.
- Allows the 9-1-1 committee to appoint subcommittees that may include other knowledgeable individuals but may not delegate statutory duties to them.
- Clarifies the role of RFA to develop and contract for the implementation of a statewide 9-1-1 system and authorizes RFA to use the monthly fee revenue for this purpose.
- Combines the three pots into one fund. Local entities will still receive their monthly distribution based on wireless call volume and the total for this distribution may not be lower than the amount distributed in 2017.
- Authorizes the RFA board to set the fee in an amount necessary to achieve the strategic plan.
- Authorizes RFA to act as the State 9-1-1 coordinator and to apply for grants.

# Transition to NG9-1-1: Legislation

## ❖ Section 7

- Monthly fee is based on the strategic plan and not an average of local fees.

## ❖ Section 8

- Extends the protection of liability of government officials to NG9-1-1 subsequent systems.

## ❖ Section 9

- Provides that local data gathered in the statewide system are records of the local 9-1-1 system.
- This data can be used by the state and its agencies but cannot otherwise be released without written permission of the originating county.
- 9-1-1 calls are confidential and are the property of local governments and cannot be released without court order or subpoena.

## ❖ Section 10

- Increases the minimal penalty for interfering with 9-1-1 calls from six to twelve months of imprisonment and from a two hundred to five thousand dollar fine or both.
- Adds a new penalty for hacking or other similar denial of service as a felony.

# Transition to NG9-1-1: ESInet RFP

- ❖ Development – the drafting of the RFP will be spearheaded by a team consisting of RFA staff and local E9-1-1 experts.
  - Michael Ball – Team Leader
  - Rick Blackwell
  - John Carter
  - David Morrison
- ❖ Team duties include soliciting input from and sharing updates with the SC CMRS Advisory Committee and the SC PSAP community.
- ❖ General Requirements and Goals
  - Design and operate a SC NG9-1-1 statewide system(s) based primarily upon the strategic plan with flexibility to include best practices and other important features.
  - The design will be a comprehensive model built upon NENA i3 Standards.
  - Will include technical and operational standards, security, and inter-agency agreements needed to become operational and secure.

# Transition to NG9-1-1: ESInet RFP

- ❖ General Requirements and Goals(continued)
  - Clearly identify costs and operating efficiencies of the state system.
  - Clearly identify costs and benefits of flexibility at the local level.
  - Provide a timeline with specific milestones regarding implementation.
  - Develop best estimates of initial, transition, and recurring costs for implementation.
  - Identify key decision points and best options for items or issues not addressed in the RFP.
  
- ❖ Selection Committee – will be comprised of individuals from RFA, the Advisory Committee, and local PSAPs. Potentially with experts to provide insight on issues such as security, GIS or other technical fields.
  
- ❖ Implementation – upon passage of the legislation, RFA intends to hire a technical expert who will work in this office and manage the vendor and program. We will have a group similar to the RFP development team to assist in overseeing the implementation.



# Transition to NG9-1-1: ESInet RFP

## ❖ RFP Timeline

- October 2017 – Team begins drafting RFP.
- November/December 2017 – Team presents initial draft to Advisory Committee and Local PSAPs.
- December 2017/January 2018 – Team updates RFA Board and finalizes RFP.
- January/February 2018 – RFP issued.
- March 2018 – Deadline for proposals.
- April 2018 – Selection process.
- May 1, 2018 – Award (Pending adoption of legislation).

# Requested Board Actions

- ❖ Maintain the wireless 911 surcharge fee at \$0.62 for 2018 (Section 23-47-50).
- ❖ For 2019, expect a recommendation to raise the fee due to an ESInet contract and implementation.
- ❖ Also for 2019, expect an adjustment in the reimbursement rate.

**Note that the Fiscal Subcommittee will continually monitor the funds and update fiscal projections contingent upon actual transition costs.**

*Thank you!*

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***SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE***



*Our mission is to provide independent research, analysis, and resources to the executive and legislative branches of state government, local government officials, and the private sector to facilitate informed policy decisions and administration of services.*

# OTHER BUSINESS

