



**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
October 15, 2014
10:30am
Room 335 – DNR Conference Room
3rd Floor – Rembert C. Dennis Building**

- I. Welcome
- II. Meeting Minutes for September 30, 2014
- III. Agency Updates (Frank Rainwater)
- IV. FY 2015-16 Budget Recommendations (Diane Porter)
- V. Agency Head Performance Planning Document (Frank Rainwater)
- VI. E911 Wireless Program (David Morrison)
 - A. Strategic Plan
 - B. 2015 Wireless Surcharge
 - C. Reimbursement Percentage
- VII. Other Matters
- VIII. Future Meetings
 - A. November 10, 2014, 2:00pm
 - B. December 16, 2014, 2:00pm
 - i. Legislative Recommendations

Please note that the Agenda is subject to change.



AGENCY UPDATES



AGENCY UPDATES

- **Bobby Bowers appointed as the technical expert for the federal court in the redistricting case regarding the Jasper County School District.**
- **Group of CMRS Advisory Members and PSAPS representatives met to address legislative issues and identified need for a strategic plan.**
- **Budget Development is assisting the Executive Budget Office with a survey regarding Other Funds.**
- **Reviewing needed legislative changes (December)**
- **Various reports required by provisos**
- **Met with Canty Technology regarding IT issues; awaiting final report.**
- **Contacted by US Census Bureau regarding pre-Census technical work.**



FY 2015-16 BUDGET RECOMMENDATIONS



FY 2015-16 BUDGET REQUEST

- **RFA requests a total budget of \$10,505,492**
 - ❖ **Use anticipated cost-savings of \$279,866 to address budget priorities.**
- **The total amount of General Funds is \$4,616,218**
 - ❖ **This represents a decrease of \$118,000 or 2.5% from the FY 2015 budget.**
- **The total amount of Other Funds is \$5,889,274**
 - ❖ **Represents a 15% increase from FY 2015 revenue budget.**
 - ❖ **Includes authorization for the 2% cost of living and health insurance increase and new contractual obligations proposed from DHHS and various other state entities.**
 - ❖ **Also includes some funding for relocating data center and moving Health and Demographics to the Dennis Building.**



REVENUE AND FISCAL AFFAIRS 2016 PROPOSED BUDGET

Budget Program		FY 2014-15 BUDGET				FY 2015-16 Projections			
Category	General Funds*	Earmarked Funds	Federal Funds	Total Funds	General Funds	Earmarked Funds	Federal Funds	Total Funds	
I	ADMINISTRATION								
	Executive Director	142,227		142,227	149,000			149,000	
	Special Items:			-				-	
	BEA Chairman's Allowance	10,000		10,000	10,000			10,000	
	BEA Appointee Allowance	16,000		16,000	16,000			16,000	
X	C Employee Benefits	64,441		64,441	64,441			64,441	
TOTAL ADMINISTRATION		232,668	-	-	232,668	239,441	-	-	239,441
II	PROGRAM SERVICES								
	Classified Positions	2,447,874	1,497,847	10,779	3,956,500	2,447,874	1,610,279	4,058,153	
	Unclassified Positions	220,507	38,760		259,267	220,507	38,760	259,267	
	Other Personal Services	47,500	502,995	55,000	605,495	47,500	856,909	904,409	
	Other Operating	944,292	2,370,901	10,327	3,325,520	829,966	2,496,289	3,326,255	
X	C Employee Benefits	841,377	710,449	19,734	1,571,560	948,930	887,037	1,835,967	
TOTAL PROGRAM SERVICES		4,501,550	5,120,952	95,840	9,718,342	4,494,777	5,889,274	-	10,384,051
AGENCY TOTAL		4,734,218	5,120,952	95,840	9,951,010	4,734,218	5,889,274	-	10,623,492

FY 2014-15 general funds includes 2% pay and health insurance increases.

FY 2014-15 other fund increase includes request for authorization for 2% pay and health insurance increases and expected increase in customer contracts.

As of 9-19-2014, proposed budget does not expect any grants to be extended into FY-16. If grants are awarded, additional authorization may be required.



FY 2015-16 BUDGET PRIORITIES

Compensation

- **Pay adjustments and bonuses for additional responsibilities due to restructuring vacancies and performance.**

Health and Demographics Customers

- **Requesting additional authorization to meet increased contract requirements from customers to meet new information security and project requirements.**

Information Technology and Security

- **Additional Security Resources and Tools**
- **Consolidation and Relocation at Data Center**

Process Improvement

- **Strategic Plan for Wireless E-911 Program (Consultant)**
- **Statewide E911 Data Management System**



COST SAVINGS FOR FY 2014-15 & 2015-16

- **Identified savings by reviewing purchases, reallocating of rent to Other Funds, keeping two positions from recent departures vacant, realigning processes, and reallocating duties.**

	<u>FY 2015</u>	<u>FY 2016</u>[*]
General Funds	\$117,244	\$223,674
Other Funds	\$30,170	\$56,192
Total Funds	\$147,414	\$279,866

***FY 2016 cost savings include FY 2015 estimates**

- **Continue to reassess vacancies with use of temporary and part-time staffing or reallocation of duties for potential savings.**



FY 2014-15 APPROPRIATION ACT

General Funds

- **2% Cost-Of-Living Adjustment** **\$63,379**
- **Health Insurance Premium Increase** **\$32,503**
- **County Boundary (S.988)** **\$250,000**
 - ❖ **Approximately 1,250 Miles**
 - ❖ **Contracting with four firms for field surveys**
 - ❖ **Developing options to manage process and implementation**
- **Restructuring** **\$250,000**
 - ❖ **Analysts to support legislative process**
 - ❖ **Information Technology Security Improvements**
 - ❖ **Relocation of Data Center and process**

Other Funds (requesting authorization per Proviso 112.2)

- **2% Cost-Of-Living Adjustment** **\$39,992**
- **Health Insurance Premium Increase** **\$13,603**



AGENCY HEAD PERFORMANCE PLANNING DOCUMENT



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- **Initial document for new agency**
- **Focus is on developing and implementing plans for a strategic direction and continuous improvement.**
- **Other objectives include workforce development and customer focus.**



E911 WIRELESS PROGRAM



WIRELESS E911

- **Historical funding for E911**
- **Request by CMRS Advisory Committee to increase the reimbursement percentage from 70% to 80% for compliance costs.**
- **Strategic Plan**
- **Adopt annual wireless fee pursuant to §23-47-50(F).**

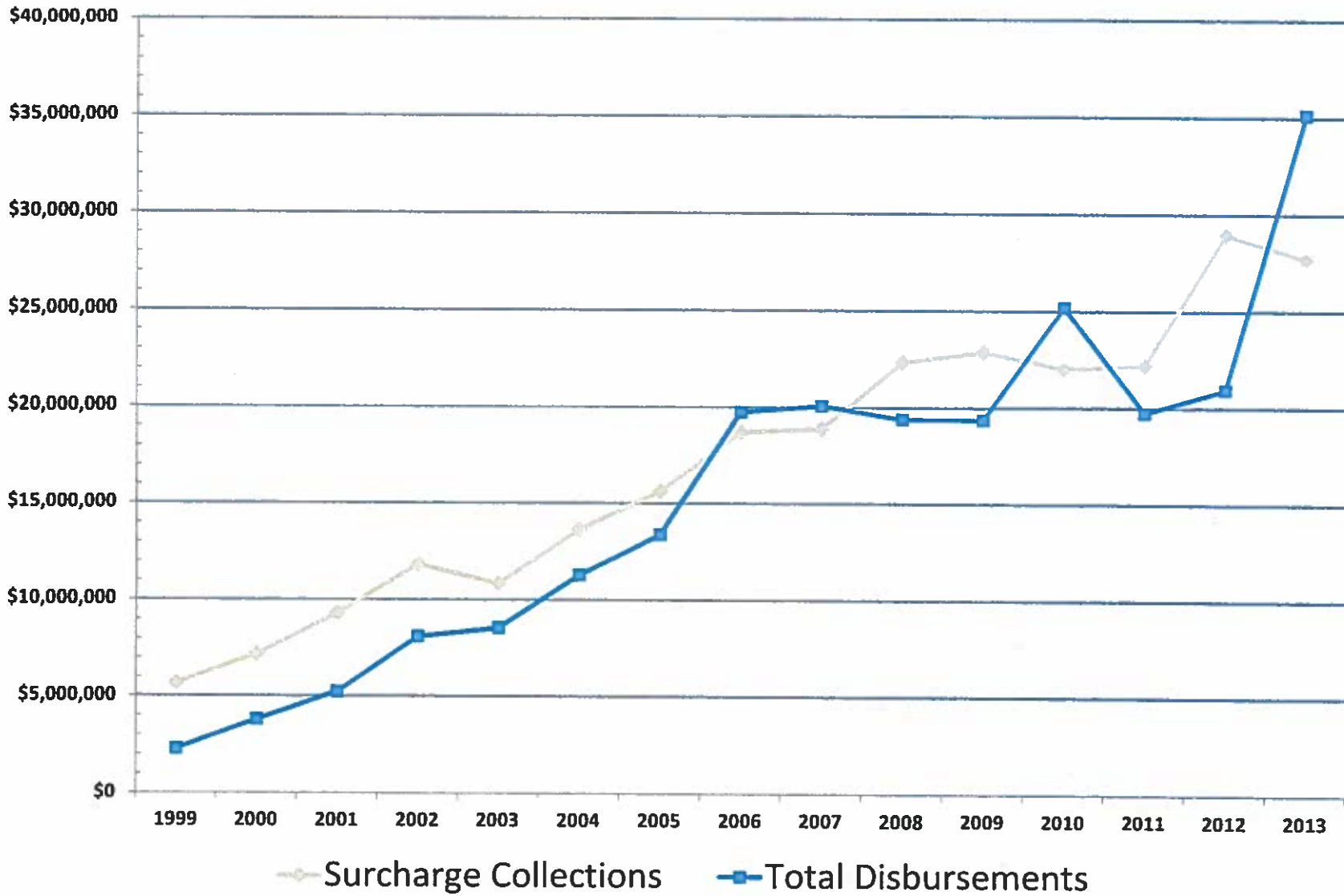


HISTORICAL FUNDING FOR E911

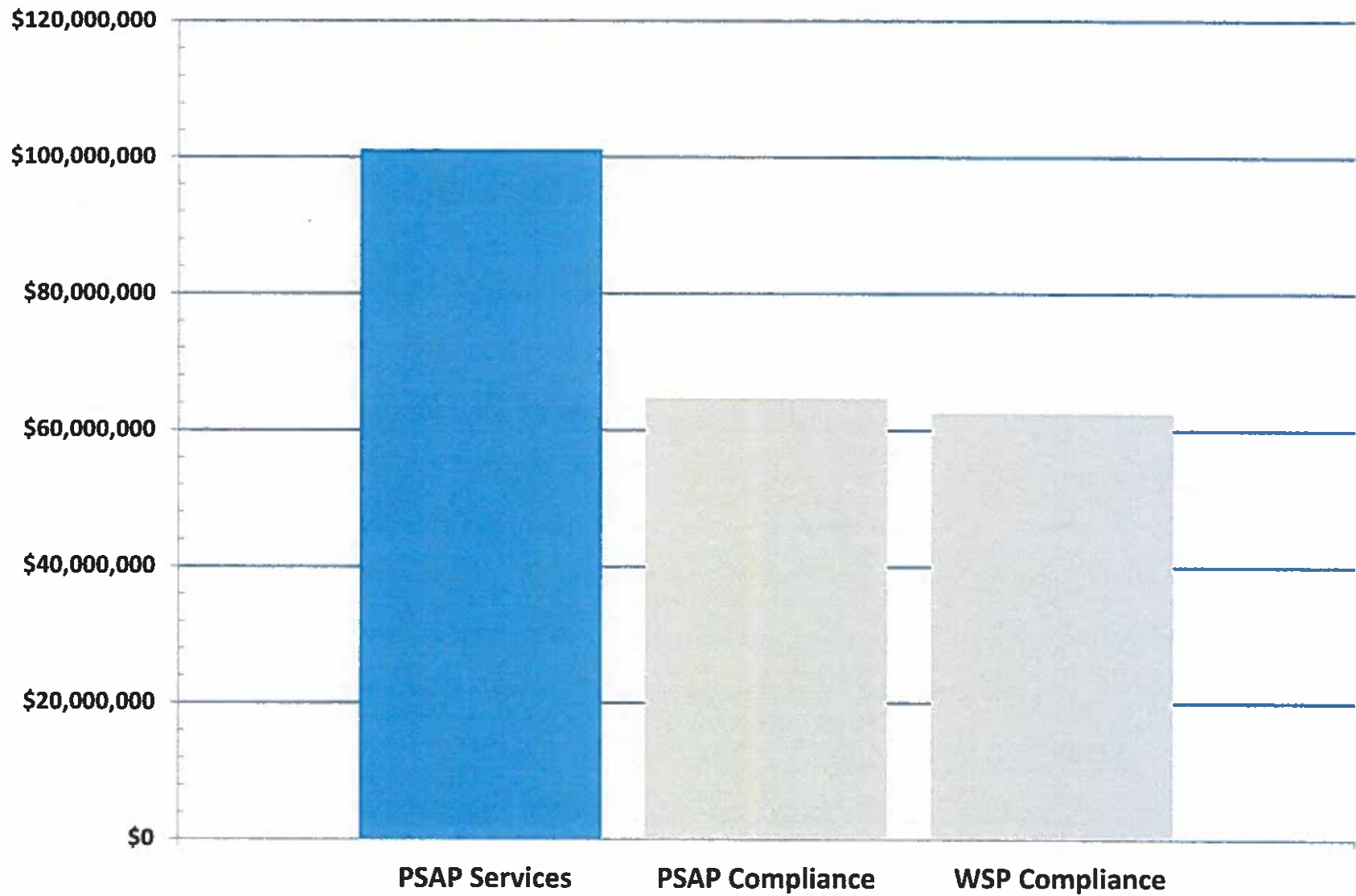
- **In the beginning, cost recovery typically involved just the purchase of new 911 equipment or upgrades to the equipment. Most counties were unaware they could request reimbursement for maintenance of those items.**
- **In 2009, the committee recommended that the network service charges become a reimbursable item. These are the monthly bills for the actual 911 phone lines and the ANI/ALI database administration. These represent a significant amount of costs incurred by the PSAPs on a monthly basis.**
- **The number of cost recovery requests has significantly increased over the last 5 years.**
- **Reimbursement percentages have previously been set to mirror the percentage of wireless calls the PSAPs receive. Over the years percentages have ranged from 10% to most recently 70%.**



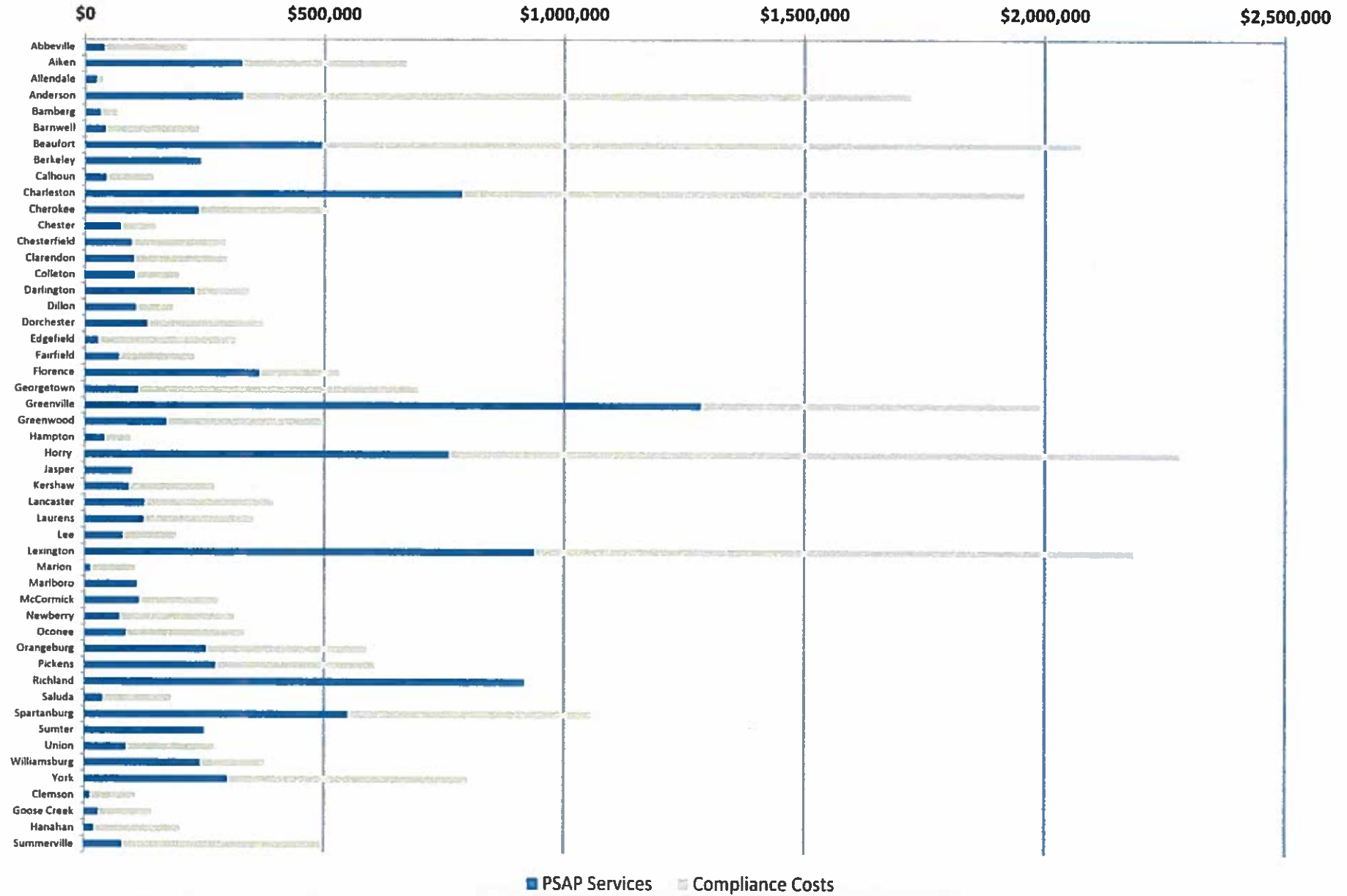
Wireless E911 Program Collections and Disbursements CY1999 - CY2013



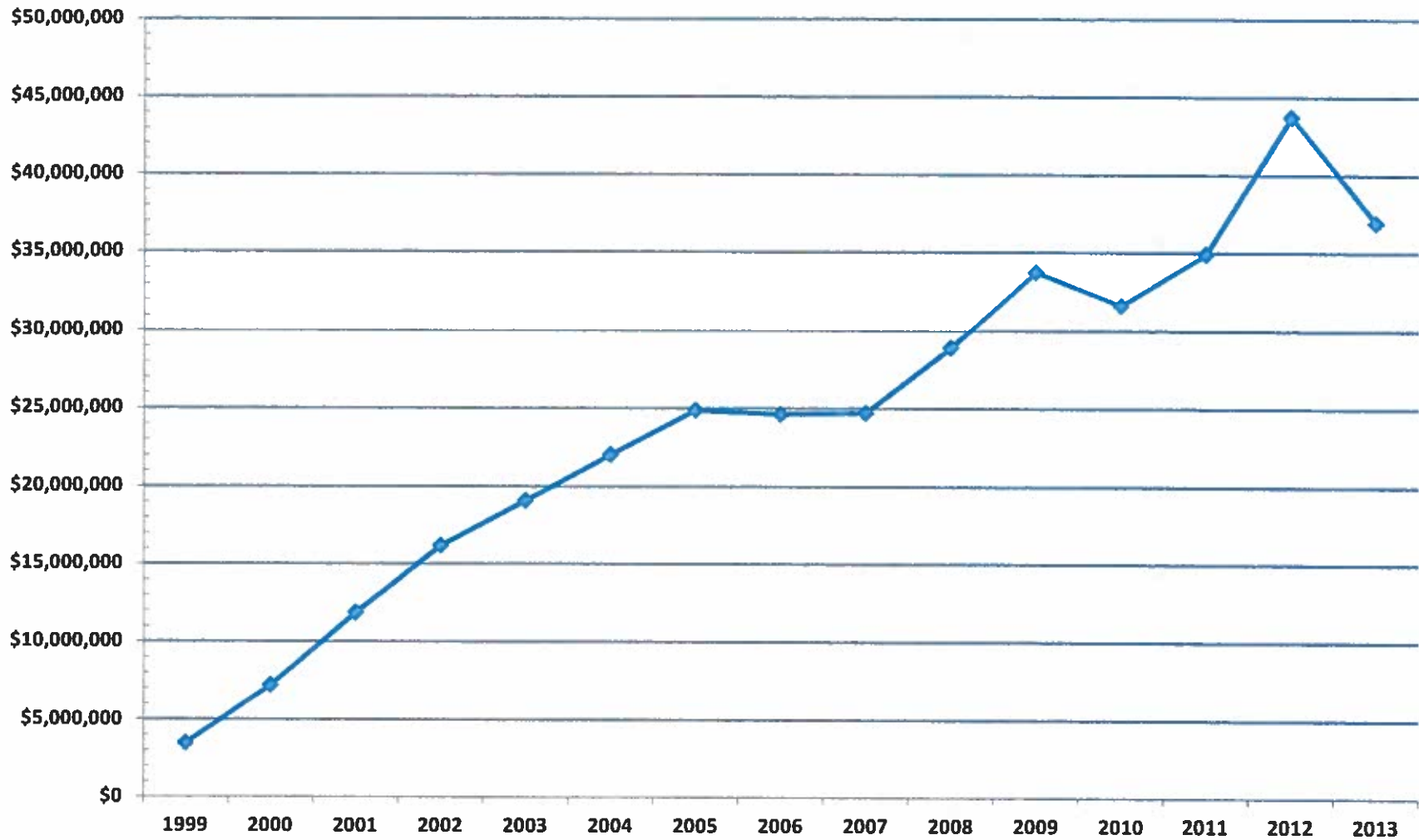
Wireless E911 Distributions CY1999 - CY2013



Total Disbursements By County CY2013

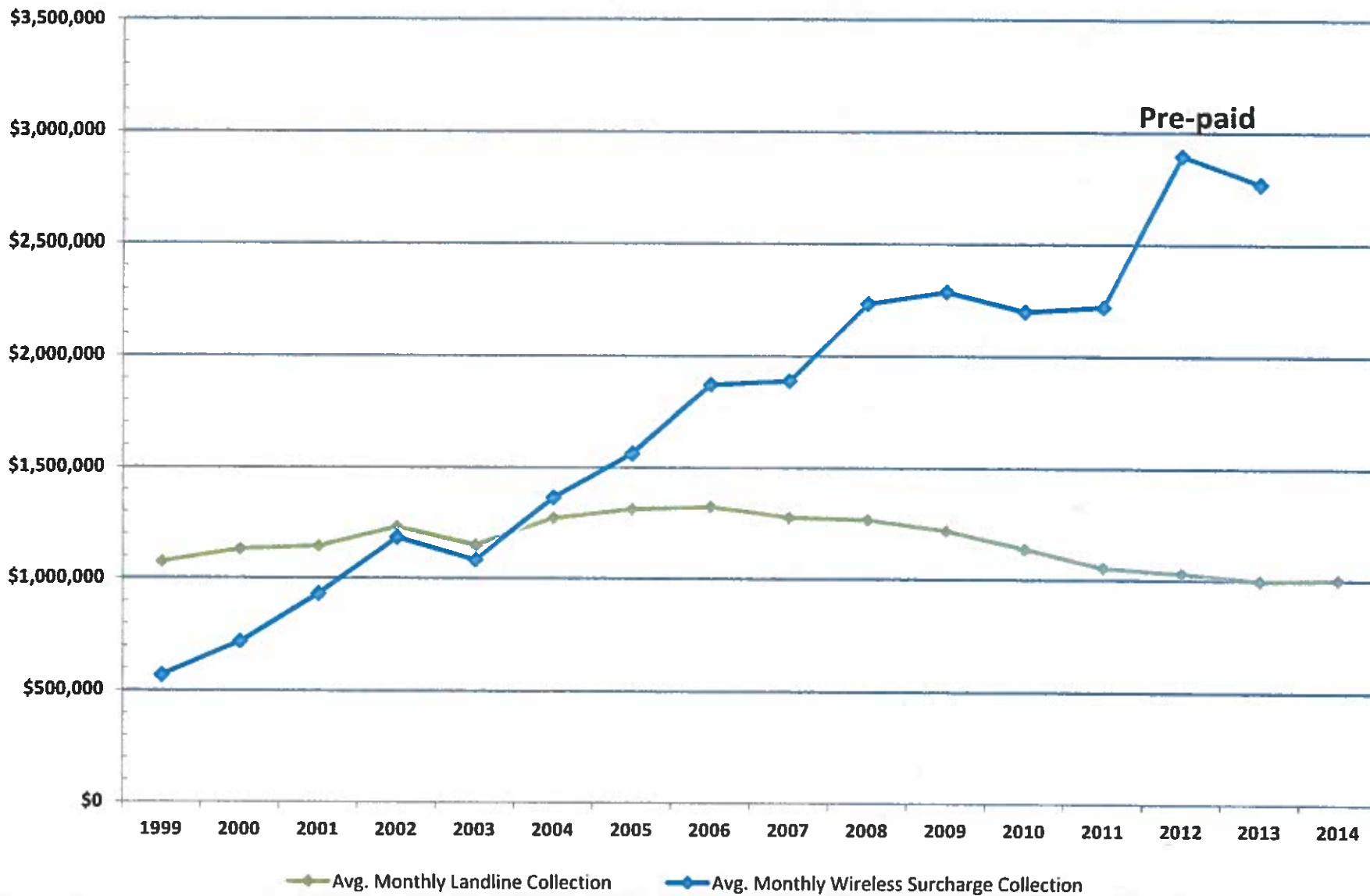


Wireless E911 Program Total Year End Cumulative Fund Balance CY1999 - CY2013

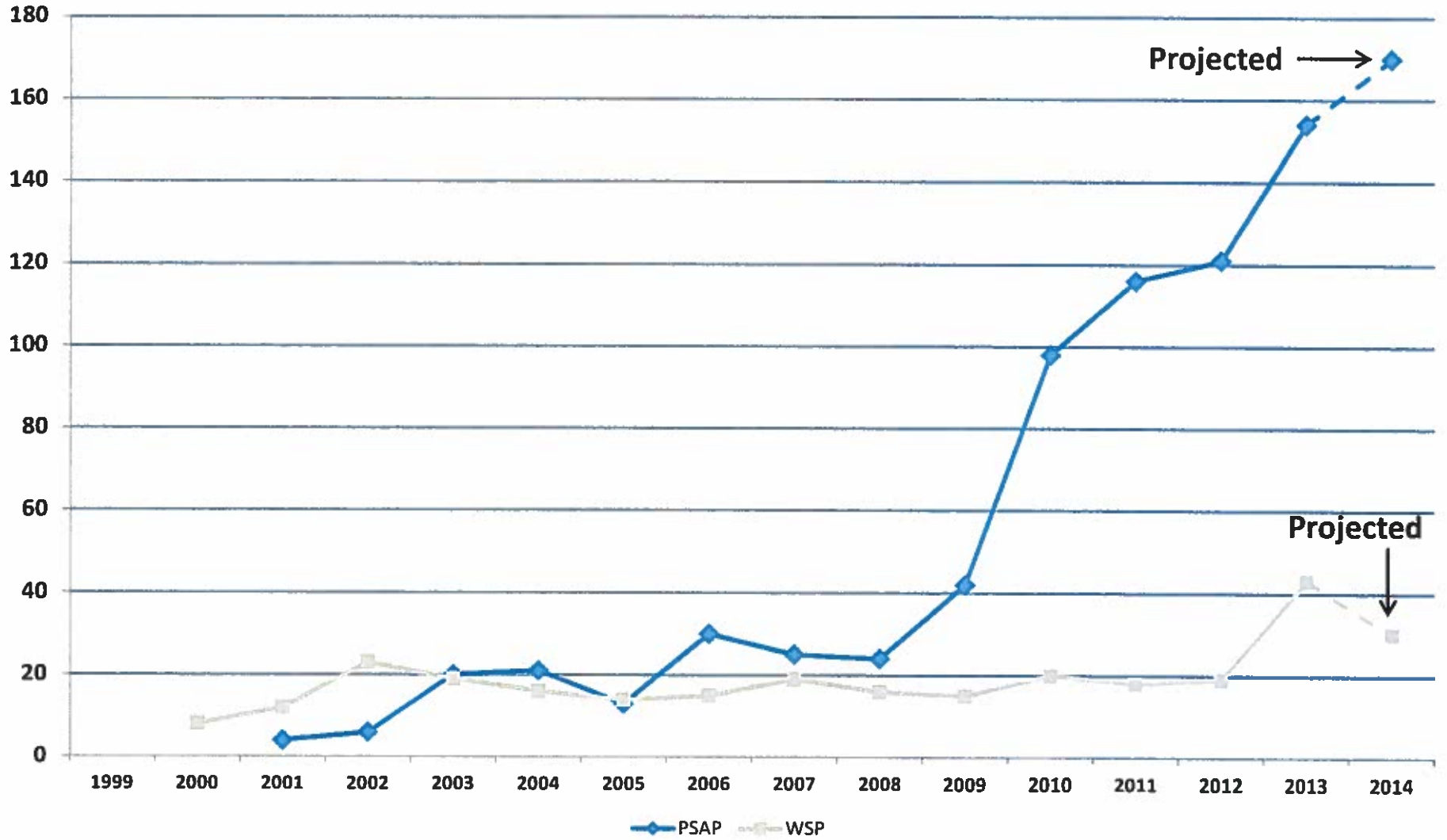


Note: Year-end balance includes interest earnings retained by the E911 Fund.

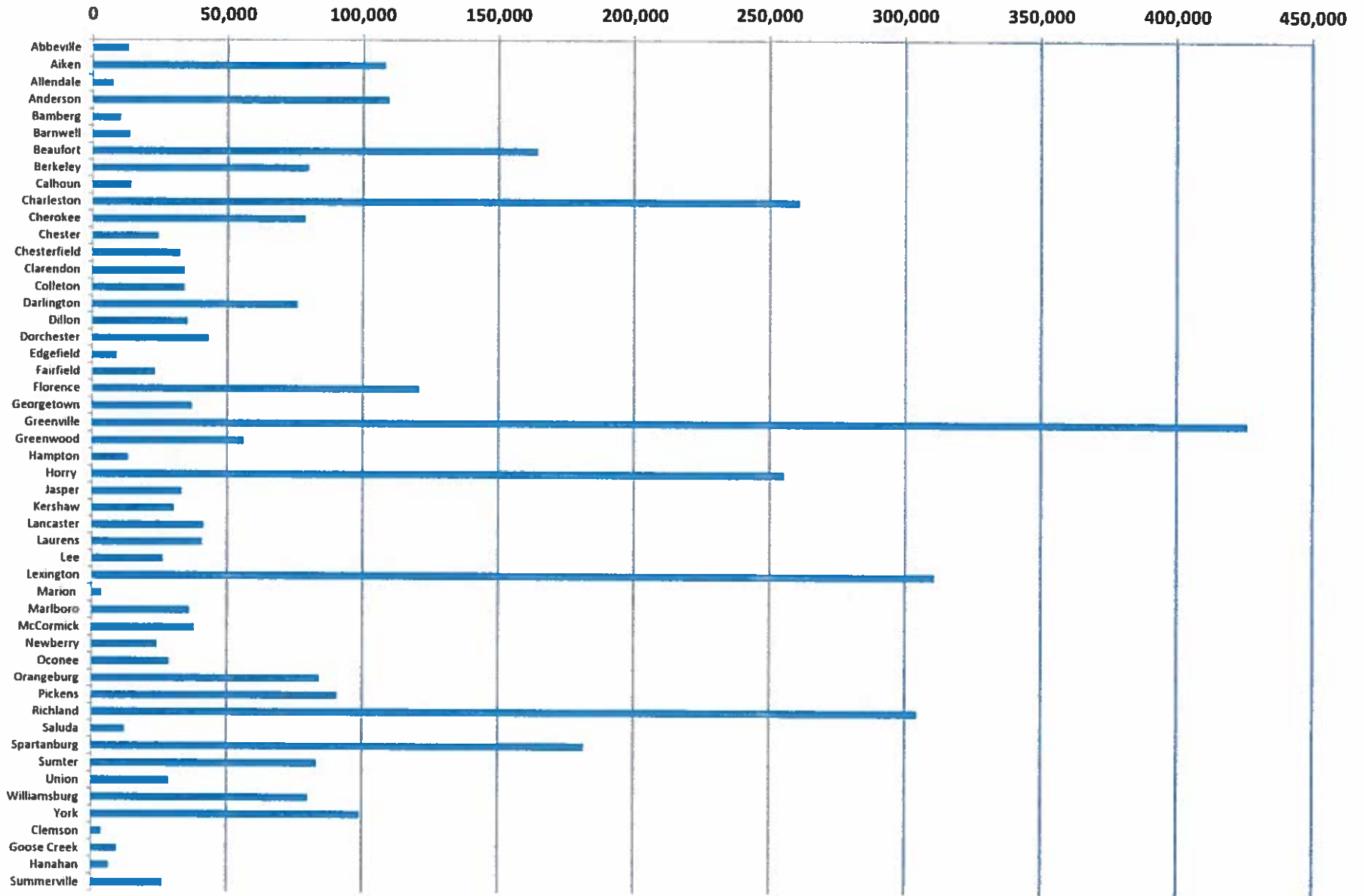
Average Monthly Collections - Landlines vs. Wireless Charges



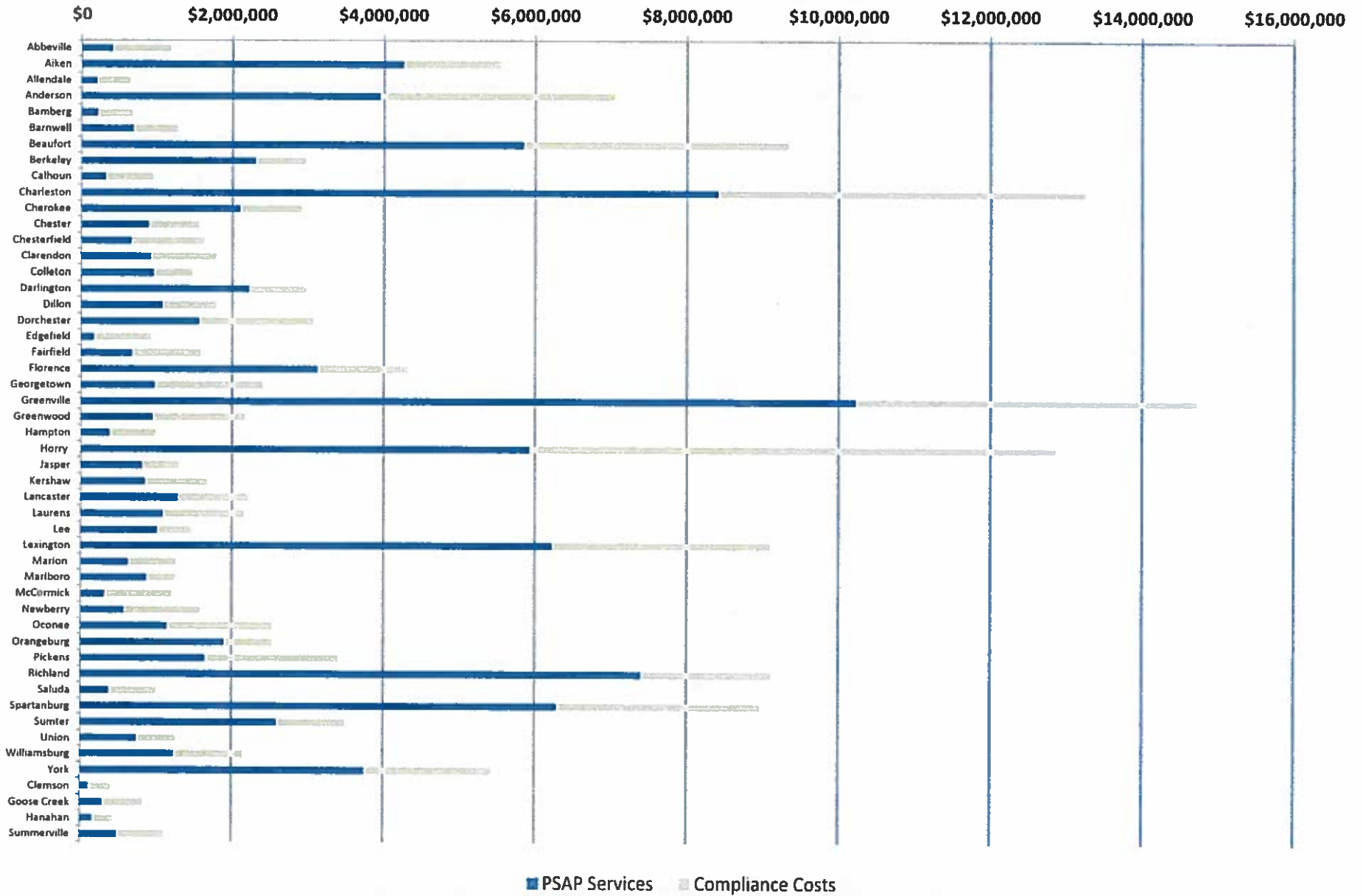
Number of Cost Recovery Requests CY1999 - CY2013



Total Wireless Calls By County CY2013



Total Disbursements By County CY1999 – CY2013



REQUEST TO INCREASE REIMBURSEMENT PERCENTAGE FROM 70% TO 80%

- **The CMRS Advisory Committee requests that the reimbursement percentage for allowable costs be increased from 70% to 80% to match the percentage wireless calls constitute of total call volume (effective for costs incurred on or after January 1, 2015.)**



E911 WIRELESS STRATEGIC PLAN OVERVIEW

- **Since the enactment of the E911 Wireless program in 1998, changes in technology and operations have changed significantly and various code cites may be outdated.**
- **With new technologies and the transition to Next Generation requirements, a new understanding and approach to funding may be required.**
- **In the August CMRS Advisory Committee meeting, a legislative subcommittee was formed to explore possible legislative changes.**
- **The CMRS Advisory Committee is recommending that RFA issue an RFP for a consultant to assist the Committee and office in developing a strategic plan for the E911 Wireless program.**



E911 WIRELESS STRATEGIC PLAN – SPECIFIC ISSUES

- **We are currently working on an RFP for a consultant to develop a strategic plan. While creating the strategic plan, the consultant will work with input from RFA, CMRS Advisory Committee, and the SC 911 community.**
- **What are the standards and expectations for Next Generation 911?**
- **Identify best practices and cost efficiencies. What are other states doing? What existing methods have proven to be most effective, efficient, and practical?**
- **Identify legislative changes. Changes in technology and the emergence of NG911 technologies have contributed to outdated legislation.**

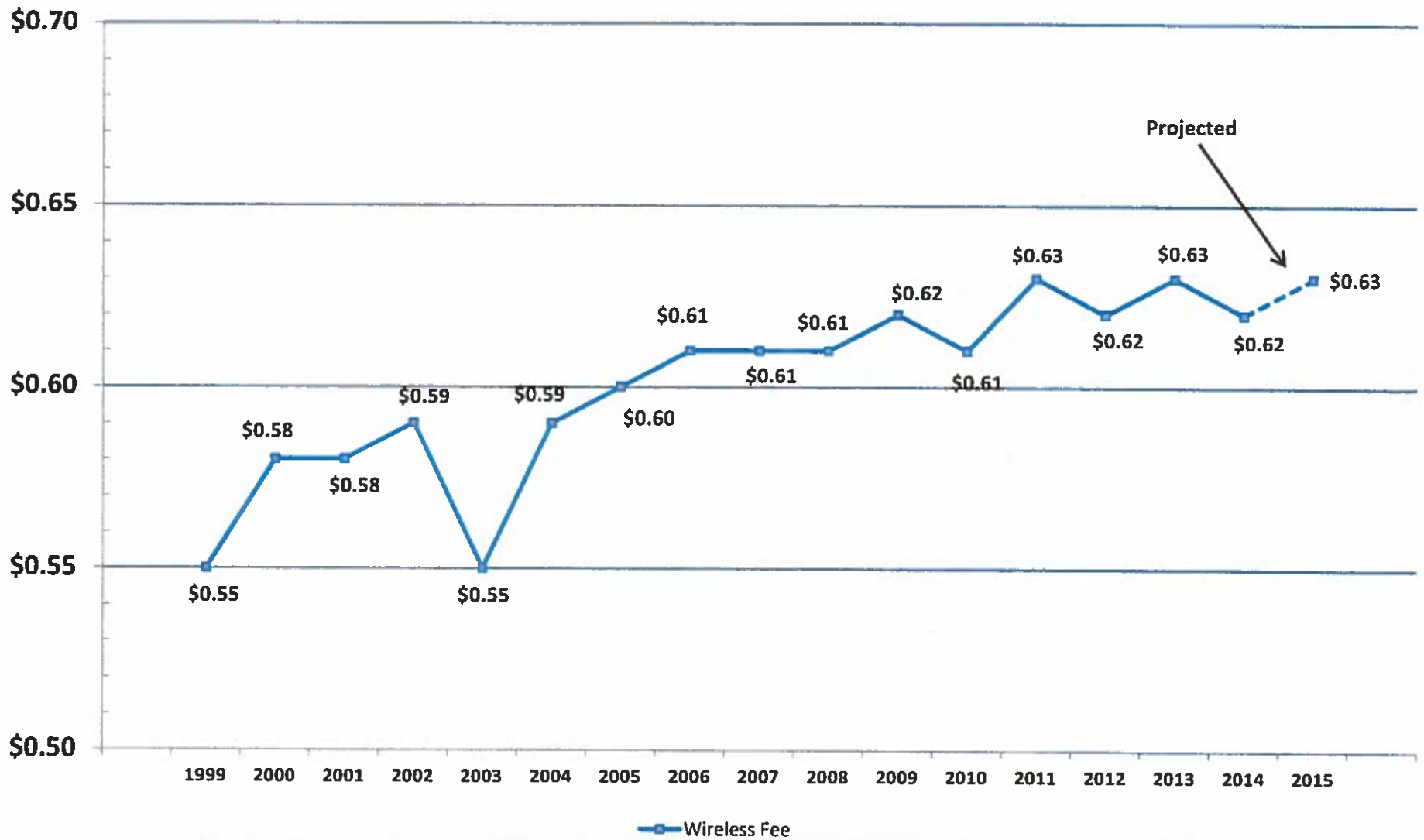


ANNUAL WIRELESS FEE §23-47-50(F)

- **The Board is required to adopt annually the monthly surcharge on wireless phones.**
- **The surcharge cannot exceed the average monthly telephone 911 charges in South Carolina.**
- **The CMRS Advisory Committee recommends that the fee be set at the maximum allowable rate of \$0.63.**
- **The strategic plan will provide further insight on setting the fee for 2016.**



Annual E911 Wireless Surcharge



OTHER MATTERS



FUTURE MEETINGS



FUTURE MEETINGS

- **November 10, 2014, 2:00pm**
- **December 16, 2014, 2:00pm**
 - ❖ **Legislative Recommendations**

