



Virginia E-911 Services Board Finance Committee

Regular Meeting

December 15, 2014





Agenda

- Call Meeting of the Committee to Order
- Approval of Minutes from the last meeting
- FY2014 Financial Reports
- Wireless E-911 Fund Cash Reserve Policy
- NG-911 Feasibility Study Report
- Old Business
- New Business
- Public Comment
- Adjourn Meeting of the Committee



FY2014 Financial Reports





FY2014 - Department of Taxation

Description	Amount
Beginning Cash Balance - July 1, 2013	\$4,715,523.68
FY14 Revenue as of June 2014	\$53,670,091.37
Tax Expenses	(\$7,704.08)
Transferred to VITA	(\$31,267,342.60)
Distributed to PSAPS	(\$26,171,286.85)
Ending Cash Balance	\$939,281.52



FY2014 - Transferred to VITA

Description	Amount
Transferred from TAX	\$31,267,342.60
Aide to Localities	(\$9,638,784.51)
CMRS Cost Recovery	(\$3,377,582.97)
Salaries/Benefits	(\$1,335,049.32)
Other Expenses	(\$189,960.46)
VSP Transfer	(\$3,700,000)
Compensation Board Transfer	(\$8,000,000)
VGIN Transfer	(\$1,750,000)
Difference	\$3,275,965.34
Cash with Treasurer – June 30, 2014	\$14,486,605.66



Wireless E-911 Fund Revenue

Year	Revenue	Change
FY14	\$53,670,091.37	-8%
FY13	\$58,469,892.72	6%
FY12	\$55,228,578.90	4%
FY11	\$52,953,817.62	0%
FY10	\$53,015,427.57	3%
FY09	\$51,536,334.92	2%
FY08	\$50,461,828.00	6%
FY07	\$47,593,846.00	11%
FY06	\$42,905,088.00	9%
FY05	\$39,313,650.00	14%
FY04	\$34,381,027.00	14%
FY03	\$30,196,055.00	11%
FY02	\$27,148,179.00	45%
FY01	\$18,737,782.00	7%



Cash Reserve Policy

“It shall be the policy of the Virginia E-911 Services Board to maintain a cash reserve **at least** equal to the average amount of projected expenses for one month of the following fiscal year. As permitted by Section 56-484.17(D) of the Code of Virginia, the Board will, to the maximum extent possible, retain some or all of uncommitted funding at the end of each fiscal year for a reserve balance pursuant to this policy.”

Description	Amount
Average Monthly Aide to Localities	\$2,180,940.57
Average Monthly Payments	\$2,332,614.77
Total Monthly Costs	\$4,513,555.34



Grant Funding

Description	Amount
Cash Balance – June 30, 2014	\$14,486,605.66
Prior Year Grants Carried Over	(\$3,988,192.39)
FY2015 Grants Awarded	(\$7,059,721.55)
Projected FY15 Grant Revenue	\$4,416,928.69
Cash Reserve Policy	(\$4,513,555.34)
Additional Funding Available	\$3,342,065.07
Projected FY16 Grant Revenue	\$4,416,928.69
Projected FY16 PSAP Grant Funding Available	\$7,758,993.76



NG-911 Feasibility Study Report





Project Drivers

- Existing legacy technologies impact 9-1-1 service
 - Public Safety Answering Points (PSAPs) are hampered by outdated and/or proprietary systems
 - Carriers have announced plans to discontinue support for some 9-1-1 systems in the next 2-3 years
- Significant limitations exist, including:
 - Length of analog 9-1-1 call setup time
 - Limited ability to transfer 9-1-1 calls between PSAPs
- Carriers transitioning from circuit-switched to IP
- Consumer expectations / changes in behaviors
- Advances in technologies



Feasibility Study Goals

- Provides multiple solutions for the design of a single, statewide IP-based 9-1-1 network
- Addresses system design, procurement, implementation, operation, and governance issues
- Develops a multi-phase effort to address generational technology issues
- Supports a long-term strategic approach to improve 9-1-1 service delivery



Statewide ESInet Benefits

- Speeds access to Text-to-911
- Enables enhanced redundancy / backup PSAP flexibility
- Improves interoperability / data sharing among PSAPs, especially for PSAP-to-PSAP call transfer
- Allows for efficiencies through centralized solutions and retiring of expensive, legacy technologies



Economical Feasibility Elements

- Cost projections for the design, implementation and ongoing maintenance, security, and operations
- A listing of quantified benefits, such as: long-term cost savings, enhanced interoperability between PSAPs, redundancy, and system flexibility
- Analysis on how much an IP-based 9-1-1 solution will cost versus the benefits that will be obtained
- An estimate of legacy 9-1-1's cost considerations



Cost Projections (Preliminary)

- Technology solution direction will be the primary differentiator for costs, including:
 - Type of broadband network deployed (e.g., fiber, microwave, T1, etc.)
 - Last-mile construction
 - i3 components / call handling services
- Design and integration costs
- Operations and maintenance costs
 - Managed services
 - Data centers



Quantified Benefits (Preliminary)

- Long-term cost savings
 - Transition from legacy trunks to IP connectivity and retiring legacy selective routers
 - Elimination of duplicative data centers at every PSAP through shared services
- Enhanced PSAP backup capability
 - Ability to automatically and efficiently reroute 9-1-1 callers due to PSAP failure or disaster, improves overall system availability and reliability



Quantified Benefits (Preliminary)

- Enhanced interoperability between PSAPs
 - Enables data sharing, supporting increased responder safety
- Improved Lifesaving Capabilities
 - Ability to directly serve callers who are unable to speak (e.g., the deaf, hard-of-hearing, or those fearing for their personal safety)
 - Reduces errors during PSAP-to-PSAP transfers
 - Reduces call setup and call handling times



Saving Lives and Reducing Risks

- Assuming (conservatively):
 - 1% of Virginia's 4.3M 9-1-1 calls involve a life and death matter (43,000)
 - Reduction in call handling time for 1/10,000th of those "life and death" calls could save **4 lives**
 - 5% of Virginia's 4.3M 9-1-1 calls includes a PSAP transfer (215,000)
 - Reduction in errors and/or call handling time for 1/1,000th of those "life and death" PSAP transfers could save **2 lives**
 - The "value of life" is the method used to quantify constituents' benefits and estimated at \$9,100,000¹
 - Saving these lives reduces Commonwealth risk and exposure by **\$36.4M** and **\$18.2M** respectively

1 – U.S. Department of Transportation, Value of Statistical Life (VSL) methodology (2012 estimate)



Legacy 9-1-1 Cost Considerations

- Maintenance costs continue to rise
- End-of-life equipment represents significant risks to Virginia's 9-1-1 operations
- PSAPs may face operating without vendor support or maintenance abilities
- Forced upgrades or system replacements (as the result of a system or component failure) increases costs and complexities
- External factors (including carrier and vendor changes) are beyond 9-1-1's control



Funding Policy Considerations

- Current 9-1-1 statute provides for dedicated funding only for wireless and future technology collections, relying on a fixed rate per access line/subscriber
- With changes in technology and consumer behaviors, sustainability of the current funding methodology is at risk
- Distributions to the Virginia State Police and the Compensation Board significantly reduce monies available for the PSAP Grant Program and potentially risk access to federal grants



Recommendations (Preliminary)

- Plan a multi-phased approach, promoting and/or leveraging Regional ESInets first
- Determine best method of reuse of existing fiber or microwave infrastructure
- Incentivize Regional “shared services” approach through grant / pilot programs
- Improve 9-1-1 fund protection, decreasing or eliminating fund transfers to other agencies
- Consider 9-1-1 fee modification in rate or application to fund ESInet/NG911 development in full or in part



Governance Implementation Strategy

- Multi-phased approach to support change
 - Legislative Change Process (1-24 months)
 - Rule making authority change
 - Establish Regional Advisory Council
 - Board structure revised
 - Regulatory Change Process (12-24 months)
 - Minimum standards for system elements
 - Minimum standards for call-taking
 - Policy, Administrative and Implementation Change Process (1-36 months)
 - Comprehensive Plan Revision
 - Standards and Rule Development
 - 9-1-1 Program Development
 - Master Plan Development