

North Carolina 911 Board-PSAP Funding Model Subcommittee Work Session
MINUTES
3514A Bush St
Raleigh, NC
August 25, 2016
2:00 PM – 5:00 PM

| <u>Members Present</u> | <u>PSAP Funding Model Subcommittee Members Present</u> | <u>Staff Present</u> |
|--|---|----------------------------------|
| Dave Bone (NCACC) Martin County | Randy Beeman, Cumberland Co ES | Ron Adams (DIT) (Temp Solutions) |
| Josh Brown (LEC) CenturyLink (pending) | Del Hall, Stokes County 911 | Richard Bradford (DOJ) |
| Eric Cramer (LEC) Wilkes Communication | Melanie Neal, Guilford Metro 911 | Tina Bone (DIT) |
| Chris Estes (911 Board Chair) | Tonya Evans, Durham 911 | Dave Corn (DIT) |
| Andrew Grant (NCLM) Town of Cornelius | Stephanie Wiseman, NCFA-Mitchell Co 911 | David Dodd (DIT) |
| Len Hagaman (Sheriff) Watauga County | | Karen Mason (DIT) |
| Greg Hauser (NCSFA) Charlotte Fire Department | | Marsha Tapler (DIT) |
| Rick Isherwood (CMRS) Verizon | | Richard Taylor (DIT) |
| Dinah Jeffries (NCAPCO) Orange Co. Emergency Services | | |
| Jeff Shipp (LEC) Star Telephone | | |
| Rob Smith (LEC) AT&T | <u>Guests</u> | <u>Staff Absent</u> |
| Jimmy Stewart (NCAREMS) Hoke Co. 911 | Casandra Hoekstra-NCACC | |
| Slayton Stewart (CMRS) Carolina West Wireless | | |
| Laura Sykora (LEC) CenturyLink | | |
| | | |
| | | |
| | | |
| <u>Members Absent</u> | | |
| Jason Barbour (NCNENA) Johnston Co. 911 (911 Board Vice Chair) | | |
| Darryl Bottoms (NCACP) Pilot Mountain PD | | |
| Rick Edwards (CMRS) Sprint | | |
| | | |

1. Chairman's Opening Remarks

At 2:09 Chairman Estes called the meeting to order and thanked attendees for coming to Raleigh a day early to participate in this work session, observing it is a public meeting, just like normal Board meetings, so it will follow the same protocol, including taking minutes, etc. He then asked Executive Director Richard Taylor to take the roll. Mr. Taylor replied no one was expected to be participating by phone, but noting that Rick Edwards had a meeting conflict and had said he would try to join when/if he could, Mr. Taylor checked to be sure. Mr. Edwards did not respond. Mr. Taylor noticed that Board Members Jason Barbour and Jeff Shipp were not yet present, although Mr. Shipp had sent him a text message indicating he was en route. Moving to a roll call of the Funding Committee representatives, he recognized Dave Bone, Andrew Grant, Len Hagaman, and Laura Sykora as Board Members, noted that non-Board members Randy Beeman from Cumberland County was en route and that Del Hall from Stokes County was present, as were Tonya Evans from Durham 911, Melanie Neal from Guilford Metro 911, and concluded by saying Stephanie Wiseman was expecting to arrive at about 2:15 PM. He reported to Chairman Estes that a quorum was present. Chairman Estes again thanked everyone for coming, and observed that anyone needing help with hotel accommodations should see David Dodd.

2. Ethics Awareness/Conflict of Interest Statement

Chairman Estes read the Conflict of Interest Statement printed in the meeting agenda, concluding by asking any Board members who thought they had a conflict or potential conflict of interest to indicate such. No one spoke up, so he reminded everyone that should they discover a conflict or potential conflict as the meeting progresses please speak up so the minutes may reflect that.

3. History of PSAP funding in North Carolina

Before Mr. Taylor began presenting this agenda item, Chairman Estes surmised that this topic is "pretty much what this whole meeting is about," i.e. the PSAP funding model. He reiterated his observation from the last Board meeting that the 911 fees this Board collects as revenue is NOT what this meeting is about, but it is, instead, about how funds received by the 911 Board are distributed to the PSAPs; i.e. it's not about collecting new revenue, it's about how we distribute the revenue the Board collects under the law. He noted that's the agenda for virtually the entire meeting, and added that if we get off too far on other tangents he may use his option as chair to table some things to keep the meeting moving because we really need to make progress on this one topic today versus probably about five other topics we all might like to talk about. He did observe that if the Board wants to go in a slightly different direction there is a process to do that, so if there is a topic that comes up that everyone does want to talk about, then we have to make a motion and use that process to move forward, but right now we're not expecting any votes: this is a working session. He then asked Mr. Taylor if he had any thoughts to share in opening comments. Mr. Taylor said that if there is something folks want to vote on, that would be something we could create today to vote on tomorrow.

Mr. Taylor began his presentation by relating how, in sharing some of the history of 911 in North Carolina with Dave Bone during dinner conversation in Williamston, it occurred to him that not everyone presently on the Board necessarily knows that history, and how, as we begin talking about a new PSAP funding model, looking toward the future, it is important to know what has

transpired since 1989 to bring us to where we are today. He admitted this is definitely the “Readers Digest version” of the topic, starting “in the beginning, on the first day...”, in 1989.

Mr. Taylor started rather tongue-in-cheek by relating how many different people claim, at least editorially, to have written the original legislation, when in actuality only two people contributed; one was a lobbyist and one a senator. Senate Bill 509, passed during the 1989 session (<http://www.ncleg.net/Sessions/1989/Bills/Senate/PDF/S509v5.pdf>), created NCGS Chapter 62A, the Public Safety Telephone Act, and §62A-2 stated the purpose for the legislation was to provide a toll free number with the objective of reducing response time in emergency situations. Mr. Taylor reminded everyone how, before 911, people had to keep separate phone numbers handy to reach whatever emergency service they had need of, and how 911 was intended to simplify all those numbers down to one easy to remember number. He continued by sharing §62A-8, which stated what 911 funds could be used for, emphasizing that the language clearly limited use to *emergency telephone equipment* and rates associated with service suppliers’ 911 service; it said nothing about radios, police cars, animal control trucks—none of those things.

Mr. Taylor further explained that in order to create the 911 fund each local government, whether city or county, had the ability to create its own 911 fee, and there was no cap on that fee; they could set the fee at any amount. He added there also was no oversight of 911 funds; there was no 911 Board, just the statute, which did not contain any provision stating that you had to provide 911. He pointed out that when the Wireless 911 Board was created in 1998, they discovered that 12 local governments levying and collecting 911 fees did not provide 911 service.

The first significant change in 62A came in 1998 with the introduction and passage of Senate Bill 1242 as SL1998-158 (<http://www.ncleg.net/Sessions/1997/Bills/Senate/PDF/S1242v7.pdf>), the wireless 911 bill, developed in large part by a team of 911 professionals of which Mr. Taylor was a member. He observed that up to that time, he had not been very familiar with politics, and working on this bill opened his eyes to a lot of things. Among the things he discovered was that wireless carriers did not fall under the authority of the Public Utilities Commission (PUC) as wireline carriers did; the closest governmental authority which they fell under was the FCC. Whereas each county or city set its own wireline 911 fee, and wireline service providers wrote individual monthly checks to each governing entity every month, Mr. Taylor said wireless carriers were not willing to do that; they wanted to write one monthly check to a state entity.

In addition to having one uniformly applied fee and writing one monthly check, Mr. Taylor pointed out that because they knew there was a lot of misuse of wireline 911 funds, they wanted some sort of oversight to be applied to the use of the money they collected. To that end, SL 1998-158 created a Wireless 911 Board consisting of 13 members, ensuring full cost recovery for CMRS (i.e. wireless) providers and for PSAPs over a reasonable period of time incurred in developing and maintaining a wireless Enhanced 911 system. Mr. Taylor added that full cost recovery was an FCC requirement when North Carolina’s wireless statute was being developed, but by the time the statute became law the FCC had rescinded that requirement; North Carolina, however, elected to retain that provision. He recalled that some people had a lot of heartburn over that, but when it came down to it, wireline carriers were receiving full cost recovery for their 911 expenses, so this was only providing parity to the wireless carriers.

To meet that full cost recovery commitment, North Carolina’s wireless bill allocated 40% of the wireless 911 fund to be used to make monthly distributions to eligible PSAPs (the remaining 60% paid for CMRS cost recovery). Usage of wireless 911 funds distributed to the PSAPs was

limited to the same usage applied to wireline 911 funds, with the exception of replacing “Enhanced 911 system” language with “*wireless* Enhanced 911 system,” thereby creating a distinction between those disparate systems and the revenue associated with each. Mr. Taylor offered that this became very complicated when costs associated with resources which served both systems were to be paid. It was, he said, what gave rise to the percentage allocations attributed to paying for those shared resources, e.g. wireline trunks which carried both wireline and wireless 911 calls. Yet another change was that of the 40% allocated to PSAPs, 50% was to be distributed in equal portions to all the eligible PSAPs and the remaining 50% was to be distributed based upon population. Mr. Taylor observed the smaller, more rural, PSAPs benefitted most from the equal portion distribution, whereas the larger, more metropolitan PSAPs benefitted most from the population based distributions.

Mr. Taylor related another new requirement was that in January of each year every participating PSAP was required to submit a copy of its governing agency’s approved budget to ensure the wireless revenue was being used in accordance with statutory guidelines for eligible use. Reviewing the use of wireless 911 funds brought home the realization that wireline 911 fund were not always being used in accordance with the statutory guidelines, but as the Wireless 911 Board only had oversight authority over use of wireless 911 funds, PSAPs continued to use wireline 911 funds based upon their local interpretation of statutory guidelines.

In 2003 Senate Bill 97 passed, becoming Session Law 2003-416 (<http://www.ncleg.net/Sessions/2003/Bills/Senate/PDF/S97v6.pdf>), giving the Wireless 911 Board the authority to reallocate funds comprising the Wireless Fund, i.e. modify the 60%/40% split between CMRS providers and PSAPs, as it saw fit, provided that any adjustment or reallocation was consistent with the requirements of the FCC Order. Then in 2005 came yet another change: House Bill 1261 was passed, becoming Session Law 2005-439 (<http://www.ncleg.net/Sessions/2005/Bills/House/PDF/H1261v6.pdf>). Mr. Taylor explained this was where the General Assembly decided it was time to revisit the wireline 911 bill (NCGS 62A Article 1), including placing a cap on the wireline 911 fees charged by local governments. He related this became an issue when one county proposed raising its 911 fee to \$4.50 when the average monthly telephone bill in that county was only \$9.50. He acknowledged that county was very honest about what it wanted to use that money for: to buy ambulances, which was a use specifically prohibited in 62A.

Other modifications within the bill, Mr. Taylor further explained, were that the Wireless 911 fee was reduced from 80¢ to 70¢ per month, the Wireless 911 Board was given the ability to adjust that fee every two years on the even numbered year, and the definition of a PSAP which was eligible to receive 911 funds was limited to the primary PSAP. He observed that was a big, big change, because the distinction between a primary PSAP and a secondary PSAP was codified: a PSAP must receive and utilize the initial 911 call, both voice and data, in accordance with the FCC order to qualify as a primary PSAP. Mr. Taylor observed this had a significant impact across the state because many PSAPs which were not receiving the initial 911 call, i.e. secondary PSAPs, were receiving local 911 funds.

Another change the bill introduced was the expansion of the prohibitive language regarding eligible use of funds in the statute. Yet another was a directive for the Joint Utility Review Committee to study several issues related to Article 1 of Chapter 62A, i.e. the article addressing wireline 911 [please see <http://www.ncleg.net/Sessions/2005/Bills/House/PDF/H1261v6.pdf> Section 11.(a)].

Moving to 2007, Mr. Taylor observed a big re-write of the statute took place with the passage of H1755 as Session Law 2007-383

(<http://www.ncleg.net/Sessions/2007/Bills/House/PDF/H1755v7.pdf>) creating a statewide 911 Board administering a single statewide 911 fee with oversight for both wireline and wireless 911; local governments could no longer set and collect their own wireline 911 fees. The new 911 Board was officially established in the Office of Information Technology Services (ITS), whereas the former Wireless 911 Board had only worked under ITS unofficially because the wireless 911 fees were remitted to ITS. The new board was comprised of 17 members from both the public and private sectors, and Mr. Taylor pointed out it was a rather “quirky” membership, including two NENA representatives and two from AT&T. Additionally, the service charge was set at 70¢ per month, although the Board was empowered to reduce it if it saw fit to. A PSAP Grant Account was also established using money from both the CMRS and PSAP funds.

Mr. Taylor went on to explain the General Assembly’s directive to the 911 Board on how to initially distribute revenue from the new single statewide 911 fee to PSAPs. Each PSAP was assigned a base amount equal to the amount it received in the fiscal year ending June 30, 2007 as reported to the State Treasurer’s Office, as well as a per capita distribution based upon the most recent population estimated certified by the State Budget Officer. Prior to that, wireless 911 fees had been collected by UNC, which does not report to the State Treasurer’s Office, so that arrangement had to change. Mr. Taylor also pointed out that since the Eastern Band of the Cherokee Indians does not report to the State Treasurer’s Office, it became ineligible to receive 911 funding, despite its having had a primary PSAP for many years. He added that technical corrections were made to the bill, however, which reinstated the Eastern Band as eligible to receive funding.

The next legislative changes occurred in 2010 with the passage of H1691, becoming Session Law 2010-158

(<http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1691v7.pdf>). It incorporated recommendations made by the House Select Committee on the Use of 911 Funds into the statute, and Mr. Taylor worked closely with that committee during its deliberations. He noted that NCACC Executive Director Kevin Leonard used to quip that it should have been called the Hilton bill because so many discussions unofficially took place in the lobby of the North Raleigh Hilton. Among the changes the new legislation brought about were changes in the membership of the Board, though not the number of members, with equal numbers of public sector and private sector members. Also, the Board was given the ability to pay for statewide projects (such as ECaTS), the ability to adjust the 911 fee every year instead of only even numbered years, and the ability to adjust its operating expenses up to a 2% maximum to ensure the Board had money to pay for technical expertise. Mr. Taylor observed a new stipulation was that a PSAP was not eligible to receive 911 funds unless it provided enhanced 911 service and received distributions from the 911 Board during the 2008-2009 fiscal year.

This legislation directed the Board to come up with a new PSAP funding formula by considering, though not necessarily incorporating, six guidelines [SL 2010-158 Section 7.(a)(3)] into the final product, and Mr. Taylor noted the Board has met that directive using the disbursement history funding model developed by Eastern Carolina University (ECU) College of Business for the Board in 2009, which is the five year rolling history model still in use today. PSAP Funding Model Subcommittee member Melanie Neal asked if the ECU study “encompassed” all of the considerations in Section 7.(a)(3), and Mr. Taylor replied it encompassed all that we had data for.

4. PSAP funding from the Funding Committee/Subcommittee Perspective

Chairman Estes advised the Funding Committee and PSAP Funding Model Subcommittee have been meeting, and since Committee Chair Jason Barbour was not present, asked Dave Bone, soon to replace Mr. Barbour as Funding Committee Chair, to bring the Board up to date on the topic. Mr. Bone replied he did not serve on the subcommittee and deferred to Mr. Taylor, who asked subcommittee member Tonya Evans to speak to the issue. Ms. Evans related that the subcommittee has had a great deal of discussion, much of it, as one would suspect for this topic, very unfocussed because it is such a huge question and there are so many people impacted by it. She noted it's easy to say we don't want to negatively impact anybody, but much harder to actually do that. Among the topics they discussed, she said they returned to the concept of everybody receiving some sort of equal share, then thought about dividing up the costs of the calls, how many disciplines were dispatched, etc., but have not been able to agree on anything because they think there are a lot of factors that still may not be being considered or that they want to be sure they are looking at. That said, Ms. Evans indicated the committee was kind of excited about the fact the Board was going to work with it and the committee was going to get some direction since committee members had been talking a long time without really making a lot of progress.

Ms. Evans related that she had been among those working on the five year rolling average model when it was first adopted, and they had thought that would be a really good thing because it would tell them how much 911 really cost. In hindsight, she observed she might debate that a little bit—it told us how much was spent on 911, but not necessarily how much 911 cost. She added they now know some people spent what they should have been spending, some people were very aggressive in what they were spending, and some people still don't have what they absolutely need to serve their citizens; they've not spent money on things for whatever reason, some with fund balances, some without.

Ms. Evans said it is her opinion that we need to have a baseline and know that everybody is where they need to be, but that information doesn't really seem to exist as an easy answer. She added that while a lot of data has been collected over the years, she's not sure anyone has a really great answer to the question of what all that data tells us. She ventured that is a concern to her, and from her perspective, looking at this kind of like you would look at any other budget, having so much money to spend and so much stuff to pay for, it's important that we figure out where everybody is and make sure everybody's where they need to be before we start dividing up. She observed that while the rules are certainly going to help, there is a lot of debate about how we can do that.

Ms. Evans pointed out there are some concerns about population, about what sources are being used to determine those numbers. The subcommittee did address the issue of seasonal population swings based upon seasonal influx or departure of tourists or travelers, and hypothesized that might be better looked at through call volume rather than population, which in turn led them to look at costs incurred per call; committee members wanted to make sure that was considered because it's a "big deal" for PSAPs—they have to be sure they can pay those costs all year, so how much do they need?

Ms. Evans noted that a lot of counties or municipalities are looking at building new PSAPs, resulting in financial reconsideration requests that are reasonable insofar as they deal with allowable expenditures, but not necessarily reasonable insofar as "how much do you need." She relayed how Durham 911 is going through the process of building a new 911 center with a

projected lifespan of twenty years, and has decided to size the communications floor larger than presently necessary to allow for future growth during those upcoming years. She added, however, that just because she has space for thirty consoles doesn't mean she needs thirty consoles to handle present loads, and she feels it's not right to pay for thirty consoles to have many of them sit empty, then have the equipment age out possibly before it's ever even used. She observed the committee wants to figure out a way to make that "fair"—how do you determine what number you do need? She related that members looked at APCO's Project Retains, but found it has a lot of information that is really complicated and looks at what staffing should be, "over-answering" the question. They then discussed how no more than 50% of staff should be working at one time, with the other 50% off duty resting, so perhaps the number of consoles could be equivalent to half of the number of FTEs the PSAP employs because if you don't have the positions, there is no way to argue that you need a chair per person, i.e. that you need the equipment for. Ms. Evans summarized they want to be sure that people have the equipment they need, but they don't want people to be able to "over-spend" for things that are going to be wasted. She then asked other subcommittee members if she had missed anything.

Laura Sykora noted they did spend a good deal of time discussing all that Ms. Evans described, coming up with lots of pros and cons for each approach, but without arriving at anything concrete to bring to the Board.

5. Board's goal(s) for future PSAP funding

Chairman Estes asked if we have solicited input from someone who specializes in building models, other than what ECU did in 2009. Ms. Evans replied the subcommittee has not done that, which she feels was the point Jason Barbour was trying to make at the last 911 Board meeting when he suggested we consider hiring outside experts. Chairman Estes observed that, as good as we may be as Board members, to his knowledge no one in the room is a model builder who can build a statistically valid model that does this type of complicated thing, adding that there is a lot of technology and a lot of discipline in that field now, so it might be something the Board would want to consider: hire somebody who actually knows how to do this, as was done in 2009, noting much has changed in the intervening seven years.

Ms. Evans responded the subcommittee did have a lengthy discussion about that at its last meeting, speculating that perhaps using a different group of people than were used in 2009 might be preferable; that although there is always an advantage to coming in with an intimate understanding of the historical knowledge, introducing a fresh set of eyes might be more desirable, and several subcommittee members audibly concurred. Chairman Estes asked if she could also comment on the time pressure the committee might be feeling; are there certain dates by which we must establish a new funding model to meet either statutory obligations or to ensure PSAPs have enough money to move forward? Ms. Evans replied she doesn't think they have necessarily felt that kind of time pressure, although there seems to be some urgency about the fact that this needs to be looked at. She acknowledged there has been some pressure to "hurry up and get this done", to stop talking and do something, the feeling being they have been just going around in the same circle and not making progress.

Dave Bone interjected that he thinks part of the sense of urgency is that the rolling average model kind of promotes spending, or incentivizes that, to a certain extent. He observed that while expenses are going up, we have limited resources and want to be efficient in the use of those resources. He added that the dedication of 10% of all 911 Board revenue to the Next Generation 911 fund limits resources to dedicate to other uses even more, and such limitations

are what is driving the timetable and the sense of urgency. Ms. Sykora added that subcommittee members have recognized that once they make a recommendation and bring it to the Board, and the Board determines a course of action, it will take at least a full year, if not 16-18 months, to implement. She added they have also discussed doing some sort of a transition to the new model, whatever it is, because some PSAPs will be winners and others losers simply because a change is being made. She also said they do have a concern that we are currently incenting excess spending, and how do we start to make those changes? Mr. Bone added we have had enough resources to fund financial reconsiderations for eligible expenses, but we are now to the point where, with diminishing resources, it may come to a point when we are no longer able to do that. Eric Cramer interjected that type of situation kind of creates a "race to the top"; if there are winners and losers you may look at a transition or phase-in of whatever the impact is, and then come up with some kind study that's a baseline of what is your actual "Op-X" and adding it in.

Chairman Estes advised there are a couple of things he has used successfully when trying to move forward with large teams. He said the first is establishing what rules to follow, noting that in this case the Board has been directed by law to follow some guidelines that are not negotiable. He speculated that since not all Board members have been active in this project or serve on the committee, it might be good to go back to the law and just re-confirm the guidelines the General Assembly has already told us to follow, and use that as the starting point of a discussion. Saying he saw some heads nodding assent, he asked Mr. Taylor to pull up the relevant section of the current statute presenting those guidelines. Mr. Taylor noted he was pulling up NCGS §143B-1406(a)(3) and began reading off the guidelines:

(3) Formula. -- The funding formula established by the Board must consider all of the following:

- a. The population of the area served by a PSAP.*
- b. PSAP reports and budgets, disbursement histories, and historical costs.*
- c. PSAP operations, 911 technologies used by the PSAP, compliance with operating standards of the 911 Board, level of service a PSAP delivers dispatching fire, emergency medical services, law enforcement, and Emergency Medical Dispatch.*
- d. The tier designation of the county in which the PSAP is located as designated in G.S. 143B-437.08.*
- e. Any interlocal government funding agreement between a primary PSAP and a secondary PSAP, if the secondary PSAP was in existence as of June 1, 2010, receives funding under the agreement, and is within the service area of the primary PSAP.*
 - e1. Any expenditure authorized by the 911 Board for statewide 911 projects or the next generation 911 system.*
- f. Any other information the Board considers relevant.*

When Mr. Taylor read guideline a, Chairman Estes observed there is no stipulation as to what source for population numbers must be consulted. Mr. Taylor observed this is one of the things the Board went round and round about with ECU in the 2009 study, adding it was one of the key things that Dr. Kleckley identified in support of the rolling five-year average. By way of example, he cited how Dare County's cost for providing 911 must include both the seasonal tourist influx and the off-season reduction, so the historical costs already included and accounted for those population variations. Mr. Taylor observed the beauty of the historical rolling average was that it accounted for both the population spike and the drop.

Directing a question to Richard Bradford, Chairman Estes asked if there are any historically acceptable population charts that government uses to make these types of decisions. Mr. Bradford replied population reports are collected by the Department of Commerce, as well as other agencies, and are available for use, but he would caution that the list of items being examined is not a formula; it is just a list of things that must be considered. Chairman Estes acknowledged that was the case, and that he was just trying to ensure that everyone was in agreement about what must be considered, so population is a dimension for consideration, and based upon Mr. Bradford's response, the Department of Commerce would be a valid source. Chairman Estes then asked all the attendees (Board and Committee members) if anyone had any questions about that consideration.

Mr. Taylor read consideration b, advising we have that data from the PSAPs. Chairman Estes again asked if there were any questions, and Mr. Cramer asked, "How are reconsideration requests authorized through the statute—through the costs?" Mr. Bradford advised that's in a different part of the statute, first of all, and the choice to do reconsiderations is actually the Board's, if it chooses to do so. He explained that the PSAPs have the ability to come back to the Board to say, "The funding isn't adequate because...", and that may be because the Board's planning was incomplete because the formula was incomplete; something has happened that the PSAP hadn't foreseen; a source of funding failed—maybe they had a federal grant that had been withdrawn, but they still need to purchase whatever the grant was going to pay for (provided it's an eligible expense). He reiterated that reconsiderations are discretionary, so there is some latitude and flexibility to ensure that the Board is available to address the needs of the PSAPs on an ongoing basis. Mr. Taylor underscored that a financial reconsideration is separate from this formula; they are basically two different things. Mr. Bradford added that he would say one tie between the two concepts, though, is that a reconsideration has not traditionally been used to change a PSAP's distribution amount for more than one year; the following year it reverts to what it had been. Mr. Bone pointed out, however, that it does factor into the five-year rolling average, and Mr. Bradford concurred.

Chairman Estes commented, "So again, we're just kind of base-lining everyone on what the law tells us to do." Mr. Taylor read consideration c, followed by the observation that some PSAPs may dispatch only a single discipline, while others may dispatch any combination of disciplines; some may provide EMD, some may not. Mr. Bone observed he thinks it is significant that EMD is mentioned specifically, and also restated what Ms. Evans had alluded to earlier regarding how the subcommittee had looked at several funding models based upon which and/or how many disciplines are dispatched by the PSAP. Chairman Estes remarked the statute doesn't require some kind of distribution based on discipline—that was just the committee's way to bring equity into a formula. Mr. Bone reiterated he just found it very interesting that EMD was specifically mentioned whereas protocols for other disciplines were not.

Subcommittee member Randy Beeman recalled that in some of the committee meetings members recognized that, although the Board wants to provide a consistent level of 911 service across the state, credentialing in dispatch protocols will vary based upon the variabilities among PSAPs. Building upon that, Mr. Bone pointed out the committee was trying to incentivize some of these other levels of service so that they would become more prevalent statewide. Chairman Estes observed that is a good goal, but added, however, it is not required by law, reminding everyone that we are at this point just trying to establish a baseline of what the law requires the Board to do. Greg Hauser said he would be interested in learning what the distribution of disciplines is among PSAPs in the state, as he has heard numerous times that the fire service seems to be the last one in line in levels of service. Mr. Taylor advised that when the committee

members were considering those factors, equal weight was given to each discipline and each discipline's dispatch protocols.

Returning to the list, Mr. Taylor read consideration d regarding tier designations. Chairman Estes asked for an explanation of tier designations, and Mr. Bradford related that they are recorded in the Department of Commerce and basically are an index of overall economic health and opportunity in the counties, with the lower designations indicating the more challenging environments. Chairman Estes asked, "So what is the law telling us to do?". Mr. Bradford replied it is telling us to consider that, adding that historically the more rural counties have been in the lower tiers—1 and 2—so they were more challenged; they had less ability to raise revenue through their local tax, so historically they were disadvantaged, and he speculated that a lot of the rural counties would say that's still true today. Chairman Estes said the interpretation of this would appear to be that a county with a lower tier designation should receive compensation different than one with a higher tier designation, but it doesn't really say which should get more or less; people from a high tier might say they should get more consideration than those from a low tier, but the law doesn't say.

Mr. Bradford speculated that the legislative intent behind this consideration is to recognize a point that Ms. Evans was making earlier: if a fundamental principle is to have an acceptable level of service in every PSAP, that is more difficult in the more rural areas than in urban areas—that's sort of the working assumption. Given that, he added, does it make sense to provide some kind of additional compensation, training, or support, whatever that might be, for some of the Tier 1 counties that the Tier 3 counties don't really need? He pointed out it is not necessarily saying that a Tier 1 agency should get, say, 25% more money (they may not have a way to spend it) or something similar, but if a Tier 1 agency needs, say, a capital item, it may take them eight years to amass the funds to purchase that item whereas another county that is not in similar straits might be able to work that into its budget in a shorter timeline. He asserted he is not saying that is necessarily true—it is simply one scenario—and there are probably dozens of scenarios that you could play out; you could talk about that single question for days. When asked how many Tier 1 counties there are, Mr. Taylor initially thought the number was 20, but after checking online, Mr. Beeman determined there are 40 Tier 1, 40 Tier 2, and 20 Tier 3 counties in the state. Mr. Bone asked how tier status was addressed in the five-year rolling average funding model. Mr. Taylor replied it wasn't, and didn't have to be—it just had to be considered when the model was being developed. He reiterated that all of the six items listed in NCGS §143B-1406(a)(3) have to be considered when developing a funding model, but that does not mean they must be used by the model. Mr. Bone then asked for confirmation that tier status does not play a role in the current funding model, to which Mr. Taylor replied that was correct. Mr. Bone also mentioned he thought the Department of Commerce was doing something regarding tier status designations right now, and guest attendee Casandra Hoekstra representing the NCACC advised it was, indeed, being examined, and Mr. Taylor added he had read some articles indicating it may even end up being phased out.

Mr. Taylor next read consideration e, regarding interlocal funding agreements between primary and secondary PSAPs, specifically those which were in existence as of June 1, 2010. He pointed out that consideration was directly attributable to the transition which took place pursuant to SL 2010-158. Mr. Taylor concluded his reading of the consideration items with e1, regarding authorization for the 911 Board to fund statewide 911 projects and NextGen911, and f, the "catch-all" allowing the Board to consider any other information it considers relevant. Chairman Estes observed that is where the Board's desire to provide consistent levels of 911 service from Murphy to Manteo fits in.

Chairman Estes added that is a guiding principle the Board hypothetically wants to meet, and as such, is an example of the type of principle the committee is looking for from the Board coming out of this exercise. He then asked if anyone had any questions about what the law tells the Board it must do. Sheriff Hagaman asked if any agreements such as cited in item e are still in force, and Mr. Taylor replied all secondary PSAP funding presently in effect is pursuant to the secondary PSAP agreements that the Board created three years ago. Chairman Estes asked if it is correct to surmise that any secondary PSAP which came into existence after June 1, 2010 does not receive funding, prompting a very pregnant pause from the head of the table. Mr. Bradford ultimately replied that is correct, but one of the things staff discovered when that provision took effect was that upon inquiry about such agreements, PSAPs would respond, "Yes, we have an agreement," but when asked to send a copy of said agreement, they changed their tune. He added he doesn't doubt that such agreements were understood, where a pattern and practice were in place clearly showing support and reliance upon one another, but local governments were unable to produce documentation in several instances. Some asked for an example of a model agreement, so Mr. Bradford said staff "...tried to make them happy so they could make us happy."

Chairman Estes then asked what the answer actually is to the Sheriff's question; do we have agreements, do we know "who's in and who's out", and everyone's in agreement on that, or are there still some discrepancies? Mr. Bradford replied he doesn't think there are discrepancies, explaining the Board went down that path and established a set policy on funding secondaries which required a formalized agreement, including a provision that the Board have a copy and approve it and so forth. He said that since that was done, although he doesn't look at money, he feels sure the Board's disbursements going to primaries to pass down to secondaries are stable and known—they are not expanding.

Mr. Taylor referred back to NCGS § 143B-1402, Powers and Duties of the 911 Board, paragraph (a)(1), which speaks to creating and maintaining a state plan, including the directive at the end of the paragraph to "...formulate strategies for the efficient and effective delivery of enhanced 911 service." He said that has always been where he has drawn inspiration for the "Murphy to Manteo" line, providing "efficient and effective delivery of enhanced 911 service" statewide.

6. Next steps

Chairman Estes reviewed that the Board and committee have seen the guidelines provided by the law, observing that the committee has looked at this quite a bit, so instead of having the Board replay every lesson it has learned, asked what the committee is asking of the Board. But before entertaining an answer to that question, he also asked what is wrong with the current funding model—for someone to explain the pros and cons of the current model.

Ms. Evans responded that the current model does not encourage fiscal responsibility; it rewards you for spending as much as you can, as well as for trying to be the best that you can be, which, she added, is certainly not a bad thing. She asserted we want everyone to be the best they can be, but not to the extent that we don't have enough money to support everybody at a base level. Chairman Estes asked if she makes that assumption because it uses a five-year rolling average, because the more you spend over the five years the more you receive as each new year begins. Ms. Evans concurred, observing that's the biggest issue with that model, or, as Chairman Estes observed, the biggest concern. He asked her if the committee has considered

keeping that model and rewarding the PSAPs which do act in a fiscally responsible way, such as “If you spend less money than you did last year you get an award.” She said they have not really discussed that so much, but they have discussed at great length how to know if PSAPs are spending what they should or shouldn’t, but that’s where the committee feels it doesn’t have data.

Apologizing for perhaps speaking more than he should during a working session, Chairman Estes offered some of the feedback he’s heard over the years he’s been affiliated with the Board. First off, he said he has learned that the PSAPs do not want the Board to tell them how to run their business—that has become crystal clear. Reflecting on that, he said that when he starts hearing about the Board dictating how PSAPs should spend their money, he starts to think that’s exactly what we’re doing, and the result will be a lot of blow back from the local governments. He observed he would caution the Board, whatever solution it develops as a Board, that it allows PSAPs the freedom to run their local business the best way they can. He added, however, the Board’s job is to ensure PSAPs run their business efficiently and make sure money is spent equitably across the state—that’s what the law has asked it to do.

Ms. Sykora asked everyone to roll the clock forward about five years regarding the rules and the reviews of PSAPs, saying if we knew which PSAPs were lacking and not meeting minimum standards, then we could focus this model to help those PSAPs come up to standards as step one of the funding model, but right now, we don’t know. Chairman Estes asked if she means something like who’s an ‘A’ PSAP, a ‘B’ PSAP, a ‘C’ PSAP, or some such. Ms. Sykora speculated the staff could possibly categorize them that way, but specifically we’ve not had the reviews of the PSAPs to say “Oh, your generator’s 35 years old and it takes an hour to get it cranked up,” or “You haven’t tested it in a year,” or whatever. She clarified that she doesn’t think we know where the PSAPs “technically stand,” although she said she thinks staff is in the PSAPs enough, and frequently enough, to know who’s going to be in really good shape and who is not.

Dinah Jeffries said she thinks the rules are still going to help initially, because the PSAPs are going to be looking at the checklist, ergo at the rules, and determining where they stand in relation to meeting the rules, and even if the Board is doing a periodic check with them, until we gather a lot of data, we can still look and see if we’ve got a PSAP that says, “Nope, I’ve never tested my generator and haven’t a clue where any test records are.” In other words, she said, we can start getting an idea of where PSAPs are. Ms. Sykora also noted, “Does testing a generator or not testing a generator mean they need to spend money?” If it works great, no, but if it doesn’t, then they need to buy a new one. Chairman Estes observed that as the chair of the Standards Committee Ms. Sykora has first-hand knowledge of what is expected of the PSAPs in the rules. She acceded that, noting that at tomorrow’s Board meeting the committee will be presenting how it plans to select peer reviewers, and at last month’s meeting the Board approved the checklist. She added she doesn’t want to slow down the process of creating a new funding model, but to be able to target the PSAPs most in need at this time will be difficult.

Chairman Estes noted that Mr. Taylor had displayed onscreen an excerpt from the minutes of the Board’s July 2014 meeting (<https://ncit.s3.amazonaws.com/s3fs-public/documents/files/2014-07-25-Minutes.pdf>), where Dr. Kleckley stated a major problem with the current funding model is that it is backwards-looking, that what is needed now is one that encourages planning, one that everybody adheres to. Mr. Taylor reminded everyone that one of the duties of the Board he had displayed onscreen earlier is to monitor trends in the future, trends pointing to where we’re going. He postulated that with a backwards-looking

funding model, we are not looking at future trends; we're looking at what has already happened, not what is going to be happening moving forward. He observed we are presently reviewing RFPs for an ESINet, and it's scary, because as we look at what's in the ESINet and at what's in a lot of our PSAPs, they're nowhere near ready for Next Generation 911. Searching for words, he eventually pointed out we've got a long way to go, and we're constantly looking backwards just trying to help them (PSAPs) "come here" instead of "going there," if that makes sense. He offered that we need to be "going there," looking to the future rather than the past, and he thinks that is what Dr. Kleckley was trying to tell us. He also added that as Ms. Sykora has already pointed out, if we were to change the model today, it would probably be July 1, 2018 before we could implement it. Ms. Sykora added, as Mr. Cramer mentioned earlier, then there would necessarily be a period of transition. She acknowledged there will be winners and losers, and because we don't want to hurt any PSAP, we will want to "soften the blow."

Mr. Taylor asked if he could "throw another twist into this." Chairman Estes' response was, "Why not?", triggering laughter about the room. Mr. Taylor brought attention to a handout listing ECaTS data regarding the annual number of 911 calls received per PSAP juxtaposed against the total 911 funds distributed annually to each PSAP yielding an annual cost per 911 call. Mr. Taylor observed the funding committee has discussed cost per call on several occasions, and it appears to be one of those things nobody wants to take up, but he wanted to throw that into the mix today: do we want to continue to fund PSAPs where the cost per 911 call is a "couple of hundred dollars?" Chairman Estes and several others asked where on the chart such costs appeared, and Mr. Taylor directed them to Beech Mountain P.D., where the cost per call in 2015 worked out to be \$174.62. Mr. Taylor added the Board has talked about improving efficiencies many times—he offered tongue in cheek that if Mr. Shipp hasn't mentioned it at every Board meeting he's attended, he'd be surprised—and he just wants it to be out there as a discussion item; he's not advocating "yes" or "no", but wants people to be thinking about it.

Chairman Estes cited this as an illustration, once again, of why the Board needs to provide some guiding principles to the committee. He defined a guiding principle as a sort of statement that the Board agrees to that the committee would then use to make decisions. So if committee members were faced with Mr. Taylor's hypothetical question, should we continue to fund PSAPs where the cost per call exceeds \$X per call, they would look at this guiding principle to see if it informs them as to how the Board would like them to act in this type of situation. He offered another example of a guiding principle might be a topic he addressed earlier in the meeting: that the Board is not going to dictate how someone in a county mans or staffs a PSAP, which actually would fly in the face of placing a cap on a cost per call. He stressed he's not advocating one or the other; he's simply illustrating how the committee could use guiding principles which come from the Board. He stated the Board should give the committee members four or five bullet points that give them guidelines, so they can make informed decisions on how to move forward. He added he also thinks the Board should give the committee guidelines on whether or not we need outside help. He then asked members if they thought we should spend time talking about these guiding principles; spend a little time talking about the need for outside support—do we have enough in-house talent to build a next generation funding model that is forward-looking? He then asked everyone if we even need a forward-looking model, just because Dr. Kleckley said we did—do we all agree we need it, or should we debate that for a few minutes?

Ms. Sykora speculated that would be a good place to start: do we need a new funding model, and if so, should it be forward-looking? She observed we have heard several Board members serving on the committees as well as other committee members speak to that, but asked how do other Board members feel about it.

Greg Hauser responded by saying he is concerned with path currently being followed, with 10% of total revenue coming off the top to fund NG911, as well as other mandates the Board must meet by statute that will potentially require funding, e.g. new state projects and ongoing state projects. He said he's a little bit concerned about what will be left, observing he knows the NG911 process is just beginning and the equipment and cost is not getting cheaper, and is worried that, "We'll be shooting over the folks that need the funding to pay for stuff we've already looked ahead ten years for." Pointing out that we're already looking forward with NG911 and the ongoing GIS project, but regardless of whether we're looking forward or backward, he's afraid we're going to reach a point where there is not enough money.

Andrew Grant said he'd like to build on Chief Hauser's comments, recalling that several meetings back the Board, including himself, voted against raising the 911 fee. That said, he admitted he knows in his gut we need more money for the future, but doesn't know how to spend it. He added he wants to be able to make a good case to the legislature as to why an increase is necessary, and that he agrees with Ms. Sykora's statement that we need to look forward and we do need a new funding model for all the reasons that have been stated. He also said he agrees with Chairman Estes in that the Board needs to agree to some guiding principles to help the subcommittee.

Ms. Sykora pointed out that if we do decide to reach out to ECU again, or some other modeling team, the subcommittee can use those guiding principles to help that outside team understand what the subcommittee needs help with. Chief Hauser asked if there is some way to use the rules as a guiding principle, since PSAPs are either going to have to comply with the rules of fix (or fund) whatever is out of compliance. Chairman Estes replied, "So here's the death spiral we get into with this,"—we're going to set a baseline that says every PSAP must meet these standards, and there's going to be a certain group of them that can't, and now they're going to need money, and as Chief Hauser just commented, we don't have as much money as we did because of NextGen, etc., etc., so we're going to get into this death spiral as to how to prioritize who gets what limited resources there are. He acknowledged that is the problem before the Board and committee now, and it has to be solved, but observed it is interesting to think about a guiding principle that applies to standards in terms of a transition period, since all PSAPs won't meet the standards on day one, and they will all need funding to "move up the ladder."

Rick Isherwood asked at what point in time is it more cost effective for PSAPs to look at consolidation versus continued funding, while admitting he knows that's a very sore subject. Chairman Estes observed there are ways to get the behavior you want, e.g. the carrot and the stick, and he has learned the carrot is much more effective. He noted that if you are a business leader, you know that consolidation is more efficient and effective, and asked if we couldn't incent that behavior rather than forcing people into it. Mr. Isherwood countered that if the Board continues to look at PSAPs which are in the greatest need to improve, he doesn't see where that change is going to occur.

Mr. Bradford observed he thinks you can "chase this little rabbit" for a long time, and reminded all how he has said in the past that when you are discussing a problem not to confine your thinking to what the law says today, necessarily. He encouraged folks to consider things they might want to change in their guiding principles to sort of separate those two ideas. He pointed out that if there are shorter term changes for the model that allow you to move forward in a way that you think is positive, great, but also recognize that there may be some things that need to change because the law needs to change; limiting funding to PSAPs based upon their

capabilities is one of those things—right now the Board doesn't really have the latitude to say no to a PSAP that has a cost per call of \$25, for example.

Referring to the handout which lists the cost per call, Ms. Sykora suggested looking at the PSAPs based upon what tier they are in, going back to the statutory considerations, and possibly determine what would be an acceptable cap based upon average cost per call within a given tier in order to meet the statutory duty of the Board to “formulate strategies for the efficient and effective delivery of enhanced 911 service.” She hypothesized that might be a help even if the Board continues to use the historic information funding model, possibly a “step one” while the Board learns which PSAPs are compliant with the rules, which need help to become compliant, etc.

Chairman Estes spoke for a while about the dynamics of changing the funding model from backward to forward-looking, pointing out that the backup PSAP plan directive from the General Assembly is a good example of a forward-looking initiative, but adding how that will, both coincidentally and eventually, become a part of the five-year rolling average. He observed how NextGen is probably the biggest, most significant forward-facing thing that the Board is going to do which will require lots of different behavior from the PSAPs, but also how that will probably allow a lot more variability in the operating model for PSAPs once that capability is fully delivered, although he didn't expect that for another four to eight years. Mr. Taylor disagreed, saying first deployments will take place in 2018. Chairman Estes asked if that wasn't just for establishing the network, not full functionality, and Mr. Taylor assured him it was full functionality, while acknowledging that the process will take two years to reach 100% deployment (all 119 primary PSAPs), expecting that to be complete in 2020. Chairman Estes asked if that will include “all the cool technology” that's expected from NextGen, and Mr. Taylor said it would include all that is available in 2020. He further stressed that is and has been the goal of the NextGen project, which is why the push has been on for getting out the RFPs the project team has worked so diligently on.

Mr. Grant observed, “We need a high tide that will raise all ships,” and asked if the NextGen solution will address that. Mr. Taylor replied, “That's what our concern is—that's the forward-looking piece of this discussion, why staff is trying so hard to ensure that purchases PSAPs make now will serve them in that new environment, and not be obsolete at purchase.” He recalled that Mr. Isherwood was right on target when he spoke about not giving grants for old technology. Mr. Taylor said all involved are trying to achieve that balance, but it's very difficult. Chairman Estes observed that after having served three years as the state CIO, it's great to say you want to buy new stuff, but you have to “keep the lights on,” with which Mr. Taylor readily agreed. Chairman Estes further stated that his experience has been that “All the great promise of something being here in two to four years is really four to six years.” Mr. Taylor said the NextGen team totally agreed with that, which is why the members were so adamant about not only setting the goal for two years, but about sticking to its timeline as well. Chairman Estes retorted that if we say we're going to have something ready in two years, and a PSAP says “Great...we can wait two years,” but then it takes six years to get there, that makes a huge impact on how they run their business. He also added how, historically, government is not really good at meeting milestone dates—that's not a criticism, just a fact, for many reasons not worth going into now—so he feels we need to be careful setting milestone posts that aren't realistic and then the PSAPs run their business against those dates and then they get into trouble. Mr. Taylor agreed, saying he's had that discussion with staff myriad times, but what scares him is seeing PSAPs making investments over a five or ten-year period of time on technology that we

know is not going to be compatible with NextGen, especially considering the prices they're paying.

Chairman Estes asked how do we create a guideline for the committee relating to future NextGen capability and how that works in a forward thinking model. Ms. Sykora said it sounds to her like we need this transition to only funding NextGen, if in 2020 everything is going to be NextGen at all the primary PSAPs. She acknowledged she understands "We need to 'keep the lights on,' but the funding model needs to only fund NextGen by 2021, if that's true." Mr. Taylor said he thinks that gets right back to what Mr. Bradford spoke to: the Board can't say no to a PSAP's request to spend money on an eligible expenditure unless the statute changes. Mr. Bradford agreed, saying this is one of the reasons why he was suggesting earlier that if there are things that you see as important in terms of continuing funding, better model, and so forth, that require changes in the statute, then fine, but don't limit your thinking to the current law. Chairman Estes paraphrased that by saying if we think we want to implement something that limits the way we fund, we could have our liaisons work with the General Assembly and Board members to get things changed, noting that the long session in January is a good time to undertake something like that. Mr. Bradford said it doesn't necessarily have to be a change that is sought in the next session, but rather something that is communicated in the next session, because the change may be more prudent in a year or two or more. He observed that with economic planning there is "the here, the now, the future" and the way to get there, e.g. other transitions. He said he doesn't believe anyone has advocated, nor would he expect them to, to do something tomorrow that would say "Okay, then these PSAPs don't get any more money," or that "These PSAPs only get half of what they think they're going to get." He stressed once again he simply doesn't want anybody to shortchange the opportunity to bring everybody's mind together and focus on this by limiting thought to what's in the legislation today.

In building upon what Mr. Bradford had said, Mr. Bone offered that we may need an interim funding model "for X number of years" but have an end goal of the ideal funding model, with certain legislative changes, as the long term goal. Mr. Bradford interjected that the five-year model was not intended to be implemented for a long period of time, however, there wasn't really anything pushing the Board to change it. Now, he said he thinks the Board has at least one issue lobbying for that—NextGen—and perhaps a couple of others that are pushing for less resources. Chairman Estes said he thinks all are in agreement that the need to change is driven by fewer resources, backup plans, and NextGen, as but three that come to mind right off the top of his head, as well as things like people using their mobile devices to do more than they have in the past. He opined that a forward-facing model, by virtue of the expanded uses of mobile devices, might have to look at costs such as text messaging that don't really exist yet today.

Mr. Taylor said he found it interesting that Chairman Estes mentioned that topic because text messaging and location accuracy for wireless 911 calls are both very big with the FCC right now. He pointed out that 911 text messaging today is strictly a voluntary thing for the wireless providers—it is not a mandate—so as you look at the future with wireless carriers and what will eventually be next generation text messaging, which will be real-time texting, there may be an entirely different cost model associated with it, but as yet we don't know what it will be. He observed that since the carriers are voluntarily providing texting today, nobody is having to pay extra for it, but as we look toward real-time texting (as well as the Z coordinate as an indicator of elevation in wireless call location information), there is the potential for anything. Referring once again to the minutes of the July 2014 911 Board meeting, he noted the discussion that went on about the fact that few, if any, PSAPs actually have a strategic plan—probably 90-95% do not—or a technology plan, for the next five or ten years. He hypothesized that's where a forward

looking model could come into huge play, if they (PSAPs) would sit down and say, “You know, we’re looking at what we’re going to be doing for the next five years (or the next 10 years). Saying he wanted to avoid going down another rabbit hole, Chairman Estes said he would argue, if he were a PSAP, with all due respect, where is the 911 Board’s plan? He offered he would want to see that as an anchor, but we don’t have a good strategic plan to put out as a model for individual PSAPs, so before we ask them to develop a plan he thinks we need to look in a mirror pretty hard. Mr. Taylor agreed that is a great idea, and Chairman Estes added he does think there is a gap on the Board’s part in its strategic plan on where technology is going, how NextGen fits in, how backups fit in, etc., and although that’s not what today’s meeting is about, he thinks that needs to become a to-do item for the Board.

Mr. Taylor said his thinking leans more toward building a funding model around PSAPs’ strategic plans, e.g. the Board looks at a PSAP’s strategic plan and funds the PSAP based upon that plan, a “new outside-of-the-box” idea such as former Board Chair George Bakolia alluded to near the end of the July 2014 meeting. Mr. Taylor suggested that rather than just saying “here’s a formula”, and funding must fit the formula, let’s fund according to a plan. Mr. Bone asked how are small PSAPs going to come up with these strategic plans—will the Board fund them? Mr. Taylor responded that’s where his thinking is going. Ms. Sykora said they couldn’t replicate one from the Board, alluding to Chairman Estes’ comments about the Board not having one. Chief Hauser pointed out that the NG911 project offers a good example of a plan: there is a thorough concept of operations, complete with timelines and pricing to achieve each benchmark, etc. Chairman Estes acknowledged that has some of the elements, but is not complete. Mr. Taylor agreed, saying, “We need to update our state 911 plan,” while pointing out that what goes on in any given PSAP is not necessarily what goes on in another, yet we’re trying to create one funding model that fits all those disparate needs. Noting that Chairman Estes was certainly correct in saying the Board can’t tell a PSAP how to run its business, he speculated that if we built a model around each PSAP’s strategic plan, funding each according to its unique set of circumstances, wouldn’t that be a better approach?

Mr. Isherwood commented that he was following along with Mr. Taylor just fine until he got to the part about building a model around “their” plans. He stated the 911 Board should have a plan, and maybe that could provide directions to the PSAPs that they need to come up with a strategic plan and it needs to address “x, y, and z.” Chief Hauser said he would be concerned that a county might develop a plan saying, “We need table-top glass LCD screens and sixty consoles and radios for every person in the county, and you (the 911 Board) are going to have to pay for it,” regardless of whether or not a genuine need exists. Mr. Taylor acknowledged that concern, but said he was just “brainstorming” to try to stimulate creative thinking “outside of the box.” Chairman Estes speculated that the answer may lie somewhere within both lines of thought. Mr. Cramer offered that NextGen is sort of the blueprint, a template if you’re driving toward this forward-looking approach; here are efficiencies that should be baked in at the end; take consolidation into account; grade it and weight it on a factor of “...whatever you’re going to save on the back end you’re going to have to get rewarded for it,”—that’s where he thinks the Board is going to have to go. He added you have to give PSAPs something to use, not just “fifty grand to develop their own plan because they’re all across the board—you have to give them some consistencies so you can grade it and weight it.” Ms. Sykora likened it to the grant process, and Mr. Cramer replied, “Exactly.”

Mr. Beeman said he had a question from the funding subcommittee perspective, recalling that while we’re talking about strategic plans and looking at money and resources, one of the things the legislature “got their hands on” regarding 911 was the ~\$60M sitting in PSAP fund balances

unappropriated. He asked Marsha Tapler if that figure was correct, and she said it was actually more like \$76M. Mr. Beeman then said that one of the things the Board and committee should be thinking about in their formulary about strategic planning is how do we help those PSAPs that are holding onto that kind of money utilize it before we start jumping out and adding increases to the rate; we need to make sure PSAPs are managing that money first. He admitted that may be far-reaching, but it is an element that needs to be addressed. Chairman Estes offered that could potentially be a component of the “Any other information the Board considers relevant” consideration that the law allows [NCGS § 143B-1406(a)(3)(f)]. Mr. Beeman agreed, noting, however, that it may take some PSAPs five or ten years to build enough of a fund balance to buy, say, consoles, or servers, or whatever. He added that even he is having a struggle with his medium-sized PSAP in Cumberland County in getting the county’s IT department to agree to a three-year refresh cycle, so he can easily imagine some smaller PSAPs being forced to operate with equipment that may be as much as twenty years old, and characterizing that as the elephant in the room.

Chairman Estes said he was going to try to keep things summarized, noting that would definitely be an example of a forward-facing element, although having a bunch of money sitting in reserve could also be seen as backward-facing. He also acknowledged Chief Hauser’s observation that the presence of a large PSAP fund balance could be an indicator of saving toward a major purchase, so it’s not as simple as it might look. Mr. Taylor concurred, referring once again to the minutes of the July 2014 Board meeting where Dinah Jeffries made the observation that when PSAPs are buying equipment, especially smaller PSAPs, not everything they are purchasing can be paid for using 911 funds—they also incur expenses which are not 911 eligible and must have access to general fund money, which may not be as accessible to them as their 911 funds—hence it may take a couple of years to put together all the financial pieces which allow that capital investment to take place.

Chairman Estes observed, “We’re probably not going to be able to publish a set of guidelines out of this session, but I think we’re in agreement we need some.” He speculated that either within the funding committee or a special committee which supports the funding committee, “...we might need a small group to establish a set of perhaps half a dozen guiding principles to bring back to the Board for consideration and approval—I’m feeling like that might be a good way to attack this...” He further speculated that might best be accomplished by a smaller group of Board members who get on a whiteboard and actually start documenting what constitutes these guiding principles based on everything discussed today, as well other things that have not been discussed. Mr. Taylor noted that five Board members already serve on the Funding Committee, so that might be a good group, as well as the non-Board members of the funding committee, and perhaps they could devote a half day—more than just two hours—to a whiteboard session, possibly on September 29th, the Thursday afternoon before the next Board meeting, so people could combine travel needs. Ms. Sykora wondered if it might not be better to expand the next Funding Committee meeting on September 7th so if it needs to be looked at again, filtered, documented, slept on overnight, etc., because to do it the day before the Board meeting the next morning might put undue pressure on it. Mr. Taylor said he was not intending to have answers for the Board meeting—he was just thinking of streamlining travel. Ms. Tapler reminded Mr. Taylor that they are scheduled to review a significant number of funding reconsideration requests the afternoon of the 29th, but he said he felt they could do both things. Ms. Sykora asked what is on the Funding Committee’s agenda for September 7th if they’re doing funding reconsiderations on the 29th, and Ms. Tapler said she hopes to have many of them ready for review on the 7th, but because there are so many, wants to have the extra date as well.

Mr. Taylor took a straw poll of the Board members on the funding committee, and all appeared to be willing to do that. Mr. Grant asked if the minutes from today's meeting could be made available and maybe start generating some bullet points from what has been discussed today. Chairman Estes speculated staff could possibly circulate by email the "two or three" or "four or five" that came out of today's meeting as opposed to the full set of minutes, and maybe members could forward their recommendations to Mr. Taylor so the process could be jump-started a little bit versus starting cold from a whiteboard. He said he thought there has been a lot of good discussion in the room today, and we just need to get something on a piece of paper that people can react to.

Chairman Estes also returned to the question of third party assistance in building a funding model: does the Board need professional help? Ms. Jeffries endorsed that, noting that she's not saying that the funding committee is not capable of doing it, but there are so many perspectives, and everyone has an interest in what the funding model is going to be, that sometimes getting an outside view is an excellent idea. She added that everyone who has been working on this so far has got to be tired, because this has been being discussed for so long. Chairman Estes asked if there might be any best practices in other states that could help, and Mr. Taylor indicated there were not. Mr. Taylor said that after the last Board meeting he had contacted Bill Youell, his counterpart in Connecticut, about the "algorithm" approach they have taken to their funding model, but at the end of the day, it was essentially "...like the same horse that we've been beating for a long time," and some of the things they have done are very radical and he's not sure they would fly in North Carolina. He added that the funding committee does already have a recommendation to come before this Board regarding a third party, but he thinks although that may need to happen, it's really a little premature to do it now: Any third party engaged to help is going to need some parameters to work within, so that needs to happen first. He asserted he does believe bringing in a third party is necessary—that he agrees with the Funding Committee there—but he thinks that we must be able to give them some guidelines to work with. Chairman Estes asked if he was saying the Funding Committee has already decided third party help is needed and was going to bring that to the Board at the appropriate time, and Mr. Taylor replied that was indeed the case.

Chairman Estes reminded everyone that the process to procure a third party may not be a fast one, but there are procedures to follow to make it happen. Mr. Taylor reiterated that if we utilize a state government agency, such as an educational institution—e.g. NC State, UNC, ECU, etc.—we would not have to go through an RFP process. Chairman Estes asked if he is familiar with any of them having expertise in building models, saying he's sure NC State has "lots of analytics guys". Mr. Taylor agreed that they do, and mentioned that the committee has asked that we do not go back to ECU if only to have some fresh eyes, get some fresh perspective. He added he is familiar with Dr. Walden's work at NC State, although he's never met him, and would like to approach him as things move a bit further, although that may yet be a little premature at this point. Chairman Estes asked if perhaps we could write up what we're trying to accomplish in, say, a two-page document, and send it to all of the UNC system's schools, almost like a bidding process among the schools, and let them decide who is best suited to help us—who has the best expertise. Mr. Bradford replied that we could, but he honestly would not recommend it, as he thinks we're more likely to get a positive response if we do a little investigation first as to who has the expertise and who has the interest. He added it seems to him this is a good master's thesis, and Mike Walden is a great guy at NC State, but whether he's interested or has the grad students to do it is an unknown. Mr. Bradford mentioned ECU came up before (in 2009) because some of the faculty members there had particular interest in

911, so they were interested in what the Board needed, but he thinks they may have been more interested in what they wanted. Regardless, the by-product was good for the Board—it just worked out quite well. He concluded he thinks it's easy enough to make some inquiries—look for some papers, who's published what and what they're doing—and then go from there.

Chairman Estes said he thinks the first step is for the Funding Committee to establish what we need a third party to help with; even a paragraph would be a good starting point. He also asked if there is any documentation from what we originally asked ECU to do, and Mr. Taylor said yes, he has copies of all that. Chairman Estes offered that could be a good starting point, basically to refresh that. While acknowledging that ECU took that project, and has subsequently done a lot of work in the 911 arena nationally, including work for the National 911 Program, Mr. Taylor speculated that if we use somebody here in Raleigh to bring fresh eyes to the project, it certainly makes it a lot easier on the staff. He also pointed out that a big difference now is that we have “tons of data” we did not have for ECU to work with, and he thinks that will help tremendously. Chairman Estes commented that the data could help establish patterns that in turn could help with the “forward-facing” concept.

Observing that he was picking up body language indicators that people were ready to head out, Chairman Estes once again attempted to sum up today's discussion. He listed having established a need for some guiding principles; the committee is going to come back with some recommendations for bringing a third party in; what else? He asked if Board members on the committee thought this would help it move forward, and Mr. Bone replied he thought it would. Ms. Jeffries asked what the status is on the North Carolina 911 Assessment performed last year by the National 911 Office—where is that report? Mr. Taylor replied the Director of the National 911 Office, Laurie Flaherty, will be meeting with staff on September 6th to discuss several of the assessment's findings that the Board has contested. He offered that until those contested findings have been resolved, the report will not be finalized.

Mr. Bone picked up the thread of that by mentioning Ms. Evans, who had to leave the meeting earlier, expressed a desire to have access to an assessment of where each PSAP stands, and asked Mr. Beeman if, as a PSAP Funding Model Subcommittee member, he had been part of that conversation. Mr. Beeman replied he had been, and he believes part of that will tie into the standards set within the rules. Ms. Evans then spoke up over the telephone connection, saying she was “still in the meeting,” and Mr. Bone reiterated what he had said about getting a clear picture of what equipment each PSAP has, the services it offers, the inventory, and asked for her comment. She replied she does think it's very important that we know where we are before we can move forward, and she thinks that the checklist for the rules is going to be a very helpful tool, although she also understands Ms. Sykora's point about it taking a while before that is realized. She added, however, she thinks it would be really helpful to have PSAPs do self-assessments, understanding that we don't always get good responses to such requests, because if we didn't try to get their input, and then one (or more) of them does end up being hurt in some way, that wouldn't be good—by asking for their input, we could at least say we tried, we gave them an opportunity to provide it. She also speculated that it may open up opportunities to provide some guidance to PSAPs that are in need of help. She said that, in her opinion, we need to know what PSAPs are not at an appropriate level now, and before we can figure out what to do as a Board we have to get them to at least an appropriate level to function now.

Mr. Taylor replied that's what the Standards Committee is doing right now, and Ms. Evans said she understands that, but it's going to be a while in coming, so should we take the checklist they have developed and the very good work that the committee is doing and see if we could have

the PSAPs do self-assessments in order to get something to work with for developing the funding model instead of having to wait? Admitting they might not be perfect, she said she thinks they would have value. Ms. Sykora said she doesn't disagree, but she thinks about how hard it was to get backup plans from PSAPs submitted, and that was to meet a statutory requirement, so if we could count on compliance from all the PSAPs, it would be great information, but she just doesn't know if that would happen. Mr. Bone said as he recalled the committee discussion of self-assessment, maybe there would need to be some sort of additional consultative study so that we would not be dependent on the PSAPs completing the self-assessment, but rather some consultant doing that study for us. Chairman Estes offered maybe we already have the data we need through ECATS—average speed of answer, number of calls handled, etc.—are those some good first-pass measures of success, and could we use that data to establish some principles on who's doing well and who's not? He noted that way you don't have to ask PSAPs for it and you don't have to hire a consultant; you just look at the data we already collect. Ms. Sykora reminded everyone that some of the factors that contribute to those metrics are not paid for by 911 funds, such as how many employees are available to handle calls, so while she thinks the ECATS data is good information, it's maybe only one leg of a multi-legged stool, and she would be reluctant to make decisions solely upon that data. Ms. Jeffries agreed with Ms. Sykora, but still said she thinks we should push for responses to the checklist. Ms. Sykora offered that maybe if we got only 70% participation versus 100%, that could provide enough data to start with.

Chairman Estes said one other thing that has come up during this meeting that he doesn't want to lose sight of is the 911 strategic plan, and asked if that falls within a committee or is all on staff or some combination of both. Mr. Taylor replied that in the past a committee, or study group, was created specifically for that task. Recalling it had been discussed earlier this year, he said the group was composed of twelve public sector folks—no Board members—recommended by the public side of the Board. He advised he already has received a couple of recommendations—Chief Hauser and NC APCO Immediate Past President Rick Thomas have made recommendations—but he has not had the opportunity to pursue it any further in part due to the fact that the backup PSAP plan mandate has completely overwhelmed staff. Chairman Estes wondered aloud if perhaps a third party could help accelerate development of a strategic plan, and Ms. Sykora offered perhaps a better choice of words would be to facilitate the process, as we need expertise from people from within the 911 community. Chairman Estes concurred, agreeing that our resources would be the experts and the third party could frame the structure, the process, documentation, etc., so that the Board can approve it, admitting that waiting until staff could do it would likely take a long time. Mr. Taylor assured him he would pursue that.

Ms. Sykora reminded everyone that the Board has made a lot of progress, done a lot of good things, and Mr. Taylor added we've accomplished many of the goals set in that plan. Ms. Sykora suggested that maybe at the September Board meeting the old plan could be reviewed to see what has been done and what still needs to be. Chairman Estes offered it would be sort of a status report, and Mr. Taylor suggested it be part of the December work session for setting goals for the next year.

Ms. Sykora took that opportunity to introduce Josh Brown, who will be replacing her on the Board at the first of the year, and intends to be attending meetings, including the December work session and Board meeting, between now and then, to familiarize himself with what his new responsibilities will entail. Conversation then turned to the half dozen or so Board members who will be rolling off the Board this year and who their replacements will be, with Mr. Taylor

stating there will be a new member orientation in November where staff will spend a day introducing new Board members to their new responsibilities.

Chairman Estes asked if any Board members had any other items to bring before the Board prior to adjournment, and Mr. Taylor took the opportunity to remind everyone that the Governor would be presenting tomorrow's telecommunicator recognition at the Governor's mansion at 10:00 AM, so the Board meeting will be delayed until 10:45 AM. He also asked Grant Committee members and Mr. Bradford to meet with him in his office for about ten minutes at the conclusion of this meeting. Chairman Estes asked what tomorrow's agenda timeline will be, and Mr. Taylor said he expected it to move very quickly—that it should conclude by 12:00 or 12:15 PM.

Hearing no calls for any further business, Chairman Estes adjourned the meeting at 4:38 PM.