



Statewide Needs Assessment and Plan for the Improvement of Public Safety Radio Communications Systems in Wisconsin

Phase III – Funding Priorities

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1 Introduction

There is never enough money to address all of the needs of the Public Safety first responders and State Public Safety agencies. Although great progress in the availability and magnitude of Federal funding has been made since the tragic events of September 11, 2001, there is still a large gap between the needs and funds to cover them. Wisconsin has many important decisions ahead as the State tries to improve its public safety mobile radio communications interoperability. The decision process is complex with a number of variables to evaluate and make selections that will affect the path forward to higher levels of interoperability.

Once the future architecture for interoperability is determined, Wisconsin must decide:

- How to evaluate proposals from users
- How to fund the projects

The following sections of this report will explore current practices in Wisconsin and in other states and will develop a recommended approach for Wisconsin to follow to make best use of the limited funding available.

2 Current Sources of Funding for Public Safety Interoperability Projects

Funding is probably the most significant obstacle to achieving interoperability. It's a well-recognized fact in the stakeholder community and was substantiated by several data collection mechanisms during this project:

- In Phase I of this project, during stakeholder interviews, the lack of funding was the obstacle most often cited.
- In the survey of Technical Skills and Leadership, respondents rated the challenge of 'Funding' at 4.5 out of 5 in terms of impact on doing their job well.

Unfortunately, the need for funding improvements in public safety radio systems is not always visible to citizens until an incident occurs that highlights the inability of First Responders to communicate. Then the reaction is often a combination of "we need it now" and "why don't we have what is needed." This section will explore the available funding mechanisms and processes in Wisconsin and other states.



2.1 *Current Wisconsin Funding Practices*

The Office of Justice Assistance administers the grant process for monies received from the Department of Homeland Security (DHS). The Governor of every state has designated a State Administrative Authority (SAA) to apply for and administer funds received from DHS. The SAA is the only agency eligible to apply for DHS funds. OJA was designated by the Governor to be the SAA for Wisconsin.

The DHS Office for Domestic Preparedness provides financial assistance directly to each of the nation's states and territories through the ODP Homeland Security Grant Program (HSGP). This continued financial assistance provided to enhance the capability of state and local agencies to prevent and respond to incidents of terrorism involving the use of chemical, biological, radiological, nuclear or explosive (CBRNE) weapons. Programs that Wisconsin is administering at present include:

- **SHSGP** - The FY 2004 State Homeland Security Grant Program is being provided to enhance the capability of State and local agencies to prevent and respond to incidents of terrorism involving the use of chemical, biological, radiological, nuclear or explosive (CBRNE) weapons. Funding is for the purchase of specialized equipment, exercises, training, and planning costs associated with updating and implementing each State's Homeland Security Strategy (SHSS). The estimated funding for 2003 was \$32M, for 2004 was \$31M and is expected to decrease in 2005.
- **LETPP** - The Law Enforcement Terrorism Prevention Program (LETPP) is the result of a concerted effort to increase the level of funding available for prevention efforts, and the law enforcement communities to provide a conduit for terrorism intervention at the local level. The FY 2004 LETPP will provide law enforcement communities with funds for the following activities: 1) information sharing to preempt terrorist attacks; 2) target hardening to reduce vulnerability of selected high value targets; 3) threat recognition to recognize the potential or development of a threat; 4) intervention activities to interdict terrorists before they can execute a threat; 5) interoperable communications; and 6) management and administration. The funds can be used for these activities within the areas of planning, organization, equipment, training and exercises. This program was funded at \$9.2 M in 2004 and is expected to be a similar amount in 2005.
- **Urban Area Security Initiative Grant Program** - The FY 2004 UASI Program provides financial assistance to address



the unique planning, equipment, training, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism. This program also provides funding to identified mass transit authorities for the protection of critical infrastructure and emergency preparedness activities. Allowable costs for both the urban areas and the mass transit authorities comport with the FY 2004 Homeland Security Grant Program, and funding is expended based on the Urban Area Homeland Security Strategies and transit system assessments. This funding will be provided to identified urban areas and mass transit authorities through the SAAs. The UASI Program was funded at slightly over \$10.5 M and 2005 awards are unknown. It is anticipated it will be equal or slightly higher. For the 2004 program this program applied to Milwaukee, Waukesha, and Washington Counties.

The FY 2004 UASI Program will significantly enhance the ability of urban areas to prevent, deter, respond to, and recover from threats and incidents of terrorism. Funding for mass transit systems is intended to address security needs at these high-risk critical infrastructure facilities and to promote comprehensive regional planning and coordination.

Urban areas must allocate all funding in support of goals and objectives identified in their Urban Area Homeland Security Strategy and the State Homeland Security Strategy. Mass transit authorities must also allocate according to their Transit Security and Emergency Preparedness Plan developed through this program. [www.dhs.gov]

2.2 Funding Prioritization Tool

FE worked interactively with the State to design a tool for establishing priorities for the distribution of funds identified for interoperability to counties and local jurisdictions. State agencies would be evaluated separately but using the same criteria as local jurisdictions. Under the SHSGP 80% of the grant money must go to local entities. The State agencies apply for the remaining 20% of the funds. The tool will provide a means to assess which of Wisconsin's public safety geographic regions and local jurisdictions exhibit the most critical and immediate needs.



At present, OJA follows a process that reviews proposals received from counties that are seeking grant funding. In this existing process, counties are required to develop plans with specific goals that would be addressed by the funds if they were awarded. Local jurisdictions work in concert with and through their County. OJA feels that the current process is generally working well, and modifies it from year to year based on a review of their experiences. This proposed tool will enhance the existing process further and enable faster cycle times from grant request to funding authorization. It will also provide an improved audit trail of how the priorities were determined.

It was important to OJA to have a rating tool based on a process that can be repeated reliably and that can be easily refreshed when any of the input parameters change. The WEM Survey, a key element in the funding tool, established a baseline inventory of public safety radio communications in Wisconsin, and is an example of how the parameters within the funding tool could change if the inventory is updated. The Homeland Security Vulnerability Assessment is maintained by each County based on requirements of the State Homeland Strategy Assessment, and is also periodically revisited. This Assessment also provides updates to the Wisconsin Funding Prioritization Tool. The age of a system and the population base of the jurisdiction are also subject to change and they were included to keep the model current. As with any tool of this type, the Wisconsin Funding Prioritization Tool should be revisited periodically and adjusted accordingly.

The components of the Wisconsin Funding Prioritization Tool are shown in Table 1:

Table 1 - Wisconsin Funding Prioritization Tool

<i>Prioritization Factor</i>	<i>Weight</i>
<i>Interoperability Readiness</i>	15
<i>Age of System</i>	15
<i>Population Served</i>	15
<i>Area Covered</i>	15
<i>Current System Technology</i>	10
<i>Plan for PSMR Communications</i>	10
<i>Critical Infrastructure</i>	10
<i>Host Major Event</i>	5
<i>Upgrade or Replacement of System</i>	5
TOTAL of Factor Weights	100

Following below are brief descriptions of each category along with an explanation of how the ratings are applied:



1. **Interoperability Readiness:** Several categories from the WEM Survey were selected to create a Readiness Matrix (See Phase I – Assessment) for the counties that responded. This category gives a higher score to those municipalities with interoperability than those with higher scores. The scores for this category, as determined by the use of the Readiness Matrix, range as follows:
 - a. Low = 15
 - b. Medium = 10
 - c. High = 5

2. **Age of system:** The age of a system is an important factor, where the older systems are considered to be most in need. The scoring for this category is based on the approximate age, as follows:
 - a. ≥ 25 years = 15
 - b. ≥ 20 years = 10
 - c. ≥ 15 years = 5

3. **Population:** The population of the area served by a candidate system is also an important factor. The points awarded based on population are as follows:
 - a. $\geq 100,000$ = 15
 - b. $\geq 50,000$ = 10
 - c. $\leq 50,000$ = 5

4. **Area Covered:** The geographical area that a candidate system covers drives the number of points to be awarded as follows:
 - a. $\geq 1,000$ sq. mi. = 15
 - b. ≥ 500 sq. mi = 10
 - c. ≤ 500 sq. mi. = 5

5. **Current System Technology - Analog vs. Digital Transmission:** The intent of this category is to foster a migration to digital technologies. There would be no points awarded for a system that was recommending analog technologies. The current technology in use provides a slight advantage to analog systems that are moving to digital systems, as follows:
 - a. Analog = 10
 - b. Digital = 5

6. **Having a Plan for PSMR Communications:** The relative maturity of an applicant's planning process



provides a score that favors those entities that have completed their planning, as follows:

- a. Plan completed = 10
 - b. Plan in process = 5
 - c. No plan in process = 0
7. **Critical Infrastructure:** Each County maintains an inventory of critical infrastructure vital to Homeland Security that is used to develop a Homeland Security Vulnerability Assessment (HSVA). This index, administered by the State Homeland Security group, will be used to rate critical need:
- a. $HSVA \geq 6 = 10$
 - b. $HSVA < 6 = 5$
8. **Host of a Major Event:** HSVA reports also contain information about events of various kinds that involve large groups of people. If the applicant's jurisdiction hosts one or more qualifying events, they will be awarded 5 points.
9. **Upgrade or Replacement of System:** This category fosters the improvement of existing systems, rather than just replacing equipment with similar functionality, and will be scored as follows:
- a. Upgrade of existing system = 5
 - b. Equipment replacement without upgrade = 0

The Wisconsin Funding Prioritization Tool is just one factor for OJA to use in evaluating proposals. It will facilitate and focus reviews, but should not be the only decision process. Further information on the overall process is discussed later in the report.

2.3 Funding Mechanisms

FE examined the current mechanisms for funding the improvements in interoperability between the public safety mobile radio systems in Wisconsin. The primary approaches that are used include:

- State General Fund Budget
- State Capital Fund Budget
- County Budgets
- Federal Homeland Security Grants

2.3.1 State Budget and Evaluation Processes

Wisconsin is on a biennial budget cycle for both its General Fund and Capital Fund Budgets. The budget period runs from July 1st to June 30th two years hence. From a revenue and operations perspective, the two years in the budget cycle are each treated distinctly. Major initiatives are first presented to the State Budget Office, which reviews and approves/denies the request for inclusion in the proposed State Budget. This proposed Budget is sent to the Governor's Office for review and modifications before it is presented to the Legislature.

The magnitude of a project to improve the interoperability of public safety radio systems may well span multiple fiscal years and budget cycles. During the period that the budget is in place, the joint legislative finance committee meets quarterly to review operations and can address issues with funding.

Counties are, by statute, part of the State Budget Process. Counties must present their annual budgets for approval by the State in October of the preceding year. Local jurisdictions have budget cycles that may not be synchronized with the Federal, State, or County budget cycles. This has caused some difficulties in making sure that all of the funds are allocated and that the requests are received through these successive processes on time.

The funds that are available under Homeland Security Grants are being applied for by counties, cities, and towns to improve their public safety radio systems interoperability, among other needs. The Office of Justice Assistance accepts proposals and reviews them weekly when funds become available. Federal funds are distributed by a formula to the State, which is based on factors that include population and the State Homeland Security Assessment.

Proposals are coordinated by the counties on behalf of the local jurisdictions. Proposals must state clearly how the funds will be used to improve homeland security. OJA evaluation includes considerations for funds available, and how the project contributes to overall the good and benefit for the jurisdiction to deal with CBRNE incidents and acts of terrorism. Awards are not made on an all or nothing basis. Recommendations are made by the review committee to the Executive Director of OJA. The Executive Director approves the recommendations and forwards them to the Governor for award.

OJA is required to conduct post-award compliance audits to insure that grant monies have been spent appropriately. These audits will



occur six to twelve months after award of the grant funds. If the County has not spent the monies to support the goals defined in their proposal, then OJA may take actions that include: requiring grant funds are returned to the SAA, reducing future awards, and making awards directly to local jurisdictions.

2.3.2 Federal Grant Sources

Major sources of additional federal grant funds to improve public safety radio communications were researched to find programs that should be evaluated for applicability in Wisconsin.

The following programs are a selection of those recommended in the *SafeCom Recommended Federal Grants Guidance for Public Safety Communications & Interoperability Grants* (September 2003):

1. Bureau of Justice Assistance Local Law Enforcement Block Grants (LLEBG): Funds from the LLEBG program may be used for procuring equipment, technology, and other material directly related to basic law enforcement.
2. Making Officer Redeployment Effective (COPS MORE) Grants: This program, provided through the Community Oriented Policing Services (COPS) office, expands community policy through the funding of technology, equipment, and support personnel.
3. Office of Domestic Preparedness (ODP) Equipment Grant Program: The goal of ODP grant program is to provide funding to enhance the capacity of State and local jurisdictions to respond to, and mitigate the consequences of, incidents of domestic terrorism involving the use of a Weapon of Mass Destruction. Communications equipment is part of the authorized equipment that can be purchased.
4. Office of National Drug Control Policy, Counterdrug Technology Assessment Center (CTAC) Technology Transfer Program: The CTAC program assists State and local law enforcement agencies in obtaining the necessary equipment and training for counter-drug deployments and operations.
5. U.S. Department of Justice (DOJ): DOJ offers funding opportunities to State and local jurisdictions to support law



enforcement activities, to provide training and technical assistance, and to implement programs that improve the criminal justice system.

6. U.S. Fire Administration Assistance to Firefighters Grant Program: Award one-year grants directly to fire departments of a State to enhance their abilities with respect to fire and fire related hazards.

2.3.3 Funding Approaches of Other States

A good source of ideas is other states that have attempted to build statewide public safety mobile radio systems. States were chosen for their geographic proximity, recognition for their best practices by PSWN, and a non-traditional funding scheme to provide a broad range of ideas for Wisconsin to consider when funding its statewide public safety mobile radio system interoperability project.

In researching what other states are doing, certain patterns became apparent. **FE** confirmed the anticipated obvious conclusion, that the two primary sources for funding in most states are the general fund budgets and Federal grants. Some states are using a fee-based approach for funding their statewide public safety mobile radio systems, where the local and county participants pay for the use of the statewide system, as well as potentially for their subscriber equipment. In some cases, these charges are used for recovery of the initial investment and for on-going maintenance. To a lesser extent, fees or surcharges, trust funds, bonds, and taxes are used as sources of funds. Table 2 below summarizes the funding mechanisms utilized by selected states to support PSMR projects.



Table 2 – Funding Mechanisms

STATE	GENERAL FUND	BONDS	TRUST FUND	TAX	GRANTS	FEES	USER CHARGES
ALASKA	●		●		●	●	
COLORADO	●		●		●		●
FLORIDA	●				●	●	
INDIANA	●		●		●	●	●
MICHIGAN	●				●		●
MINNESOTA	●				●	●	●
MONTANA	●				●	●	●
N. DAKOTA	●				●	●	
NEBRASKA	●	●		●	●		
OHIO	●				●		●
S. DAKOTA	●				●		
UTAH	●	●	●		●		●
WYOMING	●				●		●

Further detail that will provide added insights on the chosen states follows:

Alaska considered numerous mechanisms to fund their public safety communications system. Besides state appropriations:

- A partnership with the Federal Department of Defense was established
- Federal grants were sought
- Joint grant applications were developed for tribal grant funds
- Rural area trust funds were used, and a
- Public-private partnership was established with the Alyeska Pipeline

Colorado established a Public Safety Trust Fund in 1998, which was seeded with \$50,000,000 from the General Fund. Recently Colorado has taken advantage of Federal Grants. State agencies and local jurisdictions are required to repay any loans that are received from the trust fund. The Trust Fund receives monies from grants, repayments of loans, and annual end-user access charges.

Florida entered an innovative partnership with the vendor of its Statewide Law Enforcement Radio System. Florida made one advance payment of \$40,000,000. Additionally, the vendor receives the proceeds from a motor vehicle and vessel registration surcharge fee. Under a formula, the State receives revenue from tenants on the towers, additional service sold to other parties, and proceeds from the sale of its old system.



Georgia has been trying for more than fifteen years to build a statewide radio system. Funding has never been approved for the project. The Georgia Technology Authority sees itself in a support role not a leadership role. The latest attempt is trying to partner with the seventeen counties that make up Atlanta's metropolitan region. The funding focus is on obtaining enough federal grant money to build a regional public safety radio system.

Indiana funds its Integrated Public Safety Communications System through state appropriations, bonds, federal grants, and via 911 user fees. Agencies do not pay user fees, but are required to purchase and maintain user and dispatch equipment. A tax of \$1.25 is assessed on every driver's license, motor vehicle registration, and boat registration transaction. This tax yields approximately eleven million dollars annually that is used for the radio project. The State is actively pursuing federal grant monies, and hopes to realize thirty million dollars for the radio system.

Michigan built its public safety communications system through state appropriations and federal grant monies. Members or users of the system pay a one-time activation fee \$25 per radio and a subscriber fee of \$200 for each radio per year.

Minnesota plans to increase the 911 fees by 27 cents per wire line and wireless line within the state. Federal grant monies will be sought, and revenue from tower leases is expected to help defray some costs. Expansion of the system to accommodate local users will be paid for by the local jurisdiction. Minnesota uses its 911 surcharge to help fund its public safety mobile radio system project, in addition to capital bonds. There is no clear enunciation of a funding initiative, which has led to some duplication of effort at the state and regional level. The State did receive \$16 Million in Homeland Security Grant funding last year. Recently the 911 monies had to be utilized to pay for wireless location identification. Due to this, the 911 funding is running a deficit, so this funding has become very speculative.

Montana is considering the use of state appropriations, special revenue accounts, and user fees to build the regionally oriented, interoperable, public safety radio systems. Montana will also rely on federal appropriations and federal grants for funds.

Nebraska remains in the planning phase for its public safety radio system. State appropriations and federal grants will provide much of the funding. Nebraska has passed unique legislation to help local



communities fund the acquisition of radio equipment. Each jurisdiction is authorized to levy a yearly tax of not more than .05 cents per \$100 of the taxable value of all taxable property within its boundaries. Any jurisdiction that has levied or intends to levy a tax may issue tax anticipation bonds.

North Dakota is in the planning phase for its public safety radio system and expects that Homeland Security grants will be a significant source of financing for the project. Besides general funds some state funding alternatives are being considered. Those alternatives include:

- State Lottery
- State Tax Revenues
- State user fees
- Surcharges and
- State Bonds

Ohio built MARCS, the Multi-agency Radio Communication System, with state funding and some federal grant money. Today, each user pays an annual fee of approximately \$19 for mobile voice and \$341 for mobile data.

South Dakota has implemented its trunked radio system as of October 2002. State appropriations and some federal funds were the primary financing sources.

Utah built the Utah Communications Agency Network (UCAN) for the 2002 Olympics. State, Federal, and local funds were used to build the system. UCAN is authorized to issue bonds that are guaranteed by revenues from user fees. Utah uses a cost recovery system based on annual access fees per radio, which makes users focus on the real cost of radio communications.

Wyoming has completed and submitted a business case to the Legislature for funding. At this time \$9,000,000, through a combination of State and Federal dollars, is expected to be available in July 2004 for concept demonstration projects.

2.4 Recommendations

As Wisconsin proceeds with its plan to improve Public Safety Mobile Radio Interoperability, funding the necessary changes will be a critical success factor throughout the project. Having a standard formula to apply to all funding requests will facilitate the decision process. The State



can also look to examples of its peer states for guidance in creating a funding mechanism that will work in Wisconsin.

Wisconsin should develop a **Funding Plan** that will generate the funding required to support the one time and the on-going costs associated with improving public safety mobile radio interoperability. This plan should include the following:

- State General Fund and Capital Fund budgets: OJA must be intimately familiar with these key sources of state monies.
- Federal Grants: OJA should look to broaden the scope of grants that are utilized to support PSMR Interoperability. A full-time funding manager, supported by full or part-time grant writers, would facilitate this review more effectively.
- County and local budgets should be expected to contribute funding whenever possible, and would receive favorable consideration in the allocation of State and Federal funds.
- Taxes, user fees, and surcharges (e.g., 911 surcharges on landline and wireless billing) should be considered to provide some portion of funds that will be needed.
- Once a technical architecture is determined, the State should evaluate the potential of moving to a user-fee-based system. This may offer the State agencies and local entities a more predictable expense flow than major capital purchases on a periodic and often unpredictable basis.
- Some vendors are offering private/public partnerships, particularly where there is an opportunity to share State assets, such as towers. As long as the overall control of the assets and system remains with the State, this may offer a small source of revenue.

The Office of Justice Assistance will need broad based support to finance a project to improve PSMR Interoperability in Wisconsin. Federal Engineering recommends that OJA explore the creation of a **Funding Task Force** with the Office of the Governor. The task force should include, at a minimum, key financial people from the Administration and the Legislature. It would explore and adapt the funding mechanisms to the Wisconsin statutory structure. Other representatives from County and local jurisdictions, as well as, first responder disciplines may be considered for representation. The Executive Director of OJA would be the most suitable choice to Chair the Funding Task Force. Besides bringing subject matter expertise to the process, task force members would serve as important information sources to their peers. The task force will produce a report to the oversight body on funding sources and guidelines for acquiring funds for the project. This separate process will free the oversight body to address the design, operations, political, and



cooperative issues associated with the challenge of improving the interoperability of public safety mobile radio communications.

Finally, the Office of Justice Assistance should document and publish the revised processes for awarding federal grant interoperability funds with particular emphasis on the critical dates for the applications to be completed. OJA should establish the process to receive proposals during a defined time period, which has specific start and end dates for submission. Awards under this program should also be date certain.

The overall funding process is one of the most critical aspects of building a highly interoperable public safety mobile radio capability. The processes must be closely coordinated with the planning and operational aspects of the system. Most important will be to align with the governance processes as defined in the Governance Report and as implemented by the State Interoperability Executive Committee (SIEC) or whatever entity the State chooses to move forward with.

