



Saving Lives and Property Through Improved Interoperability

***Federal Interoperability Assistance Support—
Funding Strategy Best Practices Report***

FINAL

November 2002

Table of Contents

EXECUTIVE SUMMARY	ES-1
1. INTRODUCTION	1
1.1 Purpose	1
1.2 Background.....	1
1.3 Approach	2
2. KEY FINDINGS.....	3
3. FUNDING BEST PRACTICES	4
4. FOR ADDITIONAL INFORMATION	8

EXECUTIVE SUMMARY

The Public Safety Wireless Network (PSWN) Program recently completed interoperability assistance efforts in the states of Alaska, Arizona, and Wyoming. As part of this assistance, the program provided strategic funding-based assistance tailored to meet the unique needs of each state. This report captures the key findings of how these three states devised and assembled a multifaceted funding approach for each of their statewide radio system efforts. Although this report only highlights the funding approaches of the states of Alaska, Arizona, and Wyoming, the actions, strategies, and best practices can be tailored for any state or region seeking funding for an interoperable wireless communications system. The actionable best practices derived from the analysis of the funding assistance provided to these states included—

- Examine all possible funding mechanisms.
- Foster cooperative efforts to ensure maximum cost savings.
- Identify and educate stakeholders to build consensus and support.
- Determine a recognized and accepted authority for procuring, implementing, and operating the new communications system.
- Examine the successful funding processes of similar states or regions.
- Develop a firm understanding of the governmental structure and control of budgets.
- Use anecdotal stories to emphasize the funding need.

These initial best practices are provided to educate and assist other state and regional public safety officials or decision makers as they develop their own unique funding strategies. As it completes ongoing interoperability assistance efforts in other states, the PSWN Program may identify and present additional funding strategy best practices to the public safety community.

1. INTRODUCTION

Arguably, the most difficult hurdle agencies, regions, and states face in establishing, upgrading, or operating interoperable wireless communications systems is funding. A robust communications system can be prohibitively expensive and requires that public safety organizations develop a comprehensive funding strategy. To assist the public safety community in this critical activity, the Public Safety Wireless Network (PSWN) Program collected and categorized the best practices and lessons learned in developing and implementing a winning funding strategy for interoperable wireless communications systems.

1.1 Purpose

This report presents best practices and lessons learned applicable to any state or region seeking funding for an interoperable wireless communications system. The report also serves to educate public safety officials and decision makers on the need for, and process of, developing a successful funding strategy.

1.2 Background

The PSWN Program's *Funding Strategy Best Practices Report* examines tactics and strategies used during PSWN Program's recently completed interoperability assistance efforts conducted in Alaska, Arizona, and Wyoming (see Figure 1). As part of this assistance, the program provided strategic funding support tailored to meet the unique needs of each state. However, the actions, strategies, and best practices described in this guide can be tailored for any state or region seeking funding for an interoperable wireless communications system.

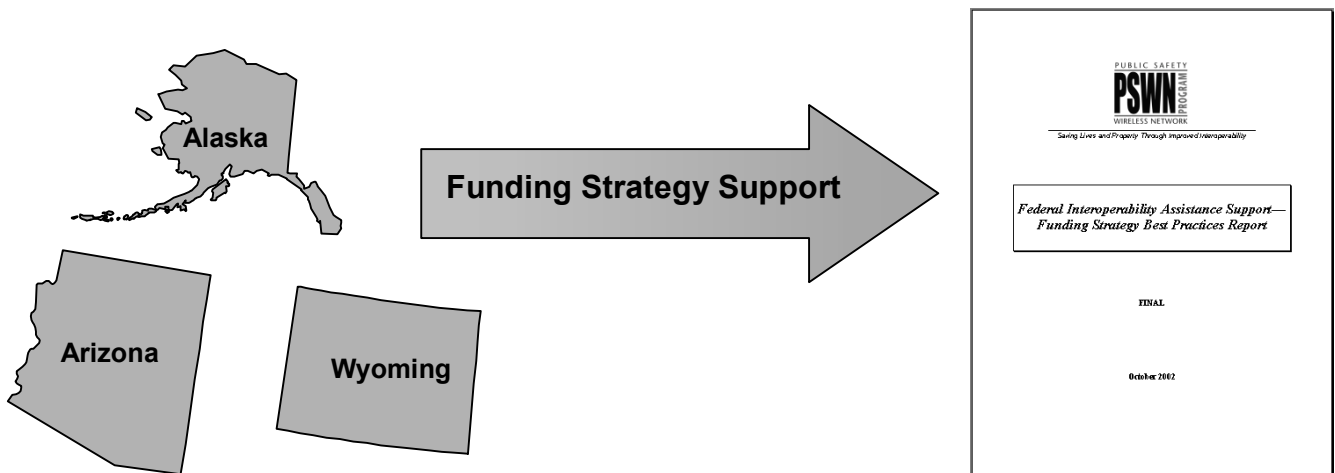


Figure 1
Funding Best Practices Adaptation

In Alaska, the primary goal of the Alaska Land Mobile Radio Executive Steering Committee (ALMR-ESC) is to foster a single, coordinated statewide system among public safety agencies at the local, state, federal, and tribal levels. The ALMR-ESC membership is composed of representatives from Alaska local municipalities, state public safety and technology organizations, and the Department of Defense (DoD) and other federal public safety agencies. The PSWN

Program assisted the ALMR-ESC by identifying all possible revenue sources and providing recommendations that the state could pursue to fund infrastructure and equipment costs.

In Arizona, the Arizona Public Safety Communications Committee (PSCC), sponsored by the Arizona Department of Public Safety (DPS), leads the campaign to develop a robust statewide public safety communications system. The PSWN Program helped the Arizona PSCC create a formal outreach and education strategy, initiate that strategy, and develop an implementation plan. Specifically, the goal of this strategy was to educate lawmakers and achieve consensus among the Arizona PSCC and its peers to obtain the necessary funding for a statewide communications system.

In Wyoming, the Wyoming Department of Transportation (WYDOT) leads the Public Safety Mobile Communications (PSMC) planning efforts. The PSWN Program helped the state assess its request for proposals to ensure that the document was comprehensive enough to solicit responses that would meet the state’s needs and facilitate an effective strategy for continuing with statewide development efforts. The PSWN Program also developed a wireless business case strategy to guide Wyoming’s efforts to gain the necessary funding for a statewide communications system.

1.3 Approach

The funding best practices described in this guide were derived from the analysis of the funding assistance that the PSWN Program provided to Alaska, Arizona, and Wyoming. As depicted in Figure 2, a three-step approach was used to develop this report. The initial step was to identify the funding strategies used by each state. This step involved examining the interoperability assistance compilation report materials to identify the strategies used to address each state’s funding shortfalls. Once the strategies were identified, they were compared among the three states in the second step, assessment and analysis. Specifically, the program extracted and analyzed commonalities across the assistance efforts. Finally, during the best practices development, the actions taken to realize the strategies helped to isolate the best practices among the funding efforts under way. The specific tactics or actions used in each state illustrate the best practices that can be tailored for implementation in other states or regions.

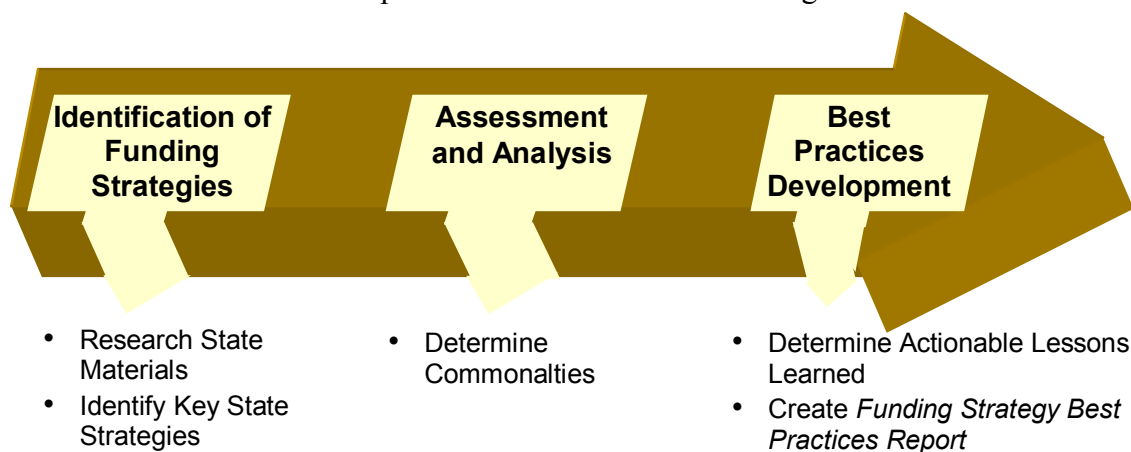


Figure 2
Funding Strategy Best Practices Approach

2. KEY FINDINGS

Based on the review of the interoperability assistance compilation report materials developed for the states of Alaska, Arizona, and Wyoming, the PSWN Program identified the key funding strategies and findings associated with the development of an interoperable wireless communications system. Table 1 illustrates these key findings and the associated state or states. From the comparison established in the table, commonalties can be determined across the individual state's strategies. These common strategies will form the basis for the best practice development.

**Table 1
Funding Key Findings**

Funding Key Findings	Alaska	Arizona	Wyoming
Examined All Funding Mechanisms			
Public/Private Partnerships	✓		
Resource Sharing	✓		
Federal Grants	✓	✓	
Joint Grant Application	✓		
State Appropriations	✓		✓
Telephone Surcharge		✓	
Trust Fund	✓		
Coordinated Support Across Entities			
State Interoperability Executive Committee-type Organization	✓	✓	✓
Cooperation with Federal Entities	✓		✓
Cooperation among State Entities	✓	✓	✓
Cooperation with Local Entities	✓	✓	✓
Cooperation with Tribal Entities	✓	✓	
Cooperation with Civic Organizations		✓	✓
Public-Private Partnerships	✓		
Funding Incentives for Local/Regional Participation			✓
Identified and Educated Stakeholders			
Outreach and Education Strategy	✓	✓	
Fact Sheets	✓	✓	
Executive Briefings	✓	✓	✓
Target Audience Identification	✓	✓	✓
Multiple Documentation Formats	✓	✓	✓
Stakeholder Meetings	✓	✓	✓
Credible Business Case to Raise Awareness and Educate Target Audiences			✓
Additional Considerations			
Reviewed Similar State/Regions	✓	✓	✓
Identified State Entity Responsible for Systems Development	✓	✓	✓
Developed Firm Understanding of Government Structure and Budgets	✓	✓	✓
Hired Full Time Grant Writer			✓
Used Anecdotal Stories That Illustrate Need	✓	✓	✓
Followed an Enterprise Approach to Systems Development			✓

3. FUNDING BEST PRACTICES

This section describes, in detail, the best practices that any state or region can use to assist in obtaining funding for their wireless communications system. These actionable best practices are derived from the common strategies identified across the states of Alaska, Arizona, and Wyoming. Specific state examples further illustrate the effectiveness of these best practices.

- **Examine all possible funding mechanisms.** While bonds, loans, and state appropriations are the most common methods for a state to use in funding a public safety wireless communications system, these funding mechanisms are not the only viable strategies. Additional funding mechanisms (e.g., federal appropriations, grants, surcharges, taxes, trust funds, public-private partnerships) must be identified, researched, and implemented in order to increase the likelihood of receiving funding.
 - The State of Alaska considered numerous mechanisms to fund their public safety communications system. These mechanisms included—
 - Federal Homeland Security and U.S. Department of Transportation’s Transportation Equity Act for the 21st Century (TEA-21) funds
 - Federal DoD Partnership
 - Denali Commission trust fund, which works to promote economic self-sufficiency in the rural areas by improving communications and upgrading public infrastructures
 - Public-private partnership with the Alyeska Pipeline.
 - Additionally, Alaska obtained approximately \$4,000,000 from the state legislature and in federal grants to fund the pilot radio system in the Anchorage area.
 - In Arizona, the state debated using portions of funds generated from a surcharge on all telephone lines in the state to help supplement the monies needed to support the statewide communications system being planned by the Arizona PSCC.
 - Additionally, Arizona obtained approximately \$500,000 in federal funds to pay for the costs of an in-depth needs assessment.
 - The State of Wyoming received the governor’s approval for state agencies to fund up to \$300,000 for an in-depth needs assessment.
- **Foster cooperative efforts to ensure maximum cost savings.** Cost savings can be realized through coordination and partnership efforts. State interoperability executive committee (SIEC)-type organizations (e.g., ALMR-ESC, Arizona PSCC, Wyoming PSMC Initiative), involving entities across all levels of government, foster efforts to coordinate planning and resources. Potential cost saving and/or avoidance opportunities include sharing infrastructure, cooperatively purchasing equipment, and developing joint grant applications.

- Alaska’s proposed application for a TEA-21 grant is unique, because these grants have rarely been used for public safety interoperability, and extensive cooperation and sharing of infrastructure among the participating agencies is required.
- The ALMR-ESC approached local and tribal governments to coordinate and expand opportunities for grant funding.
- The State of Wyoming considered providing funding incentives for counties and localities to instill a sense of ownership in the new system.
- **Identify and educate stakeholders to build consensus and support.** By establishing consensus on goals and objectives for a statewide system, system planners can give potential funders a clear picture of the most appropriate uses of their investments. By sending a uniform message to all key stakeholders and initiating open communications, a state establishes a firm foundation to build cooperative efforts. The proper format (e.g., summaries, briefs, graphical representations, detailed business cases), targeted to the specific audience, is critical to the successful delivery of the funding message.
 - The State of Arizona developed an outreach and education strategy to determine key stakeholders and participants. Tailored, concise materials were then designed to educate these audiences and build consensus on the need for a statewide public safety communication system. The types of materials that the PSWN Program developed included the following—
 - Consensus statements
 - Fact sheets
 - Executive briefings and talking points
 - Web site content
 - Video script.
 - In the State of Wyoming, the PSWN Program assisted in the development of a business case strategy to guide the state’s funding efforts. A business case can be developed for many purposes—to assess system needs, compare possible variations in system buildout, or develop a plan for implementation. In its most basic sense, a business case serves to influence audiences to fund the system and show where and how the money would be used. Key components of this business case strategy included—
 - Identification of business case drivers
 - Determination of the preferred operating environment
 - Determination of the recommended technical alternative
 - Development of the implementation plan
 - Marketing of the business case.

- In Alaska, Arizona, and Wyoming, officials focused on gaining maximum involvement from state agencies. States worked to build consensus through stakeholder meetings and strategy sessions. Arizona and Wyoming also co-sponsored 1-day symposiums with the PSWN Program to present their statewide communications plans to potential users, legislators, and other key stakeholders.
- **Determine a recognized and accepted authority for procuring, implementing, and operating the new communications system.** Managing various funding mechanisms and investigating new mechanisms, in addition to balancing budget dollars from the revenue streams, are key tasks for system success. In many cases, assigning this responsibility to an existing committee or agency that leads the system effort is beneficial.
 - In Alaska, the ALMR-ESC is responsible to assess, assemble, and consolidate communications requirements that support daily operations, disaster relief, and crisis management.
 - The State of Arizona PSCC, sponsored by the DPS, is an entity similar to an SIEC, which manages the lifecycle of the proposed interoperable, statewide public safety communications system.
 - WYDOT, as the largest public safety mobile communications network provider in Wyoming, leads the PSMC efforts to update, improve, and expand the state's public safety communications capabilities.
- **Examine the successful funding processes of similar states or regions.** This report focuses on three states; however, it is important to recognize the successes in states or regions that have reached full system implementation. Through investigating other states or regions that are similar in geography or political landscape, additional best practices can be identified.
 - State officials in Alaska examined the radio system-sharing plan between the counties of Imperial and San Diego, California. Alaska public safety officials were invited to tour the San Diego facilities and meet with the public safety officials to discuss their best practices.
 - Arizona officials participate in several committees and conferences, such as PSWN Program symposiums, to network with colleagues and gain understanding of successful system implementation models.
 - Officials in Wyoming reviewed the system planning efforts of the states of Florida, Colorado, Montana, and Arizona.

- **Develop a firm understanding of the governmental structure and control of budgets.** State and regional governments vary in makeup and administration. Having a clear understanding of these “chains of command,” the associated budgetary control, and any legal constraints is critical in the pursuit of funding. This knowledge will point to the key stakeholders that can successfully promote the clear need for funding.
 - In Alaska, the ALMR-ESC had to consider the legal constraints that prohibit the DoD from transferring equipment and funds to the state.
 - In Wyoming, WYDOT, as leader of the PSMC planning efforts, is a commission with control of its own budget. However, another key stakeholder, Administration and Information (A&I) is an executive branch department with a budget delineated by the legislature.
- **Use anecdotal stories to emphasize the funding need.** Anecdotal stories highlighting specific events or incidents can illustrate the inadequacies of the existing public safety wireless communications capabilities. Specifically, these stories may detail issues such as insufficient interoperable communications, delays in communications, coverage issues, or channel congestion. These stories are useful for documenting needs and requirements and can effectively demonstrate the benefits of funding a new system.
 - The ALMR Project Overview detailed Alaska’s recent natural disasters, such as wild fires and avalanches, that were not easily addressed due in large part to the lack of interoperable radio communications between local, state, and federal public safety providers.
 - Wyoming officials documented interagency mobile communications shortfalls on a high-speed chase on Interstate 25 near the Wyoming–Colorado border.

4. FOR ADDITIONAL INFORMATION

Since its inception, the PSWN Program has recognized funding as a key issue in the development of radio communications systems. The program has collected and analyzed funding information and developed resource documentation on funding for public safety wireless systems. Specifically, the program can offer the following reports—

- *Public Safety Communications Funding Awareness Guide*—Public safety communications systems funding problems and potential solutions
- *Fee-for-Service Private Wireless System Cost/Benefit Study Report*—Feasibility of a fee-for-service arrangement as an alternative procurement option for land mobile radio systems
- *Report Card on Funding Mechanisms*—Analysis of funding options available to the public safety community
- *Funding Mechanisms*—Framework for understanding the various funding mechanisms available to the public safety community
- *Funding Strategies Report*—Primer for developing funding strategies to replace or upgrade public safety radio communications systems
- *LMR Replacement Cost Study Report*—Cost study performed to estimate the replacement value of the Nation’s public safety LMR equipment infrastructure.