



Funding Mechanisms for Public Safety Communications

In an effort to leverage the extensive experience of State and local public safety communications organizations, members of SAFECOM and the National Council of Statewide Interoperability Coordinators (NCSWIC) Funding and Sustainment Committee developed this document highlighting existing funding mechanisms. SAFECOM's membership includes more than 70 members representing Federal, State, local, and tribal emergency responders, and major intergovernmental and national public safety associations, who provide input on the challenges, needs, and best practices of emergency communications. NCSWIC, comprised of Statewide Interoperability Coordinators (SWICs) and their staff from the 56 States and territories, assists States and territories with promoting the critical importance of interoperable communications and sharing best practices to ensure the highest level of interoperable communications across the Nation.

Frequently, public safety officials seek out multiple funding sources to support public safety interoperability improvements. The following is a list of examples of funding mechanisms currently being used by States and territories nationwide. This list is not exhaustive, but rather provides a starting point to begin discussions regarding the development of viable and sustainable financial strategies for State and local governments seeking to improve their emergency communications systems.

Sustainable Funding Mechanisms



BONDS State and local governments often use bonds as a funding source to support public safety communications projects. Bonds are debt obligations, repaid through taxes or fees, over time, with interest. Bonds are often used by State and local governments for capital costs, typically construction and large procurement purposes. In some scenarios, if the tax or fee revenue exceeds the costs of paying down the debt, State and local governments have made the funds available as grants; put the money into a public safety communications contingency fund; or, designated funding to other options, as determined by the State. The use of bonds can be limited if the State has a mandated debt ceiling, if the State has sub-standard credit, or if the bond depends on the successful passage of a referendum by citizens. The [State of Minnesota](#) provides an overview of bond buying for the purpose of sustaining State programs.

PUBLIC-PRIVATE PARTNERSHIP Many States have utilized partnerships with private companies to ensure sustainability of public safety communications systems. Partnerships are mutually beneficial. One example of a State's partnership with a private company includes the sharing of State-owned communications infrastructure with a private partner in exchange for the ability to use the private companies' radios and radio accessories. Partnerships usually include signed contracts with expiration dates, and include terms and conditions for use and maintenance of the equipment. Florida and South Carolina have both utilized public-private partnerships to help support emergency communications.



USER FEES Some State and local governments charge end-users directly for the use of emergency communications products or systems. Fees can cover the operations and maintenance costs for public safety communications related investments. A best practice for instituting user fees is to conduct an analysis to determine the cost of building a communications system, and then use this analysis to determine an appropriate user fee structure based on State and local needs and the number of applicable users. Fees can be charged for data or voice service. Michigan, Ohio, and Utah have utilized user fees as a funding mechanism for public safety communications.



9-1-1 SURCHARGE FEES States may attach fees to wireline, wireless, and Voice-over-Internet Protocol, commonly referred to as VoIP, phone numbers. Most States utilize this funding mechanism for a variety of purposes related to 9-1-1, including paying bond debts, expanding/improving dispatch services and technology, and augmenting State governing body staff. As the general public continues to decrease the use of wireline surcharges, these same surcharges are collected from different communication sources. Establishing a surcharge on a utility may require State/local legislative approval, and public vetting and approval of regulatory language governing the use of such funds. Many State and local governments have included specific language in legislation and regulations related to surcharges, ensuring that fees levied against users for a specific purpose (e.g., 9-1-1) may not be diverted to other purposes. The Federal Communications Commission developed a [9-1-1 Fees Congressional Report](#) providing information on States spend funds collected from 9-1-1 and E9-1-1 surcharges from across the Nation.

TRAFFIC TICKET AND VEHICLE SURCHARGE Similar to 9-1-1 surcharges, State and local governments may increase fees for traffic tickets and vehicle registration to support emergency communications. While these fees are an excellent way to supplement other funding sources, they are not enough by themselves to support network operations and construction due to the fluctuation of revenue that is generated. Traffic and vehicle surcharges also provide an ongoing source of income that can be utilized for staff costs, enhancements to the system, or other costs that require an ongoing supplemental income stream. Florida is one of many States utilizing this funding mechanism.



LEASING EQUIPMENT Occasionally, State and local governments will lease communications equipment from companies to help spread the cost over several years, and to be eligible for upgrades, as they occur. One option is for a State to sign a “lease-to-own” contract; these contracts stipulate that at the end of the contract term, the State will gain ownership of the property. A different option is for a State to utilize leasing for a set period of time, where the State returns the equipment at the end of the lease, or signs a new lease for more updated equipment. Either option allows States to spread costs out over the term length, instead of purchasing equipment for a substantial up-front fee. State and local governments should ensure that the leasing and eventual purchase of equipment complies with applicable procurement regulations (e.g., competitive bidding).

LEASING TOWERS TO PRIVATE ENTITIES States that have built networks with statewide coverage may have the ability to lease excess tower spectrum to private entities to generate additional revenue. The leasing of State-owned towers can also extend commercial service to underserved areas. Prior to renting space, States should conduct an assessment to analyze future tower space needs and adjust accordingly. The ownership and leasing of tower space may be regulated by the State. Interested entities should ensure that leasing agreements are compliant with state, local, and environmental laws governing the use of towers. Pennsylvania is an example of a State utilizing tower leasing.





GRANTS Each year, OEC produces a list of federal grants that include emergency communications as an allowable expense. The list of available Federal emergency communications grants can be found at www.safecomprogram.gov. State and local public safety agencies should also work with State-level grant officials (e.g., State Administrative Agency) to identify other sources of funding, and opportunities for joint procurement with entities interested in investing in emergency communications projects. Grantees should be aware that recipients (including sub-recipients) who receive federal funding for emergency communication projects and related activities must comply with [the SAFECOM Guidance for Emergency Communication Grants](#) (SAFECOM Guidance). The SAFECOM Guidance provides general grant program guidance and technical information for entities applying for Federal financial assistance for emergency communications projects. The SAFECOM Guidance provides general information on eligible activities, technical standards, and other terms and conditions that are common to most Federal emergency communications grants

Maintaining Communications Systems Through Strategic Funding

With the current constraints on fiscal resources at all levels of government, it is important for SWICs, emergency communications officials, and elected officials to examine and implement diverse funding mechanisms, and to develop a comprehensive funding plan, not only for the initial capital investment in emergency communications, but also in the long-term sustainability of the system. To maximize the use of Federal grant funding, it is essential that emergency communications stakeholders and State and local officials work together closely to:

- Define and prioritize emergency communications needs in the Statewide Communication Interoperability Plan (SCIP)
- Share the SCIP and critical emergency communications needs with statewide leaders
- Engage in the Threat and Hazard Identification and Risk Assessment (THIRA) process to understand threats and hazards of the State to establish informed and defensible capability targets
- Work to incorporate emergency communications needs in the State Preparedness Plan based on current capability against capability targets established via the THIRA process
- Share the SAFECOM Guidance with stakeholders at all levels of government.
- Participate in the Senior Advisory Council (or equivalent) to prioritize emergency communications projects for funding
- Identify and apply for multiple sources of funding to support public safety communications improvements

At the State level, stakeholders need to work closely with legislators and State executives to support emergency communications. State leaders are aware of the importance of emergency communications for public safety; however, they are charged with creating a budget that addresses a variety of State and local needs beyond emergency communications. Therefore, it is important that emergency communications officials prepare clear and concise budget options that identify multiple revenue streams (e.g., Federal, State, local, in-kind) and potential matching sources, that lessen the burden on taxpayers, and are valued by legislators and State executives during budget discussions. Each State and territory has a unique fiscal environment based on varying laws, traditions, priorities, and existing programs and it is important that emergency communications officials tailor their funding mechanisms for their specific location.

For more information on available funding mechanisms, please contact SAFECOMGovernance@hq.dhs.gov or NCSWICGovernance@hq.dhs.gov.