

## Consider increasing wireless revenue payments to ECDs

- By eliminating the carrier cost recovery program, the Board could make available annually, on a continuing basis, an additional amount of approximately \$8 million to be distributed to ECDs to assist in funding operating costs. These funds would be in addition to all of the Board's current funding programs for ECDs.
- The \$8 million funding is already in the TECB budget, so the TECB could implement this change unilaterally. This reallocation of existing resources will not place the Board's funding at risk – the Board will be spending the same, just changing who receives the funding.
- It is recommended that the funds be combined into the \$14 million operational funding program structure for distribution, making it a \$22 million operational funding program to be referred to hereafter the Recurring Operational Funding Program or the "ROF" Program.
  - The additional \$8 million would be split in half:
    - \$4 million would be used to double the original base amount of \$40,000 that is distributed to each ECD in the \$14 million program. The base would be increased to \$80,000, as a recognition that costs impacting all ECDs regardless of their size have increased.
    - The remaining \$4 million in new funds would be allocated based on the \$14 million funding program population groups.
    - The population groups will be reworked once the 2010 census is received.
- The funds would be divided into six equal portions and distributed bi-monthly on the same schedule as the 25% distribution.
- The additional funding, like the \$14 million funding, is permanently part of the TECB budget and can be counted on going forward on a continuing basis.
- Consolidated districts (2 ECDs consolidated) would receive double the base amount, but the populations of counties and cities within a consolidated district would be added together to determine the appropriate group for the population based portion of the funding.

- The TECB's existing fund balance and annual revenue would not be affected by this program. Eliminating carrier cost recovery program and transferring its funds to the ECDs will not jeopardize the TECB's budgeted operational expenses for NG911 or other programs.
- It is recommended that the Committee advise the TECB to adopt a new\* policy stating the following:

**Maintenance of Effort a Condition for Participation in ROF Program**

As a condition for receiving revenue from the Recurring Operational Funding ("ROF") Program, support provided by local governments to Emergency Communications Districts (ECDs) shall remain at an amount no less than that provided on the date of the first ROF payment. ECDs participating in the ROF Program shall inform the TECB immediately upon discovering any such reduction of local support.

\*Note that the maintenance of effort requirement already applies to the \$14 million operational funding program.