



RESOURCE DOCUMENT:

Resourceful Funding Options



*From the
Texas SWIC Office*

July 2019

Revision History

Date	Version	Notes	Author
7/15/2019	1.0	Reviewed and approved version for publication.	Cynthia Wenzel Cole (DPS contractor)

TABLE OF CONTENTS

1. PURPOSE AND INTRODUCTION4

2. STRATEGY SUGGESTIONS FOR RESOURCEFUL FUNDING4

3. POTENTIAL FUNDING SOURCES LIST5

3.1 GRANTS FUNDING5

3.2 USER AGENCY FUNDING5

3.3 TAXES AND SURCHARGES.....5

3.4 UTILIZE NON-PROFIT CORPORATION.....6

3.5 PARTNER WITH OTHER GOVERNMENT AGENCIES.....6

3.6 AGENCY REVENUE GENERATORS – REGIONAL NETWORK OWNERS6

3.7 PRIVATE DONORS & SPONSORSHIPS7

3.8 CREATIVE “OUT OF THE BOX” IDEAS8

4. TIPS FOR GETTING STARTED8

5. CONCLUSION9

APPENDIX.....10

REFERENCES AND RESOURCES.....10

FINANCIAL PLANNING EXAMPLES.....10

1. PURPOSE AND INTRODUCTION

The purpose of this resource paper is to address priority SCIP objective in the Texas Statewide Communications Interoperability Plan (SCIP) document. The objective states:

Identify all potential local, State and Federal funding sources for training, maintenance, sustainment of existing and future communications infrastructure and capabilities and subscriber equipment

To meet the specific objective highlighted above, a comprehensive list of potential funding options has been compiled and provided, along with an overview of helpful strategies and implementation ideas to help put them into action. It is hoped that presenting a variety of sources and mechanisms this will promote strategic, diversified and highly sustainable programs. The scope of this document does not include details about the individual funding options presented.

A key objective of this document is to emphasize opportunity to diversify funding programs and reduce vulnerabilities from placing all the (funding) “eggs in one basket.”

2. STRATEGY SUGGESTIONS FOR RESOURCEFUL FUNDING

In addition to the examining a broader scope of funding sources, the following strategies might be helpful for pulling it all together and developing your “attack plan.”

- **Identify Sponsors & Stakeholders** – Identify enough sponsors and stakeholders to make sure the project can progress without over-burdening any one team or individual.
- **Identify the Problem** – Prepare your story, the problem you and your stakeholder partners want to solve; develop consensus answers to key questions needed to complete other aspects below
 - For grant applications, be sure to clearly articulate interoperability benefits and specific Project 25 qualifiers
- **Diversify Like an Investment Portfolio** – As in any wise financial strategies, stability and risk management requires diversified strategies, becoming the most strategically impactful goal.
 - Make sure your team stays open to new sources of funding and be sure to match the funding sources to the type and timeframe your project requires.
- **Establish a 5-Year Funding Plan** – Create a funding plan for at least five years and be sure to consider different types of costs required in start-up, construction and ongoing maintenance phases. (see Appendix)
- **Don’t Forget About Training!** – Public Safety communications have learned the hard way that new implementations and technologies are a wasted investment if they are not accompanied by an aggressive and comprehensive training programs. Be sure to include not just end users but also support teams such as executives, 911 dispatch, legal team, program managers, stakeholders and governance board members.

3. POTENTIAL FUNDING SOURCES LIST

The following sections attempt to list “All potential funding sources.” To address this objective the list below provides a full spectrum of options, from traditional sources such as grants and agency budget allocations, to non-traditional sources such as film crew security and private foundations. The notes in [brackets] are for categorization purposes.

3.1 Grants Funding

Grant Funding (general) – With more options can be listed within the scope of this document, Grant Funding remains the mainstay of interoperability project financing. Although it is expected that interoperable grants will continue, there is no guarantee and as stated, an objective is to provide alternative ideas and approaches. For this reason, grant programs are mentioned only at a high level in this document. [Grant\$]

Emergency Radio Infrastructure Fund 5153 – In a huge step forward, the Interoperable Statewide Emergency Radio Infrastructure proposal in House Bill 442 was approved by the Texas legislature and funded as of 9/1/2019 from Account 5153 to become the “*Emergency Radio Infrastructure Fund 5153*.” Contact the Texas SWIC office for updated grant application information.

3.2 User Agency Funding

Local/Municipal Funding (Any/all) – This approach refers to use of all available local (village, city) funding sources. This would include allocations from bonds, new fees or general municipal funds. This does NOT include current budgets of coordinating PS Agency, which is listed as separate mechanism. [Local\$]

County Funding (Any/all) – This would include allocations from bonds, new fees or general municipal funds generated under County governance auspices. This approach refers to use of all county funding mechanisms, except current budgets of coordinating PS Agency, listed as a separate mechanism. [County\$]

Increase/Use of PS Agency Budgeted Funds – This most obvious of sources would include increases to budgets to accommodate program along with in-kind Staffing needed to support project oversight and governance. [PS Agency\$]

3.3 Taxes and Surcharges

Although unappealing, a comprehensive list of funding sources includes allocation from existing tax funds, new taxes and surcharges such as on vehicles and cell phones or allocating to new projects from existing surcharge funds such as E911. [Tax\$] [Surcharge\$]

3.4 Utilize Non-Profit Corporation

These options may or not be viable depending upon statutes and policies which govern your organizations. It may be helpful to consult with other agencies or non-profit groups which have successfully implemented similar programs

501c(3) Non-Profit Corporation (NPC) with Tax Exempt Status – By pursuing a new non-profit and exemption status, private individuals and corporations can deduct contributions boosting fundraising capabilities. Utilizing a non-profit creates enormous benefits and flexibilities such as enabling grant applications, acceptance of donations and ability to hire staff, services and make purchases.

Partner with Existing NPC with 501c(3) Tax Exempt Status – Partner with an existing non-project entity which has benefit of eliminating start-up expenses but may require additional coordination to implement.

Crowd-Sourced Funding – Because Public Safety could be considered a charity, it may be possible to utilize crowd-sourced funding support, perhaps small amounts need to fund early project startup costs, for example. This strategy is most effective if other sources are already identified and a relatively small amount is needed to close the funding gap. It is recognized this may not be practical option for most situations but is being included for completion sake and to work to list truly *all* options possible. [Non-Trad\$]

3.5 Partner with Other Government Agencies

The familiar approaches have been commonly used and implemented among a wide variety of agency and project combinations throughout the State for many years. Just a few example options in this category are listed below.

Partner with Council of Governments (COGs) – Projects in the State of Texas should pursue the vast resources available from the 24 multi-county agencies, or Councils of Governments in the State of Texas. These entities can help by offering grants, grant administration, IT resources, facilities and other services.

Stakeholder Cost Sharing – A common approach to “spread the pain” is establish a structured cost sharing funding from organizations who are primary stakeholders and beneficiaries of the project. Don’t forget to consider end user groups such as hospital systems, universities and large venues.

Shared infrastructure / Lease / Trade Government Assets – To lower and distribute both costs and operational burdens, consider incorporating shared asset and infrastructure resources, such as fiber, facilities, land, rights-of-way, towers, electrical grid connections.

3.6 Agency Revenue Generators – Regional Network Owners

Implementation of User Service Fees – PS Agencies seeking to offset interoperability costs incurred by large numbers of PS agencies, such as the roughly 50* Regional Interop networks in Texas, could implement

User Fees to help offset costs. Even modest amounts can deliver significant sustainability and funding benefits. [User Fee\$]

Additional Fees for Advanced Services – Establishing additional fee structures for advanced services required by more demanding operational environments would help offset the incremental investments required, increasing overall sustainability. [User Fee\$]

3.7 Private Donors & Sponsorships

The following funding sources involve developing relationships with private corporations and individual donors. These options may or not be viable depending upon statutes and policies which govern your organizations. It may be helpful to consult with other agencies or non-profit groups which have successfully implemented similar programs

Corporate Sponsorships: Funding – Establishment of Sponsorship program which would enable direct cash contributions from current stakeholder organizations.; could eventually include in-kind contributions. [\$PrivateDonor]

Corporate Sponsorship: Goods & Services – If allowed by statute and agency policies, consider establishment of a sponsorship program which would enable direct cash contributions from current stakeholder organizations and could perhaps include in-kind and staffing contributions. Many large corporations, Microsoft and Apple for example, have substantive discount programs for non-profit organizations. [Private – Corp\$]

- In exchange for sponsorship / advertising
- Use to reduce out of pocket expenses such as snacks, beverages, meeting expenses

Private Foundations – Non-profit status and establishment of operations enables a vast array of grant donors. To make it easier for start-up projects, the industry offers a number of list and referral services to help you navigate and apply. [Private- Goods\$]

Other Non-Profit Organizations as Donors – Many non-profits are open and eager to assist worthy non-profit endeavors. It may be possible to get services such as accounting, facilities or legal services sponsored or provided by a partnering entity. [Private Donors – Small\$]

Celebrity Donor/Sponsor – As agency policies allow, identify a celebrity with a passion to help First Responders, enable them to become an ongoing Large Donor and use their star power to get other donors and support. [Private Donors – Large\$]

Large Individual Donor – As agency policies allow, identify a wealthy individual with a passion to help First Responders, enable them to become an ongoing Large Donor. [Private Donors – Large\$]

Recruit Elected Official Champion / Executive – Although not a fundraising resource obviously, identifying a politically powerful champion will help advocate and clear roadblocks for the program

enabling it to be more successful while providing credibility demanded by larger donors and government agencies. [ExecSponsor]

3.8 Creative “Out of the Box” Ideas

Criminal Asset Seizure Set-Asides – Recognizing use of asset seizure funds is highly complex and highly constrained, this does not mean that the funding of reliable communications is not a legitimate use of these funds. Obviously, in many situations, the assets would not have been seized without PS comms. The suggestion here is to approach the authorizing body and make a request to “earmark” funding for future seizure of criminal assets by the jurisdiction. It can be asserted that all intensive investigations or operations are enabled by radio communications and therefore worthy beneficiary of seized assets. [Non-Trad\$]

Film and Television/Media Royalties – Create a strategy to leverage the many dozens of films, crime documentaries, television shows, reality TV, live television and other entertainment opportunities. [Non-Trad\$]

Create your Own Source, Like “Adopt a ___?” Program – Creative funding used for other infrastructure projects might be useful here, such as “adopt a radio system” instead of a highway or sponsorship of a tower site. [Non-Trad\$]

4. TIPS FOR GETTING STARTED

The sections below summarize feedback, tips, hints and more strategies to get your diversified funding program started.

- **Engage Sponsors and Stakeholders** – A top priority is to gather a diverse and engaged team of initial leaders to help launch and drive the initiative through the initial development phases. Be clear about what you need, for how long and make sure project stays a positive experience overall.
- **Prepare “The Ask”** – Use structured outline and template to present concise, executive-level summary of overall project proposal. This could be done in a presentation or short paper. Consider approaching as a “Funding Exercise” to get team’s planning started.
- **Assign Team to Start Budget and Solution Planning** – This team would need to estimate start-up costs, overall budget and funding goals by year. Armed with specific Project and Problem info, and costs to solve it even if estimated, the stakeholders can proceed with working together to develop a diversified and sustainable funding plan. (see Appendix)
 - Costs of NOT solving problem such as managing ad-hoc, unplanned funding, equipment lifecycle costs
 - Costs of Risk scenarios, political costs of conspicuous failures, less effective responses, Etc.

- **Establish Governance and Project Management Approach** – Recognizing every environment can bring unique obstacles, be sure governance and administrative infrastructure foundations are put in place to drive project through execution to successful completion, ongoing maintenance and long-term sustainability.
- **Clearly Articulate Interoperability, P25 Qualifiers** – Be sure to clearly articulate the compliance with the interoperable Project 25 standards and seek expertise as needed so that your solution and applications meet interoperable standards and therefore maximum funding opportunities.

5. CONCLUSION

Hopefully the suggestions and ideas presented in this paper stimulate creativity and build enthusiasm toward initiating interoperable projects which will move the broader interoperable objectives purposefully forward. In this document, roughly two dozen “potential funding sources” have been identified. To provide context and momentum the document also includes some general strategy suggestions and a list of specific tips and initial tasks to get a team started.

Best of luck in your interoperable funding endeavors!

Thank You!

APPENDIX

References and Resources

Texas Guidance

<https://www.dps.texas.gov/LawEnforcementSupport/communications/interop/documents/texasSCIP.pdf>

<https://www.dps.texas.gov/LawEnforcementSupport/communications/interop/documents/tsicpMOU.pdf>

<https://www.dps.texas.gov/LawEnforcementSupport/communications/interop/swicDocuments.htm>

https://www.preparingtexas.org/Resources/documents/State%20and%20Fed%20Plans/2017_08_03_Communications_Annex.pdf

Federal Guidance

<https://www.dhs.gov/cisa/national-emergency-communications-plan>

<https://www.dhs.gov/safecom/funding>

Financial Planning Examples

Three-year operational budget (example):

v8 Updated to new Budget v8		Year 1	Year 2	Year 3	3Y Total
Annual Budget		\$38,000	\$42,000	\$40,000	\$120,000
Expenses Summary					
	2018	2019	2020	Total	
IT - INTERNAL	\$680	\$735	\$795	\$2,210	
Legal & Financial Operations	\$3,840	\$580	\$930	\$5,350	
Fundraising & Outreach	\$1,200	\$5,050	\$1,350	\$7,600	
DB Operations & Staffing	\$28,010	\$33,430	\$31,070	\$92,510	
Contingency / Risk	\$4,200	\$2,200	\$5,800	\$12,200	
Budgeted Expenses Per Year	\$37,930	\$41,995	\$39,945	\$119,870	
Delta to Budget	\$70	\$5	\$55	\$119,870	

Revenue by Funding Source, 3Y Diversified Funding Plan (example).

Revenue by Source of Funding		v8							
v8 Updated to new Budget v8		Year 1		Year 2		Year 3		3Y Total	
Annual Budget		\$38,000		\$42,000		\$40,000		\$120,000	
								%of 3Y Total	
Spending by Category ²		Year 1		Year 2		Year 3		3Y Total	
Stakeholder Cost Sharing		22%	\$8,360	14%	\$5,880	8%	\$3,200	\$17,440	14.53%
Grant Funding			\$0	35%	\$14,700	35%	\$14,000	\$28,700	23.92%
Corporate Sponsorships		14%	\$5,320	14%	\$5,880	14%	\$5,600	\$16,800	14.00%
Private Foundations ¹		59%	\$22,400	23%	\$9,600	24%	\$9,600	\$41,600	34.67%
Service Fee Revenue		5%	\$1,900	7%	\$2,940	7%	\$2,800	\$7,640	6.37%
Offset by Infra Sharing			\$0	7%	\$2,940	12%	\$4,800	\$7,740	6.45%
		100%	\$37,980	100%	\$41,940	100%	\$40,000	\$119,920	100%
Budget Delta			-\$20		-\$60		\$0		