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FirstNet Finance Committee Public Meeting November 17, 2014



November 17, 2014

Agenda



- Oversight and approval of specific FY 2015 budget expenditures to support further development of the comprehensive network RFP, consultation, and related activities.

FY 2015 Budget as Approved by the Board



- At the September 17, 2014 Board Meeting, the Board adopted management's FY 2015 budget recommendation of \$120 million (plus an additional amount to fund remaining FY 2014 authorized obligations) in substantially the form presented to the Board.

	(millions)	
	Obligations	Expenses
Comprehensive network RFP development	\$ 49.9	\$ 41.6
Consultation, planning, and outreach	24.8	31.3
Network development	10.3	13.0
Administrative functions	15.3	14.6
Project Support and Infrastructure	<u>19.4</u>	<u>14.6</u>
	\$ 119.7	\$ 115.1

- The Board delegated to the Finance Committee oversight of specific budget expenditures within guidelines to be developed by the Finance Committee.

Initial Finance Committee Approvals and Guidance to Management



- On September 24, 2014, the Finance Committee approved Resolution 6 by unanimous written consent which provided an initial obligation allowance of \$29 million for specific expenditures recommended by management for the month of October.
- On October 23, 2014, the Finance Committee approved Resolution 7 by unanimous written consent which:
 1. Extended the authority for management to obligate funds for specific activities approved for October but not executed as of October 31 during the remaining months of FY 2015, and
 2. Authorized the obligation of additional amounts for salaries, benefits, routine operational charges, and NTIA assessments for shared services up to \$4 million in aggregate through December 31, 2014.

Further Action of the Finance Committee



- Therefore, at this Finance Committee meeting, we are presenting for the Committee's review and approval specific obligations of funds within the Board-approved budget to be available during the remaining months of FY 2015. Proposed is a Finance Committee Resolution to:
 - ✓ Allow management to obligate funds consistent with the Board-approved budget for additional activities not provided in Finance Committee resolutions 6 and 7.
- Management will demonstrate progress in these and previously approved activities before requesting that additional obligational authority be made available in any amounts up to the Board-approved budget level. Further, management is committed to continuous review and cost-effective oversight of requirements as it plans for and makes staffing and contracting decisions, and will keep the Committee apprised of opportunities developed, particularly as they relate to FirstNet's organization and workforce structure.

Proposed Approvals



- Within the Board-approved budget, management may obligate up to \$86.2 million (inclusive of amounts previously provided):
 1. Management may obligate up to \$42.5 million on comprehensive RFP and network development activities including:
 - Continued hiring of necessary in-house management and technical expertise to manage and oversee Comprehensive RFP development
 - Acquisition of additional necessary technical and operational experts to support the in-house team in the continued development of the Comprehensive RFP
 - Continued Public Safety Communications Research (PSCR) support
 - Legal support to the RFP team
 2. Management may obligate up to \$22.3 million on consultation, planning, and outreach activities including:
 - Establishing any necessary regional presence
 - Leveraging available resources from other Federal agencies to assist in the consultation process
 3. Management may obligate up to \$21.4 million on FirstNet organizational infrastructure, project support, and administrative functions including:
 - Interagency service agreements
 - Necessary IT infrastructure investments
- Management may reallocate up to 10 percent of the funds from any of these three major activity categories to another major activity category. Management may exceed the approved obligation level by no greater than 10 percent in the aggregate or by 15 percent for any of the three major activity categories.

Expense Estimates



- Assuming our recommendations today are adopted, FY 2015 expenses will run approximately \$82 million in total, including expenses from FY 2014 obligations.

Activity	Expense Estimate
Comprehensive RFP and Network Development	\$42 million
Consultation, planning , & outreach	\$19 million
Foundational Infrastructure, Project Support, & Administrative functions	\$21 million
Total	\$82 million

FY 2015 Budget Approvals



- Resolution to approve certain spending, consistent with the Board-approved budget for FY 2015.
- Vote of the Finance Committee