



Funding & Business Models

FOR FRAMEWORK DEVELOPMENT & MAINTENANCE

JANUARY 19, 2018



OBSERVATIONS FROM WORKGROUP

- Most everyone agreed data sharing is good...
- ...but obstacles remained, which group attempted to deal with in the new law:
 - Liability
 - Privacy
 - Security (e.g. critical infrastructure)
 - Control/authority over data
 - *Resources & sustainability*



RESOURCE/SUSTAINABILITY ISSUES

- Taken statewide, insufficient funds for:
 - Data development
 - Data standardization & transfer
 - Data storage and management
- Some agencies' business models could suffer from "free" mandated sharing
- From a statewide perspective we could better optimize the *overall* business model



NEW LAW'S SOLUTIONS

- Phased clauses
- Task OGIC with recommending resource and biz model solutions
- “Escape clause”—don’t have to share if it would cost the provider



BUSINESS MODEL THOUGHT

- Agencies fall roughly into:
 - *Data Consumers (most of us)*
 - *Data Aggregators/Value-Adders*
 - *State GEO is a special case*
 - *Data Providers (mission-critical)*



SUGGESTED OBJECTIVES

- Find & recommend new state funds (source)
- Devise & recommend optimal business model (i.e. how to allocate funds for greatest impact)

FUND MANAGEMENT & OGIC ROLE

ORS 166 established the OGIC Fund

- The Oregon Geographic Information Council Fund is established within the Office of the State Chief Information Officer and is separate and distinct from the General Fund. The fund consists of moneys received by the State Chief Information Officer on behalf of the Oregon Geographic Information Council under this section and such other moneys as may otherwise be made available by law....

The Council is expected to:

- Recommend to the Legislative Assembly strategies for eliminating the fees that public bodies charge to other public bodies for geospatial Framework data under ORS 190.050 or 192.440

FUNDING SOURCE OPTIONS

- Dedicated Funds
- Mission Driven Funding
- Assessment on Organizations
- Central & Capital Funding
- Cost Recovery



DEDICATED FUNDS

A dedicated source providing a continuous stream of funding. Sales taxes are sometimes established for a dedicated purpose. Property transfer fees and other types of fees are often established for a dedicated purpose, and small portions of those fees have been used by some states to fund geospatial data development, management, and sharing.



MISSION DRIVEN FUNDING

Aligning the geospatial coordination and data efforts with specific missions, like E9-1-1, land use planning (smart growth), public land and facilities management, and economic development, and using funds that support those missions for some of the costs of the statewide geospatial program, has been used by quite a few states.



ASSESSMENT ON ORGANIZATIONS

Assessing a charge to user organizations to support centralized functions of government is a common funding approach, often used for IT, human resources, payroll and other such functions. It is the primary source of funding right now for the Oregon Geospatial Enterprise Office. It is charged to every state agency, it funds the GEO budget, and is based on the size of each agency and the relative importance of location to the agency mission.

CENTRAL & CAPITAL FUNDING

According to the Federal Geographic Data Committee, assets with a life span of more than one year should be considered capital (not operating) assets and should be financed so as to extend their useful life. Annual sums spent to maintain and enhance capital assets can be leveraged and pooled with other investments in similar assets. If the annual investments are made contractual, the contract can be pledged as collateral to finance new or replacement capital assets.



COST RECOVERY

Cost recovery is not a prevalent funding method for statewide geospatial programs, but has been used in some cases. This could involve something simple, like GEO charging non-government entities for data access, to more complex arrangements with a public/private partnership.

In that case, a private sector partner would aggregate geospatial Framework data from all custodians, develop value-added products and services, charge non-government customers for those products and services, and share the profits with the custodians (data producers) to fund development and maintenance of the data. The raw public data would continue to be made publicly available, subject to existing statutory restrictions. This model exists in a few places.

BUSINESS MODEL OPTIONS

How would new funding be allocated?

- There are a variety of possibilities:
 - ORMAP approach
 - FIT approach
 - OEM approach
 - Other

BUSINESS MODEL OPTION: MISSION-FOCUSED GRANTS

ORMAP Approach

- Portion of fee collected on every property transaction
- Dedicated to development of land information system for assessment purposes
- Funds collected by County Clerks, submitted to ORMAP fund
- DOR administers a grant program, with funding criteria and a review process
- A certain amount is set aside each funding cycle for tool development



BUSINESS MODEL OPTION— CENTRALLY-ADMINISTERED GRANTS

FIT Approach

- \$500K from State agency assessment, leveraged about 6:1
- Dedicated to development of Framework data
- As of 2017-19, funds held in new OGIC fund
- GEO administers a grant program, with funding criteria and a review process
- Started last cycle prioritizing to complete certain foundational data sets - roads, imagery, streams, etc.

BUSINESS MODEL OPTION: MISSION-FOCUSED GRANTS

OEM Approach

- Fee collected on phones for 9-1-1 purposes.
- Funds collected by TelCos and DOR and deposited in 9-1-1 fund, managed by OEM and distributed to PSAPs based on formula.
- Percentage dedicated to development of geospatial data.
- OEM establishes funding criteria and a review process. Recently expanded and clarified the funding criteria.
- Geospatial data maintenance funding amount based on population and adjusted for multi-county and/or multi-PSAP maintenance areas.
- PSAPs may submit (special) proposals for one-off projects beyond regular data maintenance work.

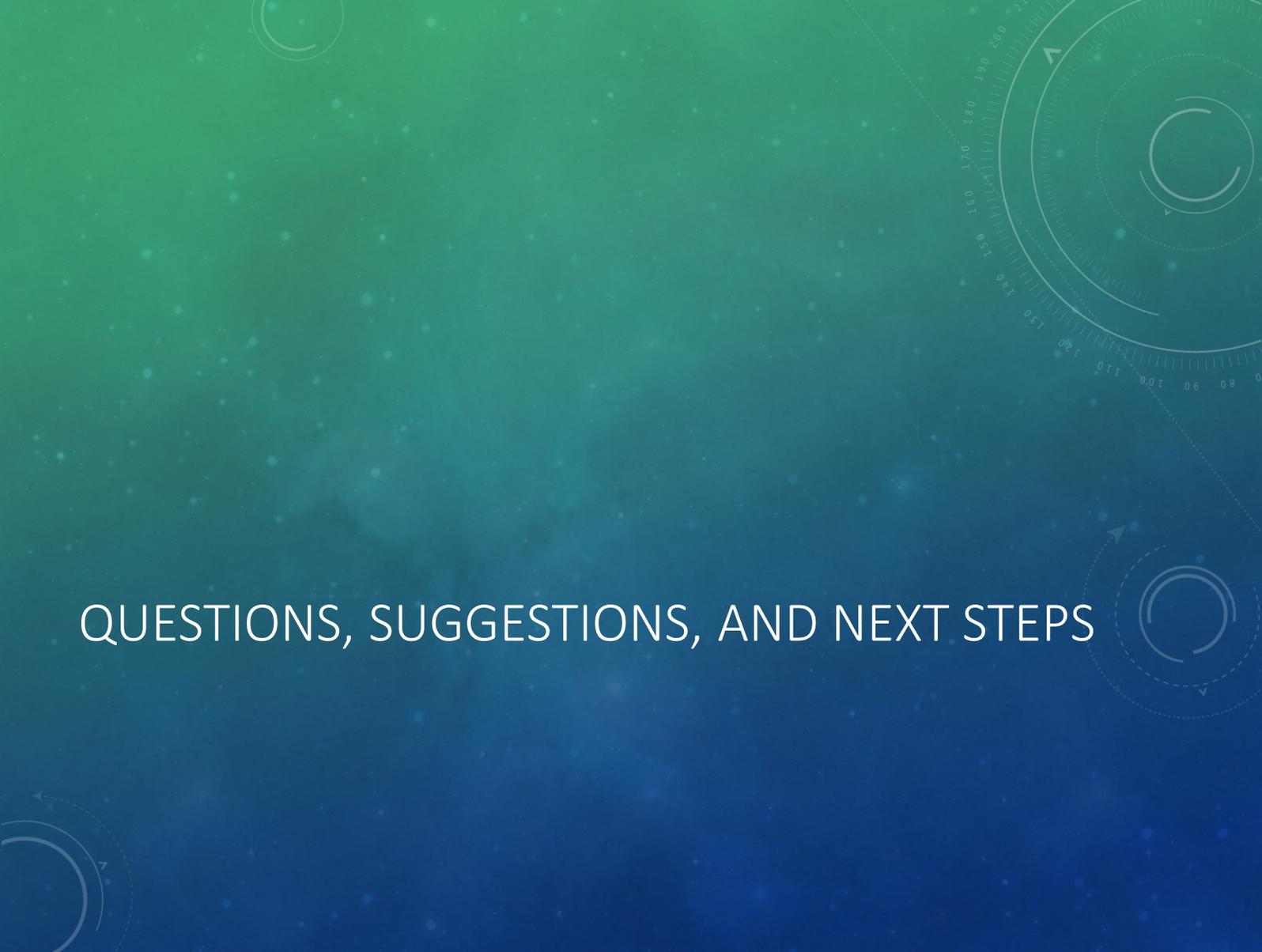
OTHER BUSINESS MODELS

Geographically-focused grants (e.g. collect multiple data sets for a small jurisdiction to fill a “hole”)

Direct contracts (to aggregators, firms, others) to aggregate & standardize, fill “holes”, develop tools, take on other non-mission-specific tasks...

Central services (e.g. state, regions, academics execute selected work)

Serendipity (e.g. collect data from separate activities such as transport or scientific studies)



QUESTIONS, SUGGESTIONS, AND NEXT STEPS