



Federal Communications Commission
Washington, D.C. 20554

Approved by OMB
3060-1122
Expires: May 31, 2015
Estimated time per response: 10-50 hours

Pursuant to OMB authorization 3060-1122 , the FCC’s Public Safety and Homeland Security Bureau seeks the following specific information in order to fulfill the Commission’s obligations under Section 6(f)(2) of the NET 911 Act:

1. Has your State, or any political subdivision, Indian tribe, village or regional corporation therein as defined by Section 6(f)(1) of the NET 911 Act, established a funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation (please include a citation to the legal authority for such mechanism)?

Please insert an “X” below the appropriate answer.

YES	NO
X	

If “yes,” please include a citation to the legal authority for such mechanism.

South Dakota Codified Law 34-45-4 and 34-45-4.2
<http://legis.state.sd.us/statutes/DisplayStatute.aspx?Type=Statute&Statute=34-45>

2. The amount of the fees or charges imposed for the implementation and support of 911 and E911 services.

SDCL 34-45-4 “A monthly uniform 911 emergency surcharge of one dollar and twenty-five cents shall be assessed per service user line.” SDCL 34-45-4.2 “There is hereby imposed a prepaid wireless 911 emergency surcharge of two percent upon the gross receipts of each retail transaction for the purchase of prepaid wireless telecommunications service.”

3. The total amount collected pursuant to the assessed fees or charges, for the annual period ending December 31, 2012.

The amount of surcharge collected for the annual period ending December 31, 2012



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was \$9,111,476.

4. A statement describing how the funds collected are made available to localities, and whether your state has established written criteria regarding the allowable uses of the collected funds, including the legal citation to such criteria. In other words, identify whether your state has established a funding mechanism that mandates how collected funds can be used, and identify those allowed uses.

The 911 surcharge funds are remitted by the telecos to the SD Department of Revenue on a monthly basis. This includes the \$1.25 per line surcharge and the 2% prepaid wireless surcharge. DOR then transfers those dollars to the SD Department of Public Safety for distribution as explained in SDCL 34-45-8.4.

<http://legis.state.sd.us/statutes/DisplayStatute.aspx?Type=Statute&Statute=34-45-8.4>

34-45-8.4. (Text of section effective until July 1, 2018) Distribution of surcharge revenue to public agencies and to public safety 911 emergency fund and 911 coordination fund. The Department of Revenue shall transfer the surcharges collected pursuant to §§ 34-45-4 and 34-45-4.2 to the Department of Public Safety. The Department of Public Safety shall remit each month seventy percent of the revenue collected from the 911 emergency surcharges imposed by § 34-45-4 to the public agency, which has adopted an ordinance pursuant to § 34-45-2, where the surcharges were collected. The secretary of the Department of Public Safety shall approve vouchers and the state auditor shall draw warrants to pay each public agency its share of the distribution. The Department of Public Safety shall deposit thirty percent of the revenue collected from the 911 emergency surcharges imposed by § 34-45-4 into the public safety 911 emergency fund created pursuant to § 34-45-8.5. The Department of Public Safety shall deposit all of the revenue collected from the prepaid wireless service surcharge imposed by § 34-45-4.2 into the South Dakota 911 coordination fund created pursuant to § 34-45-12.

(Text of section effective July 1, 2018) The Department of Revenue shall transfer the surcharges collected pursuant to §§ 34-45-4 and 34-45-4.2 to the Department of Public Safety. The Department of Public Safety shall remit each month eighty-five percent of the revenue collected from the 911 emergency surcharges imposed by § 34-45-4 to the public agency, which has adopted an ordinance pursuant to § 34-45-2, where the surcharges were collected. The secretary of the Department of Public Safety shall approve vouchers and the state auditor shall draw warrants to pay each public agency its share of the distribution. The Department of Public Safety shall deposit fifteen percent of the revenue collected from the 911 emergency surcharges imposed by § 34-45-4 into the public safety 911 emergency fund created pursuant to § 34-45-8.5. The Department of Public Safety shall deposit all of the revenue collected from the prepaid wireless service surcharge imposed by § 34-45-4.2 into the South Dakota 911 coordination fund created pursuant to § 34-45-12.

Written criteria regarding allowable uses of the 911 surcharge funds is stated South Dakota Administrative Rule, Chapter 50:02:04.

<http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=50:02:04>



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50:02:04:08. PSAP allowable recurring and nonrecurring costs. Costs must be directly related to the installation, maintenance, or operation of a PSAP to be considered allowable costs. Directly related costs are those that are necessarily incurred by a PSAP to process emergency and non-emergency requests for service, relay information from those requests to the appropriate public safety or public service agency, and to provide support to the responding agency throughout the response.

Allowable costs may be recurring or nonrecurring. Costs must be necessary and reasonable for proper and efficient performance and administration of a PSAP. A cost is reasonable if, in nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

The determination of whether a recurring or nonrecurring cost is allowable shall be at the sole discretion of the board.

50:02:04:09. Recurring costs. Recurring costs may include the following:

(1) PSAP personnel costs, where the employee's primary function and duties must be to work as an employee of a PSAP or, at least 50 percent of the employee's work hours must be spent performing PSAP duties, to include the following:

(a) Salaries and wages, including overtime pay and payments for compensated absences under an established plan for vacation, sick leave, holidays, compensatory time or other forms of leave;

(b) Old age and survivor insurance (OASI) -- employer's share;

(c) Medicare -- employer's share;

(d) Retirement -- employer's share;

(e) Workers' compensation insurance premiums or contributions;

(f) Group health and life insurance -- employer's share;

(g) Unemployment compensation insurance -- employer's share; and

(h) Compensation for accrued leave paid out upon retirement, resignation, or termination under an established plan; and

(2) PSAP operational costs, including the following:

(a) Insurance, including general liability, property, automobile, and employee bonds;

(b) Contractual and consulting services and fees;

(c) Recruitment and testing;



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- (d) Publishing;
- (e) Rentals;
- (f) Repairs and maintenance, including maintenance contracts and service agreements;
- (g) Supplies and materials;
- (h) Postage and other delivery costs;
- (i) Travel;
- (j) Training, including registration and certification fees;
- (k) Membership dues and subscriptions; and
- (l) Utilities, including telephone services.

50:02:04:10. Nonrecurring costs. Nonrecurring costs may include the following:

- (1) Real property, pro-rated to the percentage of the premises occupied by a PSAP;
- (2) Major improvements or remodel costs to a PSAP;
- (3) Furniture and equipment, such as administrative and maintenance vehicles for a PSAP, furnishings, office equipment, computers and related connectivity, phone systems, radio systems, and recording equipment; and
- (4) Software and data necessary to the operation of a PSAP.

50:02:04:11. Communication equipment allowed or disallowed as nonrecurring costs. 911 surcharge funds may be used to pay for radio communication equipment that allows a PSAP to page and communicate with emergency responders. Such equipment may include: back room radio equipment and racks, central electronics banks, radio software, desktop radio consoles, radio computers and servers, control station radios, control station antennas and cables, mobile radios used by a PSAP as a control station or base station radio, portable radios used in a PSAP for backup purposes, and repeaters of paging terminals used by a PSAP. 911 surcharge funds may be used to pay connectivity costs between the PSAP and allowable communication equipment.

911 surcharge funds may not be used to purchase radio communication equipment or systems for emergency responders or other municipal or county agencies. Prohibited equipment includes: portable and mobile radios, pagers, cell phones, mobile data terminal and related equipment, automatic vehicle location (AVL) systems and related equipment, pyramid radios or systems, warning sirens and related equipment, radio towers, and equipment shelters.

50:02:04:12. Physical addressing costs allowed or disallowed as nonrecurring costs. 911 surcharge funds may be used to pay initial one-time costs associated with a county or municipality issuing physical addresses for the purpose of implementing Enhanced 911 to include: street name signs, map books, and wages related to addressing. After Enhanced 911 has been implemented in a county, no 911 surcharge funds may be used to pay



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on-going maintenance costs related to addressing, street name signs, or map books.

5. A statement identifying any entity in your state that has the authority to approve the expenditure of funds collected for 911 or E911 purposes.

<http://legis.state.sd.us/statutes/DisplayStatute.aspx?Type=Statute&Statute=34-45-12>

34-45-12. 911 coordination fund--Distributions to public safety answering points. There is hereby created within the state treasury the South Dakota 911 coordination fund. Any funds collected from prepaid wireless telecommunications service pursuant to § 34-45-4.2 shall be deposited in the South Dakota 911 coordination fund. Any money in the South Dakota 911 coordination fund is continuously appropriated for reimbursement of allowable nonrecurring and recurring costs of 911 service and operating expenses of the board. The board shall authorize disbursements from the fund pursuant to this chapter for the expenses of the board and for approved nonrecurring and recurring costs requested by the governing body of eligible 911 public safety answering points. The board may solicit proposals to coordinate and implement an upgrade to the 911 emergency service system of all public safety answering points. The funds may be disbursed for the purpose of planning, coordinating, purchasing, installing, maintaining, and operating, an upgrade to the 911 emergency services system. Any interest earned on money in the fund shall be credited to the fund.

In addition the local entities (cities/counties) expend 911 funds. The authority to approve the expenditure of funds collected for 911 or E911 purposes rests with the governing entity receiving such surcharge monies.

6. A description of any oversight procedures established to determine that collected funds have been made available or used for the purposes designated by the funding mechanism or otherwise used to implement or support 911.

The South Dakota 9-1-1 Coordination Board has the statutory authority in 34-45-18.2 to promulgate rules regarding 911 expenditures. Administrative Rule 50:02:04:07 states the PSAP financial standards. <http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=50:02:04:07>

50:02:04:07. Financial standards. A PSAP must be operated according to the following financial standards:

- (1) Any governing body responsible for the operation of a PSAP must maintain within its accounting system a separate special revenue fund to be identified as the 911 Fund;
- (2) The financial balances and activities of the 911 Fund must be accounted for and reported in accordance with generally accepted accounting principles or other comprehensive basis of accounting;



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- (3) Any governing body responsible for the operation of a PSAP must adopt an annual PSAP budget and submit it to the board on forms provided by the board. The budget must include all appropriations and the means of financing those appropriations;
- (4) Any governing body receiving 911 emergency surcharge funds must deposit all received funds, including all interest earned on fund investment, in the 911 Fund;
- (5) Any governing body that receives 911 emergency surcharge revenue shall submit an annual 911 Fund financial report to the board detailing all revenue, expenditures, fund balances, and other financial information as requested on forms provided by the board. The annual report shall be submitted to the State 911 Coordinator by March 31st of each calendar year;
- (6) No later than January 1, 2011, all other revenues generated by the operation of a PSAP must be deposited in the 911 Fund and identified by revenue source code on the annual financial report;
- (7) All grant funds received from the board must be deposited in and expended from the 911 Fund; and
- (8) All recurring and nonrecurring costs paid from the 911 Fund must be allowable expenditures as prescribed by the board.

7. A statement describing enforcement or other corrective actions undertaken in connection with such oversight, for the annual period ending December 31, 2012.

The 911 Coordination board has the authority to collect annual financial data from any entity receiving 911 surcharge funds.

<http://legis.state.sd.us/statutes/DisplayStatute.aspx?Type=Statute&Statute=34-45-20>

34-45-20. Board duties. The board shall:

- (1) Evaluate all of the current public safety answering points and systems throughout the State of South Dakota for their capability to adequately and efficiently administer systems;
- (2) Develop plans for the implementation for a uniform statewide 911 system covering the entire state or so much as is practicable;
- (3) Monitor the number and location of public safety answering points or systems and the use of 911 emergency surcharge funds in their administrative and operational budgets;
- (4) Develop criteria and minimum standards for operating and financing public safety answering points or systems;
- (5) Develop criteria for the eligibility and amount of reimbursement of recurring and nonrecurring costs of public safety answering points or systems;
- (6) Develop criteria for the implementation of performance audits of the use of the 911 fees utilized in the operation of the 911 system. The audit shall be conducted by the Department of Legislative Audit and shall be presented to the board and the Legislature;
- (7) Report annually to the Government Operations and Audit Committee about the operations and findings of the board and any recommendations for changes in the



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surcharges imposed by this chapter and the distribution of the revenue; and
(8) Report annually to the Governor and the Legislature about the operations and findings of the board and any recommendations for changes to 911 service in the state.

The board has the authority to promulgate rules defining the allowable recurring/non-recurring costs with 911 surcharge funds.

<http://legis.state.sd.us/statutes/DisplayStatute.aspx?Type=Statute&Statute=34-45-18.2>

34-45-18.2. Promulgation of rules regarding operational standards, coordination of service, and expenditures. The board may promulgate rules pursuant to chapter 1-26 setting:

- (1) Minimum technical, operational, and procedural standards for the operation and utilization of a public safety answering point;
- (2) Requirements and amounts for reimbursement of recurring and nonrecurring costs;
- (3) Standards for coordination of effective 911 service on a statewide basis; and
- (4) Allowable expenditures of the 911 emergency surcharge proceeds collected pursuant to § 34-45-4.

No public safety answering point may be required to comply with the provisions of ARSD 50:02:04:02(2), unless the next generation 911 initiative has been implemented. The board shall determine when the next generation 911 initiative is operational. The board shall notify each public safety answering point not complying with the provisions of this rule when this determination has been made. The public safety answering point shall comply with the provisions of the rule within ninety days. However, any public safety answering point that submits a written request to the board to opt out of the provisions of ARSD 50:02:04:02(2) may only receive seventy-five cents of each surcharge assessed pursuant to § 34-45-4 that is to be remitted such public safety answering point. The remaining surcharge assessment shall be deposited in the public safety 911 emergency fund.

The board does not have the authority to enforce compliance with said rules. The board did contact any entity who expended 911 funds on non-allowable costs and requested that they correct their procedure immediately to come into compliance with the financial rules.

- 8. In the annual period ending December 31, 2012, were funds collected for 911 or E911 purposes in your state/jurisdiction made available or used solely for purposes designated by the funding mechanism identified in Question 1?

Please insert an "X" below the appropriate answer.

YES	NO
X	

- 9. A statement identifying what amount of funds collected for 911 or E911 purposes were made available or used for any purposes other than the ones designated by the funding mechanism or used for purposes otherwise unrelated to 911 or E911 implementation or support (e.g., funds transferred, loaned, or otherwise used for



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the state's general fund), including a statement identifying the unrelated purposes for which the funds collected for 911 or E911 purposes were made available or used.

Zero

10. A statement identifying with specificity all activities, programs, and organizations for whose benefit your state, or political subdivision thereof, has obligated or expended funds collected for 911 or E911 purposes and how these activities, programs, and organizations support 911 and E911 services or enhancements of such services.

SDCL 34-45-18 established the South Dakota 911 Coordination Board. The 911 Coordination Board is charged with, among other things, setting the allowable expenditures of the 911 emergency surcharge proceeds collected pursuant to 34-45-4 and 4.2. SDCL 34-45-12 states "Any money in the South Dakota 911 coordination fund is continuously appropriated for reimbursement of allowable nonrecurring and recurring costs of 911 service and operating expenses of the board."

The funds allocated to the State 911 Coordination Board are used to: pay the operating expenses of the board and state 911 coordinators office; to fund a statewide grant program designed to provide financial assistance to PSAPs that need help in funding non-recurring costs necessary to achieve or maintain compliance with the standards set out in Administrative Rules of South Dakota related to General Operational Standards, Call Taking Standards, Communication with Field Units, Facilities and Equipment, and Technical Standards; and to create a web-based data collection system to collect the annual financial reports from the entities receiving 911 surcharge monies

11. Does your state classify expenditures on Next Generation 911 as within the scope of permissible expenditures of funds for 911 or E911 purposes?

Please insert an "X" below the appropriate answer.

YES	NO
X	

12. Has your state expended such funds on Next Generation 911 programs?

Please insert an "X" below the appropriate answer.

YES	NO
	X



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13. If so, how much has your state expended in the annual period ending December 31, 2012 on Next Generation 911 programs?

Zero. Costs related to NG911 have been incurred in calendar year 2013 and therefore will be included in the 2013 report.

14. Any other comments you may wish to provide regarding the applicable funding mechanism for 911 and E911.

None.