

Subcommittee on the Research, Education, Economic Development (REED) Network

The Appropriations Subcommittee on the REED Network met two times mid February in the State Capitol and heard presentations from the Bureau of Information and Telecommunications (BIT), the Board of Regents (BOR), and comments from many private businesses and industry groups. The need for a high speed network in South Dakota is undisputable; however, the details of a project of this magnitude will require continued coordination. Testimony from the following entities affirms that the need for a high speed network in South Dakota is great: Avera Health, Sanford Health, Home Federal Bank, SDN Communications, Absolutely Aberdeen, Sioux Falls Development Foundation, Premier Bank Card, and the South Dakota EPSCoR REACH Committee.

The Appropriations Subcommittee on the Reed Network makes the following observations and conclusions to the Joint Appropriations Committee:

1. There are pros and cons of choosing a Dim vs. Dark fiber solution. While other states have chosen the Dark solution and require their higher education system to manage and control the research network, the Governor of South Dakota, has determined that the best solution for his state is to partner with a private telecommunications company and offer a Dim fiber network. The BIT, in consultation with the BOR will administer the state's portion of the bandwidth.
2. The funding for the REED Network is proposed in the FY09 Governor's Budget and includes \$2,301,846 from the general fund for on-going costs in FY09. The state received a grant in the amount of \$8,000,000 from the Great Plains Education Foundation that will be used for a large portion of the one-time funding needs; however, the network will also require an additional \$3,768,711 for one-time needs. The subcommittee recommends this one-time request be funded with state general funds.
3. The Board of Regents had also requested: a) an FTE be placed at each of the 4 largest research universities to provide technology assistance to the researchers; b) one FTE to manage the REED Network; long-term equipment replacement dollars; and replacement dollars for a cut made by BIT for the computing cluster in the amount of \$451,000. The subcommittee requests this issue be readdressed in the FY2010 budget after further review by BOR and BIT.
4. A Joint Powers Agreement between the BOR and BIT has been drafted, but has yet to be signed. It is in the best interests of both parties to clearly define the requirements of each entity's role immediately. The subcommittee recommends this be done no later than March 17, 2008, with a copy of the final agreement sent to each Appropriations Committee member upon finalization.
5. The subcommittee recommends timely updates during the interim and future legislative sessions on this project, either in writing or verbally, specified in a Letter of Intent to each agency. The first update should be provided on March 17, 2008. The updates should include revised project timelines, budget status, and any other pertinent information.

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Senator Smidt, Chair

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Representative Haverly, Vice Chair

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Senator Maher

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Representative Burg

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Representative Davis

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Representative Dennert