

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 9 – K (1)

DATE: June 26-28, 2018

SUBJECT

REED 100G Network Update

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

The Board requested \$3.0M of one-time funds as part of our FY19 budget request to upgrade the Research, Education and Economic Development Network (REED) upgrade to 100G from 10G. As you are well aware, no funds were identified during the legislative session to fund the project. The request would have completed the north-south path including connections to SDSU, USD, DSU, and UC-Sioux Falls. NSU can also be connected when they are ready. Phase III would complete the east-west path and will be requested at such time as the need is justified.

After reviewing funding priorities, USD, SDSU and DSU committed \$500,000 to the project in mid-April. Nathan Lukkes also suggested that a collaborative grant proposal from the schools be submitted to the Regents Research and Development Innovation Grants pool for \$500,000 to be funded over two years. That proposal is in the works and we should know by the end of July if it is funded. We are confident in that award given the other commitments to this important technology investment. Dr. Kramer requested \$500,000 in funding from the Governor as well as from the Great Plains Education Foundation (GPEF) on May 30th. The Governor has already awarded the \$500,000 and even though the GPEF board has not acted upon our request, we are confident they will approve the grant given the match by the State. At this point we are confident in reaching the \$3.0M need!

Dr. Kramer has been in regular contact with appropriators and has received substantial support and encouragement from members to move forward if the funding can be secured.

The next steps are to meet with the Bureau of Information and Technology to discuss how we engage them and SDN, the private vendor that owns the fiber that constitutes REED.

(Continued)

INFORMATIONAL ITEM

IMPACT AND RECOMMENDATIONS

The investment in REED provides substantial benefits to the state and the students attending our universities. Grant funding supported 667 full-time equivalent jobs in 2017. These jobs tend to be at the high-end of the pay scale for faculty and full-time researchers. The research also provides numerous assistantships and job opportunities for students. Grant expenditures totaled \$94,605,834 in FY17. These expenditures have a substantial economic impact as they flow through the local and state economies. Finally, the Facilities and Administration overhead reimbursement earned off the grants is vital for making investments in research facilities and to recruit quality faculty and researchers to South Dakota.

ATTACHMENTS

None