



Broadband Investment

Governor's Office of Economic Development

Overview

Sound infrastructure is closely tied to economic opportunity. The most important investment we can make this year is to finish connecting the state to broadband. In America's early days, mail was delivered via post road. The Founders thought communication was so important to the business of the people and the nation that they included a provision in the Constitution to allow for the government to establish post roads. In the modern economy, technology allows for the transportation of goods and services over the internet – a whole different kind of post road. We must create an environment where people aren't forced to choose between the modern economy on the one hand, and life in their hometown on the other. We must make sure our people can harness the latest technology to take advantage of what has become the modern equivalent of a post road.

The remaining cost of providing high-speed broadband access to all of South Dakota is approximately \$200 million. Governor Noem's recommended budget includes an investment of \$100 million toward this goal, to be matched by federal grant money and private investment, to fully connect the state.

ConnectSD

This investment builds on the immense success of the ConnectSD program launched in 2019. To date, the state has devoted \$16.6 million to broadband projects, which in turn leveraged \$34.8 million in federal money and \$36.8 million in industry money, for a total investment of \$88.2 million in broadband in South Dakota. This is an impressive return of \$5.51 for every \$1 invested in broadband by the state.

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Many future broadband projects will be more difficult to complete due to the increasingly rural nature of the remaining unserved residents, as well as geographical challenges, particularly in the Black Hills. By allocating this significant sum of money to the project, the state will be well-positioned to attract additional federal dollars along with private investment. In addition, these investments will allow the state to consider new and innovative technologies and financing mechanisms to expand access.