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TWO NEW PROJECTS FROM DSU

Starting this summer, DSU will be instituting two new projects. We're very excited for DSU and the community. Both projects have the potential to make a huge economic impact that will benefit Madison and the State of South Dakota. Both projects will be currently located at the Heartland Technology Center in the Hueners' Technology Park on the north side of Madison.

The first project is titled the National Center for the Protection of the Financial Infrastructure. The center will research and study ways for the banking and finance industry to protect customer information.

THE NATIONAL CENTER FOR THE PROTECTION OF THE FINANCIAL INFRASTRUCTURE

By Dr. Kevin Streff, DSU faculty member

The National Center for the Protection of the Financial Infrastructure was established in December, 2008 and is directed by Dr. Kevin Streff, faculty member at Dakota State University. The research center will study the security issues of the financial sector, and identify solutions to these problems. The center will have a core group of DSU researchers, but will also act as the lead university in a consortium of 20 other universities.

The mission of the center is to fortify the critical infrastructure of the financial sector that citizens depend upon each day to conduct daily electronic commerce. The center anticipates research, education and outreach opportunities. For example, the center anticipates conducting training sessions for technology professionals in the financial industry. These training sessions could be on-line or on-site on campus in Madison. These types of activities should bring lots of visitors to Madison for these training sessions.

The 2010 research center will create jobs for Madison and South Dakota. For example, three researchers and an administrative assistant are being hired as we speak. Two of these researchers are hired and starting in July. Each researcher will create even more jobs. For example, each researcher will write grants to involve students and other faculty. This will bring dollars into the university and research center. When these grants are more work than our existing capacity, more researchers will be hired. This is the economic development cycle of research centers where researchers acquire grants to conduct work and need researchers to complete the work. Each year we anticipate the total dollars of research grants to grow, creating a steady stream of growth for research jobs at the Center.

The other significant benefit of the research center is the potential start-up companies, spin-offs and intellectual property that will be developed through the Center. The researchers will be studying significant information security problems in the financial industry, and coming up with solutions to these problems. These solutions will be commercialized through the university and private sector to create even more jobs through the research center. This is why the 2010 center is housed at the Heartland Technology Center, to work with other start-up companies and commercialize their discoveries. An example of spinning out a business from DSU is Secure Banking Solutions, which performs information security services for 300 small and medium-sized

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As with many projects our community has been involved in there are pros and cons, yes and no, pluses and minuses. This continues to be and was the case several years ago when the Madison City Commission purchased the land east of Madison adjoining the Lakeview Industrial Park.

That decision, along with the decision to transfer the purchased land from the City of Madison to the Lake Area Development Association for economic development, have turned a vision into reality. Anyone that has traveled east on Highway 34 cannot help but notice all of the preparations and installation of vital infrastructure: water, sewer, storm sewer and finally paved roads. These infrastructure improvements are the starting point for an already expanding industrial and office park.

As a community, we need to say “thank you” to several businesses that have chosen to continue to call Madison their home by locating their operations in the Lakeview Industrial Park. The first, Rosebud Manufacturing who recognized an opportunity to consolidate several locations into one and moved into a 44,000 square foot building that had been vacated by Arctic Cat. Secondly, James River Equipment who also found value and a need to continue their operations in Madison with the construction of a 55,000 square foot sales and service facility. Third, is Heartland Consumer Power District as they start construction on a state-of-the-art, energy efficient, 9,400 square foot office building that will be the first LEED certified platinum building in the state.

What’s next for the expanding office and industrial park? Only time will tell. Let us all work hard to look for new businesses that are willing to move to Madison but work doubly hard in keeping and thanking our existing businesses for their investment in our great community!

Jerry Johnson, LAIC President

DEPARTMENT OF LABOR SUMMER STIMULUS

By Brett Gustin, Madison DOL Staff

The South Dakota Department of Labor (DOL) had an extremely busy May in the Madison field office. In addition to providing regular employment and career transition services, Madison DOL staff had the opportunity to place 38 youth in the summer stimulus work experience program.

The purpose of this job training program is to help less experienced workers ages 14 through 24 gain employment skills. The funding comes from the American Recovery and Reinvestment Act of 2009 in which stimulus funds were distributed through state workforce agencies.

This program is beneficial to youth as they establish work histories, build resumes and references, and learn new talents. The participants’ interests and courses of study were taken into account when deciding where to place eligible young people in Madison and the surrounding area. Individuals were placed in internships varying from engineering and agronomy work to administrative assistant positions.

Madison DOL staff have written up contracts and performed the necessary data entry work while also checking with worksites and stimulus participants to make sure all of the internships have been going smoothly. The respective worksites supervise their new summer employees while DOL pays the going wage rate from the stimulus funds.

The business community has benefited by having qualified youth onsite. And at the same time, the businesses are helping to develop South Dakota’s future workforce by providing participants new skills.

On a personal note, the LAIC office has its own summer stimulus work experience program participant on staff for the summer. Bridgette Berry started June 1 as an administrative assistant in the Madison LAIC office. The Madison DOL office is proud of the success of this program.

<u>South Dakota Taxable Sales</u>			<u>2009 City of Madison Building Permits</u>		<u>2009 Lake County Building Permits</u>	
Year	Madison	Lake County				
2006	\$118,599,046.72	\$143,640,842.55	January	\$62,000	January	\$19,000
2007	\$125,750,734.98	\$144,080,056.05	February	\$13,600	February	\$36,800
2008	\$148,626,228.84	\$159,181,770.17	March	\$40,000	March	\$284,500
2009			April	\$125,895	April	\$1,215,228
1st Qtr	\$34,425,615.15	\$36,430,387.86	May	\$4,958,680	May	\$937,652
2nd Qtr	\$37,141,870.92	\$38,918,390.00	June	\$337,913	June	\$592,030.19
YTD	\$71,597,486.07	\$75,348,777.86				
Source: http://www.state.sd.us/drr2/			Source: City of Madison		Source: Lake County Drainage and Zoning Department	

<u>Lake County. Taxable Valuation of Property</u>					
Year	Ag REAL Valuation	Non-Ag Acreages Valuation	Owner-Occupied and Manufactured Valuations	Other Non-Ag Real Valuation	Total Real Valuation
2006	\$305,628,765.00	\$6,215,610.00	\$257,495,975.00	\$148,468,305.00	\$717,808,655.00
2007	\$324,932,835.00	\$5,462,735.00	\$292,818,645.00	\$162,300,335.00	\$785,514,550.00
2008	\$333,674,735.00	\$9,723,155.00	\$312,404,705.00	\$173,598,225.00	\$829,400,820.00
Source: SD Dept of Revenue and Regulation website http://www.state.sd.us/drr2/					

<u>2009 Statewide Unemployment Numbers</u>				
Month	Labor Force	Employment	Unemployment	Rate
JAN	435,660	413,630	22,030	5.1%
FEB	439,795	417,275	22,520	5.1%
MAR	443,450	419,480	23,970	5.4%
APR	445,315	424,010	21,305	4.8%
MAY	448,435	426,525	21,910	4.9%
JUN	455,950	433,545	22,405	4.9%
Source: SD Dept. of Labor at http://dol.sd.gov/				

The economic indicators on this page attempt to give a picture as to the status of the local and state-wide economy and have been gathered from their stated sources.

<u>Lake County Unemployment Percentage</u>				
	Labor Force	Employed	Unemployed	Rate
2008				
OCT	6,865	6,670	195	2.8%
NOV	6,860	6,595	265	3.8%
DEC	6,710	6,420	290	4.3%
2009				
JAN	6,740	6,260	480	7.1%
FEB	6,760	6,390	370	5.5%
MAR	6,760	6,405	355	5.3%
APR	6,975	6,535	440	6.3%
MAY	7,000	6,520	480	6.9%
JUN	6,855	6,330	525	7.7%
Source: Department of Labor website http://dol.sd.gov/				

financial institutions in 38 states. SBS was started in 2004, and just five years later employs 18 people (17 of which have ties to DSU!). The research center will likely create even more opportunities for spin-offs and start-ups in Madison.

The research center has acquired start-up funding of \$2.0 million, of which approximately \$750,000 will be available for spending in 2010. The center further anticipates submitting approximately \$3-5 million in grants annually. These grants can take the form of capacity building (building out labs and other research components), scholarships (bringing even more students into our information security and technology programs), or research (identifying solutions to well-defined problems). For example, the center was awarded a \$300,000 grant from the National Science Foundation for capacity building activities, and will be submitting a \$450,000 grant to conduct scientific research in electronic banking issues. Each of these projects involves multiple students and faculty to execute, leaving the university a bit resource challenged until more faculty are hired and students are recruited.

CENTER FOR THE ADVANCEMENT OF HEALTH INFORMATION TECHNOLOGY

The second new project from DSU is the Center for the Advancement of Health Information Technology (CAHIT) and is a partnership between DSU and the South Dakota Department of Health (SDDOH). The partnership will enable the groundwork to be laid for best practices in implementing Electronic health records in South Dakota. The focus will include the implementation of information technology services to improve the quality, safety, and efficiency for healthcare in South Dakota. CAHIT will give those involved in the healthcare field a central point of contact for ideas, research, training, leadership, and development projects. Dan Friedrich, Communication Network Analyst at DSU, is the spearhead for the project.

Approved by the SD Board of Regents in 2008, CAHIT's goals will be directed by and changed in accordance with the South Dakota eHealth collaborative. The center will address issues with the adoption and conversion of electronic medical records, and their security. CAHIT will be instrumental to the creation of a statewide Health Information Exchange (HIE). This will ultimately help in the creation of a National Health Information Exchange Network (NHIN). The current goals include researching current market offerings, conducting training seminars for transitioning to paperless records, identifying needs associated with the transition to paperless records, and publication of materials for certification and best practices.

DSU's current Master and Doctorate programs in the healthcare field, will allow CAHIT to be naturally incorporated into the curriculum. Students in the Health Information Technology programs at DSU will be able to get hands-on experience that will help them in their venture from graduation into their career and that can also be used as part of the research discovery through the Center.

With the addition of both projects, we look forward to the opportunities that will be created, and have been created so far.



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