ILLINOIS CENTURY NETWORK

FEBRUARY 23, 2005 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the February 23, 2005 minutes for review by the Policy Committee.

Action Requested: Adoption of the February 23, 2005 minutes.

Recommended Motion: *The ICN Policy Committee adopts the February 23, 2005 minutes with any edits as noted.*

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Pete Ashi called the meeting to order and asked Beth O'Mahoney to call roll.

Members present: Pete Ashi, TM Floyd; Jay Carlson, Department of Central Management Services; Brian Foster, Illinois Hospital Association; Marianne Stanke, Ron Bailey, Illinois State Board of Education; Anne Craig, Illinois State Library; Todd Jorns, Illinois Community College Board; Don Sevener, Illinois Board of Higher Education.

Lori indicated that there were enough members present to constitute a quorum.

Pete announced that he did not have any remarks.

Lori began her remarks by discussing the VMSA Community Task Force. This group of technical oriented individuals meets several times a year and represents our constituency group. Recently the group met with the ICN engineering team to discuss the ICN's direction in terms of capacity of the network, what applications and needs are coming down the road for users, and where the ICN needs to be positioned to be capable of supporting their programs. Upon the request of the task force, the ICN conducted a survey relating to content providers and subscription services.

From the survey results, there is a definite interest in having the ICN negotiate volume discount pricing for subscription services, but interest is limited to the K-12 community. Libraries and higher education already have established avenues to procure these services. Due to budget limitations, these services are no longer offered by ISBE. Moving forward the ICN would like to work with ISBE to see what their plan is for content services and if it is appropriate for the ICN to be involved.

Lori continued with an update on the Advanced Engineering Taskforce (AET). Currently there are several membership positions open on the committee. Last year an attendance requirement was approved requesting members attend at least two of the four scheduled meetings a year. Lori indicated that she would send out information on the current AET members who have expiring terms and other members who are being dropped for nonattendance. She would like recommendations of people from your respective constituent groups to be members.

Jay announced the new Communication Management Center (CMC) in Chicago is completed. The facility is fully operational with 10 staff members including a manager. The center is carrier grade and staff proactively monitor the network on a 24/7/365 basis. In the past, the ICN was

only able to have 1 – 2 staff members monitor the network at a given time. Jay invited Pete and any other members to stop by when they are in Chicago. The CMC is located on the third floor.

Jay noted that he would like to see the minutes reflect his concerns about attendance at the policy committee meetings and make a public statement about the importance of attending. Previously there have been discussions about evaluating the way members are appointed. Members are currently appointed for a term and once appointed there doesn't appear to be an option to have them removed from the committee. Jay suggested consulting legal counsel regarding possible changes to the legislation in order to address members not participating in the committee.

Pete indicated that he would be happy to make a call to members who are not attending. With the option of attending in Springfield or Chicago or via audio it would be pretty hard not to make a meeting. Occasionally something will come up for one meeting, but not for several in a row.

Pete asked if there were any changes or corrections to the minutes from November 17, 2004. Hearing none, he asked for a motion to approve the minutes.

Motion: Brian Foster moved; Jay Carlson seconded, that the minutes be approved. Motion carried.

<u>Shared Data Centers for Education</u>
Lori introduced Vicki DeWitt, the director of the Area 5 Learning Technology Center (LTC). The LTCs are K-12 regional groups that work with the Regional Offices of Education and public and private school districts throughout the state. Vicki's presentation addressed a recommendation for statewide data centers to collect and analyze K-12 school data. She is seeking guidance, direction and support from the policy committee.

Vicki began her presentation by giving her background. Area 5 has a $3.3 million dollar competitive No Child Left Behind (NCLB) grant and also a $10 million grant from the U.S. Department of Education. One of the major requirements of the grants is to collect data to show student improvement as a result of the grant program. In the course of conducting the data collection, it became evident that schools do not collect and analyze data effectively. The data that is collected is primarily from standardized testing and sporadic at best. Many different programs and formats are used to collect the data and it is not consistent from one district to another. This is a problem for both large and small school districts.

The State of Ohio has a good program for collecting school data which could be used as a model for Illinois. Ohio Education Computer Network (OECN) services have been around for 13 years. They have 22 acquisitions sites running a variety of services for schools. The services range from student management systems, financial management systems, and scheduling buses to resource and inventory systems. The sites do everything for the schools. Using the acquisition sites is strictly voluntary. Ohio has approximately the same number of districts as Illinois (800) with 675 participating. The acquisition sites also train districts to collect and analyze their own data.

Illinois has the ability to connect to most school districts through the ICN. With the pending implementation of the statewide Student Identification Numbering initiative, this seems like the

right time to start talking about acquisitions centers to help our schools. This is not about compliance or control, it is about organizing the state so we can use our resources better. Decisions are being made without good data and this inhibits the ability to leverage our resources. Vicki went on to mention several initiatives around the state collecting student data such as one run by NIU. Most are regional and have fees. The ultimate goal would be to offer a free voluntary service.

Vicki continued by recommending the LTCs be utilized in the creation of the centers. The centers will create a central repository in which to draw data. This would be invaluable when writing grants. Vicki shared a story to prove her point. When she was collecting information for the NCLB grant she had to make 55 phone calls to individual schools. In this day and age that is a huge waste of resources on both ends.

The data schools are currently collecting is inefficient and all over the map. Questions have been asked about student privacy. There may need to be some intergovernmental agreements, but there is no reason why security and other measures could not be put into place. Good data is needed to make decisions and Illinois doesn't have it. With good data schools can leverage resources to do a better job in purchasing, directing resources to areas in need of high quality teachers, and improving professional development.

Vicki suggested a feasibility study needs to be conducted to make this happen. People interested in doing this would need to be identified and a regional needs assessment would determine if this is something everybody needs or only in some areas of the state. Vicki believes the need is statewide.

Vicki concluded by pointing out that the ICN backbone was built on the direction of this policy committee and this is another use for the technology. Schools spend a lot of money on systems to process data and this is an excellent opportunity to share resources. It's inefficient for schools to be running their own systems when they don't have the personnel or the IT knowledge.

The question was asked about what type of data was collected. Vicki responded that in Ohio they have narrowed it down to a few different areas: fiscal management services (accounting and payroll) and student support services (scheduling, grade reporting, and attendance reporting). Curriculum and instruction services are also offered. Schools have the option to use any of the services offered.

Jay asked about the current investments being made annually by the individual schools districts in Illinois for similar services. Vicki responded that this particular information would come out of the feasibility study as it varies greatly. Jay responded that the survey should give some indication whether or not central hosted services would make sense. Implementing this program has the ability to shake the vendor community but it would be interesting to see what the aggregate spend is.

Jay asked if ISBE has been involved in any of the conversations about the data centers. Vicki responded that she has talked to ISBE and is to report back with responses to the idea. ISBE

foremost is concerned with implementing the student ID project before they take on a new initiative.

Lori stated that the ICN has been approached before about using network POP sites as host sites for other services. This is especially true in areas where they are starting to look at working together regionally. Jay added that there may be some additional options for locating data acquisition sites as a result of a consolidation of the 12 largest data centers in the state. Those centers are in the process of being connected to the ICN network. From a technology stand point there are more options today than three years ago. From a policy stand point though it would most certainly be easier to move forward if ISBE was able to put support behind the importance of these centers.

Brian inquired about who would be the convener of all the districts in moving forward with the centers. He is unsure if the ICN is the right sponsor and believes it belongs somewhere else where the ICN can partner. Lori agreed the ICN is not the right convener. The ICN could provide some basic information to help get this started and assess the problem; however this is more of a K-12 issue. The ICN would assist in conducting a high level needs assessment to gauge interest within the K-12 community and collect information on current spend for these types of services.

Vicki stated that everyone needs to proceed with caution. Schools are afraid of data acquisitions centers because of security and also losing local control. It is all a matter of how it is organized and they way it is presented.

Pete asked if there are standards at the Federal level and if any grant money could be used to conduct the feasibility study. Vicki responded that there probably is some NCLB money that could be used. The cost to conduct the feasibility study is unknown. The survey can still move forward without funding.

Pete indicated that there is obvious cost savings in the joint purchasing of existing products. The question is whether there is reason to bring the development in house and if additional savings will be realized by going with this method. Vicki said Ohio used home grown codes and are willing to discuss selling that code rather than starting from scratch. The problem with buying existing products (like Skyward) is the packages don't do everything. Some may do scheduling well, but they may not do financial well. There seem to be a lot of limitations.

Jay stated that there is a need to be very careful to ensure that ISBE supports this initiative from an educational policy perspective. If so, CMS can provide the technical leadership. Jay is in favor of meeting with ISBE to discuss further.

Vicki stated she has talked to several people at ISBE and everybody sees merit in it. It's just a matter of how to get it organized and make it happen.

Telemedicine Update
Brian Foster was introduced to give an update on telemedicine initiatives at the Illinois Hospital Association (IHA). Brian is the representative on the Policy Committee representing healthcare. Currently 30 hospitals are now connected to the ICN out of 200 in the state.

The Illinois Healthcare Broadband network is a concept that began in 1996 and has evolved and grown over the years. The hospital association believed that the telecommunications act gave them the ability to leverage the local utility costs of facilities. After exploring how that could be used, a discussion began on building an ATM broadband network. To date the IHA has received $1.5 million in grant money and this is only a start.

The ICN was 60 percent complete at the time and in the process of connecting schools and universities. The IHA was excited about the ICN and tested the network for telemedicine use. Because there were not a lot of hospitals on the network at that time, a concept which called the Illinois Healthcare Broadband Network was introduced. ICN was the partner, the backbone and the strength behind what was being delivered. Security was a very important aspect of the network. The IHA looked at different technologies and selected a partner who would provide a secure portal to link the healthcare providers. ICN staff members have met with the vendor and there has an understanding of how the technologies interface.

To encourage hospitals to hook up to the ICN, the IHA proposed paying for two years of their connectivity. This would encourage use over the period it would take to become adopted by the industry. Some hospitals really needed help with basic video conferencing hardware and technical support.

The IHA has received grants from the Illinois Department of Public Health to connect 30 critical access hospitals to the ICN. As a result, these critical access hospitals are now also connected with large hospitals including Rush, Northwestern, University of Chicago and others.

The next step is to convene a steering committee which will focus on identifying additional uses and benefits of the network. Education can be difficult at hospitals. There are huge difficulties in getting staff access to appropriate educational opportunities that fit their needs. A goal is to make more and more content available online. The information is already out there and needs to disseminated to those who need it whether they are a nurse, a doctor, the repository therapist or the housekeeper.

Telemedicine will give small hospitals the opportunity to connect with big hospitals for heart or burn care programs. These hospitals need choices that fit their expertise, their doctors, their referral patterns, and the needs within the community. One of the other things is to explore the secure exchange of medical information.

The network itself is going to be a non-for-profit community organization. Right now the IHA is housing the staff that will manage the partnership before it becomes a public entity. The network will encourage the use of technology and the advancement of delivering healthcare services. As a result of the grant, two staff members have been hired to manage the program: Todd Hart has been hired as the director and Mary Ring is on the application committee. They are focused on connecting 70 hospitals statewide.

Brian concluded by saying it's not just about hospitals. Very soon this technology will be available everywhere. With the increased bandwidth going to our homes, eventually any provider

can do a home consultation. The technology is necessary and does not have to belong to any one system or group. The $1.5 million is an encouraging start to the project. This funding was awarded almost three years ago and is now just getting started.

Todd Hart commented that he sees educational connectivity as a two way street. Community colleges and universities provide education for hospital staff, but the reverse also offers great opportunities. Community colleges can work with doctors or nurses via teleconference and conduct special sessions for classes.

Brian also notes that in a lot of high schools nursing is not on the career list with most guidance counselors. There is a great need for nurses right now. It is important to make sure the right information is there and hospitals are reaching out to their communities and schools.

Pete asked if HIPPA will make it more difficult to offer home consultation. Brian replied that for the most part technology actually enhances the ability to control information as opposed to paper copies.

Budget Update
Lori asked Cindi Hitchcock to provide the budget update.

Cindi began by referencing the year-to-date fiscal summary for January 31, 2005. The ICN appropriation has been restated and actually nets out to $20,124,000 after the OMB reserve. E-rate reimbursement for the year stands at a little over $2.6 million and cost recovery funds are at $1.3 million. Approximately 455 constituents are billed monthly and there is a very good recovery rate.

Personnel expenses are not running as high as originally projected due to paying out of the general revenue fund. This reduces the CMS/ICN obligation for matching payments to the employee retirement system. Contractual expenses are also running lower than originally projected mainly due to less administration fees such as legal services. The highest percentage of spend is in the telecommunications line. The Hercules project (state agency network migration) has resulted in the largest spend and is not reflected in the budget yet. Cindi also reported that the annual inventory certification has been completed by Peggy Harris and submitted to the CMS property division.

Brian asked about the amount of money left to spend by the end of the year. Lori pointed out that equipment is always spent in the last six months of the fiscal year. A lot of that has to do with the fact that equipment is typically funded through E-rate money. Minimal expenses such as cards to support new connections are purchased throughout the year, but investments, upgrades, and new initiatives wait until the E-rate money is received. Also with project Hercules, another $11 - $12 million dollar investment in hardware has not been paid for yet.

Jay pointed out that in the past the ICN was heavily dependent on E-rate. CMS took a different path and the ICN should see a dramatic reduction in spending because of network optimization. The entire core has been upgraded significantly reducing the need for equipment replacement. In addition, the ICN dependence on e-rate reimbursements has reduced as a result of the migration

to CMS. In previous years, the ICN often found the need to stretch the life of equipment beyond the recommended useful life due to delays in receiving e-rate funds. Service was never jeopardized, but it could have become a fiscal problem if there had been an equipment failure.

Jay pointed out that CMS is following through on one of their promises of subsidizing the network upgrade. By bringing more traffic to the network, the ICN was able upgrade the backbone circuits which become more cost effective as the circuit size increases.

Brian asked if the budget required action. Lori responded that the budget is considered an informational item.

Procurements and E-rate Update
Lori asked Joel Vinson to provide an update on procurements and E-rate activity.

The anti-virus RFP is still in final negotiations with the two vendors. CMS legal is working to hammer out the agreements. The OC12 upgrade between Bloomington and Champaign has been signed by the vendor and is with CMS legal. It is expected to be signed within the next few weeks. Wiltel was awarded as a contract to provide Internet egress. The agreement permits the ICN to commit to a 310 MB connection, but burst to a full gigabit if needed. The connection to the Equinex private peering point is with CMS legal. This connection will allow the ICN to exchange traffic with other large providers without using Internet egress thus saving the state money.

Joel continued with an update on the VSAT RFP. The evaluation of the vendor selection is complete and the award notice is expected to be public within the next few weeks.

The next item Joel discussed was E-rate. One of the action items from the last meeting was to check on the status of monies from program years 4, 5 and 6. Tom and Joel have tracked each of the years and provided a detailed status.

Jay asked for an opinion on how long the program will continue given statements in the media by legislators calling for the end of the program. Lori responded that there continues to be a lot of talk about the reported fraud and abuse within the program; however, all parties acknowledge that the schools and libraries have become too dependent on the money. If the program is eliminated many schools and libraries would be unable to afford Internet connectivity. Lori stated she believes the program has been successful in reducing economic barriers to connectivity in the rural and economic deprived communities; however, the process is broken causing funds to be diverted into wasteful situations.

Lori informed the committee that ICN was recently notified that its years 6 and 7 applications were in jeopardy. There was an issue with the letters of agency schools and libraries sign to authorize ICN to include them in its e-rate application. The ICN has been using the same form for the past two applications, however the e-rate program administrators determined that language included within the document was too vague. The ICN was provided with less than one week's time to correct the form and obtain signatures from approximately 3,000 entities by the application deadline. They had previously been approved in the past for years 4 and 5 and were

on file for year 6. A request for a filing extension was denied and the ICN is in the process of appealing the decision.

Jay asked what office the e-rate program is run out of. Lori replied that it was the FCC. Jay followed up by asking what level and if he or other members of management need to try to escalate.

Lori responded that intervention may be needed. The ICN is in the process of appealing. The issues have been escalated to senior managers within the program administration office. Depending on how this appeal turns out the ICN may require intervention from our U.S. congressmen.

Jay asked Pete for his thoughts on being proactive and going out to Washington and meeting with some people. Pete indicated he would be willing. Jay said that someone needs to be made aware that the State of Illinois could lose $15 million for the two years pending.

Lori added that she wanted to give Joel, Tom and Cindi a lot of credit for the work they have done so far. The ICN has one of the largest applications and has been clean on audits for over 7 years. The ICN has served as a model agency and has served as a benchmark due to the discounts negotiated from Cisco.

Jay indicated that he would not be comfortable going on a lobbying effort unless it is the result of a motion and possible vote of the board. That vote could not occur today due to provisions of the Open Meetings Act. Lori stated that the ICN could prepare documents and recommended intervention. This information could be circulated to the Policy Committee and a meeting can be convened via telephone. The next meeting in June may be too far out depending on the appeals process. Pete stated that if needed he could probably arrange a meeting or get word out to a few Congressman if needed.

Todd Hart added that the E-rate program is run through the Universal Service Administrator Company. The Illinois Century Network is the only entity in the United States that is both a receiver of money and a payer of money because of the non-primary constituents. The hospitals are getting discounts off the ICN connection based on bandwidth. Lori recommended that Pete give an informal call on this issue rather than a full fledge lobbying effort. This might give us the nudge it needs. Pete agreed.

Network Update
Rich Fetter provided a network update on Project Hercules, the Communication Management Center (CMC) and the IP video conferencing migration.

Project Hercules is the transfer of approximately 1,800 data circuits from the SBC frame relay network to the ICN. The ICN backbone has been upgraded with additional bandwidth and advanced MPLS with Quality of Service technology. The migration of circuits began in December and there are currently 300 sites migrated. The project is on track to be completed by the end of the fiscal year which was the original target. On average 15-25 circuits are migrated each day.

Rich continued by discussing the new Communication Management Center. Calls for assistance with network services will be routed through the Communications Solution Center (CSC) which is a Tier 1 help desk operating from 8 a.m. to 5 p.m. Monday through Friday. If the CSC is unable to resolve the problem, the call will then be handed off to the CMC. The CMC operates 24/7/365. The CMC staff also proactively monitors the network to identify and resolve problems before they become customer impacting. The CMC has been in the planning stages for several months and went operational this past week. The CMC will enhance the service that CMS provides to state agencies, but it will also improve service to legacy ICN constituents.

Jay added that the CMC is also the first true state Voice over IP operation. The voice traffic is traveling over the ICN network from Chicago back to Springfield.

The last item Rich discussed was the IP video conference migration. CMS is decommissioning the SBC managed statewide video conferencing network and will be migrating the traffic to the ICN. The Illinois Video Network serves 200 endpoints throughout the state. To date, 20 sites have been converted to the IP technology. The new service plan for state agencies is attractive as it provides a fully managed service with significant cost savings as a result of lower equipment costs and utilizing the ICN.

School to Home
Beth O'Mahoney was asked to provide an update on School to Home.

Beth began by announcing that updates have been made to the program since it was last presented to the Policy Committee. The most important of these is the ability to import existing data. This function is something schools had been requesting. Another set of updates was made to the grade book section and allows teachers the ability to waive an assignment, excuse students from assignments, and to map a letter grade. School to Home is now available to both private and public K-12 schools. The schools are to contact their Regional Technology Center to sign up. Internal documentation as well as a user guide, application form, and FAQs will be completed soon.

Lori added that North Pekin is piloting the application with six teachers. The School is working directly with the Center for the Application of Information Technologies at Western Illinois University (CAIT) who developed the system. CAIT continues to make minor adjustments to the program based on constituent feedback. So far the program has been very well received.

Lori also announced that a constituent who has previously declined to participate in the Illinois Century Network is now a participant because of School to Home. It is not a requirement to be connected to utilize School to Home, but it is certainly recommended to get peak performance and reliability.

Hearing that there was no other business, Pete called for the meeting to adjourn.

Motion: Pete moved that the meeting be adjourned; Brian seconded. Motion carried.

The next meeting is scheduled for June 15, 2005 from 2:00 pm to 4:00 pm. Videoconferencing and an audio bridge will be available.