

ILLINOIS CENTURY NETWORK
January 18, 2011 POLICY COMMITTEE MINUTES

Greg Wass called the meeting to order at 1:06 PM. Greg thanked everyone for attending and the Community College Board for hosting the meeting. Greg is now the Cook County CIO and will continue to chair the ICN Policy Committee until the Governor appoints another Chair. Cook County plans to use the ICN for Internet connectivity. There will be many benefits to the County. They have checked and there is fiber between the county offices and the Bilandic Building. Cook County and the South Suburban Mayors and Managers Association will pursue additional state funding to help with broadband efforts within the county.

Members present:

Greg Wass, Cook County	Beth Shea, IL State Museums
Chet Olson, Mayor of Rochelle, via phone	Amy Edwards, IL Board of Higher Education
Todd Jorns, IL Community College Board	Ann Craig, Illinois State Library
Scott Norton, State Board of Education	Mike Dixon, Western Illinois University

Staff and guests:

Lori Sorenson, Central Management Services	Kathleen Bloomberg, Illinois State Library
Tom Oseland, Central Management Services	Deborah Kelley, Central Management Services
Robin Woodsome, Central Management Services	Carla Poani, AT & T
Sarah Zerfas, Central Management Services	James Hahn, Conxxus

Minutes

Greg introduced the first item on the agenda, the approval of the minutes from October 18, 2010. Anne Craig motioned that the minutes be approved. Amy Edwards seconded the motion – the motion carried.

Illinois Broadband Opportunity Partnership – East Central Region

Lori Sorenson reported that the grant has completed its second quarter. Most activity has been focused on the environmental assessment which must be approved before construction can begin. CMS hired Globetrotters, a professional engineering firm, to complete the environmental assessment. Globetrotters worked with both the Department of Transportation and the Capitol Development Board. The environmental assessment requires a detailed, mile-by-mile analysis of the fiber construction path to identify the impact on historical, cultural and environmental resources. CMS received the first draft last week and will be finalizing the report for submission to NTIA the following week. NTIA will review the report and there will likely be some back and forth revisions before finalizing the report. Once approved, CMS will receive a Finding of No Significant Impact (FONSI) which clears the way for construction activities to begin. The project plan has set a March deadline to receive the FONSI. Due to the project size and the time to complete, NTIA has indicated they intend to review the report as quickly as possible.

Lori provided an overview of the various reports required for program monitoring. The first report established a project timeline with quarterly milestones and key project indicators. This report will be used to measure project performance.

Three quarterly reports are required. Every ARRA project is required to submit a 1512 report which tracks vendor payments and job creations. The BTOP Progress Performance Report tracks project performance against established milestones. A quarterly federal financial report tracks spending and is similar to a cash-flow and balance sheet type report.

The annual progress performance report is a metric driven report that includes detailed construction activities, broadband capacity improvements for community anchors, and agreements with wholesalers. The report also asks for qualitative information regarding how the increased broadband is being used by community anchors.

Other activities have included: executing the sub recipient agreement with Illinois State University and hosting meetings with the anchor institutions that will be directly connected via fiber.

The focus for the next quarter is securing fiber leases with the Illinois Toll Highway and Department of Transportation as well as issuing RFPs for public fiber. Staff will also begin reviewing the customer forms and agreements including the Participation Agreement and Service Agreement to make adjustments as appropriate for the new services and customers.

Todd Jorns asked if the ICN will hire additional staff. Lori responded that at this time, there are no plans to hire additional staff. ICN does have three vacancies posted - two in network services and one in field services. It would be beneficial to fill these vacancies. Lori explained that much of the growth is expected to come through 3rd party service providers. A third party provider will purchase bandwidth and then resell to homes and businesses. Healthcare will be an area where we will see more directly connected sites.

Todd stated the Community College Board will encourage the community colleges to reach out to the community. At the last meeting, Ben Winter mentioned that as time permits, he is attempting to put together a guide for community-driven expansion efforts.

Greg asked if the quarterly reports are aligned to calendar quarters, fiscal year quarters or project quarters. Lori explained they are aligned to calendar quarters. Due to the timing of our project award, the first quarter started July 1 which also aligns to the state's fiscal year.

Greg stated the State also requires bi-weekly reporting in Stimulus 360. Lori reported that CMS is working with Dan Wilcox and the Governor's Office to enroll in Stimulus 360. Reporting in Stimulus 360 begins when a project starts spending state and federal funds.

Primary Constituent Funding Allocation

Lori presented this item. During the previous meeting, staff shared the intent to move away from the bandwidth baseline allocation and develop a formula that is closely tied to the General Revenue Fund (GRF) allocation received each year. Staff has been working with the Advanced Engineering Taskforce (AET) to develop a model that divides the GRF appropriation by constituent group based on current bandwidth allocation. Within each constituent group the funding was further divided among each organization according

to enrollment for education sites and on a per organization basis for non enrollment sites (libraries and museums).

At first pass, K12 districts with enrollments of 1,000 students receive a great benefit while districts with lower enrollments receive a modest benefit. 62% of K12 districts have less than 1,000 students. Community Colleges under 2,000 students saw little benefit. To address the issue, staff developed an option to establish a minimum and maximum credit. The GRF allocation is still figured based on enrollment. Any organization with an allocation below the minimum is automatically raised to the minimum and any organization with an allocation above the maximum is automatically capped at the maximum.

Libraries and museum districts will receive a straight award per organization. There are some museums that are large content providers for K12 institutions. Staff would continue to work with the AET to approve additional bandwidth statewide content.

The AET has discussed creating a membership fee for some of the non-standard services such as Quality of Service and secure virtual network for applications such as the K12 Illini Cloud project.

Greg asked if the new allocation formula would be phased in. Lori explained the new model would be implemented in conjunction with the new services and rates resulting from the fiber project.

Kathy Bloomberg asked how state agencies figured in to the allocation. Lori explained that state agencies do not receive any of the GRF allocation. They pay the full cost of using the ICN. The rate structure for agencies is different as it includes more services than just basic ICN connectivity. For example, CMS provides and manages firewalls for agency connections.

Robin Woodsome thanked Anne Craig and staff for providing the library data.

Mike Dixon explained that we need to provide constituents with information on where we are headed in regards to rates so they can plan accordingly.

Erate

Tom Oseland reported that CMS has received about half of the \$3.2 million expected as part of the 2010 funding year. The funding year 2011 application is under review with USAC. Staff are preparing the funding year 2012 request which is due by March 24th.

Staff are working with USAC on the review of the funding year 2001 application which was originally denied, but reversed by the FCC in response to our appeal. CMS will need to submit documentation to submit invoices and payments which is proving difficult to locate. Staff are working with Sprint and AT&T to gather the actual invoices.

Mike Dixon made a motion to adjourn the meeting, Anne Craig seconded the motion. The meeting adjourned at 2:29 PM.