

Illinois Century Network

Policy Committee Meeting Agenda

April 18, 2011

1:00 p.m.



**ILLINOIS CENTURY NETWORK
POLICY COMMITTEE
MEETING AGENDA
April 18, 2011
1:00 p.m.**

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Next Meeting

July 18, 2011
Community College Board, Springfield
James R. Thompson Center, Chicago

ILLINOIS CENTURY NETWORK

January 18, 2011 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the January 18, 2010 minutes for review by the Policy Committee.

Action Requested: Adoption of the January 18, 2011 minutes.

Recommended Motion: The ICN Policy Committee adopts the January 18, 2011 minutes with any edits as noted.

**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.

ILLINOIS CENTURY NETWORK

ILLINOIS BROADBAND OPPORTUNITY PARTNERSHIP UPDATE

Submitted for: Information

Summary: Provides an update on the Illinois Broadband Opportunity Partnership.

Action Requested: None

Recommended Motion: None

ILLINOIS CENTURY NETWORK

ILLINOIS BROADBAND OPPORTUNITY PARTNERSHIP UPDATE

March 31 marked the end to the project's third quarter. During this quarter the project team focused on the Environmental Assessment, fiber leases, construction procurements, and detailed design and construction specifications.

Environmental Assessment

The draft Environmental Assessment was submitted in January. At the time of submittal, CMS had secured approval from all required environmental and historical oversight agencies with the exception of the Illinois Historic Preservation Agency (IHPA). IHPA approval was received in mid-March along with comments and questions on the draft Environmental Assessment from the National Telecommunications and Information Administration (NTIA). CMS and the engineering firm have addressed the NTIA's comments and questions and resubmitted what is hoped to be the final Environmental Assessment report.

Fiber Leases

CMS has secured fiber lease agreements with the Illinois Department of Transportation for fiber along I39 and the Illinois State Toll Highway Authority for fiber along the toll roads. The Toll fiber lease agreement will connect with CMS' I55 fiber to provide connectivity from Collinsville to Chicago. CMS is working to have this route operational by the end of calendar year 2011.

Fiber leases are also needed for three laterals. CMS issued three Invitations for Bid; however, responses were received for only one of the three routes. CMS has identified a vendor for each of the non-responsive routes and is working with CMS procurement to pursue a Sole Source justification.

Construction Procurements

The construction Request for Proposal was issued on March 4 with bids due April 15. The solicitation is designed to qualify and establish master contracts with up to five vendors. The vendors' proposals and resulting contracts will establish a rate card for the construction activities. Contracts are expected to be executed by the end of June and construction activities to begin in July.

Detailed Design

The engineering firm has completed approximately 23% of the detailed design with a goal to have 25% of the laterals and 25% of the backbone completed by June 30. The new construction has been divided into 13 groups. As the detailed design is completed by group, CMS will release the specifications to the master contract construction vendors for quotation. Based on the vendor quotes and project timeline, CMS will place an order with one of the master contract vendors. It is anticipated that the first group ready for construction will be the route along I57 starting south of Kankakee running to Champaign. The next three groups will likely include from Kankakee heading north to southern Cook County, Champaign to Bloomington with extensions to Chenoa and Lincoln, and routes within Bloomington-Normal.

Customer Forms

CMS has begun to review the existing customer forms (Application, Participation Agreement, Service Agreement and Acceptable Use Policy) to determine what if any changes will be needed to accommodate the new services and customer base as a result of the IBOP project. CMS will review these changes with the Advanced Engineering Taskforce and the Policy Committee prior to implementation.

ILLINOIS CENTURY NETWORK

PRIMARY CONSTITUENT FUNDING ALLOCATION

Submitted for: Information

Summary: Provides an update on ICN Funding Allocations

Action Requested: None

Recommended Motion: None

ILLINOIS CENTURY NETWORK

PRIMARY CONSTITUENT FUNDING ALLOCATION

At the last AET meeting of March 18, 2011, a review of the proposed allocation model was presented. The model incorporates the suggestions and direction provided by the Policy Committee from the January 18th meeting and that provided by the AET over the last several meetings. With the basic structure of the model in place, additional refinement will continue.

K12, Community Colleges and Higher Education – combined as one group

- Little negative impact on K12
- Significant benefit to Community Colleges and Higher Education with low Full Time Equivalent (FTE)
- Floor of 50Mbps
- Ceiling of 2000Mbps
- Ceiling accommodates non-FTE sites for minimum of 10Mbps

Library

- Data provided by State Library will enable us to provide an allocation which accommodates large libraries and/or libraries in high population areas.

Museums

- Credits would provide allocation between 30 and 75Mbps depending on location
- Higher bandwidth needs accommodated through bandwidth grants

Model is easily adjustable to meet changes in allocation or service offering costs

A subcommittee of AET members and ICN staff has been formed to explore a possible ICN membership model. Membership has been on the agenda of the last several AET meetings. Discussion has included designing a model where membership costs are tiered according to the size of an organization or their allocation, waiving any membership fees for sites limited to non-scalable circuits such as T1 lines, and if a membership would be mandatory.

ICN staff are developing an “on-network” only option to address the need of some constituents for higher levels of bandwidth required to access on-network resources such as IlliniCloud, disaster recovery services, and in-state content providers. ICN staff are also looking at a possible “after-hours” option where sites would be provided additional bandwidth when the network was underutilized which is typically over night and during weekends.

ILLINOIS CENTURY NETWORK

**ADVANCED ENGINEERING TASKFORCE:
MEMBERSHIP APPOINTMENT**

Submitted for: Information

Summary: This item is intended to provide an overview of the purpose of the Advanced Engineering Taskforce, their recent focus, and membership appointments which are set to expire in June 2011.

Action Requested: None

Recommended Motion: None

ILLINOIS CENTURY NETWORK

ADVANCED ENGINEERING TASKFORCE: MEMBERSHIP APPOINTMENT

The ICN Policy Committee established the Advanced Engineering Task Force Advisory Council (AET) in order to advance relationships with K-12 schools, community colleges, four year colleges, universities, libraries, museums, hospitals, local, county, and state governments, and other communities to better meet our common objectives in advancing the use of technology and networking in the state of Illinois.

Throughout the past year, the AET has specifically focused on the new fiber broadband infrastructure, developing a new cost recovery/credit allocation model, future service offerings, and collaboration with and support of cloud based service providers such as the K12 Illini Cloud.

AET membership appointments and reappointments are made annually based on recommendations of the Policy Committee, current AET members, and ICN staff. There is no set limit to the number of members that can be appointed to serve on the AET and recommendations are welcomed.

There are seven members of the AET whose terms expire in June 2011. Those members are highlighted on the membership matrix on the next page. There are also six members who have not attended the minimum number of meetings during the past year. In 2004 the Policy Committee approved a membership requirement for the AET to insure that all constituent groups have representation at each meeting. Members, or their designee, must attend at least two of the four scheduled meetings each year. The following members did not meet the attendance requirement:

- Charles Kline, UIUC – attended 0 meetings
- Lucas Kirkbride, Il Critical Access Hospital – attended 0 meetings
- Dr. Deanna Raineri, U of I Urbana-Champaign – attended 0 meetings
- Mike Shelton, SIU-C - attended 0 meetings
- Ken Terrinoni, Boone County – attended 0 meetings
- Ed Wagner, Chicago Public Schools - attended 0 meetings

ICN staff will be soliciting nominations at the next scheduled AET Meeting on May 20, 2011. These nominations, along with those received from the Policy Committee and staff, will be brought to the next Policy Committee on July 18, 2011 for discussion and approval.

Advanced Engineering Taskforce Member Matrix 2011

K-12 Schools	Community Colleges	Universities	Libraries	Museums	Other Institutions	Units of Local Government	State Agencies	Staff
Jim Flanagan Illinois Chief Technology Officers (2012)	Doug Minter Comm. College Pres. Tech. Council (2013)	Michael Shelton SIU (2012)	Andrew Bullen Illinois State Library (2013)	Robert Dulski Brookfield Zoo (2011)	Louis Kirkbride IL Critical Access Hospital Network (2011)	Sam Ferguson City of Schaumburg (2013)	Ryan Croke Governor's Office (2012)	Kirk Mulvany CMS
Dennis Gallo O'Fallon CCSD 90 (2013)	Alan Pfeifer Sauk Valley Comm. College (2011)	Mike Dickson WIU (2013)	Brandon Gant CARLI (2012)	Rob Zschemnitz The Field Museum of Natural History (2012)		Ken Terrinoni Boone County (2012)		Robin Woodsome CMS
Brian Tobin DeKalb CUSD 428 (2013)	Rich Kulig COD (2012)	Charles Kline UTUC (2011)	Troy Brown Shawnee Library System (2011)			Glen Trommels City of Rockford (2012)		Lori Sorenson CMS
Jim Peterson Bloomington Schools (2013)	Scott Armstrong Kishwaukee Comm. College (2012)	Joel Mambretti Northwestern University (2012)				Kevin Moran City of Chicago (2013)		Frank Walters CMS
Ed Wagoner Chicago Public Schools (2013)		Dr. Deanna Raineri UTUC (2013)				Ken Davis Sangamon County (2013)		
		Greg DeYoung EIU (2011)						
		Herb Kuryliw NIU (2012)						
		Steve Menken ISU (2011)						

ILLINOIS CENTURY NETWORK

E-RATE UPDATE

Submitted for: Information

Summary: This item provides an update on ICN E-Rate funding request.

Action Requested: None

Recommended Motion: None

ILLINOIS CENTURY NETWORK

E-RATE UPDATE

Funding reimbursements totaling \$1,339,032 have been received for the 2009 funding year E-rate application. This is the final amount of funding that will be received from this application.

The chart below summarizes E-rate funding activity and status for each funding year application.

E-rate Activity

Funding Year	Received	Approved – Not yet received	Applied for Not yet approved	Under Appeal
Year 3 (2000)	\$2,137,765	-0-	-0-	N/A
Year 4 (2001)	\$2,179,728	\$2,525,605	-0-	N/A
Year 5 (2002)	\$4,996,227	-0-	-0-	N/A
Year 6 (2003)	\$4,644,171	-0-	-0-	N/A
Year 7 (2004)	\$2,497,427	-0-	-0-	\$393,338 ¹
Year 8 (2005)	\$2,424,567	-0-	-0-	N/A
Year 9 (2006)	\$982,392	-0-	-0-	N/A
Year 10 (2007)	\$953,998	-0-	-0-	N/A
Year 11 (2008)	\$799,251	-0-	-0-	N/A
Year 12 (2009)	\$1,339,032	-0-	-0-	N/A
Year 13 (2010)	N/A	N/A	\$3,591,166	N/A
Year 14 (2011)	N/A	N/A	\$3,353,278	N/A
Totals	\$22,954,558	\$2,525,605	\$6,944,444	\$393,338

As of late March, the ICN 2010 E-rate application was in the final stages of review. Expectations are that the application will be approved for funding shortly. The final approved amount is not yet known but will be lower than the original amount. Due to nuances in the online E-rate application, the applied for amount is somewhat overstated. The actual amount that could potentially be received from this application is approximately \$3.3 million.

The ICN E-rate application for the 2011 funding year was submitted on March 22, 2011. The final amount applied for was a little over \$3.3 million. This application has been accepted by USAC and certified as filed on time. It has been moved to the status of "Initial Review". No contact has yet been made by USAC review personnel.

¹ This remaining amount under appeal is related to the ICN Year 7 Library application. For unknown reasons, the FCC did not include this application in their decision to grant the ICN appeal of denied funding for the School application.