



ILLINOIS CENTURY NETWORK

POLICY COMMITTEE MEETING AGENDA

June 16, 2004

2:00 p.m.

**ILLINOIS CENTURY NETWORK
POLICY COMMITTEE
MEETING AGENDA
June 16, 2004
2:00 p.m.**

Item Number		Page Number
1.	a. Minutes – March 24, 2004	3
	b. Minutes – May 12, 2004	15
	c. Minutes – May 19, 2004	22
2.	Announcements and Remarks by Pete Ashi, Chair	-
3.	Remarks by Lori Sorenson, Interim Director	-

ACTION ITEMS

4.	Budget Report	
	a. FY 04 Update	25
	b. FY 05 Preliminary (action)	29
5.	Advanced Engineering Taskforce Report	
	a. Recommendations	32
	b. Membership Appointments / Charge (action)	35
6.	Policy Committee Meeting Schedule	39

INFORMATION ITEMS

7.	Network Update	41
8.	Constituent Survey Results	45
9.	School-to-Home Demonstration	50

ILLINOIS CENTURY NETWORK

MARCH 24, 2004 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the March 24, 2004 minutes for review by the Policy Committee.

Action Requested: Adoption of the March 24, 2004 minutes.

Recommended Motion: *That the ICN Policy Committee adopts the March 24, 2004 minutes with any edits as noted.*

ILLINOIS CENTURY NETWORK

MARCH 24, 2004 POLICY COMMITTEE MINUTES

In the absence of a chair, Lori Sorenson opened the meeting.

Members present: Geoffrey Obrzut, Illinois Community College Board; Virginia McMillan, Illinois Community College Board; Lugene Finley, Illinois State Board of Education; Bruce McMillan, Illinois State Museum; Dan Layzell, Illinois Board of Higher Education; Jay Carlson, Central Management Services; Anne Craig, Illinois State Library; Alan Burgard, (audio); Brian Foster, Illinois Hospital Association (audio); Roderick Frazier (audio); and Marianne Stanke (audio).

ICN staff and invited guests in attendance: William Feurer, ICN legal counsel; Lori Sorenson, Jessica Just, Ralph Lucia, Karlin Sink, Kirk Mulvany, all from the ICN.

Lori began by reminding the Policy Committee members that Mary Reynolds had resigned as chair effective February 1, 2004 and the Governor had yet to appoint her successor.

Jay suggested that in order to conduct today's meeting; the Policy Committee members should elect a chairperson, pro tem to lead the group through the agenda. Jay asked if Lori would follow up with the Policy Committee members to create a short list of potential nominees for the chair which would be submitted to the Governor for his consideration. Subsequent meetings would be conducted by the appointed chair. Bill Feurer, ICN legal counsel, agreed that the Policy Committee could proceed as suggested by Jay.

Jay opened the floor for nominations for a chair pro tem to conduct today's meeting.

Motion: Brian Foster moved; Marianne Stanke seconded.

Brian Foster moved that Jay Carlson be named chair pro tem.

Motion carried.

Jay thanked the group and indicated that he would be asking Lori to help guide them through the agenda as this would be his only meeting as chair pro tem.

1. Policy Committee Minutes

Staff requests adoption of the November 19, 2003 minutes.

Motion: Lugene Finley moved; Dan Layzell seconded.

Lugene moved that the ICN Policy Committee adopt the November 19, 2003 minutes with any edits as noted. (No edits were noted.)

Motion carried.

2. Announcements

Jay indicated that he would like to take the opportunity to make a few comments. First and foremost he wanted to share his opinion of how well the relationship between CMS and the ICN was progressing – especially in the area of staff. He indicated that he is of the opinion that CMS is living up to its commitment to support the ICN in a proactive manner and not be a barrier to the original mission of the ICN. Jay hoped that if you were to ask ICN staff, they would respond in kind. Jay restated how pleased he was with the progress and thanked the Policy Committee members for letting CMS participate in the ICN and trusting them to continue to work collaboratively with the ICN staff. Jay asked if any of the other Policy Committee members had remarks to make at this time.

3. Remarks

Lori informed the group that the ICN had switched distribution of the ICN newsletter, *The Century Line*, to an online format instead of print. The response from constituents was very positive. On the day it was sent out, hits to the ICN website doubled and constituents began calling for additional information on articles that appeared in the newsletter. Doing the distribution online saves the ICN roughly \$2,500 each time it's published.

At the end of the month, staff will be sending out an online survey to constituents to solicit feedback on future needs for bandwidth and network services. The top five most requested services are listed on the survey to help determine how widespread the need really is. The survey also asks constituents to identify pricing thresholds in order to assist staff in negotiations with vendors and to price services in concert with market pricing. The Advanced Engineering Taskforce will also be using the survey results to help shape its recommendations for network growth and enhancement. The results of the survey will be shared at the June 2004 Policy Committee meeting.

Lori distributed copies of an article that appeared in the Champaign News-Gazette, highlighting the successful utilization of distance learning to enable a student with a rare form of muscular dystrophy to “attend” high school with his peers. Working collaboratively with SBC, the ICN was able to provide connectivity to the student's home for the transmission of interactive high school courses.

Lori provided an update on three pieces of current legislation that have the potential to impact the ICN. Senate Bill 3156 deals with the role of the Policy Committee and the ability of ICN constituents to work with certain business. This bill is back in rules. Senate Bill 3178 would require the ICN to provide connectivity and services to certain businesses certified by the Department of Commerce and Economic Opportunity. Due to the vagueness in language, identification of specific technology, and the costs to the ICN to implement that legislation, both the ICN and CMS entered opposition to the bill. This bill is also still in the rules committee. House Bill 4933 allows ICN staff to participate in the State Universities Retirement System upon transition to CMS. All pension related legislation is being held until the end of the session and will be sent forth with the budget implementation plan. Lori indicated that she would keep the Policy Committee up-to-date on the legislation.

Jay asked if there were any questions regarding the pending legislation.

Hearing none, Jay stated that he also understood SB 3156 to be in rules, but he would double check to see if it was part of the budget implementation plan. The particular language of this bill will address the evolving role of the Policy Committee because the success of the ICN is to be predicated on having the constituents represented on the Policy Committee. The bill also will allow ICN the ability to offer new services to constituents and to certain business segments that are involved with the constituents.

Jay also commented on the CMS opposition to Senate Bill 3178, stating that CMS felt the proposed legislation would create a major distraction from the primary focus of the ICN. CMS also felt that the costs were significantly understated as related to the capital requirements and personnel resources.

4. Review of Executive Session Procedures

Lori introduced Bill Feurer, ICN legal counsel, to present items #4 and #5 to discuss the requirements and impact of new legislation on ICN procedures and staff.

Bill provided an update on the provisions of the Open Meetings Act with an emphasis on the requirements for recording and taking minutes during an executive session; how those minutes would be made available if they were requested; the review of executive session minutes; and how long the tapes or minutes needed to be stored. Additional items covered included the posting of meeting notices and the introduction and action on new business.

In order to be in compliance with the provisions of the Open Meetings Act, Bill said the ICN must provide written notice of any meetings. Items of business can not be acted upon unless they are listed on the meeting notice. Bill said that items can be brought up for discussion at one meeting, even if they aren't on the agenda, however the Policy Committee can not take action on those items until the next meeting. With regard to the provisions for executive session, minutes must be taken and recorded of any executive

session. The minutes may be taken in summary form and every six months the Policy Committee has to review the summaries to determine if the minutes still need to be kept confidential. The recorded version of the minutes has to be kept for 18 months and every six months, the Policy Committee has to decide if the recording still needs to be kept confidential, along with the written summary of the minutes. If no one requests the minutes after 18 months, the recording can be destroyed, but the written summary needs to be kept none the less.

Jay asked those attending via audio if there were any questions. Hearing none, Jay indicated that he would entertain a motion to adopt the procedures outlined in the revision to the Open Meetings Act as described by Bill.

Motion: Dan Layzell moved; Lugene Finley seconded.

Dan moved that the Policy Committee approve the adoption of the procedures outlined in response to the revisions of the Open Meetings Act with the caveat that closed meeting minutes do not have to be transcribed, unless it becomes necessary to do so, and that someone present during Executive Session would take minutes and write up a summary.

Motion carried.

Bill added that the Attorney General's office is revising the booklet explaining the Open Meetings Act and when it's complete, staff will make sure that there is a copy given to every member of the Policy Committee.

5. State Officials and Employees Ethics Act

Bill began by reminding the Policy Committee of the new employee and ethics act that was adopted by the General Assembly earlier this year. This act covers state employees and board members. The statute requires the adoption of a personnel policy by every state entity covering everything from travel regulations to fringe benefits and all other personnel matters. As most of these items have been adopted by the Board of Higher Education, the ICN fiscal agent, what is really called for is a re-adoption of the policies already in existence.

The only new addition to the personnel policies, as a result of the ethics legislation, is that state employees are now required to keep time records to the nearest quarter hour. Bill indicated that this time keeping requirement would also apply to members of boards, even if they are unpaid, and in this case, the ICN Policy Committee Members. Bill suggested that the Policy Committee members keep their time in the same manner that the Board of Higher Education adopted. At each Policy Committee meeting, the members will be given a time sheet upon which to record the hours spent dealing with ICN matters. The ICN Human Resources Officer will hold the records. ICN staff will keep their time records according to the process outlined by the Board of Higher Education.

Another provision of the legislation is the requirement that all state employees complete ethics training. Bill indicated that agencies that report directly to the Governor have started to go through this training and that the ICN will be notified when staff are to be trained. The statute has another provision that basically says if anyone covered under the ethics legislation is involved in a decision to award contracts with an accumulative value over \$25,000, that person is prohibited from going to work for the entity that received the contract for one year after leaving state service. Bill went on to provide some scenarios that might fall under this provision and encouraged Policy Committee members who felt that they might have a conflict of interest under this provision to abstain from voting on contracts that might be questionable.

Jay asked Lori what has been the previous involvement of the Policy Committee members to participate in particular decisions involving contracts.

Lori responded that typically the Policy Committee has not played a direct role in any of the evaluations or awarding of contracts. The ICN is mandated to provide basic services and when new services are being investigated, the concept comes to the Policy Committee and then the staff goes about developing and issuing a request for proposal and then puts in place an evaluation team to make final decisions on awards. CMS is involved in the process. In the past, the Policy Committee delegated authority to enter into contracts to the ICN director.

Jay suggested that under that scenario it didn't appear likely that there would be potential conflicts for the Policy Committee members.

Lori agreed and felt that it would more likely impact staff, including CMS, as the transition progresses.

Jay asked if the pending action regarding the timekeeping was speaking more to the employees of the ICN or to the Policy Committee.

Lori responded that she felt the action covered the Policy Committee members, as well as the ICN staff. The Policy Committee needs to adopt the policy with regard to the time-keeping requirement for both staff and Committee members to be in compliance with the statute.

Jay asked Bill for his direction on rewording the suggested motion.

Motion: Jay Carlson moved; Lugene Finley seconded.

Jay moved that the Policy Committee approve the time keeping procedures and personnel policies outlined by the Board of Higher Education in accordance with the State Officials and Employees Ethics Act.

Motion carried.

6. Budget / E-rate Update

Lori informed the Policy Committee that Cindi Hitchcock, ICN fiscal officer, was on vacation and that she would be providing the update. The e-rate funds are starting to flow and to date the ICN has received just 1.7 million dollars in checks and credits. Staff is confident that the number will increase to 4.5 million by the end of this fiscal year. Lori went on to explain the ICN practice of delaying routine network upgrades until the end of the fiscal year because of the unreliability of the receipt of e-rate funds. The e-rate funds currently being received will be earmarked for needed network equipment upgrades and some financial support for the dark fiber initiative.

ICN staff has received a draft copy of the compliance audit that took place at the beginning of this fiscal year. The ICN did receive one audit finding for undeployed equipment currently located in a leased storage facility. Lori explained that the equipment referenced in the audit included Cisco routers that were originally purchased as part of early connectivity initiative during which ICN provided constituents with the router needed to connect to the network. When the Policy Committee passed the cost recovery policy in November 2003 a policy was also adopted requiring constituent to purchase their own hardware. Since that time, staff has continued to make the current equipment available to primary constituents. However, state property control policies did not allow ICN to transfer ownership of the equipment to the constituent; rather ICN provided it on a long-term loan arrangement. As a result, constituents needing to upgrade the equipment were unable to purchase additional cards for the ICN loaned equipment since they did not retain ownership of the equipment. For this reason, many constituents were unable to take advantage of the loan arrangement.

Lori explained staff's unsuccessful efforts to request permission from the state's property control division. Coincidentally, a few weeks prior to the release of the ICN audit, Director Rumman approved the ICN's request to transfer ownership and several pieces of equipment were already in route to several K-12 schools and higher education institutions in southern Illinois.

As a result of the approval to transfer ownership and through a policy to use the remaining equipment as spares in lieu of continuing maintenance payments for deployed equipment, staff projects that the inventory will be down to zero by the end of fiscal year 2005.

Lugene asked if the audit finding was material or immaterial.

Lori replied that ICN had only seen a draft copy of the audit and it was unknown at this time.

Jay asked if anyone had more questions of Lori.

Alan Burgard said he was pleased to hear that the e-rate reimbursements were being received. He asked Lori why the personnel and contractual line in the projected budget reflected an increase of over 1.4 million dollars.

Lori explained that the increase in the personnel line was not due to salary increases, but was due to ICN payroll being paid through a non-GRF fund. As a result, ICN must pay the full cost of the retirement and insurance contributions in the personnel line. When payroll is paid from a GRF fund, a CMS fund covers the retirement and insurance contributions. Alan requested that staff provide breakdown of the additional costs at the next Policy Committee meeting.

7. School-to-Home Initiative Update

Lori asked Ralph Lucia to provide the update. Ralph began by reminding the Policy Committee that in the February 2003 state of the state address Governor Blagojevich called on all Illinois schools to adopt the national PTA standards for parental involvement. In support of this initiative the ICN funded the Center for the Study of Education Policy at Illinois State University to survey schools across Illinois to determine the extent of technology's use in communicating with parents. The recommendations from the survey indicated that improved school to home communication would benefit students and their families and that multiple methods and formats are needed to accomplish this. As a consequence of the survey results, the ICN is working with the Center for the Application of Information Technologies (C.A.I.T) at Western Illinois University to develop a web-based communication application that would be made available to all K-12 schools in Illinois at no cost to the school. At this time the application is in its final stages of development and beta testing will begin within the next few weeks. Current plans call for a limited roll out of the application for the fall 2004 academic year. Since the program is being developed specifically for Illinois, there will be no site license fee. The only ongoing costs will be for hardware to operate the system, staff resources, and software updates to accommodate operating system upgrades and modifications to meet the needs of the users.

Ralph went on to emphasize that this application is not intended to replace any existing school administrative packages that are in place, it is merely to level the playing field so that those schools that don't have the fiscal resources to implement this kind of communication tool can have access to this resource.

Jay asked if the ICN staff had looked at providing a forecast of what the ongoing operating cost and scalability of the project are going to be.

Lori replied that staff has been looking into this, much of it based on the level of interest expressed by the schools. As the issues of interoperability with existing systems are addressed, it may be that more schools will want to participate. The technical staff is look at the training, support, and hardware requirements to help determine fixed and recurring costs.

Jay asked if would be possible to have a better understanding of the costs by the next meeting. Ralph indicated that by the next meeting, the staff would have a better understanding of cost projections.

Jay suggested that at the next meeting the Policy Committee look at the success of the beta test, do a live demo of the project, depending on meeting facilities, and then examine the cost to make sure that any shortfall that might have occurred is identified and communicated.

8a. Network Utilization – E-rate

Lori reminded the Policy Committee that they had requested specific information on several network topics at the last meeting. Items 8a through 8d are designed to provide that detailed information. With regard to E-rate, Lori indicated that staff had spoken with surrounding states to compare their experience with that of the ICN. Of the Midwest states, Missouri is the most like the ICN in regards to its network and e-rate application. Just like the ICN, Missouri is experiencing similar delays for e-rate reimbursements. From application to funding commitment Missouri has experienced delays of 10 to 14 months, not unlike the ICN. Karlin Sink and Lynn Murphy participated in the annual StateNets meeting in early February and a representative from the E-rate administrative agency was on hand to address the concerns of the state networks. Fully aware of the delays experienced by the larger, more complex networks, the E-rate administrative agency is making adjustments to their priorities for processing. The details of this process will be revealed as soon as they are finalized.

Lori referenced the chart included with the item to discuss exactly where the ICN was with regard to filing and receipt of E-rate funds. As Lori explained, the time between application submission and receipt of funds is decreasing which is a significant improvement over the previous delays of up to 48 months. However, as a continued precaution, the ICN doesn't rely on these funds as part of the operating budget until they are received.

8b. Network Utilization – Services / Return on Investment

Lori introduced Kirk Mulvany to provide the update on services and return on investment.

Kirk provided an overview of the return on investment for filtering and IP video. Based on the number of constituents who are participating in filtering and cautious projections of additional participants, Kirk pointed out that revenue for filtering has shown steady increases and conservative estimates indicate that the ICN filtering service will reach break even in May 2004. Any revenue exceeding expenses starting in November of 2004 will be used to replace existing hardware and prepare for future growth. The existing hardware in place has a useable life of three years from the original purchase date.

Jay asked Kirk for clarification on what was included in the expense line. After Kirk explained the specific limits of the figures he had presented, Jay asked if the Policy Committee could see a statement at the next meeting including a recapitalization schedule over a six year view.

Moving on to IP video, Kirk mentioned that this service was just coming up on its first anniversary. Currently there are 83 video end points registered for the service, with more expected as constituents migrate from H.320 to H.323. Initially the return on investment was figured to be three to five years, but Kirk reminded the group that this did not include state agencies and the expectation is that the number will grow as the ICN and CMS begin to work more closely on IP video implementation.

8c. Network Utilization – Telecommunications Cost Savings

Karlin Sink began his presentation by indicating that both the ICN and the ICN constituents have realized significant costs savings on hardware and access circuits over the past few years. ICN negotiations for egress and backbone circuits save the state about 2.4 million a year. The Cisco contract saves our constituents approximately \$800,000 a year.

Jay asked if the Cisco savings was based on actual purchases by constituents. Lori responded that the numbers were based on actual purchases comparing a discount rate of 37 percent (level available prior to the most recent contract) with 42.5 percent, the current contract discount level. The figures presented are the delta between the previous discount rate and the new discount rate.

Jay indicated that he thought those savings were substantial and that the information should be captured and shared with the fiscal officer in CMS. Jay then asked Karlin to take a moment and discuss the savings associated with the network costs.

Karlin responded that as more traffic gets on the backbone, such as the addition of state agency traffic, the ICN would be looking at larger circuits which will drive down the per megabit cost. The effect is the same for egress providers, as you buy more bandwidth in “bulk”, the cost per unit goes down.

Jay asked if it might be of interest for the Policy Committee to see the evolution of the purchasing options going from point-to-point circuits to waves to dark fiber being energized and to communicate these savings as we go forward. Jay specifically asked what percentage of the network is still in point-to-point circuits versus waves, versus actually lighting up our own segments.

Karlin indicated that it would be possible to provide this information.

8d. Network Utilization – Baseline Utilization

Jay asked if this item was in response to the general discussion at the last Policy Committee meeting where questions were raised about the adequacy and utilization of constituents' baseline bandwidth.

Lori indicated it was the intent of the item to respond to those issues and that Ralph Lucia was going to present the material.

Ralph began by stating that in order to get the educational utilization of bandwidth only K-12 schools were included, recognizing that the K-12 category includes many other types of K-12 offices. The same is true for universities, i.e. only campus utilization was included and not other higher education facilities, like extension centers. Every site in the study was examined to determine how much ICN bandwidth they currently receive, compared to the amount that they are eligible to receive under the baseline bandwidth and the cost recovery system. Ralph went into a rather detailed discussion of the charts that had been distributed with the agenda.

As a result of the analysis, staff identified areas of concern specifically a significant percentage of constituents not accessing baseline bandwidth despite experiencing congestion. The staff does recommend the need for further study, and while it would be desirous to increase baseline, staff wants to be prudent and make sure the resources are available to fulfill the obligations promised to ICN constituents.

Lugene asked if the K-12 schools with contention problems were rural districts where circuit costs can be expensive as opposed to the suburban and urban districts that have access to lower cost circuits. Ralph responded that the problem did occur more in rural areas where the schools may have to go through several telecommunications providers to get to the ICN, making the circuit prohibitively expensive.

Jay asked if any of the rural connections that are expensive could be accommodated with a V-SAT connection.

Lori indicated that she thought it might be a viable solution for data. Ralph added that staff had been investigating alternative methods of connectivity; specifically working through cable companies.

Jay recommended that this data be shared with a group within CMS who is developing an RFP for V-SAT that would serve the needs of some state agencies. Adding the potential group of educational institutions who might benefit could strengthen the RFP and help obtain better responses from vendors. All of this information can be used to help in discussions of rates going forward for the constituents and to help bring the best value to the state and extended constituents.

Jay asked if there were any questions from the members of the Policy Committee. Hearing none, it was then decided that there was no need to go into Executive Session.

Jay thanked the representative from SBC for their assistance with the connection to the home of the student with muscular dystrophy near Danville. Jay also took the opportunity to indicate that the Policy Committee really appreciates the spirit of cooperation that is being shown by SBC.

Jay complimented the staff on the series of reports presented under network utilization.

Motion: Dan Layzell moved; Lugene Finley seconded.

Dan moved for adjournment.

Motion carried.

ILLINOIS CENTURY NETWORK
MAY 12, 2004 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the May 12, 2004 minutes for review by the Policy Committee.

Action Requested: Adoption of the May 12, 2004 minutes.

Recommended Motion: *That the ICN Policy Committee adopts the May 12, 2004 minutes with any edits as noted.*

ILLINOIS CENTURY NETWORK

MAY 12, 2004 POLICY COMMITTEE MINUTES

Members present via audio conference and confirmed via roll call: Virginia McMillan, Illinois Community College Board; Lugene Finley, Illinois State Board of Education; Bruce McMillan, Illinois State Museum; Dan LaVista, Illinois Board of Higher Education; Jay Carlson, Central Management Services; Anne Craig, Illinois State Library; Alan Burgard, Illinois State Police; Brian Foster, Illinois Hospital Association; Roderick Frazier; and Pete Ashi.

ICN staff in attendance: Lori Sorenson, ICN.

Jay opened the meeting and confirmed that a quorum was present. He then asked Lori to start the meeting by introducing Pete Ashi, newly appointed chair of the Policy Committee.

Lori thanked everyone for meeting on such short notice to discuss the transition plans which had been coming together rather quickly. She then welcomed Pete to the Policy Committee and asked him to provide a little background to the group.

Pete indicated that he comes from the private sector and is the Chief Operating Officer of an IT consulting firm that deals primarily in the healthcare and property and casualty space. His firm is headquartered in Columbia, South Carolina, a privately held organization. Pete said he is looking forward to participating on the Policy Committee and was honored when Director Rumman asked him to accept the appointment as chair.

Jay asked Pete if it would be appropriate to yield the proceedings to Lori and Jay, given that Pete was rather new to the group. Pete agreed thinking it was most appropriate to do so.

Jay began by taking a moment to bring the members of the Policy Committee up to date on the consolidation work. CMS has been looking for the most effective means to facilitate the consolidation of ICN staff and assets with other core infrastructure and assets, both physical and personnel, that are currently directed by Michael Rumman and CMS. Over the last 8 to 9 months a lot of effort has been put forward to make sure that when looking at consolidation opportunities whether its with the ICN or other consolidation efforts such as facility management that CMS is taking into consideration two things: first and foremost, the primary consideration is the service offering that is being provided to constituents whether those are other agencies or entities outside of state

government such as higher education, K-12 schools, hospital and such. Second to that, but just as important, is the treatment of management, staff and front line associates. There were several hurdles that had to be investigated and overcome to proceed with this particular consolidation.

Most of the issues are in the area of benefits and Jay indicated that he wanted to walk the Policy Committee through the high points of the document that would be sent to them for review. The majority of the document is for informational purposes, but also contains data associated with what CMS is calling for regarding the fair and equitable treatment of the associates in ICN to make sure that when they come over to CMS, they are kept financially whole, as best as is possible.

Before going into the review of the document, Jay thought it would be beneficial for the newer Policy Committee members to hear a brief chronological recap of the process and the issues. The ICN associates benefit from a pension program that is provided through the Board of Higher Education (IBHE). CMS is tied to a different program. Simply put, many of the ICN staff were very close to meeting the vesting period or have met the vesting period and would be put in harms way, both through the restrictions the IRS has placed on people covered under these types of programs and the potential implication it might have for social security benefits.

CMS decided to address this issue by introducing legislation that would specifically allow for those associates that are participating in the BHE pension program to continue to participate in that program after they become a CMS associate, basically grandfathering them to remain with the current pension program. As a backup, the language has been added to the budget implementation bill (BIMP) which is the legislative language which accompanies the state's budget. Jay indicated that is the hope and belief of CMS that there will be no opposition to the pension language as it is the right thing to do for the associates.

In addition to the pension issue, the vacation accrual tables, sick days, and holiday schedule had to be synchronized with CMS policies. Jay indicated that the document that will be sent to the Policy Committee for review will show a comprehensive analysis of where the gaps exist. At this point, CMS is proposing the approval of two requests. The first is that in accordance with an Administrative Order by the Governor, ICN staff associates are entitled to bring forward only five vacation days. As many of the associates have accrued many days in excess of that, CMS is proposing a one time payout to associates to bridge the gap. At most, the payout would be \$398,000, but may be reduced by staff taking vacation during the month of June, and payouts to staff that leave for other employment prior to the July 1 transfer. Jay reminded the Policy Committee that the accrued vacation represents a liability, so that even if the payout didn't go through, the liability would still be on the books.

The next issue involves making corrections for the lost value of vacation accrual rates going forward. Some ICN associates may have been earning three or four weeks of

vacation on an annual basis, and according to CMS polices, they will be accruing far less than that.

A presentation of these issues was made to Director Rumman who has agreed to support the payout of accrued vacation days and he has agreed in concept to the approval of compensation adjustments for associates losing substantial vacation accruals going forward. The maximum annual cost to compensate employees for lost accruals is \$122,000. CMS believes it is a nominal investment to show the associates that CMS recognizes their value and wants them to stay part of the organization. Jay went on to say that there would be a small percentage of associates that will fall outside the bands of their compensation grades and CMS will probably not be able to do much for those staff members, but again that's a relatively small percentage.

Jay indicated that these were the issues that would be submitted to the Policy Committee for approval so that when the transition occurs, the housekeeping details will be taken care of.

Jay went on to discuss another informational point that will be in the review packet. In looking at the delineation and definitions of work both in CMS and in ICN, Jay's team has proposed that the ICN staff will be transferred in on a non-code status. The non-code status gives management flexibility that doesn't currently exist under the rules of the current CMS personnel code; to hire the best candidates and more importantly to solicit and recruit the best candidates. Under this arrangement, for the most part, ICN staff will continue to be at-will associates and CMS will be able to maintain flexibility in soliciting and hiring the best candidates. In order to accomplish this, Jay said that CMS has spent a lot of time defining a band of classifications for this non-code status and wanted to implement the changes on this side of the consolidation.

Jay stressed that it is his hope to make sure that as the consolidation moves forward, the quality of service improves and cost efficiencies improve. The only way to achieve that is to put measures and practices in place that will secure those current guiding principals of the ICN. Jay told the Policy Committee that quite frankly the success of the ICN is largely due to the people they have and going forward it will be important that CMS has access to the same caliber of people.

Jay indicated that the goal was to get the packet of information out to the Policy Committee members within the next couple of days. It had been the hope that the packet would have been distributed today, but Director Rumman's schedule didn't allow for that. Basically this meeting is setting the stage and opening a dialogue with the Policy Committee members as they review the proposal.

Lugene Finley said that it appears that a great deal of thought had gone into the proposal and that it sounded quite fair to the ICN employees.

Jay said he appreciated the comment and went on to stress the importance of managing these adjustments on this side of the consolidation because as much as we would want to do the right thing after the fact, the rule of precedence might be an obstacle.

Brian Foster asked how many weeks of vacation do employees receive under CMS.

Jay responded that if the employee has been with the state 0-5 years, they earn 10 vacation days; 5-9 years, 15 days; and it continues to increase up to 25 days for 25 years. However, CMS grants substantially more holidays.

Lori responded that CMS provides 12 holidays plus 3 personal days and ICN has 8 holidays and 4 floating holidays. She went on to add that that staff who are required to work on state holidays in order to provide services to constituents who are open on those days will be given compensation time.

Dan LaVista asked Jay what was the status of associate and management staff's understanding of the recommendations that are being presented to the Policy Committee.

Jay replied that the consolidation team didn't want to approach the ICN associates with unsubstantiated information or without the authority. All of the details on the consolidation were being worked out before telling the staff. Jay asked Lori to speak on next steps over the next few days and subsequently next week after this is brought to a formal vote.

Lori responded she had been working closely with Jay and his staff to make sure all of the details of the personnel items come together. Lori feels that the recommendations are very fair to staff and that overall it will be well received by staff. All ICN staff will be briefed as to the status of the consolidation this afternoon in an all-staff conference call. Lori also indicated that while she knew she wouldn't be able to share the specifics at this point, it was important to keep staff up to date and reassure them that as of July 1 everyone has a job, with the same roles, same responsibilities, same reporting structure, and we will carry on with no interruptions in paychecks and health insurance. On Thursday morning Jay will address all staff to answer questions and concerns regarding the transition and to provide some insight into future goals.

Lori went on to say that once these recommendations have been approved by Director Rumman and the Policy Committee, each employee will receive an individualized letter indicating salary, title, vacation payouts, carry over vacation, and any adjustments in compensation that are applicable, and how they were determined. Upon receipt of the letter, the ICN Human Resources staff will be meeting one on one with each employee to review their letters and give them a chance to ask any specific questions they might have.

Jay thanked Lori and asked if there were any other questions on the consolidation plans and recommendations.

Pete asked how the information would be distributed to the Policy Committee members.

Lori responded that all Policy Committee members would receive an email with a follow up hard copy in the mail.

Hearing no more questions, Jay indicated that he had some good news to share with the Policy Committee since they were all assembled. Jay reminded the group that back in September a commitment was made to minimize any negative impact of the consolidation efforts especially with regards to potential cost escalation for ICN constituents. Jay went on to say that he absolutely feels right now that with some of the key projects that are on the horizon that we are going to be able to continue to increase the level of service and provide additional enhancements for constituents at large while maintaining the current cost structure. Jay cautioned the Policy Committee that it's not to say that down the road the dynamics won't change and there won't be any increases in the cost. CMS is going to be bringing a substantial amount of traffic to the ICN network which is going to cause CMS to invest a tremendous amount of money into the network.

Jay went on to say that there is a significant amount of capital in the budget to update the telecommunications components and capabilities of the network. As an example, Jay indicated that in June a request for proposal will be let for VSAT service – satellite delivered connectivity. It is the intention that VSAT services will be introduced to solve problems associated with lottery kiosk requirements. Other state agencies, such as Secretary of State, also have a need for this technology. The signal is sent to major downlink stations on the east coast and in Denver and returned back to the ICN network via fiber so that the state will be paying for huge capacity pipes from these downlink stations back to the ICN network. The use of this technology will provide schools and other ICN constituents with a cost effective, high capacity connection that will help alleviate expensive last mile connections.

Lugene added that this technology is going to be great especially for the rural schools down in the southern part of the state that some times have to go through a number of LATA's and incur additional costs trying to put in that last mile to their school house doors.

Jay stated that there are plans to bring Illinois Emergency Management Agency (IEMA) traffic to the table which is basically the state's disaster recovery group. This will provide additional federal dollars to support the network. CMS will be moving some of the state's voice traffic on to the network. These plans will have a trickle effect back to the constituents as well as the services at some point in time will be made available to the ICN constituents.

Jay asked Lori to poll the group to determine a time that would make sense for the next meeting to formally vote on the issues of vacation payout and the compensation adjustment.

After polling the group, a determination was made to meet again on Wednesday, May 19th between 2:30 and 3:00 p.m. via audio conference. Lori will send an email reminder with the call-in information.

Motion: Lugene Finley moved; Virginia McMillan seconded to adjourn the meeting.

Motion carried.

ILLINOIS CENTURY NETWORK
MAY 19, 2004 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the May 19, 2004 minutes for review by the Policy Committee.

Action Requested: Adoption of the May 19, 2004 minutes.

Recommended Motion: *That the ICN Policy Committee adopts the May 19, 2004 minutes with any edits as noted.*

ILLINOIS CENTURY NETWORK

MAY 19, 2004 POLICY COMMITTEE MINUTES

The meeting was called to order by Pete Ashi.

Members present via audio conference: Pete Ashi; Virginia McMillan, Illinois Community College Board; Bruce McMillan, Illinois State Museum; Jean Wilkins, Illinois State Library; Anne Craig, Illinois State Library; Jay Carlson, Central Management Services; Alan Burgard, Illinois State Police.

After establishing that a quorum was present, Pete asked if everyone had received the materials for review and if they had any questions. He also added that he felt the materials were very comprehensive.

Virginia McMillan agreed that she thought CMS had done a good job. Jean Wilkins concurred, saying that the package looks very good.

Motion: Pete Ashi moved; Alan Burgard seconded.

Pete moved that the Policy Committee accept the package as presented.

Due to the nature of the motion, Pete asked for a roll call vote.

Motion carried – all present voted in favor.

Pete asked if there was any other business that the group would like to cover.

Lori said she had no other business but did want to thank the Policy Committee members for being so flexible and coming together very quickly on a short notice to meet last week, to walk through the package details. Lori went on to point out that there had been a great deal of time spent both by CMS and ICN to pull together all of the details and give careful thought to all the issues in order to be able to answer all staff questions.

Lori thanked Jay for doing an outstanding job, having been present at some difficult meetings as the issues were being worked out. Lori said that Jay was adamant that the process for consolidation was done right from the very beginning, and expressed her feelings that she thought the recommendations being made were going to allow ICN staff to put a lot of the uncertainty and uneasiness to rest.

Jay thanked Lori for her compliment.

Pete echoed this thought saying that Jay and his staff had done an excellent job.

Virginia reminded Jay and his colleagues to closely monitor the language about the pension benefits in HB4933.

Jay responded that they had strengthened their support for the legislation by also adding it to the budget language.

Jean Wilkins apologized for being absent last week, but she wanted to know if Lori had spoken with all of the ICN staff about the recommendations.

Lori explained that she met with staff in the afternoon of the last meeting and gave a general update on where things stood. The next morning Jay and his personnel officer met with staff to follow up and respond to questions. Lori said she did get a lot of personal feedback after those sessions and that staff were really feeling good about what they were hearing and looked forward to receiving the details.

Lori went on to say that the ICN human resources officer would be meeting with staff one on one and that all staff would receive letters outlining their title, salary, vacation earn rates, compensation adjustment, and vacation payout. The goal being to get all issues addressed before the weekend so that staff could go home feeling calm and positive.

Jean thanked Lori for the update.

Lori wrapped up her comments by noting that Karlin Sink's name was not on the staff list presented to the Policy Committee. Karlin is leaving the ICN at the end of this month and heading to Virginia for a position with the Virginia Community College System. Lori reminded the Policy Committee that Karlin had been with the ICN since the very early days and that staff will miss him very much. Lori encouraged the Policy Committee members to contact Karlin prior to his departure to say good-bye.

Motion: Virginia McMillan moved; Jean Wilkins seconded.

Virginia moved adjournment of the meeting.

Motion carried.

ILLINOIS CENTURY NETWORK

**BUDGET REPORT:
FISCAL YEAR 2004 UPDATE**

Submitted for: Information

Summary: This item provides an update of the fiscal year 2004 budget.

Action Requested: None.

ILLINOIS CENTURY NETWORK

**BUDGET REPORT:
FISCAL YEAR 2004 UPDATE**

This item presents the Policy Committee with a fiscal year 2004 year-to-date budget update. The final disbursement from CMS to ICN for the FY04 appropriation was vouchered in early June, but has not been received to date. E-rate reimbursements at May 31, 2004 totaled \$4,825,966; including checks from telecommunications providers totaling \$3,552,797, and e-rate credits applied to telecommunications invoices totaling \$1,273,769. An additional \$3,699 in approved Year Three e-rate credits on telecommunications invoices will be received by June 30, 2004.

With an additional \$2,240,000 in cost recovery funds, as well as \$1,416,160 in excess cash from FY03, the FY04 available funds will be approximately \$33,385,000.

At the request of the Policy Committee, personnel costs have been segregated into a "Salary & Medicare" line and a "SURS and Group Insurance line." This will facilitate a direct comparison of personnel expenses over several fiscal years when funding sources change. For example, in FY04, the expense of the employer's share of State Universities Retirement System (SURS) and group insurance hit the ICN budget for the first time, as ICN expenditures were paid from a non-GRF fund. A line designated for vacation payouts due to the ICN staff's transition to Central Management Services has also been added. The estimated payout figure represents the difference between ICN's current liability for vacation time, and the five day vacation maximum that will transfer with each employee to Central Management Services. Retirement expenses will also be incurred on this payout figure, but there will be no additional group insurance costs. The payout will occur with the June 16-30, 2004 payroll which is distributed on July 7. Other line items are consistent with projections at this point in the fiscal year. There are several large orders for telecommunications equipment that are in process or waiting for approval, which will result in the projected telecommunications expense. With current information it is projected that ICN will have approximately \$4.7 million to transfer to CMS for FY05 ICN expenses.

The final copy of the Compliance Audit for the Board of Higher Education for the two years ended June 30, 2003 did result in a material audit finding for the ICN regarding Excess Inventory Not Transferred, as anticipated at the last Policy Committee meeting. Due to efforts undertaken by ICN staff, progression towards approval to transfer ownership of equipment to ICN constituents, such as municipalities, units of local government, school districts, public universities, community colleges and eligible not-for profit organizations, as provided under the State Property Control Act was already

underway. The actual written approval by Director Rumman was received by ICN prior to the publication of the audit by the Auditor General's office.

With that approval, in July 2004 ICN will begin to transfer ownership of equipment that is currently in use at constituent sites to the constituent. The ICN has also instituted a "sparing policy" that will allow certain existing excess inventory to be used as replacements or to provide replacement parts for equipment presently in service that may malfunction or become defective. Informational letters explaining the sparing policy and the upcoming transfer of equipment will be mailed to constituents in mid-June. In addition, existing ICN inventory will continue to be used, when it is cost effective, as trade-ins for other equipment that can be put immediately into service. These new procedures will help reduce ongoing Smartnet maintenance and insurance costs.

ILLINOIS CENTURY NETWORK
Fiscal Year 2004
As of 05/31/04

	Approved at 6/18/03 PC Meeting	Revised Projection 5/31/04	Year-to-Date
REVENUE SOURCES:			
ICN Appropriation:	25,500,000	24,896,296	22,750,000
E-Rate Reimbursement:	1,752,159	4,829,665 ¹	4,825,966 ²
Cost Recovery Funds:	2,000,000	2,240,000	2,104,613
Interest	0	2,874	2,874
TOTAL FY04 REVENUES:	29,252,159	31,968,835	29,683,453³
FUND 729 TRANSFER		1,416,160	1,416,160
FY04 AVAILABLE FUNDS		33,384,995	31,099,613
EXPENDITURES:			
Personnel (Salary & Medicare):	3,934,231	3,371,322	3,090,753
Personnel (SURS & Group Insurance Benefits):	0	972,883 ⁴	846,469
Vacation Payout Estimate (Salary & Medicare)	0	441,307	0
Vacation Payout Estimate (SURS)	0	47,633	0
Contractual:	1,063,975	1,103,150	919,385
Commodities:	62,300	40,455	29,401
Equipment:	22,500	91,920	72,837
Telecommunications:	23,809,153	22,560,926	16,321,861 ⁵
Regional Technology Centers:	0	0	0
Operation of Auto:	10,000	8,000	1,452
Prompt Payment Interest:	250,000	512	512
Permanent Improvements:	100,000	20,000	5,800
TOTAL EXPENDITURES:	29,252,159	28,658,108	21,288,470
Transfer to CMS/CRF (Estimate)		4,726,887	
ADJUSTED EXPENDITURES:	28,648,455	33,384,995	

¹ Revised to include year-to-date receipts, plus projected future receipts of \$ 3,699 in approved and pending e-rate credits on telecommunications invoices.

² Figure includes \$ 1,273,769 e-rate credit applied to telecommunications invoices.

³ ICN Trust Fund 729 expired at the end of FY03. The balance in that fund was transferred to Fund 736 for ICN use in FY04. \$1,416,160 was transferred, which is not included in Revenues.

⁴ Projected Expenditures for Benefits which ICN must incur when Payroll is not from GRF.

⁵ Figure includes \$ 1,273,769 e-rate credit applied to telecommunications invoices added to actual expenditures to date.

ILLINOIS CENTURY NETWORK
**BUDGET REPORT:
FISCAL YEAR 2005 PRELIMINARY**

Submitted for: Information

Summary: This item provides a preliminary fiscal year 2005 budget.

Action Requested: That the policy committee approves the preliminary fiscal year 2005 budget, subject to final appropriation.

Recommended Motion *The Policy Committee approves the preliminary fiscal year 2005 budget subject to adjustment pending the State of Illinois fiscal year 2005 budget appropriation.*

ILLINOIS CENTURY NETWORK
**BUDGET REPORT:
FISCAL YEAR 2005 PRELIMINARY**

The FY05 budget reflects a \$23.5 million ICN appropriation. Cost recovery projections for FY05 are \$2.5 million, or approximately \$209,000 per month. Earlier projections for \$800,000 in revenues (and accompanying expenses) for in-house training sessions have currently been removed from the budget. The anticipated \$4.7 million in excess cash funds from FY04 will be placed in the CMS CRF fund for ICN use in FY05.

The first personnel line item is the salary and FICA expense for a full ICN headcount of 66 employees. No cost of living or merit raises are included in projections; however, as approved by the Policy Committee at the May 19 meeting, ICN employees will receive pay increases effective July 1, 2004 equal in monetary value to the number of vacation days an employee will be losing in their transition to CMS. ICN will continue to incur costs of the employer's portion of SURS (11.05% of salary); however ICN will not be responsible for group insurance costs in FY05.

The contractual line increase is due mainly to an increase in rental costs, and contractual (professional and artistic services). Rental costs will increase as ICN will directly incur rent for the Regional Technology Center offices in FY05. Those costs have been covered under the RTC grant arrangements in previous years. Professional and artistic services include in-house training, along with any consulting services that are necessary throughout the year.

The telecommunications line is for service providers, as well as telecommunications hardware/equipment and maintenance/upgrade costs on telecommunications equipment. Lower pricing on services will allow more funds to be available for upgrades and projects. As e-rate monies are received, the projection for the telecommunications line will increase proportionately.

Staff recommends the following resolution:

The Policy Committee approves the preliminary fiscal year 2005 budget subject to adjustment pending the State of Illinois fiscal year 2005 budget appropriation.

ILLINOIS CENTURY NETWORK

Fiscal Year 2005

Proposed Budget

June 16, 2004

REVENUE SOURCES:

ICN Appropriation:	23,500,000
OMB 2% Reserve:	-470,000
E-Rate Reimbursement:	-0- ⁱ
Cost Recovery Funds:	2,500,000

TOTAL REVENUE: 25,530,000

Transfer from BHE Fund 736 **4,700,000**

TOTAL FUNDS AVAILABLE 30,230,000

EXPENDITURES:

Personnel (Salary & FICA):	4,260,495
Personnel (SURS):	464,056
Contractual:	1,502,200
Commodities:	69,100
Equipment:	45,500
Telecommunications:	23,838,649
Operation of Auto:	10,000
Prompt Payment Interest	40,000
Permanent Improvements	-0-

TOTAL EXPENDITURES: 30,230,000

ⁱ Year 4 E-rate funds requested and approved are \$3,026,392. Funds requested and not approved at this time are \$2,274,232. Projected revenues have not included any e-rate monies as the timing of receipt is unpredictable.

ILLINOIS CENTURY NETWORK
**ADVANCED ENGINEERING TASKFORCE:
2004 REPORT**

Submitted for: Information

Summary: The Advanced Engineering Taskforce has recently completed and submitted the first draft of the 2004 report to the Illinois Century Network management team. This item provides the Policy Committee with a brief summary of the recommendations that will be included in the final report.

Action Requested: None.

ILLINOIS CENTURY NETWORK
**ADVANCED ENGINEERING TASKFORCE:
2004 REPORT**

The Advanced Engineering Taskforce has recently submitted the first draft of the 2004 report along with areas in which they will be making specific recommendations. In light of the fact that the AET is recommending a change in the charge to the committee (item #5b), the report will not be finalized until early July 2004.

Gary Wenger, Vice President of Information Technology, College of DuPage has just completed his first year as chair of the AET. When the founding chair, George Badger stepped down last year, it was determined that a two-year term for chair would provide the continuity that the group needs in order to be effective. Gary Wenger will continue as chair for the upcoming year. Throughout the year, ICN staff worked closely with the AET to provide data on network utilization and bring the AET members up to speed on planned network enhancements.

During this past year, the AET conducted an on-going analysis of strengths, weaknesses, opportunities, and threats (S.W.O.T.) facing the ICN through the use of an on-line message board. The cumulative S.W.O.T. analysis will be included in the report. This communication tool also allowed the AET members to post ideas in between meetings and where possible ICN staff could investigate identified issues as they arose, rather than waiting for a meeting to discuss them. Minutes and other items of interest to the AET were posted to the AET message board.

In an effort to increase the knowledge base upon which to make recommendations, the AET participated in the development of the ICN constituent survey that was conducted in April 2004. Survey responses to questions about bandwidth utilization and future needs, both immediate and future, will be folded into the final AET report.

The focus areas of the 2004 report will include:

- Strategic Planning and Governance
- Replacement Strategies for Constituent Routers
- Security
- Content Providers
- Private Fiber Networks
- Wireless Technologies
- Convergence of Voice, Video, and Data

As in the past, the ICN management team will evaluate the recommendations in light of the current fiscal and technical environments. The membership of the AET realizes that significant changes will occur as more state agencies become involved with the ICN and understands that the work of the AET will reflect this increased participation. Once it is available, the 2004 Report will be posted to the ICN web site at www.illinois.net and a notice of its availability will be sent to all ICN constituents.

ILLINOIS CENTURY NETWORK

**ADVANCED ENGINEERING TASKFORCE:
MEMBERSHIP APPOINTMENTS / CHARGE**

Submitted for: Action

Summary: This item brings forth a suggested change to the charge to the Advanced Engineering Taskforce that more accurately reflects the expanded constituent base of the ICN. This item also seeks confirmation of two appointments representing replacements and the re-confirmation of those appointments that expire in 2004. To increase participation in the Taskforce deliberations, this item also seeks to add an attendance requirement to the appointment process.

Action Requested: That the Policy Committee approves the charge to the Advanced Engineering Taskforce as presented.

That the Policy Committee approves the attendance requirement as presented.

That the Policy Committee approves the confirmation of two appointments representing replacements and the re-confirmation of those appointments that expire in 2004.

Recommended Motion: *The ICN Policy Committee approves the revised charge to the Advanced Engineering Taskforce as presented.*

The Policy Committee approves the attendance requirement as presented.

The Policy Committee approves the confirmation of two appointments representing replacements and the re-confirmation of those appointments that expire in 2004.

ILLINOIS CENTURY NETWORK

ADVANCED ENGINEERING TASKFORCE: MEMBERSHIP APPOINTMENTS / CHARGE

In light of the many changes facing the ICN with the transition to CMS, the further expansion of the constituent base, and the shift in focus from connectivity to network services, the AET gave serious consideration to making changes to the original charge to reflect the current environment. The Advanced Engineering Taskforce was created in 2000 with the charge to advise the management of ICN regarding advanced technology issues, reflecting on both the needs of the client community and the changes in technology likely to impact the market and education applications.

AET Charge

AET members suggested that the new charge encompass the concept of advocacy in that the membership represents the constituent groups connected to the network. The sharing of resources, beyond simple connectivity, and reference to the consideration of network services were also concepts that the AET felt needed to be included in a revised charge. The language for the proposed charge is as follows:

The ICN Policy Committee established the Advanced Engineering Taskforce Advisory Council 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. In summary the AET will:

- Provide advice and recommendations to ICN staff and the ICN Policy Committee on matters related to ICN policies, planning and services;
- Serve as a two-way conduit to the appropriate constituency group for ICN related business;
- Promote, through education and collaboration, the development of applications and services that meet the needs of constituencies served by the ICN;
- Facilitate opportunities to offer continuing education programs of interest to the ICN membership;
- Investigate advanced technologies that may be of benefit to the ICN constituents that reflects on both the needs of the constituent community and impacts the market and educational applications.

Attendance Requirement

The AET has undergone significant transformation this past year, with the change in leadership, planning for the transition to CMS, and the removal of the participation stipend due to the fiscal constraints faced throughout the state. However, the work of the Taskforce remains critical to the long-term planning and strategic success of the ICN. In light of the importance of this group and the promise that constituent groups would be represented by the technology leaders in their sectors, the AET is proposing that an attendance requirement be added for all AET appointments. Suggested language to be included in all appointment letters and distributed to existing members is as follows:

All AET members are required to attend at least two of the scheduled meetings during the year. The meeting schedule for the year (usually 3-4 meetings) will be distributed at the beginning of the year and any member unable to meet the attendance requirement should notify the chair, so that a replacement can be sought. Should an AET member not attend the required number of meetings, they will be replaced.

Taskforce Appointments

During the year, Alan Newman, representing the Art Institute of Chicago had to resign from the Advanced Engineering Taskforce as he accepted a new position outside of Illinois. In order to insure that large cultural institutions continued to be represented on the AET, William Barnett, Vice-President and Chief Information Officer, the Field Museum was put forward as a replacement. Dr. Barnett has agreed to serve on the AET. As this transition occurred between Policy Committee meetings, the AET is seeking confirmation of this appointment from the Policy Committee. Dr. Barnett's term is through 2006.

The term of Robert Einhorn, College of Lake County, expires in 2004 and he will be unable to continue with the AET. Diann Jabusch, Director of Technology and Support Services at Spoon River College has been put forward to fill the vacancy as a community college representative. Diann currently serves as chair for the Technology Commission of the Illinois Council of Community College Administrators (ICCCA). Going forward, the AET is suggesting that the person serving as chair of this commission hold a seat on the AET. The AET is seeking confirmation of this appointment from the Policy Committee.

The AET is also seeking re-confirmation of the following AET members whose terms expire in 2004. The new term would extend through 2007.:

- Andrew Bullen, Information Technology Coordinator, Illinois State Library
- Mike Dickson, Director of Information Technology, Center for the Application of Information Technology, Western Illinois University
- Sam Ferguson, Director of information Technology, City of Schaumburg

- Dennis Gallo, Technology Coordinator, O'Fallon Community Consolidated School District 90
- Richard Powell, Chief Financial Officer, John H. Stroger Jr. Hospital of Cook County
- Ken Spelke, Associate Dean, College of ACES, University of Illinois at Urbana-Champaign

The staff recommends adoption of the following resolutions:

The ICN Policy Committee approves the revised charge to the Advanced Engineering Taskforce as presented.

The Policy Committee approves the attendance requirement as presented.

The Policy Committee approves the confirmation of two appointments representing replacements and the re-confirmation of those appointments that expire in 2004.

ILLINOIS CENTURY NETWORK
POLICY COMMITTEE MEETING SCHEUDLE

- Submitted for:** Action
- Summary:** In November 2003, the Policy Committee adopted a meeting schedule for calendar year 2004. This item seeks to review the meeting schedule and determine its validity in light of the recent changes in Policy Committee membership.
- Action Requested:** That the Policy Committee reviews the meeting schedule and makes changes as required.
- Recommended Motion:** *The ICN Policy Committee approves the meeting schedule as presented and discussed, with any changes noted.*

ILLINOIS CENTURY NETWORK

POLICY COMMITTEE MEETING SCHEUDLE

In November 2003, the Policy Committee adopted a meeting schedule for calendar year 2004. The schedule is based on four meetings per year, occurring on the third Wednesday of the months of February, June, September and November. Based on this formula, the schedule for 2004 was established as follows:

Wednesday, February 18, 2004
Wednesday, June 16, 2004
September 15, 2004
November 17, 2004

Unless the Policy Committee decides differently, the next meeting will be held on September 15, 2004. Staff thought it timely to bring this schedule up for discussion in light of the changes in membership of the Policy Committee, including a new chair.

Should the formula remain the same, the meeting schedule for 2005 would be:

Wednesday, February 16, 2005
Wednesday, June 15, 2005
Wednesday, September 21, 2005
Wednesday, November 16, 2005

All meetings will be held in the conference room of the Illinois Community College Board office at 401 East Capitol Avenue, Springfield, IL. In the event that the ICCB meeting facility is not available, a comparable location will be found in downtown Springfield. The meeting locations will be confirmed upon the determination of a meeting schedule.

Staff recommendation:

The ICN Policy Committee approves the meeting schedule as presented and discussed, with any changes noted.

ILLINOIS CENTURY NETWORK
NETWORK UPDATE

Submitted for: Information

Summary: This item provides a brief summary on upgrades to backbone circuits throughout the Illinois Century Network.

Action Requested: None.

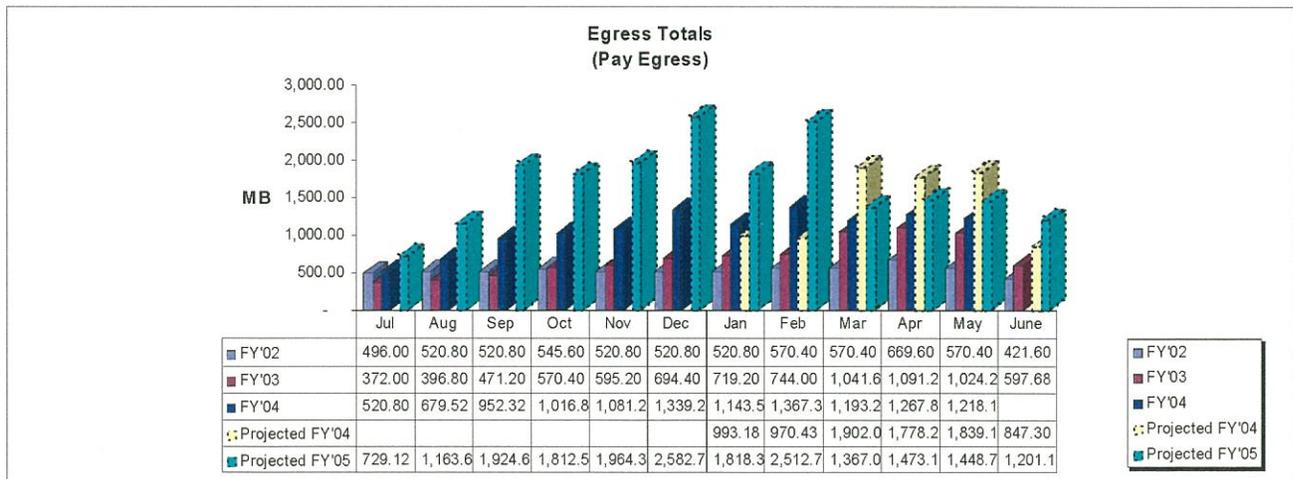
ILLINOIS CENTURY NETWORK

NETWORK UPDATE

As network utilization increases, it is imperative to continually upgrade the backbone to ensure the level of network reliability that ICN customers have experienced and have come to expect. To continue to accommodate this high level of network reliability, the following upgrades are in progress:

1. The upgrades planned for the Chicago POP (Point of Presence) site and the Collinsville POP site include new summary routers that will provide fully redundant POP sites in Chicago and Collinsville. The equipment for this upgrade has been ordered and is expected to arrive in August.
2. Results from the Internet egress RFP are being finalized. The plan is to increase the total Internet egress that is provided by five different vendors from 2.8 GB to 4 GB. The upgrades will take place throughout FY05 as contracts with the current providers expire. As a result of the RFP process and aggressive negotiations with current providers, staff anticipates reducing the average per MB cost for egress from \$125 to \$49. Through the RFP and through negotiations with existing providers, a portion of the total bandwidth will be purchased as a metered service allowing ICN to pay only for the bandwidth used each month, yet providing the flexibility to burst when needed. Additionally, ICN will have the option of reducing bandwidth by half for a three month period each year such as the summer months when K-12 schools are on vacation and higher education institutions are operating at a reduced capacity.

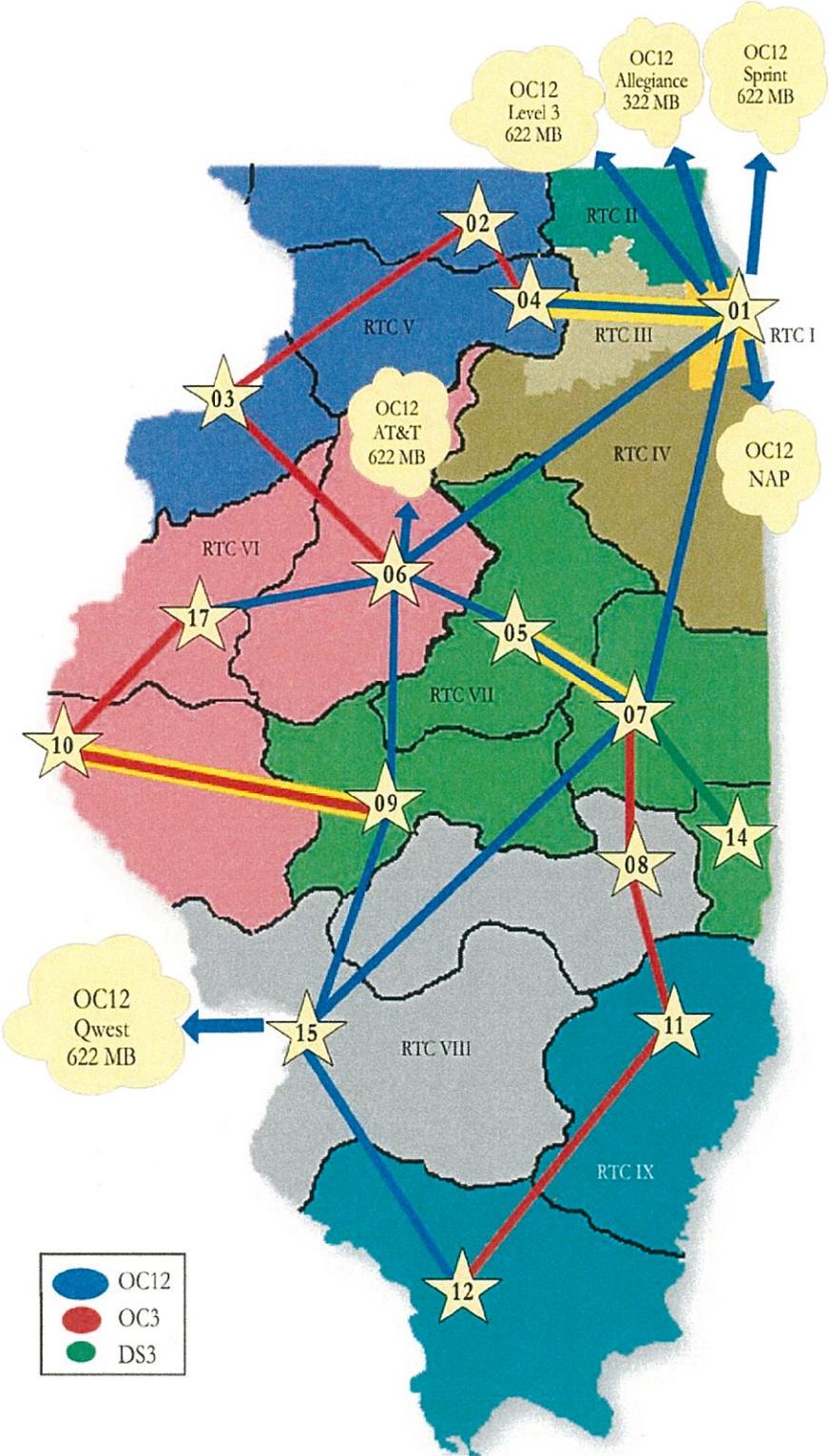
Figure 1
Egress Utilization



3. The backbone circuit between Bloomington and Champaign is targeted for an upgrade. The connection is currently an OC3 (155 Mb). ICN/CMS are evaluating the upgrade options and expect to reach a decision within the next thirty days.
4. The upgrade for the DeKalb to Chicago backbone circuit will be complete by the end of August. This will increase available bandwidth from the current level of OC3 (155 Mb) to OC12 (622 Mb).
5. The Quincy to Springfield backbone circuit upgrade will be complete by the end of June. This is an upgrade from a DS3 (45 Mb) to an OC3 (155 Mb).
6. Additional redundant LAN switches and GSR Gigabit Ethernet cards have been purchased for POP sites moving towards fully redundant sites. This eliminates the POP LAN switch as a single point of failure. The equipment for this upgrade has been ordered and is expected to arrive in August.
7. Upgrades on the OC12 (622 Mb) ring to OC48 (2.4 GB) are being investigated. This upgrade would include the circuits from Chicago to Peoria, Peoria to Springfield, Springfield to Collinsville, Collinsville to Champaign, Champaign to Chicago, Champaign to Bloomington, and Bloomington to Peoria (see Figure 2 on the next page). The driving factors behind these upgrades include accommodating the increasing IP video traffic on the network, additional bandwidth needs resulting from the addition of state agency traffic, and attractive pricing for OC48 circuits which are less expensive than ICN's current pricing for OC12 circuits. The upgrade to OC48 would be in lieu of lighting dark fiber. Cost justifications for this project are in the final stages.

The Network Design and Engineering (NDE) staff will continue to monitor network growth and performance to plan for additional upgrades as needed.

Figure 2
Backbone Map



Item #8
June 16, 2004

ILLINOIS CENTURY NETWORK
CONSTITUENT SURVEY RESULTS

Submitted for: Information

Summary: This item provides a brief summary of the results of the Illinois Century Network constituent survey conducted in April 2004.

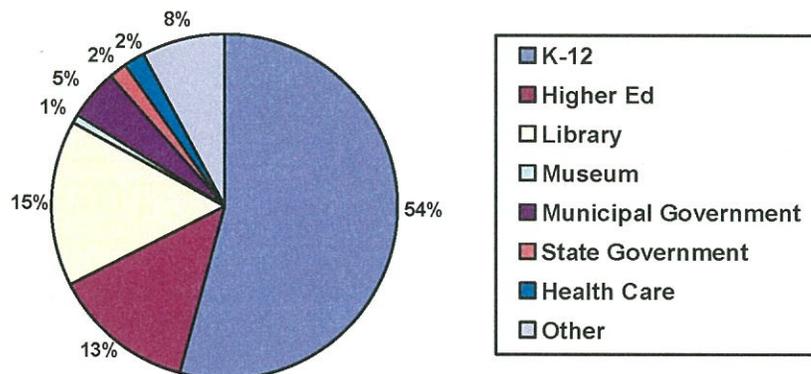
Action Requested: None.

ILLINOIS CENTURY NETWORK CONSTITUENT SURVEY RESULTS

In April 2004, the Illinois Century Network conducted an online survey of existing constituents to assess, the level of satisfaction with the ICN; the need for and interest in network services and the anticipated need for additional bandwidth. The AET participated in the development of the survey in order to insure that the work of the committee reflected real and anticipated needs of ICN constituents.

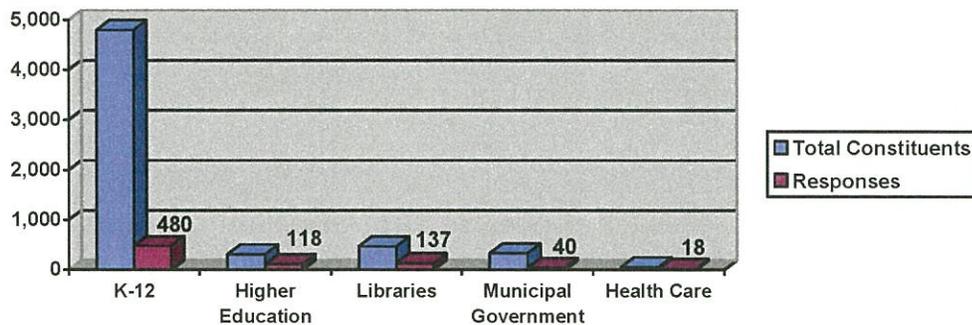
Respondents' Affiliation

Completed surveys were returned by 924 constituents, representing 17 percent of the 5,544 constituents on the distribution list. While the majority of respondents (54 percent) were from the K-12 sector, the participation by sectors was evenly spread when looking at the number of responses as a representation of the total sector population.



Constituent Responses by Category

In the K-12 sector, 480 responses represent 10 percent of the connected K-12 constituents; 118 responses from higher education represent 37 percent of the higher education sector (includes community colleges); 137 responses from libraries represents 29 percent of this sector; 40 responses from municipal government represents 12 percent of the total connected municipalities; and 18 responses from the health care community represent 31 percent of this sector.



Overall satisfaction with the ICN

Satisfaction with the ICN was measured by a number of different criteria. Quality of support received from the Regional Technology Centers (RTC) was rated quite high, with 30 percent being satisfied and 56 percent being very satisfied. Most of this support involves the application and connection process as well as the resolution of technical problems. Having certified staff placed in each of the RTCs plays a key role in these positive ratings. The quality of support received from the 24/7 Network Operations Center also received favorable ratings – 31 percent satisfied and 45 percent very satisfied. ICN communications, technical problem resolution, and response time also received favorable ratings.

When asked about constituent satisfaction with the quality of ICN filtering and IP video service, the majority of constituents replied “not applicable”. Combined with many written comments indicating that constituents were unaware of these service offerings, the N/A response is indicative of a lack of marketing and promotion of these services.

	N/A	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Quality of support from RTC	6% 51	1% 6	0% 4	7% 65	30% 266	56% 497
Quality of Support from 24/7 NOC	13% 112	1% 10	1% 6	10% 85	31% 270	45% 400
ICN Communications	6% 55	0% 4	1% 12	11% 98	37% 323	44% 384
Connectivity Problem Resolution	5% 47	1% 9	1% 7	7% 62	32% 279	54% 476
Services Problem Resolution	27% 233	1% 6	1% 11	14% 124	24% 204	33% 284
Response time from ICN	9% 75	1% 7	1% 8	10% 83	35% 302	46% 397
Quality of ICN Filtering Service	47% 390	1% 9	2% 14	19% 161	15% 122	16% 130
Quality of ICN IP Video Service	56% 449	1% 5	1% 8	19% 152	10% 82	13% 107

Services

In response to interest level and types of services, constituents were asked to rate potential services by priority level – top priority, priority for next year, future interest, and no interest. Three services – SPAM filtering (27 percent), security scanning (26 percent), and antivirus (25 percent) – were rated almost equally as the top priority issues facing constituents. These priorities echo many of the comments received by constituents through informal conversations with ICN staff. A series of detailed questions regarding products currently in use; products under consideration; and the price-point for an ICN offering of the various services was asked in the survey.

Top Priority

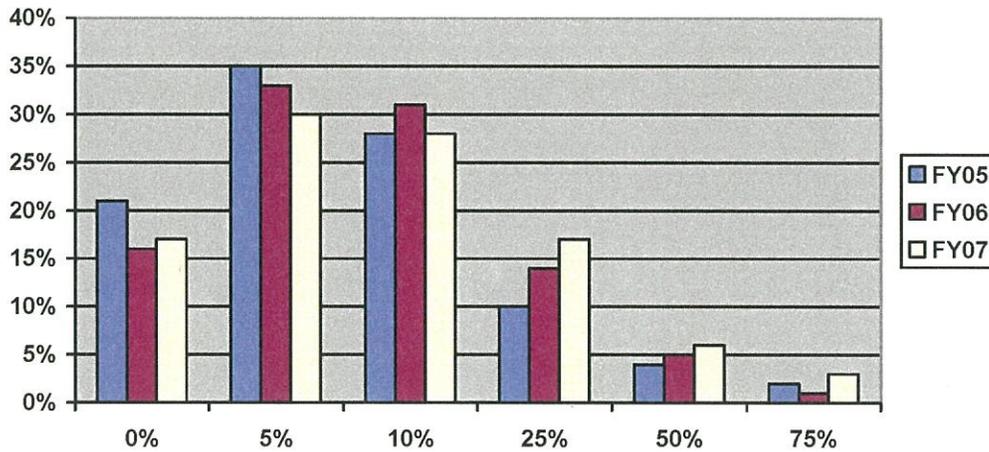
SPAM Filtering	235	27%
Security Scanning	224	26%
Antivirus	215	25%
E-mail/Web hosting	84	10%
Off-Site Storage	83	10%
WAN Management	63	8%
School to Home	63	8%
Other	25	6%
Colocation	36	4%

When asked about services not traditionally provided by the ICN, such as e-mail and web-hosting, there was little interest. Comments included with the survey results indicated that constituents feel that the ICN should stick to its core mission of providing reliable connectivity throughout the state and not offer services that constituents either take care of themselves or acquire from other sources at reasonable cost. While the question on whether or not the ICN should pursue volume discount pricing for paid subscription services, e.g. Britannica, EBSCO, was more closely divided, 43 percent interested, and 57 percent not interested, comments again suggest that constituents have access to these resources through other means and that the ICN should not duplicate these efforts.

Bandwidth Utilization

Information on bandwidth utilization and anticipated future needs for additional bandwidth was collected in large part to feed into the deliberations of the Advanced Engineering Taskforce and help the ICN Network Design and Engineering Staff plan for network enhancements and upgrades. In brief, 81 percent of those responding indicated that they had adequate bandwidth to meet their needs, 19 percent felt their site did not have adequate bandwidth. The majority of requests for additional bandwidth fell into the 1.5 Mb (28 percent) and the 3 – 9 Mb (39 percent) categories. This supports the preliminary suggestion of the Advanced Engineering Taskforce that the cost recovery model look at adding incremental pricing for quantities below the 10 Mb price point.

Respondents were asked to estimate their percentage growth for internet access, projecting three years out. The results show that growth will continue to occur each year, with the largest increases in FY06 and FY07. For the immediate future, these estimates support the response that 81 percent of the respondents have bandwidth adequate to meet their needs. A more detailed analysis of bandwidth utilization using the survey results and supporting material from the ICN Network Design and Engineering staff will be available in the 2004 Advanced Engineering Taskforce Report.



Summary

This was the first time the ICN attempted to do a formal survey of connected constituents and overall staff felt that it provided some useful information. Coupled with the feedback received at the regional information sessions, the ICN will continue to utilize this information for network and services planning. The scope of all ICN work will be expanded as the ICN moves forward in collaboration with CMS. The complete survey results can be found at www.illinois.net.

ILLINOIS CENTURY NETWORK
SCHOOL-TO-HOME DEMONSTRATION

Submitted for: Information

Summary: This item provides a brief update of the progress of the School-to-Home initiative. Also included is tentative budget for on-going support of the project.

Action Requested: None.

ILLINOIS CENTURY NETWORK
SCHOOL-TO-HOME DEMONSTRATION

During the March meeting, the Policy Committee requested that staff provide members with a breakdown of the projected costs for the deployment and ongoing support of the School to Home Toolkit. This item details the project expenditures to date along with a best estimate of future costs.

To date, ICN has invested \$822,000 for software development, hardware/software, and staff training. This amount includes \$750,000 for the software development paid to the Center for the Application for Information Technologies at Western Illinois University and the survey research and market analysis conducted by the Center for the Study of Education Policy at Illinois State University. Staff training has totaled \$6,600 and hardware/server software and technical support has totaled \$65,000.

The initial hardware and configuration is expected to support 100,000 individual users. As interest in the application grows, additional hardware can be added to accommodate gradual growth. Based on discussions with interested schools, staff anticipates that constituents will gradually implement the application over the course of a school year. It is anticipated that the first step to adoption will be for the school technical staff and a limited number of selected teachers to evaluate the prior to a full implementation.

The projected budget extending from fiscal year 2003 to 2009 has been established using the following assumptions: life expectancy for the servers is expected to be three years; growth is expected to be moderate but continuous over that period of time. The budget includes the addition of hardware to accommodate growth as early as fiscal year 2005. Staff recognizes that is unlikely that this additional hardware will be needed this early; however, the costs have been factored in order to prepare for the possibility.

These assumptions have been included in the following budget.

Table 1
School to Home Toolkit
Project Budget for Fiscal Years 2003, 2004, 2005

	Fiscal Year 2003			Fiscal Year 2004		Fiscal Year 2005	
	Unit Cost	Qty	Total Cost	Qty	Total Cost	Qty	Total Cost
STH Software Development	\$750,000	1	\$750,000		\$0		\$0
STH Software Maintenance & Upgrades	\$75,000		\$0		\$0	1	\$110,000
Gigabit Switch	\$2,700		\$0	2	\$5,400		\$0
Web Servers	\$5,600		\$0	2	\$11,200	2	\$11,200
Database Servers	\$9,500		\$0	2	\$19,000	1	\$9,500
Clustering Servers	\$4,500		\$0	2	\$9,000		\$0
Terminal Server	\$1,700		\$0	1	\$1,700		\$0
Tape Backup Hardware	\$9,200		\$0	1	\$9,200		\$0
25 Backup Tapes	\$1,600		\$0	1	\$1,600		\$0
Web Server Software	\$3,200		\$0	2	\$6,400	2	\$6,400
Red Hat Cluster Support	\$220		\$0	2	\$440		\$0
MySql Technical Support	\$750		\$0	2	\$1,500	3	\$2,250
ICN Staff Training	\$3,300		\$0	2	\$6,600	2	\$6,600
ICN Staff FTE	\$60,000		\$0		\$0	1	\$60,000
Totals			\$750,000		\$72,040		\$205,950

Table 2
School to Home Toolkit
Project Budget for Fiscal Years 2006, 2007, 2008, 2009

	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
	Qty	Total Cost						
STH Software Development		\$0		\$0		\$0		\$0
STH Software Maintenance & Upgrades	1	\$75,000	1	\$75,000	1	\$75,000	1	\$75,000
Gigabit Switch		\$0		\$0		\$0	2	\$5,400
Web Servers	2	\$11,200	2	\$11,200	2	\$11,200	2	\$11,200
Database Servers	1	\$9,500	2	\$19,000	1	\$9,500	1	\$9,500
Clustering Servers		\$0	2	\$9,000		\$0		\$0
Terminal Server		\$0	1	\$1,700		\$0		\$0
Tape Backup Hardware		\$0	1	\$9,200		\$0		\$0
25 Backup Tapes		\$0	1	\$1,600		\$0		\$0
Web Server Software	2	\$6,400	2	\$6,400	2	\$6,400	2	\$6,400
Red Hat Cluster Support		\$0	2	\$440	1	\$220	1	\$220
MySql Technical Support	4	\$3,000	4	\$3,000	4	\$3,000	4	\$3,000
ICN Staff Training	2	\$6,600	2	\$6,600	2	\$6,600	2	\$6,600
ICN Staff FTE	1	\$60,000	2	\$120,000	2	\$120,000	2	\$120,000
Totals		\$171,700		\$263,140		\$231,920		\$237,320