

**MINUTES****JOINT INTERIM COMMITTEE ON ADVANCED COMMUNICATIONS AND INFORMATION TECHNOLOGY****Thursday, April 26, 2012****1:00 p.m.****Ozarka College, 218 College Drive  
Melbourne, Arkansas**

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The Joint Interim Committee on Advanced Communications and Information Technology met on Thursday, April 26, 2012, at 1:00 p.m., on the campus of Ozarka College, 218 College Drive, in Melbourne, Arkansas. The following committee members attended:

Senators Linda Chesterfield, Chair; Mike Fletcher and Representatives Mike Patterson, Vice Chair; Tommy Wren, and Jeremy Gillam.

Also attending: Representatives James Ratliff, David Branscum, Homer Lenderman, Jeff Wordlaw, Linda Collins-Smith, James McLean, and Randy Stewart.

Representative Patterson called the meeting to order. He recognized Representative Tommy Wren, and Mr. Richard Dawe, President of Ozarka College for welcoming remarks. Mr. Dawe gave a lengthy summary and an overview of the college. (Handout #1)

Update: State Video Network (VNet) [Handout #2]

**Mr. Don McDaniel, Director, Division of Enterprise Network Services, Department of Information Systems (DIS)**, was recognized and gave a brief update on VNet. He stated that VNet has been outsourced for seventeen years with three different contracts. A working group of various users was formed to look at the services needed to provide flexible cost. Mr. McDaniel stated that by having DIS provide the services was the most cost effective and future proof arrangement. He noted that there are five-hundred and eleven running registered systems. The highest volume of users are high schools.

Upon request by Senator Chesterfield, Mr. McDaniel was asked to and agreed to provide the committee with a list of acronyms listed in the report and used in his presentation.

Update: Educational Broadband

**Mr. Don McDaniel, Director, Division of Enterprise Network Services, DIS**, was recognized and gave a brief update on the Arkansas Public School Computer Network (APSCN). APSCN is funded by the Arkansas Department of Education (ADE). DIS is looking at technology changes to cost effectively provide a new state network using ethernet. Mr. McDaniel noted that DIS awarded bids to 4 providers; AT&T, CenturyLink, Cox, and Windstream. To move forward, DIS will have to partner with ADE to save money. Mr. McDaniel stated that more dialogue between DIS and the communication providers is needed to determine what the needs are and broadband availability. He has compiled data and will start the dialogue with ADE within the next few weeks.

Senator Chesterfield asked is the ethernet designed to expand its capacity to allow people in underserved and rural areas to have access to the same thing. Mr. McDaniel replied that there will be areas where it will be tough to provide ethernet due to the locations. Senator Chesterfield stated that the state runs the risk of being sued again for not providing service to individuals in underserved and rural areas that do not have broadband access.

Senator Fletcher asked who has required the state to implement the Common Core Assessment. Senator Chesterfield replied that the ADE included Arkansas with 48 other states to implement the Common Core curricula and 24 states for implementing the testing. She noted that the assessment is not a mandate of the federal government. Senator Fletcher stated that the committee chairs will have to ask some tough questions regarding this issue to get some answers. Senator Chesterfield pointed out that the committee has had conversations with the providers, noting that everyone involved has to work together on this issue. Senator Fletcher noted that the local providers must be educated regarding this issue and that they should be at the table during these discussions.

**Mr. Gerald Cooper, Superintendent, Melbourne School District**, was recognized and stated that it is very difficult to get answers to questions regarding this issue, noting that this is a complex matter but his school district is making some progress. Mr. Cooper pointed out that his district has a new high school that is not ready for the Common Core Assessment.

**Ms. Katie Burns, Manager, Government Relations, CenturyLink**, was recognized and stated that the biggest concern for providers is not knowing what the bandwidth requirements are. The providers need to know the requirements to provide the schools with the bandwidth that they need. Ms. Burns stated that people underestimate the timeline needed to increase bandwidth and to do certain things in a timely fashion.

Representative Wren stated that providers want to provide the services but we cannot dump this into their laps.

Senator Chesterfield asked what timeframe does ADE have in mind for school districts to implement the Common Core Assessment. She stated that she and Representative Patterson will submit a letter on behalf of the committee to ADE requesting the specifics as to when the school districts are required to have the assessment in place.

Review of the DIS Proposed Rate Adjustments [Exhibit E]

**Ms. Claire Bailey, Director, DIS** was recognized via recorded video. She gave a brief overview of the proposed rate adjustments for fiscal year 2012-2013. She stated that DIS is guided by state and federal guidelines as to how they implement different types of rates, allowable charges, and how rates are calculated. These rates are reviewed for approval by Mr. Richard Weiss, Chief Fiscal Officer of the Department of Finance and Administration (DFA) and The Joint Advanced Communications and Information Technology Committee to move the rates forward. When this process is complete the customers are notified and the new rates are utilized for the next fiscal year. At the end of the fiscal year DIS is required by state and federal regulations to refund any excess balances in a category.

DIS works closely with the DFA to manage twenty-eight categories of service approved by the federal government in order to continue on as a cost recovery agency. Ms. Bailey stated that only one minimal modification (rate decrease) was made to the fiscal year 2012 proposed rate adjustments for the University of Arkansas Medical Sciences. For fiscal year 2013, the rate projection has a 2% net increase over what DIS projected for the past fiscal year. Ms. Bailey noted that DIS is not allowed to make money at the end of a fiscal year. DIS refunds or adjust the rates appropriately, back retroactively at the beginning of the fiscal year where the rates may have had an over recovery or under recovery.

**Ms. Nancy Turner, Chief Fiscal Officer, DIS**, was recognized and reiterated that DIS operates on a total cost recovery basis, noting that DIS does not receive State General Revenue or any federal funding. Fiscal year 2012 had a decreased rate adjustment of \$78,000 retroactively to July 1, 2012. Fiscal year 2013 has a combination of increases and decreases over a variety of services with a net effect of \$1.2 million. DIS rates are thoroughly reviewed every year and they are monitored along with the revenues and expenditures on a monthly basis.

**Senator Chesterfield made the motion to approve the proposed rate adjustments. Without objection, the motion was approved by the Committee.**

There being no further business, the meeting adjourned at 2:25 p.m.