



INDIANA HIGHER EDUCATION
TELECOMMUNICATION SYSTEM

*A consortium of Indiana's public and independent
colleges and universities*

2007–09 Biennial Budget Request

Presented to the
INDIANA COMMISSION
FOR HIGHER EDUCATION

October 13, 2006

Mr. Chairman, members of the commission, Commissioner Jones, good morning[†].

On behalf of our consortium members, I would like to thank Commissioner Jones and his staff for giving us the opportunity to briefly present some of our past achievements, our plans for the coming biennium, and our corresponding need for continuing state support.

I, too, would be remiss if I did not express our gratitude for the direction and support that the IHETS consortium has received from the Commission over these last 35 or so years.

IHETS, which stands for the Indiana Higher Education Telecommunications System, is a consortium of the state public and independent colleges and universities and several affiliate members including K-12 schools, public libraries, public television stations, and state government. The board of directors includes college and university presidents, chancellors, and vice presidents, and CEOs of its affiliate members. The consortium has about 40 professional and support staff based in Indianapolis. Initially created by statute in 1967, the IHETS consortium really took form in 1972, one year after the Commission for Higher Education was created.

In many ways, IHETS operates much like the Commission. Much effort is put into coordinating the work of our members in reaching inter-institutional agreements related to developing and using telecommunication technologies—voice, video, and data transmission technologies—for research, education, and training.

The same is true for our e-learning services. In the early 1990s transfer of credit for online courses, quality standards for offering courses, and more recently, inter-institutional cross-registration for such courses are examples that have served both the distance education and on-campus learners well. Similar efforts are now underway for the use of the new high speed, broadband fiber optic network, called I-Light, which will carry existing as well as new voice, video, data and e-learning applications. IHETS engineers have been busy working with Indiana University personnel to make this new network operational.

The mission or purpose of IHETS, to paraphrase our legislation, is: to use technology for the improvement and advancement of higher education opportunity including individualized access to higher education programs. To accomplish this mission, the member institutions are authorized to use a multipurpose, multimedia closed circuit statewide telecommunication system and to establish programs in an electronic format. The mission and the authorities given to the consortium back in the 1960s were certainly visionary and are just as valid today. The centrally supported technology and e-learning services are used by consortium members both in the use of the network and in establishing their courses and programs in electronic format.

[†] *Transcript of presentation delivered by Dr. William D. Kramer, IHETS interim director, to the Indiana Higher Education Commission on October 13, 2006 at Purdue University.*

The central staff of IHETS has hands-on operating responsibility for a statewide voice network, which includes a private intrastate telephone network, audio conferencing with up to 48 conference connections possible simultaneously, and an emerging voice over IP service. We estimate that members who use these voice and audio services save approximately \$2.5 million annually because these services are offered and supported by the IHETS central staff.

IHETS video technology services, like the voice services, are supported centrally and are available to all consortium members. Video conferencing is a two-way interactive technology used for instruction and administrative purposes and operates on the network between campuses, learning centers, schools, libraries, government facilities and other sites.

Another relatively new and perhaps most promising technology service is Web casting. An important distinguishing feature of this technology is the relatively low cost to the user, particularly those who already have broadband connections and a PC. An investment of \$50 to \$100 to purchase a Web camera and a microphone will enable a student to receive and interact with live telecasts of courses at their home, learning center, place of business or on the road.

The potential cost savings to the student in travel and other expenses and to the colleges and universities in facility and other support costs are enormous. This past year with video Web casting only in a pilot stage, we estimate that members saved over \$2 million by using the centrally supported video technologies. Other valuable technology services supported include voice and video streaming, used, for example, to broadcast proceedings of the general assembly and Indiana Supreme Court; and on-and off-site technical consulting in areas like security and network monitoring.

Another type of service the consortium offers to its members and affiliates is called e-learning services. Some states refer to this function as their “virtual university.” Our e-learning services include an online credit and non-credit semester course schedule, an online degree program inventory, an inter-institutional cross-registration service, technology-use training, and professional development and technical support.

In addition to our 80 college and university campuses, another 22 learning centers, 21 public libraries, 131 cooperative extension centers, 121 high schools, 22 correctional facilities, and 14 state government facilities are receive sites for online education and training activities.

This past year, there were over 117,000 enrollments, an estimated 40,000 students, in online college credit courses using technology. Workshops, seminars, and individual consultations for faculty, instructional technologists, and learning center coordinators offered and coordinated by IHETS staff were key to serving these technology-oriented learners, many of whom are working adults.

The centrally supported technology applications, consultations, and training results in significant cost savings to our members, affiliates, and their end users. Requiring individual members who need these services to purchase the hardware and software, and employ the personnel needed for scheduling, monitoring, and operating help desks would be expensive, if not prohibitive for many, and an unnecessary redundancy. Similarly, the economies of scale made possible through this centralized cooperative results in significant savings to members than if these services were purchased individually.

Last year, IHETS completed a comprehensive evaluation of its organization from its governance committee structure to the value and operation of its various services. A task force comprised of five nationally recognized experts in network, technology services, and e-learning services augmented an internal team of consortium and business sector representatives. The external team repeatedly expressed their amazement at level of cooperation and coordination routinely taking place in the IHETS consortium—and the fact that it has existed for so many years. They were also very impressed with the self-coordinating nature of our organization and what it has accomplished.

In February of this year, Governor Daniels assigned Indiana and Purdue universities responsibility for building and operating the high speed, broadband higher education network statewide using fiber optic technology. Funds appropriated by the 2003 General Assembly for expanding the fiber optic based network were released following a written agreement between the two universities and the State Budget Agency. Prior to this year, the original portion of the fiber optic network, known as I-Light, was in place but only Indiana University and Purdue University were connected to it. Now the fiber optic network is being extended throughout the State, and all higher education institutions, both public and independent will have the opportunity to be connected.

Because the original proposal, including the estimated costs to make the network fully operational is over four years old, the \$11 million originally appropriated is insufficient to complete the project due to changes in the cost of fiber rights of use. While the northern ring of the fiber optic network has been lit and is now carrying real, production traffic, work is continuing on the southern routes.

Indiana University estimates that due to the delay in starting the I-Light buildout, approximately \$1 to \$1.5 million more is needed now due to higher costs associated with the delayed buildout. Additionally, the estimated costs for actually connecting all of the state's colleges and universities to the network, commonly referred to as "last mile connections" is estimated to be between \$7 and \$9 million with connections for about 90 percent of the campuses costing around \$5 million. Several options are being considered for requesting the additional funds needed including asking the State to release unused circuit fees of approximately \$5.5 million that member institutions paid to Intelenet that were reverted to the state's general fund upon dissolution of that agency.

The IHETS consortium appropriation was cut 30 percent this biennium as Indiana dealt with its revenue short fall. Through reduced circuit prices, staff reductions, and other cost

saving measures we have managed the reduction while striving to maintain the quality of the existing services. A number of positive changes in our organization was prompted by the cuts and recommended by our evaluation teams. Our focus is on strengthening our existing technology and e-learning services and researching and testing new ones as we strive to provide the most economical, fully managed services possible to our members.

Mr. Chairman, members of the Commission, we seek your support in continuing our mission. Having an organization like IHETS will help maximize the use of the I-Light network, will enable new technologies to be researched, tested, implemented and supported and make these technologies available and affordable for the consortium members and ultimately for their students and other end users. HETS has been and will continue to be a valuable asset for the State.

We ask for your favorable consideration of our request for the 2007-09 biennium. We are requesting increased funding at this time only to stay abreast of inflation. With the reduced budget base, we request our base appropriation for this year, \$4,686,600 be increased by three percent (or \$140,600) to \$4,827,200 for 2007-08, and by another three percent (or \$144,800) to \$4,972,000 for 2008-09.

In the packet you are about to receive, you will find our budget request is on the last page of this presentation, which is on the right side of the folder. On the left side of the folder you will find inserts that explain more about the consortium and some of the highlights of our recent operations.

Thank you again for your support. We are happy to answer any questions.