

**House Education Appropriations Committee Testimony
On MOREnet
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Greetings Chair Fares and distinguished members of the committee. I am Bill Mitchell, Executive Director of the Missouri Research and Education Network – MOREnet. Today I would like to provide a brief overview of MOREnet, the challenges that we are facing, and what we are doing to meet them.

MOREnet is a 17 year consortium of school districts, higher education institutions, public libraries, the University of Missouri, and the state of Missouri.

The members of the MOREnet Consortium include:

- 518 public school districts
- all 26 public and 42 independent higher education institutions
- All Missourians through 347 public library buildings
- 130 hospitals, clinics and other health care providers through the Missouri Telehealth Network; and
- State government

MOREnet operates a statewide network providing robust, reliable, and secure Internet connectivity to our consortium members. This shared network has proven to be an efficient and cost-effective approach to meeting the bandwidth demands of our members. We also provide essential services such as technical support, statewide videoconferencing and network security – all in a shared services environment.

We have experienced a 35-40% increase in network use each year for the last two years. Our projections for school districts this year indicate that use will increase by 50%!! This is being driven, in part, by new state initiatives, including eMINTS, the Virtual School program, and the various METS initiatives.

Unfortunately, our network costs continue to increase as well. We estimate spending an additional \$1.2M this year and \$1.3M more in FY09 to increase bandwidth to school districts. This is on top of other operating costs – personnel, rent, utilities ... that continue to increase as well.

With your support in FY08, we were able to meet these demands for additional bandwidth. Even so, we were forced to increase school district fees by 20%. This was on top of the 20% increase last year. The result has been a cumulative 80% increase in school district fees over the last 3 years.

It is clear that meeting the demand for more bandwidth by continually increasing member fees and state funding is not sustainable in the long term.

We have been working hard on a solution to this challenge, resulting in a new approach to connecting members to the network. This new approach uses ‘local aggregation centers’ that connect members together in their communities, with one high speed connection back to our backbone. There is a handout in your packet that further describes this approach and I would be pleased to discuss this with you further offline.

We have been successful in implementing this new approach in two pilots where we met the goal of providing a substantial increase in bandwidth for about the same cost.

We believe that this new approach will meet the long term needs of our members in a cost-effective fashion. However, it does require additional funding to accomplish, including:

- Upfront and transition costs to migrate to the new approach;
- And there will still be areas of the state where local aggregation is not practical. In those areas, we will have to continue to meet the demand while paying more for the bandwidth.

High speed Internet access is now as fundamental to education as is electricity. Those of you that had the opportunity to visit the New Franklin School District saw, first hand, the power of the Internet in the classroom.

The State of Missouri charted a course in 1994 by providing funding for MOREnet to connect schools and libraries to the Internet. Missouri later increased funding to include higher education; thus making Missouri one of the first in the country to fund a comprehensive, cost-effective, shared network for k12, higher education and public libraries.

Today, Missouri is no longer leading. In fact, we are falling behind. Other states used Missouri as the 'model' to build their own statewide networks. And they provided the funding to consistently expand their networks, surpassing where we are today.

Missouri's students must be given the tools required to learn, compete and be successful. These tools require a high-performance network infrastructure that will meet the ever increasing demands placed upon it. This is absolutely vital if Missouri is to be competitive in the 21st century economy.

MOREnet was not recommended for an increase by the Governor. I ask that this committee consider our request for a \$2.5M increase as you continue your deliberations.

With our new approach and your support in this legislative session, together we can continue to meet the critical demands placed upon us.