



**House Education Appropriations Committee Testimony  
On MOREnet  
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Bill Mitchell  
Executive Director, MOREnet

Greetings, Chair Thomson and distinguished members of the committee. I am Bill Mitchell, Executive Director of the Missouri Research and Education Network (MOREnet). Thank you for the opportunity to speak with you about MOREnet, the value we provide to Missouri and the challenges we are facing.

MOREnet is an 18 year public research and education consortium comprised of nearly 800 members including public school districts, public libraries, higher education institutions and other affiliated organizations. We operate as a separate business unit within the University of Missouri, with oversight provided by the MOREnet Council. We are funded through state appropriations in House Bill 3 within the ‘UM Other Curator’s Programs’, through House Bill 12 within the Secretary of State’s Office, through member fees and E-rate – a federal program that reimburses network costs for schools and libraries.

MOREnet provides our members with a statewide shared network and Internet connectivity, as well as essential technical support services. This centralized approach to statewide networking and services creates significant cost savings not only for our member organizations, but for Missouri taxpayers as well, and has been recognized by both internal audits and legislative reviews as a highly successful and efficient model for collaboration and service delivery.

Currently, our membership is comprised of:

- 514 public school districts, including more than 1,600 eMINTS National Center classrooms
- 316 public library buildings, serving all Missourians
- All 26 public higher education institutions and 96 percent of four-year independent institutions
- The Office of Administration, providing access to the Internet and videoconferencing for state agencies
- 130 hospitals, clinics and other rural health care providers, through the Missouri TeleHealth Network (MTN), a private statewide backbone within the MOREnet network. Last year the MTN delivered 17,000 two-way, interactive video encounters in the everyday practice of medicine benefitting underserved and captive, often rural, populations and furthering homeland security efforts related to disaster preparedness

Additional information regarding our membership, funding and expenditures is included in the handouts we are leaving with you today.

MOREnet manages all components of the network, which is essential to maintain the quality of service for data traffic and video distance learning. These components include:

- A backbone which functions like an interstate highway, with pathways similar to I-70 and I-44
- Multiple connections to the Internet and national ultra-high performance research networks, and
- Nearly 1,000 local circuits that connect member sites to the backbone

I would now like to summarize several key services that are provided to our membership. We operate a statewide videoconferencing service which provides a centralized resource for distance learning. In FY08, MOREnet supported over 19,000 videoconferences between sites. The majority of these videoconferences were for-credit and often dual-credit classes. Some of these classes are required for graduation and benefit smaller districts that cannot afford to offer the classes locally. You will find a handout in your packet showing our members' use of videoconferencing around the state.

Our technical staff serve as trusted advisors and function as an extension of our members' own staff. Through our technical network support and network security teams, we handled over 9,500 help desk tickets in FY08. In this same period, our technical training team delivered over 10,000 contact hours reaching over 3,400 individual participants.

In addition to the high level of support MOREnet provides to its public research and education members, Missouri state agencies have become increasingly dependent on MOREnet services:

- The State Treasurer's Office used MOREnet's live video streaming service to broadcast two video training sessions on best practices for government fund investing to local governments to advise them on protecting their investments through the current market upheaval. Because of the timely delivery, several agencies have already reported making changes to their collateralization processes, based on the sessions' best practice recommendations
- MOREnet provides Web hosting to 17 state agencies including the Governor's Office, Attorney General's Office and the Department of Revenue
- The Department of Elementary and Secondary Education contracts with MOREnet to develop and host the Online Personal Finance Assessment application that enables high school students to complete one of their graduation requirements online

With the closing of various public resource offices around the state, public libraries have become the singular point of public Internet access in many rural communities. Citizens use the public library and its MOREnet Internet resources to access social security information, job skill testing, job searches and application filing. One librarian in rural Missouri recently told MOREnet about a mother taking online classes while she was on welfare and supporting three children. This mother now has a job in Kansas City because of the degree she received using this library's Internet access.

Our 21st century learners must have access to the tools required to build knowledge and compete. These same learners will become our 21st century workers with the skills necessary to compete in the global economy. Member use of the network continues to grow at approximately 45 percent per year. Initiatives such as videoconferencing for distance learning, online information systems, the eMINTS classrooms, the Virtual School, METS and others are driving this bandwidth demand across our entire consortium. Please refer to the handout entitled “State Initiatives Impacting MOREnet Bandwidth Demand” for additional detail.

Meeting this demand for more bandwidth by continually increasing member fees and state funding is not sustainable in the long term. To address this, MOREnet is diligently implementing alternative network strategies to minimize cost increases, particularly targeting the high-cost-to-serve rural Missouri communities.

As one example, MOREnet is in the final steps of procuring scalable, high-capacity bandwidth for over 100 member sites in 60 communities from a single vendor. We conservatively estimate that the applications and resources used by these sites will require 300 percent more capacity over five years. While our costs are expected to increase by 70 percent, under this new model they will still be significantly less than doing business the ‘old way,’ with an expected cost avoidance of \$3 million over five years.

The winning vendor in this procurement action will be required to invest in new networking equipment in these 60 communities in order to meet our requirements. With MOREnet serving as the ‘anchor tenant’ or ‘economic engine’, this vendor will then be able to offer scalable, high-capacity, cost-effective Internet services to the businesses and citizens in these communities years ahead of schedule.

Currently, 62 percent of MOREnet’s annual operating budget is spent with telecommunications companies doing business in Missouri. MOREnet will continue to leverage state funding and our aggregate buying power to deliver a winning combination for its members and for statewide economic development.

In 1994, the State of Missouri charted a course to provide funding for MOREnet to connect schools and libraries to the Internet. State funding for higher education institutions was then added, making Missouri one of the first states in the country to fund a comprehensive, cost-effective, shared network for K-12, higher education and public libraries. State funding helps to offset a portion of the network and support service costs so that all MOREnet members have the equitable access to the network and support services needed to fulfill their individual missions.

MOREnet has a long history of proven results, both in service delivery and fiscal stewardship. I understand the very tough economic times the state and our members are facing and pledge to continue to deliver the critical services we provide to Missouri’s education, research and health care organizations.

Thank you for your time and I would be pleased to answer any questions that you may have.