

eTech Ohio Commission Meeting Minutes
35 E. Chestnut Street, Columbus, Ohio
May 10, 2012

Present: Commissioner Andrew Bowers, Commissioner Designee John Childs, Commission Chair Designee John Conley, Commissioner Designee Katrina Flory, Commissioner Rosemary Herpel, Commissioner Jan Osborn, Commission Chair Jim Petro, Commissioner William Sams, Commissioner Michael Stinziano and Commissioner Glenn Watts

eTech staff present: Ally Batty, Administrative Assistant, Randy Crader, Legislative Liaison, Katy Coy, Communications Manager, Greg Davidson, Interim Executive Director, Scott Gaughan, Director of Networking and Planning Services, Matt Howard, Chief Information Officer, Krista Shaw, Chief Operating Officer, Scott Walthour, Chief Learning Officer, and Jill Grier, Legal Counsel, Attorney General's Office

I. Opening and Roll Call

Commission Chair Designee John Conley opened the Commission meeting and asked that roll call be read. Administrative Assistant Mitzi Dunn called the roll and stated there was a quorum present.

II. Approval of Minutes

Commission Chair Designee Conley asked for a motion to approve the April 12, 2012, minutes. With the notation of two minor edits to the minutes, a motion was made to approve the minutes by Commissioner Sams and the motion was seconded by Commissioner Herpel. All of the commissioners voted in favor of the motion and the minutes from April 12, 2012, were approved as amended.

III. Commission Chair Remarks

~~Commission Chair Designee Conley turned the meeting over to Commission Chair Jim Petro.~~

Commission Chair Petro thanked the Commission members for their service and said he is amazed at the broad array of functions that the commission oversees.

He went on to say that he likes to review organizations to try to determine ways to streamline and save money. Commission Chair Petro said the eTech Ohio Commission (eTech) has many components and at he had thought it needed to be reconfigured. There have been discussions about this and a legislative initiative as well. However, the legislation, the eTech amendment language in the MBR, will no longer be pursued at this time and at this time they will continue to evaluate the eTech.

Commission Chair Petro said he is proud that many of the state's technology components are affiliated with the Ohio Board of Regents (OBOR). He said that OH-TECH, under OBOR's management has done some really interesting things as it relates to technology. Commission Chair Petro specifically mentioned the 100 Gigabit project. This will put Ohio at the forefront of all the states in terms of transmitting information in a high speed format.

Commission Chair Petro thanked the senior management team including Commission Chair Designee Conley. He discussed his career and thanked him for providing solid direction for the technology component of OH-TECH.

Commission Chair Petro went on to discuss his main focus. He said he has been focused on degree attainment in Ohio. Ohio is an under-degreed state. Less than half of the students who enter a public institution system actually finish with a degree.

Commission Chair Petro discussed an editorial from the April edition of the *Wall Street Journal* and an article from *Fortune* magazine. He said these articles surround the topic of the 'answer to the shrinking of the middle class in America'. This is a topic that has been discussed for the last five years. The answer that was expressed by the writers of these articles is that we have moved away from priding ourselves in completion in the education front.

Commission Chair Petro said eTech should stay focused broadly on bringing post-secondary education to all of Ohio's citizens. One way he has sought to do that is through the collaboration with the Ohio Department of Education (ODE). He is in constant communications with Superintendent Stan Heffner. Commission Chair Petro has felt for a long time that education is a continuum from P-20.

Commission Chair Petro went on to say that completion cannot be achieved at the higher education level without first getting more progress at the 10th, 11th, and 12th grade levels. The Governor believes this extends to the 3rd grade when students should be able to read. He said they intend to convene a broad-based completion agenda with a focus on getting more people into college and graduating with a degree. He thinks the state of Ohio will thrive because of this agenda. Technology will be a big part of this agenda as well. He would like to focus on advancing Ohio educationally, technologically, and finally economically.

Based on his tenure as Chief Information Officer (CIO) at Ohio University, Commissioner Sams said he encouraged the focus to be on productivity not cost, because productivity results in cost savings. He doesn't believe the message has been heard well. There are advancements in higher education that he will share late in the meeting that he wants Ohio to take advantage of. He also believes students should be given the opportunity to 'test out' of courses. That single policy change would revolutionize this state. Commission Chair Petro said he advocates giving credit where it is due and that is consistent with what Commissioner Sams described.

Commissioner Osborn wanted to confirm that the eTech amendment language in the Mid-Biennial Review (MBR) was going to be removed. Commission Chair Petro said yes, that is being pulled but he believes that the eTech is a work in progress. Commission Chair Petro said there are number of things that they are broadly pursuing in the education arena that will require the access and management of technology.

IV. Reports and Administrative

A. Chairman's Report

Commission Chair Designee Conley provided an updated on the 100 Gigabit project. He said that last week he had an opportunity to visit Portsmouth with the Governor. They announced the expansion of the 100 Gigabit which now includes Portsmouth and Wooster. The significance is that the Wooster connection will be an advantage for agri-research. This is an importance aspect of the economy in Ohio. He mentioned that Shawnee State University is very excited about the expansion and what this means for their university.

Commissioner Sams made comments relating to the Shawnee State University area and the property value there. There is great potential with that connectivity and if it is marketed correctly it could be realized.

Commissioner Watts said that a recent report spoke to the 'last mile' and said that there are high rates for the low service. He said that eTech should take a look at that. Commission Chair Designee Conley replied that they are cautious. They briefed the Ohio Cable Association and the Ohio Telecom Association and they made it very clear to these associations that they are a 'backbone' and they are an asset of the state of Ohio. They don't want to see the public sector competing with the private sector.

Commissioner Watts said he wants to encourage the private sector. Commission Chair Designee Conley said with the expansion the providers are being forced to provide services - especially with the BTOP, it's more competitive. Commissioner Designee Flory agreed. She said that was the hope of the BTOP program that more middle mile providers would partner and provide expansion.

B. Interim Executive Director's Report

Interim Executive Director Greg Davidson recommended an article in *Computer World*. He said in yesterday's online issue, Stu Davis, CIO, State of Ohio, was interviewed about using the 'cloud' in the public governance sector.

Relating to grant awards, Interim Executive Director Davidson said that the commissioners should have received the grant award pre-announcements. They will be posted on the eTech website as well. He thanked Scott Walthour, Chief Learning Officer, and his team for their hard work. These requests for proposals for these grants were approved at the September meeting.

Interim Executive Director Davidson said the commissioners will receive a financial analysis today of the annual educational technology conference. This will only be a financial analysis. A similar assessment will be conducted of the North Star operations in June.

Interim Executive Director Davidson took a few moments for staff introductions and departures. He introduced Randy Crader, Legislative Liaison. Matt Howard, Chief Information Officer and Ally Batty, Administrative Assistant are both leaving eTech to pursue other career opportunities. ~~He congratulated them and the commission members wished them well.~~ Commissioner Sams complimented Interim Executive Director Davidson on the hiring of a Legislative Liaison.

Dwayne Baker will take over the responsibilities of CIO on an interim basis as a contractor. This is necessary due to the critical projects going on right now with Salesforce that will replace Hall Pass. Interim Executive Director Davidson explained Mr. Baker's credentials and background.

Commission Chair Designee Conley said that the analysis of the table of organization and staff vacancies is complete. They need to review it and understand it a bit more. They will distribute it in the next few weeks. Interim Executive Director Davidson will review the vacancies and make recommendations for critical staffing needs.

C. eTech Ohio FY 2012 Financial Update

Krista Shaw, Chief Operating Officer provided a financial update. Ms. Shaw distributed documents and explained that it is the same format as last month for ease of understanding. She said that there is one month left for processing in fiscal year 2012. The Ohio Budget and Management's (OBM) deadline for processing is June 15th.

The major area of concern, which was brought up at the last meeting, is a possible negative balance in the North Star Operations budget line. They have been able to make available some additional funds through open encumbrances and purchase orders. Hopefully, this will alleviate the dependence on the rotary funds.

Ms. Shaw said new for this year is that they will have to submit the fiscal year 2013 to OBM by June 15th as well. Commission Chair Designee Conley mentioned that this will enable them to get an idea what the fiscal year 2013 budget will be by the next eTech meeting which is scheduled for June 14th.

She said with the announcement of the Blending Learning grant award recipients they will begin releasing the funds quickly to the awardees. This is the last large expenditure that eTech will need to distribute.

Commission Chair Designee Conley provided an update relating to video conferencing services and the Ohio Department of Job and Family Services. He said they are no longer using eTech for video conferencing services so budget line item number 608 will be impacted for fiscal year 2013. Scott Gaughan, Director of Networking and Planning Services said this is a big loss, however high level personnel have resigned and will not be replaced. He noted that line item was never intended to self-fund. Mr. Gaughan has discussed ideas for generating additional revenue with Interim Executive Director Davidson.

Commission Chair Designee Conley said that the video conferencing services are a critical function for K-12. Interim Executive Director Davidson agreed and said he attended the ITC director's meeting and they stressed the high priority of this service. Mr. Gaughan said one of the ideas that have been discussed was charging a nominal fee to the K-12 sites to offset this service. Commissioner Designee Childs said their needs to be serious discussion before charging the schools fees for this service as they are in the same budgetary constraints as everyone else.

D. Ohio Educational Technology Conference Financial Analysis

Ted O'Flaherty provided a financial analysis of eTech's annual 2012 Ohio Educational

Technology Conference. He distributed a document and recognized this was not an audit. Mr. O'Flaherty went on to explain the document reflected the revenue and expense summary for the periods of fiscal year 2008 through fiscal year 2013. The document also reflects the yearly cost for the conference and if there was any excess revenue or expense. He noted in most cases there was excess revenue.

Mr. O'Flaherty said that 2012 presented an unusual situation. There were many attendees but not much revenue. He spoke with the organizers of the event and learned that there was a large amount of complimentary tickets given to attendees in 2012. There were 5,959 attendees. However, a large amount of those individuals did not purchase a ticket. There was a loss in revenue in 2012 of \$118,000.

A suggestion has been made internally that a policy/procedure be established in regards to the complimentary tickets. There is no way to know how many complimentary tickets were distributed in 2012. There have been complimentary tickets given to attendees in previous years but not in the volume that was given out in 2012.

Mr. O'Flaherty confirmed for Commission Chair Designee Conley that the revenue shortage from the last conference was from the large amount of complimentary tickets. He said that there were a large amount of teachers involved. He spoke about the vendors that have already shown interest and paid fees for the 2013 annual conference. If something were to happen the money they have paid would have to be refunded.

Interim Executive Director Davidson wanted to point out the high cost of internet connectivity. There is no way to avoid this. The company that manages the Columbus Convention Center has an exclusive contract with a private internet service provider. The cost of providing this service to the attendees has continuously grown over the years. As this is an 'education technology conference' – everybody wants and expects wireless connectivity. The vendors and exhibitors need wireless connectivity as well. The cost is for 45 megabits of bandwidth for three days.

V. Unfinished Business

A. Grants Update

Commission Chair Designee Conley asked Mr. Walthour for an update on the grants process. Mr. Walthour said the award recipients will be made public today. The next step in the process is a very rigorous three year evaluation. There is also an orientation scheduled a week from today.

Mr. Walthour mentioned that the orientation is being held in conjunction with KnowledgeWork's Blending Learning expert symposium. The grant attendees will be able to attend this as well.

B. Networking and Planning Update

Commission Chair Designee Conley asked Mr. Gaughan to provide an update. Mr. Gaughan added that they are continuing to work with Dave Carwile, a representative from the Ohio Educational Television Stations as well as the broadcasters group on the capital project. They met again this week and they continue to make progress. They hopefully will be bringing in a vendor that they met with at the NAB conference to have discussions with them.

C. New Models for Education

Commissioner Sams presented a PowerPoint presentation for the Commission entitled *The World Revolution in Higher Education*. He declared on December 16, 2011, the education tipping point was reached and passed. Commissioner Sams said what he would outline for the commission is basically online content provisions have zero tuition.

Commissioner Sams discussed the Artificial Intelligence program sponsored by the Stanford University School of Engineering (Stanford) that was held from October 10, 2011 to December 16, 2011. Two hundred students participated in the 200 level course program on campus and paid \$4,000 tuition each. There were one-hundred and sixty thousand online participants, which equals an entire grade level in Ohio. Commissioner Sams was one of the students of the online course. The online program was free.

Twenty-three thousand participants were successful with passage of the online course. This equals an amount greater than the average professor will teach in his or her entire career. This program was conducted by two individuals and was interactive with blogs and Facebook. At the end of the course, of the campus participants, only forty-one remained in class. The other one hundred fifty-nine students converted to online participants.

The professor recognizing the impact of the program, resigned his position at Stanford in January and started a company called Udacity. This company has six online courses in computer science at the 300 level. All of these courses are free of charge. The value model has totally changed in the last five months - the value of knowing which students have perfect scores and are the best students in the world will generate revenue relating to their marketability to a potential employer. The top five percent of these students represented by an employment agency concept by the content provider can generate enough funding to teach the rest of the world for free. This is the model.

Commissioner Sams gave examples of other online projects that were recently released. He mentioned Courses, the Faculty Project, MIT-x and ed-X. These are sponsors of free online courses. MIT-x is the first online course in circuits and electronics and has 120,000 students participating. ed-X is a partnership of Harvard and MIT was announced last week. It is their intention to have one billion students. They rate this as the single biggest change in education since the printing press. He thinks they are correct.

Commissioner Sams went on to discuss Ted-Ed and the Xprize foundation. He said Ted-Ed is taking nominations for the best faculty in the world to match them with the best media production in the world to produce educational videos that will be free. The Xprize foundation will offer a \$10M prize for a transformational change in education. He understands that it will be targeted towards the gaming industry. This industry already 'owns' our students for six hours a day and they will be looking for ways to do education better.

Commissioner Sams said that Mozilla has introduced the open badges project. This is basically a skill set that is demonstrated and you receive a badge. Example of various types of badges were shown during the meeting such as video editor, accessibility expert and science journalist. He said that these sound surprisingly like job descriptions. Commissioner Sams believes that over the next ten years badges will first augment and then replace degrees.

Commissioner Sams then gave an overview of the partnership of the Khan Academy and MIT. ~~They have challenged the 10,000 students that attend MIT to develop motivational videos on the~~ experiments that the students are participants in. These videos will be posted on the website. He believes this will be a motivator for students to study.

Commissioner Sams began to specifically discuss to Khan Academy. He said they now have three thousand video courses. He said he is in discussions with Rotary International to take the Khan Academy program to their 30,000 clubs in 200 countries and translate it into foreign languages. In November they had approximately \$3.5M in funding and now they have approximately \$15M. They are pulling together a staff of the finest talent in the world. The assessment system of the Khan Academy cannot be compared to anything else. It is free and Ohio could implement this in six months. A video demonstration was shown for the commission.

Commissioner Sams said for the first time that the Khan Academy is measuring learning in real time. A student, teacher, principal, or superintendent is able to have a report at the end of the day that outlines how much learning took place.

The systems he outlined are available and they are free. The issue with them is they are available to the world. The rest of the world is moving on these programs and they will be educated by the very best professors at MIT, Harvard and Stanford etc. Commissioner Sams asked would Ohio students be educated in the same way.

The paradigm is changing and the Khan Academy is a decade ahead of other programs. He strongly encouraged putting focus on integrating something like this into our Ohio's system. The new revenue model is the employment agency model. There will also be advertising models, sponsorship models, and foundation models. He predicts that tuition is no longer a viable model particularly for higher education. Commissioner Sams said again that badges will augment and finally replace degrees and residential campuses will become maturational holding grounds.

Commissioner Sams recommended that Ohio be the first state to have 'testing out' to earn transferrable credit by demonstrating the successful completion of online courses for only the cost of the assessment. He said this one policy change would totally change higher education in the state and in the country. This would be a paradigm shift – how to get more education for the money vs. how to get more money for the education. He plans to begin grassroots efforts in a few weeks on these efforts.

Commission Chair Designee Conley said that Commissioner Sams did a presentation to the Resource Center about a month ago and they are currently using some Khan Academy materials.

D. Miscellaneous

Commissioner Osborn posed a series of questions to Commission Chair Designee Conley that related to the eTech amendment language in the MBR, status of staff working with eTech, eTech conference contracts and staff, the future of the North Star facility and the status of the Interim Executive Director/search for a permanent eTech Executive Director.

Commission Chair Designee Conley addressed the questions individually. He replied that the ~~eTech related amendment language that was included in the MBR was removed at the direction~~ of the Governor's office. It wasn't on the agenda due to timing and Commission Chair Jim Petro was fortunate enough to be able to attend the meeting today to deliver the message. The new legislative liaison, Mr. Crader will provide legislative updates in the near future as the MBR continues to progress.

Commission Chair Designee Conley went on to say that Dr. Becky Watts will be employed by the OBOR to direct the P-20 initiatives around teacher preparation. She will begin June 4th and will report to Vice Chancellor Stephanie Davidson. Commissioner Herpel explained that Dr. Watts will be engaged with Race to the Top initiatives, developing metrics, and will work closely with K-12.

As it related to the eTech annual educational technology conference, Commission Chair Designee Conley said that they will continue with the planning of the 2013 conference at this point in time. The same staff members will be in charge of the conference for 2013 as well.

Relating to staff, Commission Chair Designee Conley said that the table of organization will be given to the commission members in the next few weeks. At that time eTech's staffing needs can be evaluated. Interim Executive Director Davidson will also review vacancies for critical staffing needs and make recommendations.

Commission Chair Designee Conley said that they will have a financial analysis conducted on the North Star facility. There is a great deal of concerns surrounding the video conferencing services. Commissioner Sams asked what the impact was on the North Star facility of not receiving the federal grant funding. Mr. Gaughan said the Capital Budget request of \$3.1M was approved and it was unfortunate that the Corporation for Public Broadcasting (CPB) Grant application of \$1.8M was not approved. The \$3.1M is not adequate for the complete needs of the stations. However it will be sufficient to address the items that the CPB Grant would have as well as provide additional resources. Commission Chair Designee Conley said they have to be cautious due to the increased maintenance.

As far as the Interim Executive Director, Commission Chair Designee Conley said that the initial 90-day period that the commission agreed upon ends next month. They will address that at their next meeting on what their intentions are. He believes Interim Executive Director Davidson has done a great job. Relating to the Chief Information Officer, Interim Executive Director Davidson will be bringing in a contractor to fulfill this role. He will perform services full-time or as eTech budget dictates.

Commissioner Herpel asked was eTech still in a period of transition and whether they should begin the search for a new Executive Director. Commission Chair Designee Conley replied that they will take the direction from the Governor's office on next steps relating to the direction of eTech and he would like to discuss the Executive Director search at the next meeting. They have the budget to consider and he would like to see the final MBR.

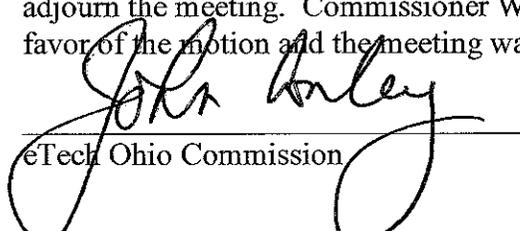
Commissioner Osborn commended staff for their participation in their spare time at regional meetings relating to autism. He thanked them for their collaborative efforts.

Commission Chair Designee Conley made comments relating to the eStudent portal. He said that the portal should launch before the end of the summer. They are working closely with partners in northeast Ohio and he will share more information/demonstration as soon as it is available. This was funded by the College Access Challenge Grant.

Commissioner Sams said that he is concerned that the Distance Learning Clearing House is developing online courses and that they are all vendors in Ohio. There are world class programs and there is no way to direct people to those because we are focused on Ohio. Commission Chair Designee Conley said there are two tracks – the K-12 and the eStudent services that the OBOR is responsible for. He said that Commissioner Sams is welcome to submit vendor names for inclusion in the eStudent services vendor services section.

VI. Adjournment

There being no further business before the Commission, Commissioner Sams made a motion to adjourn the meeting. Commissioner Watts seconded the motion. All commissioners were in favor of the motion and the meeting was declared adjourned.


eTech Ohio Commission

June 14, 2012
Date