

eTech Ohio Commission Meeting Minutes
35 E. Chestnut Street, Columbus, Ohio
June 14, 2012

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

eTech staff present: Jocelyn Zadzi, Administrative Assistant, Randy Crader, Legislative Liaison, Katy Coy, Communications Manager, Greg Davidson, Interim Executive Director, Scott Gaughan, Director of Networking and Planning Services, 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 eTech Ohio Commission (eTech) 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 May 10, 2012, minutes. With the mention by Commissioner Sams and notation of an edit to the minutes on page two, a motion was made to approve the minutes by Commissioner Sams. The motion was seconded by Commissioner Herpel. All of the commissioners voted in favor of the motion and the minutes from May 10, 2012, were approved as amended.

III. Executive Session

Commission Chair Designee John Conley asked for a motion to move into an Executive Session for the purpose of discussing the personnel matter of Interim Executive Director Greg Davidson. He asked that Jill Grier, Legal Counsel for the Attorney General's Office stay for the Executive Session. Commissioner Sams made the motion and it was seconded by Commissioner Herpel. A roll call vote was taken and all Commissioners voted in favor of the motion to move into an Executive Session and it was approved. eTech went into Executive Session at approximately 9:45 a.m.

Commission Chair Designee Conley indicated that no votes took place during the Executive Session. The Executive Session ended at approximately 10:50 a.m.

IV. Resolution 13-02

Commission Chair Designee Conley began by discussing the reasons for the Executive Session. They discussed the future of Interim Executive Director Greg Davidson. According to the original resolution eTech was to evaluate where they were and they were complying with that. At the request of Chancellor Petro, Commission Chair Designee Conley put forth a resolution to extend Interim Executive Director Greg Davidson's appointment until the end of the calendar year.

Commission Chair Designee Conley then read the following resolution that was drafted with the assistance of Ms. Grier, Legal Counsel, Attorney General's Office, into the record 'Whereas, Section 3353.03 (A) of the Ohio Revised Code provides the eTech Ohio Commission authority to appoint an Executive Director, who shall serve at the pleasure of the Commission, and; Whereas, the Executive Director of eTech Ohio resigned effective March 7, 2012, and;

Whereas, Greg Davidson was named Interim Director effective March 8, 2012, and; Whereas, there exists mission critical operational and business matters of the Commission that must be addressed while a search is conducted for an Executive Director; Therefore, be it resolved that the eTech Ohio Commission hereby names Greg Davidson to serve as Interim Executive Director effective March 8, 2012 until December 31, 2012. All other terms and conditions of Resolution 13-01 shall remain the same. Commission Chair Conley made the motion and it was seconded by Commissioner Bowers.

Before a roll call vote was taken, discussions centered on the Resolution. Commissioner Osborn felt that a search and interviews should be conducted for the Executive Director for eTech.

Commissioner Herpel asked for clarification on sentence four of the resolution. Commission Chair Designee Conley said this language was in the original resolution. Ms. Grier confirmed this and said it can be modified. Commissioner Herpel suggested that the language be modified to include two small grammatical edits. These were noted.

Commission Chair Designee Conley asked Commissioner Osborn about his position to not support the resolution. Commissioner Osborn said he does not support the resolution at this time and would like to search for an Executive Director that would be able to more meet the programmatic needs of eTech, such as blended learning. Commissioner Sams believed that the resolution as worded would not prevent eTech from moving forward with a search if they so choose.

Commissioner Osborn asked if they are going to name a date that they are going to post the position and Commission Chair Designee Conley replied that was not the intent of the resolution. It was to extend the current Executive Director until such a time when they will reevaluate and determine the direction of eTech. Commission Chair Designee Conley called for a vote. A roll call vote was taken and the resolution was passed, with one no vote (Commissioner Osborn).

V. Reports and Administrative

A. Chairman's Report

Commission Chair Designee Conley said that they are working with the state of Ohio on a statewide VOIP (Voice over Internet Protocol) joint project. An announcement will hopefully be made soon and he believes this will be a major impact to the State of Ohio.

Relating to the 100 Gigabit expansions, Commission Chair Designee Conley said that they are still moving forward with the first five cities and the equipment from the overseas providers recently cleared customs. Their hope is to have these five cities fully active by the end of August.

Commission Chair Designee Conley said that the Digital Learning Task Force has been sunset. There has been no final report from this committee yet and that is still forthcoming.

The Ohio Board of Regents is still working towards its move into the Ohio Department of Education (ODE) building at Front & Broad Streets. At this time the move is planned for some time in the Fall.

B. Interim Executive Director's Report

1. Interim Executive Director Greg Davidson said that eTech was named in a small legislative change. The amended language in Substitute Senate Bill 316 speaks to the '409' line item which is Ohio Learns Gateway. It expanded the audience this serves to include not only chartered non-public students but home-schooled students as well. He doesn't expect it to have a business impact on eTech's funding as the agency that administers the program has \$850K this year to fund it.
2. Relating to Information Technology, Interim Executive Director Davidson said that the reason that the Salesforce project is in 'yellow' on the Project Scorecards is that the full-time project manager resigned and they may lose other individuals as well. This could impact the development phase of the project. The project is still on schedule at this time and they expect to have it ready for the ODE by August. eTech is annually leasing software from Salesforce and doing custom development. Salesforce is a web-based tool that will replace Hallpass. The school districts will be able to interface with this for connectivity grants and tech plans. This will modernize the tech plan review and approval process.
3. On a similar note, there is a new federal requirement that all K-12 school districts train their students on the topic of internet safety. This was implemented in conjunction with the Federal Communications Commission (FCC). To be eligible to apply for E-Rate funding the students of school districts must be certified in internet safety training. The E-Rate program provides \$90M in subsidies to the school districts in Ohio. The FCC has complete control of the E-Rate funding.

eTech plans to issue a Request for Quote (RFQ) later this summer to conduct statewide training for students on the topic of internet safety. They conducted a survey of the school districts and 100% of the respondents were interested in the training. Commissioner Sams strongly encouraged making the internet safety training an online training and assessment. Interim Executive Director Davidson said what they have reviewed so far has been and the costs are significantly lower if one vendor conducts the entire training for the whole state.

Commissioner Watts asked if a review had been done of other states to see if there was something already in place that Ohio could use at no cost. Interim Executive Director Davidson said that he doesn't believe so but he would be willing to do so in conjunction with the RFQ. Commissioner Sams suggested selling our solution to other states as well.

4. Interim Executive Director Davidson said one of the issues they have with alignment as it relates to the budget is in the past nothing has been in writing. Most recently, they have been reliant on a person's memory and 'word of mouth' for historical information. This is an issue when a person no longer works with eTech. To correct this he issued an inter-agency Executive Order that all financial transactions are in writing.

The vendors were a bit surprised by this request. eTech has been hosting websites without any outside agreements for quite some time. They are making progress with moving these to the proper entities. The hosting of websites is better served by other state agencies. eTech is eliminating both the responsibility and the cost.

5. eTech conducted an audit of unused telecommunications circuits and realized a cost savings of \$154K. The cost savings will be in the form of \$45K in telecommunications credit and \$109K in funding.

6. Interim Executive Director Davidson said he issued a written policy on Tele-Working. This is in line with the Department of Administrative Service policy and will be able to have documentation of an employee's Tele-Working schedule and assignments.

There are no clear policies on 'stand-by' time for the employees at the North Star facility. eTech plans to develop a policy. The use of 'stand-by' time is approximately \$4K-5K per payroll at this time and they would like to control and project it more. Commissioner Designee Flory said she would share any information her agency has relating to the 'stand-by' & overtime issue.

7. Relating to the iTunes U, Interim Executive Director Davidson said eTech is in the process of moving this from being hosting by the Ohio Channel to Apple. They believed for some time that Apple was already hosting iTunes U. Apple provides 500 Gigabits at no cost for anyone that has anyone that has iTunes U. This will save eTech funding as well. Interim Executive Director Davidson said there is a large demand for foreign language on the iTunes U.

C. eTech Ohio FY 2012 Financial Update

Krista Shaw, Chief Operating Officer provided a financial update. Ms. Shaw distributed documents and explained that in terms of Fiscal Year 2012 tomorrow is the last day that they can process encumbrances and vouchers. She said they have one payroll left that will be processed on June 24th. The only other expense that they have is utilities for the North Star facility and they will encumber those to be prepared for billing in July. They will not be giving back any funds to the General Revenue Fund.

D. Fiscal Year 2013 Budget

Ms. Shaw provided information to eTech regarding the Fiscal Year 2013 Budget relating to estimated payroll expenses and remaining funds for non-payroll expenses. The payroll expenses were strictly based on the current staffing levels and did not include the salary of the Interim Executive Director. As in Fiscal Year 2012, the payroll expenses for all staff who work on the annual eTech Technology Conference are projected as being payroll expenses to the conference fund.

She commented that House Bill 487, the Mid-Biennial Budget increased the appropriations for the Ohio Government Telecomm Services fund by \$300K. Interim Executive Director Davidson commented that the IT services Rotary Fund has an appropriation of \$1.45M however it has no cash balance.

E. Human Resources Report

Ms. Shaw distributed a color-coded working Table of Organization and went on to explain the document. The document listed Full-Time, Intermittent, Union, Contractor, Intern, and Vacant positions.

When posed the question by Commissioner Herpel, Ms. Shaw said the vacant positions have not been included with the Fiscal Year 2013 budget request. The direction will come from the Governor's office as it relates to the position vacancies.

Commissioner Osborn said he believed that eTech helped to direct personnel and the allocation of resources for personnel. He wanted to ensure there is adequate staff to fulfill eTech's mission particularly as it related to blended learning. Ms. Shaw said based on their current staffing levels they would like to add at minimum two additional staff members. She explained the rationale for this.

Interim Executive Director Davidson said these positions could be filled by contractors. Commissioner Osborn said that a minimum of two positions may not be adequate. He made comments relating to the deliverables being met. Commission Chair Designee Conley asked Interim Executive Director Davidson to come to the next meeting prepared to discuss this further.

F. North Star Operations Report

Ted O'Flaherty provided a financial analysis of eTech's North Star facility. He distributed a document and recognized this was not an audit. Mr. O'Flaherty went on to explain the document and said it reflected the revenue and expense information for the periods of Fiscal Years 2010 through 2012. He gathered the total expenses for 2010 and 2011 and the estimate expenses for 2012. As Ms. Shaw outlined earlier, not all expenses for the North Star facility have been received. Mr. O'Flaherty balanced these totals against the revenue for each of those years which resulted in a net expense number. In years 2010 and 2011 there is a slight increase and in 2012 there is a greater increase due to an equipment repair.

Mr. O'Flaherty continued by outlining the 2012 expenses. He said they are estimated at nearly \$3M with the current encumbrances, this leaves a negative position. This may be able to be offset by revenues. He then discussed the \$380K revenue shortage that will be realized from the Ohio Department of Job and Family Services (ODJFS) no longer using the North Star facility for video conferencing services. He said management will have to be make decisions about how the revenue shortage and discuss ways to increase it.

Commissioner Sams made comments regarding ODJFS's decision to no longer use the North Star facility and procure their own video conferencing equipment with the statewide push towards Shared Services. He wanted to understand their motivation. Scott Gaughan, Director of Networking and Planning Services, said it was a matter of control and it had nothing to do with the service level that was provided. There was a great deal of discussion and ODJFS mentioned it to eTech last June that they had purchased equipment. eTech was notified in April that ODJFS would be withdrawing from the network. eTech still provides video conferencing services to other state agencies, Higher Education and the K-12 network. Commissioner Sams would like to go on record objecting to the decision ODJFS made regarding video conferencing.

Commission Chair Designee Conley commented that he would like a sustainability model for video conferencing for the next five years. This is a vital service for the K-12 community. He asked Interim Executive Director Davidson and the leadership to develop a plan as it relates to the video conferencing. Mr. Gaughan added that he has discussions with the Management Council of Ohio Education Computer Network about funding to support the K-12 activities in Fiscal Year 2013. As soon as he receives more information he will provide an update.

VI. Unfinished Business

A. North Star Update

Mr. Gaughan commented that in Fiscal Year 2008 the funding for the Information Technology Operations budget was \$3.6M. In the last two years this budget was only \$2.5M. With that, there has been no reduction in the services and in fact they have increased services. There are as lean as they can be and as they move into the new biennium Mr. Gaughan would like to ask for increased appropriations. It is a valuable service for the State of Ohio and it cannot be maintained in the long term at the current funding levels.

B. Grants Update

Commission Chair Designee Conley asked Scott Walthour, Chief Learning Officer for an update on the grants process. Mr. Walthour said they have a professional development conference that is scheduled in July. He also has a teleconference scheduled tomorrow with two of the most highly-recognized experts in blended learning. Mr. Walthour hopes to have one of them remotely facilitate a large portion of the professional development conference.

Commissioner Sams asked if the professional development conference could be captured on video. Mr. Walthour said that is a possibility and he has some ideas on how this can be accomplished. There is an Ohio company that is web-based that is able to provide this service. During the professional development conference eTech plans to have some of the panelists participate remotely.

Commission Chair Designee Conley asked if there were any additional funds in the Title II Transforming Teaching and Learning Grant. Interim Executive Director Davidson indicated that eTech has not received any additional funding.

VII. Miscellaneous

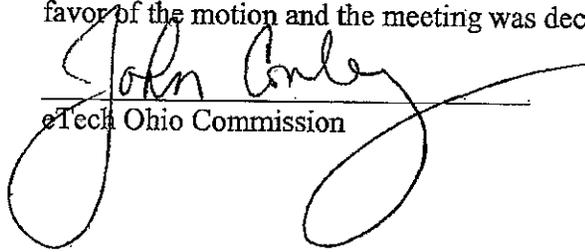
Commission Chair Designee Conley asked Katy Coy, Communications Manager for updated information on the annual eTech Technology Conference. He said he is aware that the registration is now open and a few individuals are now registered. He would like a list of which exhibitors are registering. Ms. Coy will provide that at the next eTech meeting.

Commissioner Osborn wanted to ensure that eTech had the right equipment to meet the needs of its mission. Interim Executive Director Davidson discussed some of the equipment eTech has and confirmed that they did.

As it relates to the grants, Commissioner Osborn also wanted to know how the needs of children with disabilities needs are being met. Mr. Walthour said it is a very inclusive program with blended learning. eTech has the Mobile Assistance Technology Grant that is active right now as well. He also discussed low cost technology tablets. Commission Chair Designee Conley mentioned the importance of Virtual Desktop technology to Higher Education.

VIII. Adjournment

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



eTech Ohio Commission

July 12, 2012

Date