

Budget Brief – Utah Education Network

NUMBER HE-UEN-01

SUMMARY

The Utah Education Network (UEN), a partnership of Utah’s public and higher education institutions, delivers distance learning educational services statewide. It operates the State’s two public television stations, KUED-7 and KUEN-9; provides closed circuit two-way video services; and connects state computer networks to each other and the Internet. Its mission is to “provide the citizens of Utah access to the highest quality, most effective instructional experiences, administrative support services, library services, student services, and teacher resources regardless of location or time.”

ISSUES AND RECOMMENDATIONS

Conversion of One-time Appropriation

During the 2004 General Session, to assist in balancing the State’s structural deficit, the legislature appropriated all of UEN’s FY 2005 building blocks as “one-time” funds. Of the amount appropriated, UEN uses \$540,000 for ongoing expenses. \$140,000 covers personnel and related expenses for enterprise-wide technical support. \$400,000 pays for multiple-year telecommunications contracts. The Analyst recommends \$540,000 in ongoing General Funds for the above purposes.

Enterprise Level Technical Support

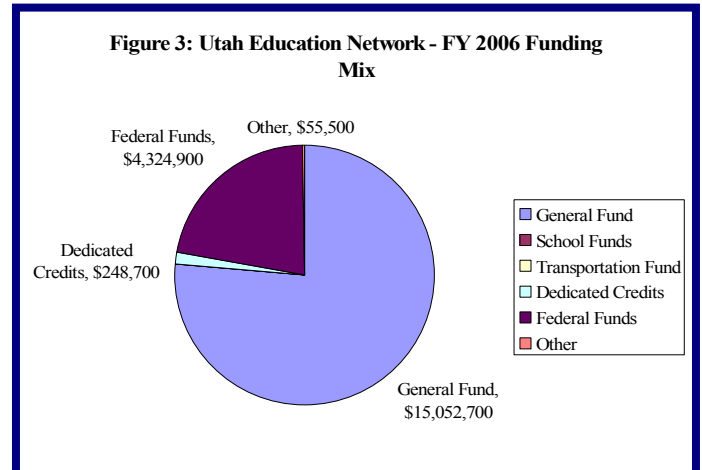
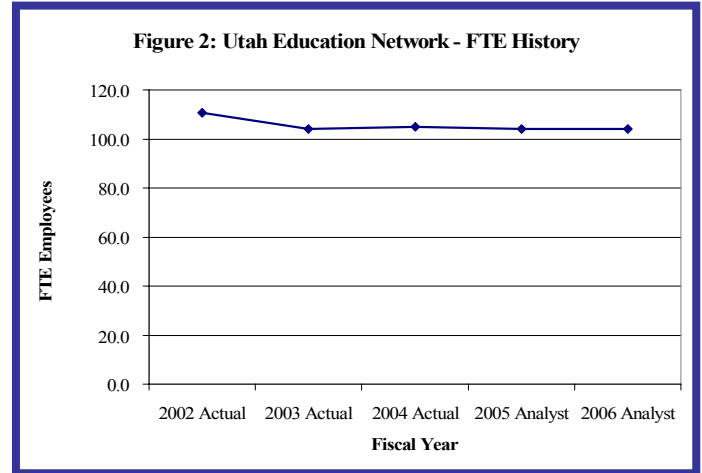
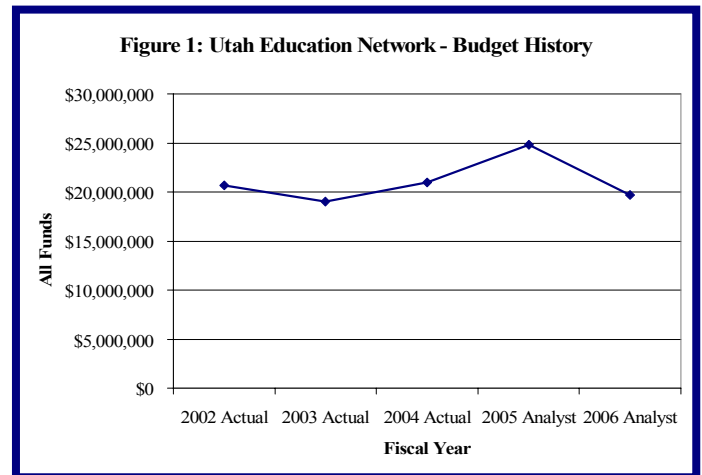
In addition to the ongoing funds for technical support noted above, UEN has requested money to replace dated server, storage, and network equipment. The Analyst recommends a \$260,000 one-time appropriation from the General Fund for said equipment.

Internet Based Video Conferencing

In the current fiscal year, UEN began a three-year project to convert its analog “EdNet” system to internet protocol video conferencing. The conversion allows users more scheduling flexibility, and increases EdNet’s overall capacity. The Analyst recommends an \$800,000 one-time appropriation from the General Fund for conversion to IP videoconferencing.

Learning Management System

As discussed in Issue Brief HE-UEN-01, USHE and UEN are planning a centralized system for developing, managing, and delivering on-line classes. The Analyst recommends a \$500,000 ongoing appropriation and a \$1,830,000 one-time appropriation from the General Fund for this system.



Network Capacity and Reliability

Leveraging the federal E-Rate program, UEN is currently increasing network bandwidth along the Wasatch Front and to other densely populated areas of the state. UEN hopes to expand this effort to reach schools serving less populous, rural areas. To do so, it must motivate telecommunications providers in rural Utah to build broadband infrastructure more rapidly. The Analyst recommends \$2,500,000 in one-time General Fund appropriations for this project.

None of the aforementioned recommendations is built-in to the Subcommittee’s allocation from Executive Appropriations, nor is it reflected in the table on page iv of this document. The Analyst recommends the Subcommittee add the above items to a priorities list to be forwarded to the Executive Appropriations Committee.

ACCOUNTABILITY

In the FY 2005 Appropriations Act (S.B. 1, 2004 General Session), as part of a pilot-project on performance budgeting, the Legislature documented four performance measures and associated targets for UEN:

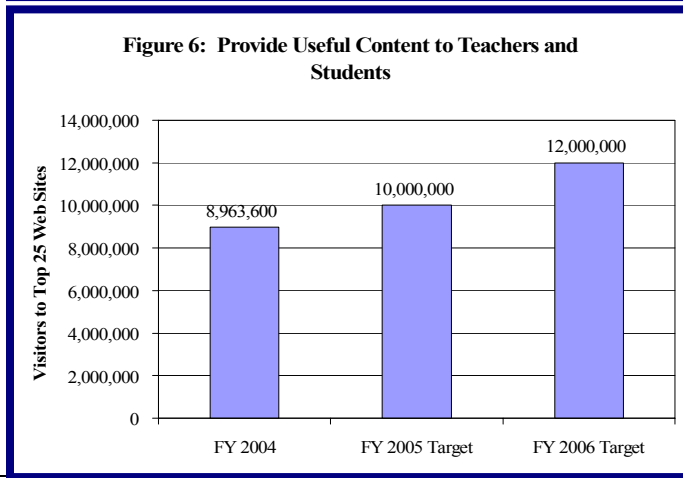
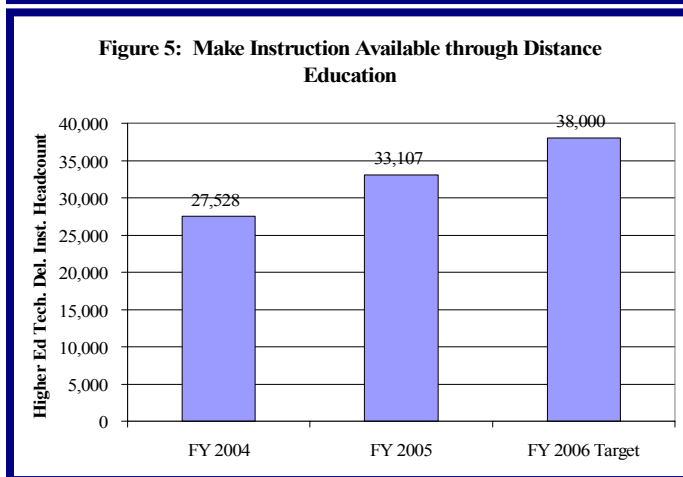
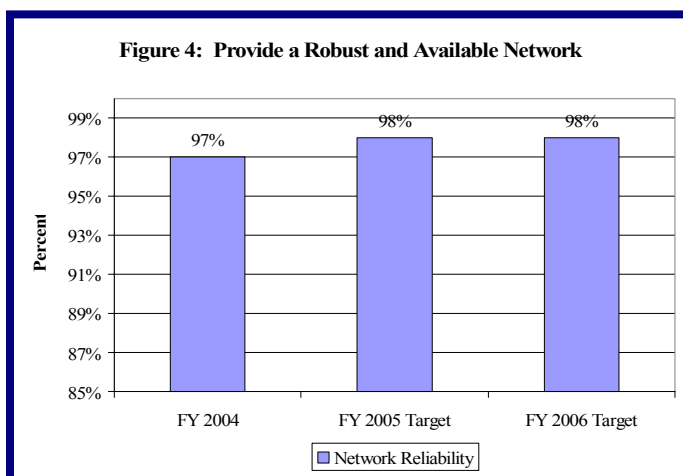
1. Internet Bandwidth Utilization – 65% of capacity;
2. Network Health – 99% reliability;
3. Technology Delivered Instruction – 3,100 FTE students; and,
4. Web Resources – 6,000,000 visitors to UEN’s top twenty-five sites.

These measures are intended to reflect UEN’s progress in achieving three goals: providing a robust and accessible network (measures 1 & 2), making instruction available through distance education (measure 3), and providing useful content to students and teachers (measure 4).

Figures four through six, to the right, document UEN’s performance toward achieving those goals. The Legislature and its staff recognize that, in order to achieve effective performance measurement and reporting, monitored entities require a certain amount of flexibility in establishing and modifying measures and targets. Therefore, some of the measures have changed to better account for UEN’s performance.

For FY 2006, UEN and the Analyst have identified the following measures:

- Peak Internet Bandwidth Utilization
- Network Reliability
- Headcount in Higher Education Technology Delivered Instruction
- Visitors to UEN’s Top Twenty-Five Web Sites.



BUDGET DETAIL

In the past, UEN has had as many as four line-items, with earmarked funds going to UEN itself, as well as to the University of Utah, Utah State University, and the College of Eastern Utah through UEN. During the past three years the Legislature has streamlined these appropriations so that funds go directly to the recipient.

The Legislature maintains two separate line items for UEN. The first – simply called Utah Education Network – funds the majority of UEN’s activities. The second – UEN Satellite Services – pays personnel and contract costs related to the maintenance of satellite circuits.

For details on UEN’s current budget, as well as historical trends, see page 14-1 of the Higher Education Subcommittee’s Compendium of Budget Information for the 2005 General Session.

Budget Recommendation

The Analyst recommends \$19,681,800 for UEN in fiscal year 2006, including \$18,227,800 for UEN’s main line-item, and \$1,454,000 for the UEN Satellite Services line-item. The Analyst further recommends that the Higher Education Subcommittee place upon a priorities list \$1,040,000 in ongoing General Fund appropriations and \$5,390,000 in one-time funds for the initiatives described on page 1. This funding increase is not reflected in the tables and charts in this budget brief.

LEGISLATIVE ACTION

This section is a summary of actions that might be taken by the subcommittee if its members wish to adopt the recommendations contained in this brief.

1. Approve the base budget for the UEN main line item - \$18,227,800.
2. Approve the base budget for the UEN Satellite Services line item - \$1,454,000
3. Place upon a priorities list an ongoing appropriation from the General Fund to replace one-time FY 2005 appropriations that cover ongoing expenditures - \$540,000.
4. Place upon a priorities list, for FY 2006 only, an appropriation from the General Fund for equipment to support enterprise technology - \$260,000.
5. Place upon a priorities list, for FY 2006 only, an appropriation from the General Fund for conversion of EdNet from analog to internet based protocol - \$800,000.
6. Place upon a priorities list, for FY 2006 only, an appropriation from the General Fund for broadband network infrastructure in rural Utah - \$2,500,000.
7. Place upon a priorities list one-time and ongoing appropriations from the General Fund for a learning management system - \$500,000 ongoing and \$1,830,000 one-time.

BUDGET DETAIL TABLE

| Utah Education Network | | | | | | |
|----------------------------------|---------------------|---------------------|--------------------|---------------------|----------------------|---------------------|
| | FY2004 | FY2005 | | FY2005 | | FY2006 |
| Sources of Finance | Actual | Appropriated | Changes | Revised | Changes | Analyst* |
| General Fund | 14,895,600 | 15,052,700 | 0 | 15,052,700 | 0 | 15,052,700 |
| General Fund, One-time | 23,000 | 945,300 | 0 | 945,300 | (945,300) | 0 |
| Federal Funds | 4,134,600 | 4,705,600 | (380,600) | 4,325,000 | (100) | 4,324,900 |
| Dedicated Credits Revenue | 459,200 | 508,000 | (259,300) | 248,700 | 0 | 248,700 |
| Transfers | 55,500 | 0 | 55,500 | 55,500 | 0 | 55,500 |
| Beginning Nonlapsing | 5,600,900 | 0 | 4,183,300 | 4,183,300 | (4,183,300) | 0 |
| Closing Nonlapsing | (4,183,300) | 0 | 0 | 0 | 0 | 0 |
| Total | \$20,985,500 | \$21,211,600 | \$3,598,900 | \$24,810,500 | (\$5,128,700) | \$19,681,800 |
| Programs | | | | | | |
| Administration | 1,475,500 | 1,402,400 | 190,000 | 1,592,400 | (166,400) | 1,426,000 |
| Operations and Maintenance | 1,556,000 | 1,209,100 | 1,222,800 | 2,431,900 | (2,161,900) | 270,000 |
| Public Information | 306,300 | 381,400 | (13,900) | 367,500 | 0 | 367,500 |
| KULC Broadcast | 916,200 | 667,100 | 576,800 | 1,243,900 | (622,600) | 621,300 |
| Technical Services | 12,467,600 | 12,878,600 | 1,147,000 | 14,025,600 | (1,450,300) | 12,575,300 |
| IP Video | 0 | 0 | 420,000 | 420,000 | (420,000) | 0 |
| Instructional Support | 2,224,500 | 2,589,200 | 93,300 | 2,682,500 | (281,700) | 2,400,800 |
| Instructional Delivery | 611,200 | 629,800 | (62,900) | 566,900 | 0 | 566,900 |
| UEN Satellite System | 1,428,200 | 1,454,000 | 25,800 | 1,479,800 | (25,800) | 1,454,000 |
| Total | \$20,985,500 | \$21,211,600 | \$3,598,900 | \$24,810,500 | (\$5,128,700) | \$19,681,800 |
| Categories of Expenditure | | | | | | |
| Personal Services | 6,714,300 | 6,878,000 | 126,900 | 7,004,900 | 0 | 7,004,900 |
| In-State Travel | 142,100 | 124,800 | 23,000 | 147,800 | (100) | 147,700 |
| Out of State Travel | 202,400 | 229,300 | 60,500 | 289,800 | 0 | 289,800 |
| Current Expense | 1,568,300 | 2,735,800 | 880,300 | 3,616,100 | (2,002,400) | 1,613,700 |
| DP Current Expense | 9,536,600 | 8,851,000 | 1,185,500 | 10,036,500 | (2,227,300) | 7,809,200 |
| DP Capital Outlay | 2,681,500 | 2,276,600 | 1,275,800 | 3,552,400 | (898,900) | 2,653,500 |
| Capital Outlay | 140,300 | 116,100 | 46,900 | 163,000 | 0 | 163,000 |
| Total | \$20,985,500 | \$21,211,600 | \$3,598,900 | \$24,810,500 | (\$5,128,700) | \$19,681,800 |
| Other Data | | | | | | |
| Total FTE | 105.0 | 104.0 | 0.0 | 104.0 | 0.0 | 104.0 |
| Vehicles | 9 | 9 | (9) | 0 | 0 | 0 |

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.