

Issue Brief – Network Infrastructure Development

UTAH EDUCATION NETWORK

NUMBER UEN-01

SUMMARY

The Utah Education Network has partnered with numerous private sector telecommunications providers to upgrade UEN's data circuits statewide. The total cost of the upgrade will be nearly \$9 million per year, with the state paying about \$3 million and the remainder coming from federal eRate discounts. UEN has requested \$1.5 million ongoing in FY 2008 to complete the project. The Analyst recommends for this initiative \$1.5 million ongoing in FY 2008 offset by a \$750,000 one-time reduction to account for implementation.

BACKGROUND

Since its inception, UEN has been expanding its data circuits to accommodate growth in the demand for its services. Utilization of UEN's network doubles about every eighteen months. Its education customers rely upon connectivity provided by UEN to deliver data, audio, and video for administration, enrollment, instruction, testing, and accountability. State government computers also use UEN as a gateway to the Internet.

In its latest network initiative, UEN is contracting with more than twenty telecommunications companies to replace older, smaller, slower microwave and copper line circuits with broadband fiber circuits. In some cases, the potential capacity of circuits will increase from 1.5 megabits per second to as much as 600 megabits per second or more.

The Legislature has supported UEN's initiative with increased appropriations in each of the last four general sessions. Table 1 shows the state funding history for network infrastructure.

Table 1: State Funding for Network Infrastructure

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Ongoing	400,000	400,000	800,000	2,100,000	3,600,000
One-time		400,000	1,500,000	1,500,000	
Total	400,000	800,000	2,300,000	3,600,000	3,600,000

The one-time appropriation provided for FY 2006 and part of \$1.3 million in ongoing money appropriated for FY 2007 will be used to implement Phase III of this initiative. By the end of Phase III, 78% of the planned sites will be connected to UEN's wide-area-network at Gigabit speeds. The remainder of the FY 2007 ongoing appropriation covers circuit costs from earlier phases of the project.

During the 2006 General Session, the Legislature also provided \$1.5 million in one-time appropriations for Network Infrastructure Phase IV. UEN has requested that the Legislature make this appropriation ongoing in the 2007 General Session. If the Legislature were to do so, UEN would use the money to connect all remaining sites to its backbone.

As the telecommunications contracts noted above are ongoing commitments, UEN typically waits until it receives an ongoing appropriation before exercising its options for additional bandwidth. Thus, UEN has not yet spent the \$1.5 million one-time appropriation it received for FY 2007. Once UEN receives ongoing funding, it may take as long as eight months to implement some of the network projects.

Should the Legislature make this \$1.5 million appropriation ongoing in FY 2008, it may be able to reclaim or reallocate some of the \$1.5 million one-time appropriation available to UEN since July 1, 2006.

RECOMMENDATION

The Analyst recommends that the Higher Education Appropriations Subcommittee place on a priorities list a \$1.5 ongoing appropriation from the Uniform School Fund for Network Infrastructure Development. The Analyst further recommends that this priority list item be offset by a \$750,000 one-time reduction in FY 2008 to account for implementation lag.