



UTAH EDUCATION AND TELEHEALTH NETWORK, ACCOUNTABLE BUDGET REVIEW

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
STAFF: IVAN DJAMBOV

ISSUE BRIEF

This brief is intended to assist the members of the Infrastructure and General Government Appropriations Subcommittee during the Accountable Budget Process. JR3-2 requires the Legislature to create a budget for a line item or a program by starting from zero and determining whether or to what extent to recommend funding be included in a budget for FY 2023.

The following is a list of questions the subcommittee members could ask when evaluating the programs and making decisions about the Utah Education and Telehealth Network (UETN):

- 1. *What are the statutory requirements?***
 - a. Should the statute/scope of the entity be adjusted?
 - b. Does each program have a mission, goals, and objectives that are meaningful and tied to the enabling statute?

- 2. *How well has this “investment” performed in the past? What are the goals for the future?***
 - a. What value does this division/program add to society?
 - b. Are there meaningful performance measures?
 - c. How well do they tie to the organization’s mission, goals, and objectives?
 - d. Are the targets reasonable?
 - e. Are the results acceptable?

- 3. *What programs should be funded for FY 2023? How much?***
 - a. Why is state government providing these services? Could this function be done by a local government or the private sector?
 - b. What will happen if the division/program is eliminated or downsized? Who will notice? Who will be affected the most?
 - c. Can the taxpayers' investment be reduced by implementing or increasing user fees?
 - d. Should the funding mix be adjusted?
 - e. Are some of the past building blocks no longer a high priority?
 - f. Can some of the expenditures be reduced or eliminated?

The following sections are intended to provide background information about the agency's:

1. [Enabling Authority](#)
2. [Performance Measures](#)
3. [Programs and FTEs](#)
4. [Funding](#)
5. [Spending](#)

For additional interactive online resources, click on the links below:

- [Compendium of Budget Information \(COBI\)](#),
- [Historic Trends of Funding, Expenditures, and FTEs](#), and
- [State of Utah Budget, Data Viz.](#)

Enabling Authority

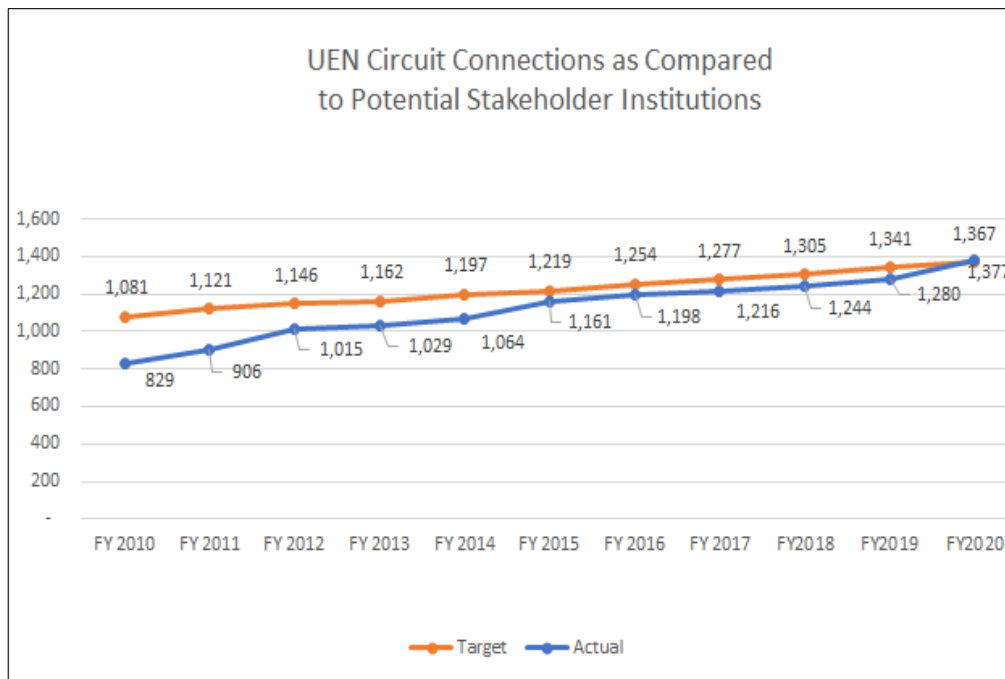
The governing statute for Utah Education and Telehealth Network (UETN) is in [53B-17-105](#). UETN provides broadband Internet connections, application services, and support services to public schools, colleges, universities, libraries, Head Starts, charter schools, and medical providers offering telehealth.

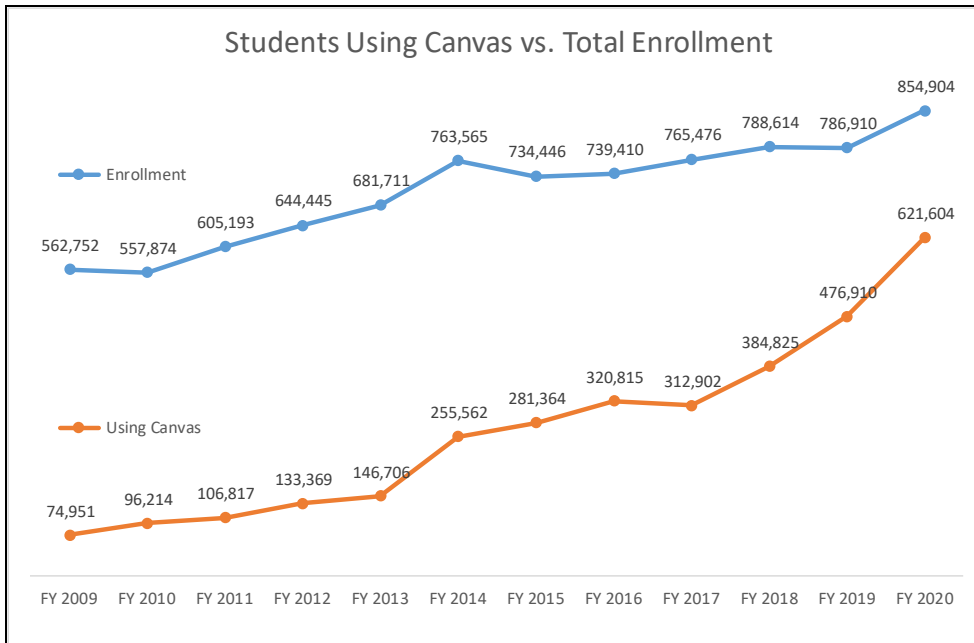
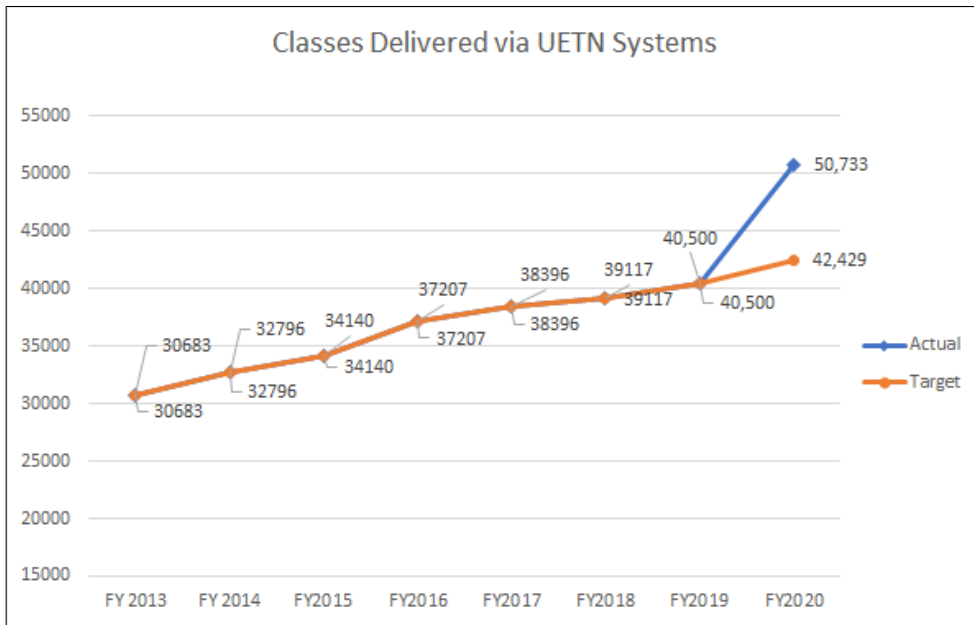
Performance Measures

The 2021 Legislature included in [H.B. 6, Infrastructure and General Government Base Budget](#), the following intent language regarding performance measures for the agency:

In accordance with UCA 63J-1-201, the Legislature intends that the Utah Education and Telehealth Network report performance measures to the Office of the Legislative Fiscal Analyst and to the Governor's Office of Management and Budget before October 1, 2021 the final status of performance measures established in FY 2021 appropriations bills and the current status of the following performance measures for FY 2022: (1) the number of circuits (target for FY 2021 is 1,377); (2) the percentage of potential customers using UETNs services (target for FY 2021 is 72.7%); and (3) the number of IVC instances (target for FY 2021 is 50.733).

The following are charts with UETN's performance measures over time.





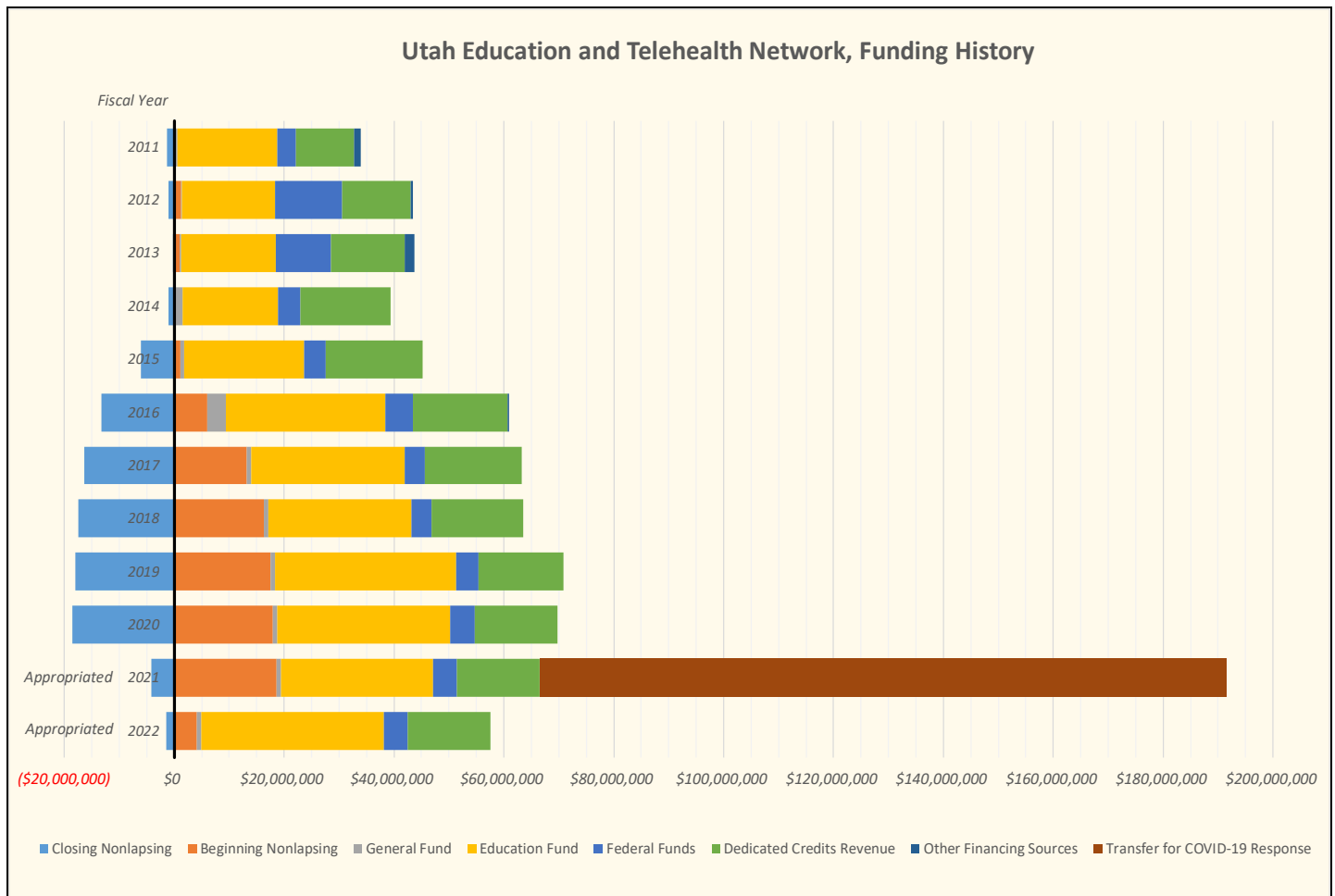
Programs and FTEs

The following table lists the programs in the agency with the FY 2022 appropriated amounts, the budgeted FTE, and vehicle counts by program. The table also identifies if the program is providing administrative support or directly serves the public.

FY 2022 Appropriated								
Program Name	Type of Program	Budgeted FTE	Vehicles Count	Funding				
				Gen/Educ.	Federal	Ded. Credits	Nonlapsing	Grand Total
Administration	Admin	20	2	\$1,299,100	\$1,136,700		\$1,037,600	\$3,473,400
Course Management Systems	Direct Service			\$2,703,100			\$0	\$2,703,100
Digital Teaching and Learning Pro	Direct Service	1		\$174,000		\$108,200	(\$900)	\$281,300
Instructional Support	Direct Service	28	4	\$1,679,600	\$1,469,600	\$386,600	\$1,116,300	\$4,652,100
KUEN Broadcast	Direct Service	2		\$0	\$627,900		\$24,600	\$652,500
Operations and Maintenance	Admin			\$0	\$451,900		\$0	\$451,900
Public Information	Direct Service	3		\$0	\$336,300	\$16,500	\$0	\$352,800
Technical Services	Direct Service	74	16	\$27,071,700		\$13,622,500	\$995,700	\$41,689,900
Utah Telehealth Network	Direct Service	10		\$1,064,700	\$327,300	\$921,100	(\$546,000)	\$1,767,100
Total		138	22	\$33,992,200	\$4,349,700	\$15,054,900	\$2,627,300	\$56,024,100

Funding

The following figure provides UETN's funding history. More than one half of the funding comes from the Education Fund. The exception is in FY 2021, when \$125 million one-time federal funds were appropriated as pass-through for COVID relief (the brown bar). For details, see the table on page 6 titled "Recipients of the COVID-19 Funding."



The nonlapsing balances of UETN (represented by the light blue and the orange bars of the funding history chart on page 4) have grown from \$228,300 in FY 2013 to \$18,552,800 in FY 2020. The agency leadership provided the following table which lists the projects and the amounts they are planning to use the \$18.6 million one-time nonlapsing balances in FY 2022.

FY 2020 Closing Nonlapsing Balances, Commitments

Emergency Reserve	\$7,781,200
Corporation of Public Broadcasting & Digital Service Grant	\$4,418,100
FY 2019 Equipment Replacement 1x State Approp	\$2,184,000
FY 2020 Equipment Replacement San Juan Phase 2	\$1,627,000
Learning Management System	\$1,617,000
Utah Futures	\$456,900
FY 2017 Digital Teaching and Learning HB 277	\$277,000
Grants: Untel, NETA, UIMC	\$191,600
Total	\$18,552,800

Major Funded Items Over Time

The following table lists the major funded items for UETN over time. The Legislature may consider reallocating some of the funds that are still available to a higher need elsewhere in the subcommittee.

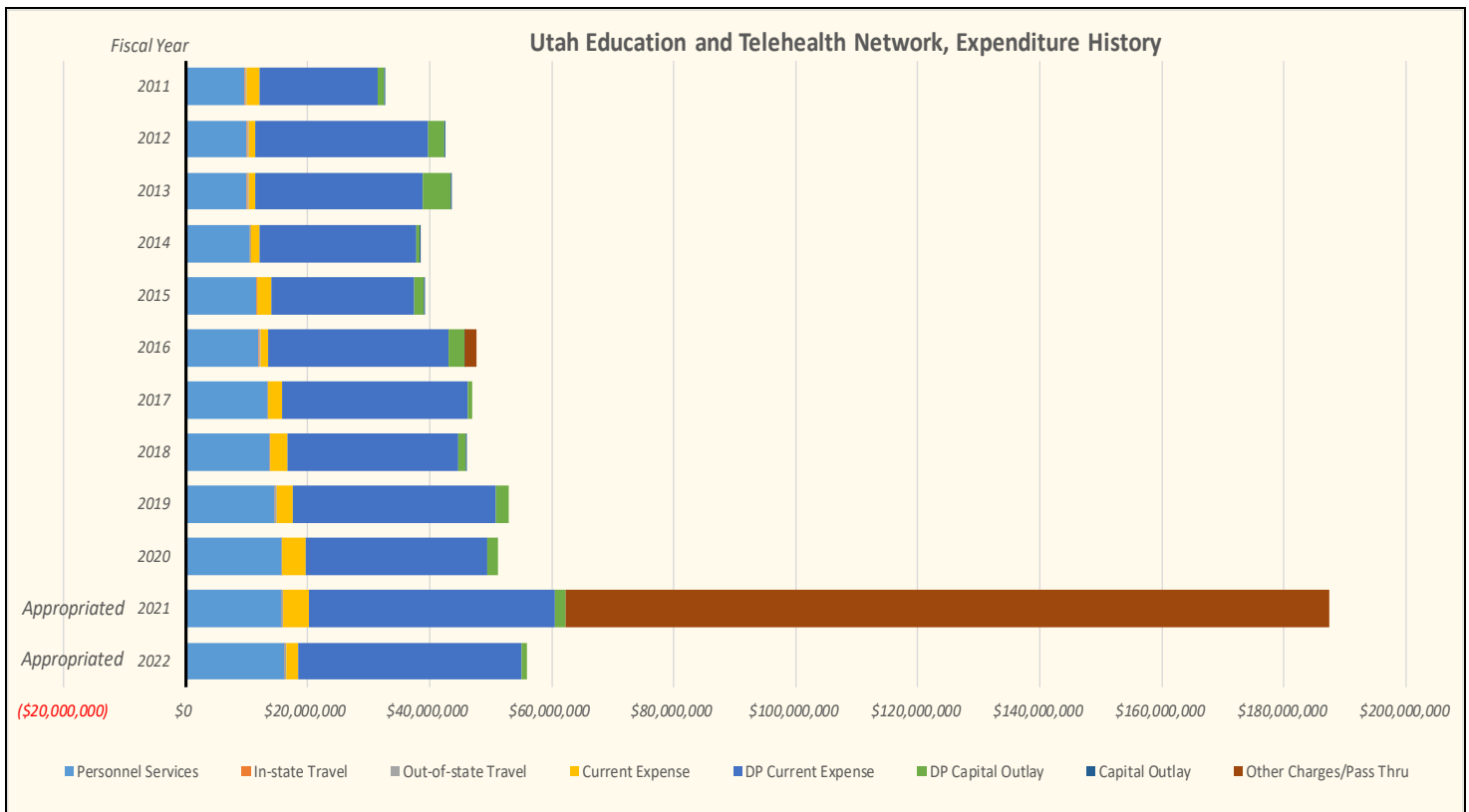
Line	Funding Item	Fund Name	1X	2018	2019	2020	2021	2022	Grand Total
1	Equipment	Education Fund	One-Time		\$2,000,000				\$2,000,000
2	Equipment Replacement	Education Fund	One-Time		\$800,000	\$3,822,300			\$4,622,300
3	Equipment Replacement	Education Fund	Ongoing			(\$822,300)	\$0		(\$822,300)
4	Extend Fiber Network to San Juan County Schools	Education Fund	One-Time		\$1,100,000				\$1,100,000
5	Extend Fiber Network to San Juan County Schools	Education Fund	Ongoing			\$85,000			\$85,000
6	Growth and operations	Education Fund	One-Time		\$335,000				\$335,000
7	Growth and operations	Education Fund	Ongoing			\$725,000			\$725,000
8	Internet Filtering	Education Fund	Ongoing	\$300,000					\$300,000
9	Learning Management System Support	Education Fund	Ongoing		\$1,900,000				\$1,900,000
10	Network Infrastructure & Equipment	Education Fund	One-Time	\$3,000,000					\$3,000,000
11	Network Infrastructure & Equipment	Education Fund	Ongoing	\$700,000					\$700,000
12	Network Operations Center 24/7 Staffing - Stage 2	Education Fund	Ongoing		\$300,000				\$300,000
13	New Circuits and Sites (New Schools and Upgrades)	Education Fund	One-Time		\$700,000				\$700,000
14	New Circuits and Sites (New Schools and Upgrades)	Education Fund	Ongoing		\$650,000				\$650,000
15	Operational Costs and Service Expansion - Restore Base Budget	Education Fund	Ongoing					\$2,371,800	\$2,371,800
16	Operations Sustainability - 24/7 Network Operating Center	Education Fund	Ongoing	\$200,000					\$200,000
17	* Reallocations: Transfer for COVID-19 Response	Transfer for COVID-19	One-Time				\$125,000,000		\$125,000,000
18	Reduction in funding for Utah Futures	Education Fund	One-Time			(\$500,000)			(\$500,000)
19	Salary Increase			\$230,600	\$258,500	\$315,300	\$0	\$410,600	\$1,215,000
20	Software Infrastructure and Media Licensing for Education	Education Fund	Ongoing	\$700,000					\$700,000
21	Statewide Network Equipment - Restore Base Budget	Education Fund	One-Time					\$3,000,000	\$3,000,000
22	Utah Data Alliance (UETN)	Education Fund	One-Time			(\$375,000)			(\$375,000)
23	Utah Data Research Center Act	Education Fund	Ongoing	(\$645,000)					(\$645,000)
24	Utah Futures	Education Fund	One-Time		\$1,000,000	\$1,600,000			\$2,600,000
25	Grand Total			\$4,485,600	\$7,234,200	\$4,850,300	\$136,974,900	\$5,561,600	\$159,106,600

*Note: UETN transferred the \$125 million one-time COVID-19 funding in FY 2021 to projects listed in the table on page 6.

Recipients of the COVID-19 Funding	Amount
Continuing Education	774,700
Marriott Library	1,601,700
Public/Higher Education	31,100,800
Technical Colleges	4,337,000
Public Libraries	289,100
Undergraduate Studies & Student Services	248,900
UETN Infrastructure	10,457,900
UETN Instructional Support	22,749,500
UETN IVA & Applications	3,539,300
UETN Security	2,810,700
UETN Telehealth	3,698,200
UETN VM/Data Backup	2,291,700
UETN Wireless K-12	13,478,500
UIT Center for Higher Performance Computing	1,650,200
UIT Infrastructure	11,533,000
UIT Office of Software licensing	4,818,100
UIT Security	1,870,000
UIT University Support Services	4,015,900
Uonline	3,752,100
Total	125,017,300

Spending

The following figure lists UETN expenditures over time. The largest expenditure category is DP Current Expense, which includes costs to operate information technology systems, software under \$5,000, and supplies.



Utah Education and Telehealth Network Response to LFA Questions

Ray Timothy, CEO rtimothy@uen.org

1. What are the statutory requirements?

The Utah Education and Telehealth Network (UETN) is established by the Utah Legislature in UCA 53B-17-1: Electronic Data and Telecommunications to provide broadband Internet connections, applications like videoconferencing and software, public media and support services to public schools, colleges, universities, libraries, Head Starts, charter schools, and medical providers offering telehealth.

The broadband infrastructure has a central fiber-optic backbone and paths branching to every region of the state. UETN supports consortium licensing of applications (e.g., software) and support services. UETN maintains an extensive network of videoconferencing sites for distance education and telehealth – both desktop and site-based. UETN operates a public television station focused on education, KUEN, and affiliated channels FNX and NHK.

a. Should the statute/scope of the entity be adjusted?

No. UETN connects over 1,900 sites and is considered an industry leader for efficiency and partner coordination.

b. Does each program have a mission, goals, and objectives that are meaningful and tied to the enabling statute?

Yes. UETN is managed by an independent Governing Board as outlined in state law. The Board represents UETN stakeholders to oversee operations, budgets, and performance on the Strategic Plan including its Mission: **We connect people and technologies to improve education and healthcare in Utah.**

UETN regularly receives feedback from its Board, advisory councils, and stakeholders, who advise on their infrastructure, programs, equipment, software, and training priorities to assure UETN services match areas of greatest need.

2. How well has this “investment” performed in the past? What are the goals for the future?

UETN continues to deliver on its mission with innovative and cost effective services that are essential to the state's education, library, and healthcare infrastructure.

a. What value does this division/program add to society?

UETN provides the internet, applications and support that are essential services for its stakeholders.

b. Are there meaningful performance measures?

Yes. Performance measures are established by the UETN Governing Board. These are tracked and reported regularly on public dashboards and COBI reports to the legislature.

c. How well do they tie to the organization’s mission, goals, and objectives?

Performance indicators are directly tied to UETN’s mission. These include:

- the number of circuit connections compared to eligible sites
- the number of videoconferencing/distance learning courses on UETN systems
- the number of active users of the learning management system as compared to student enrollment

d. Are the targets reasonable?

Yes. The UETN Board reviews targets regularly and adjusts through it’s strategic planning process.

e. Are the results acceptable?

Yes. In all areas UETN continues to meet and exceed targets, particularly during the surge of online learning and telehealth during the pandemic.

3. What programs should be funded for FY 2023? How much?

In addition to base appropriations of \$30,992,200, UETN will seek additional ongoing appropriation for salaries and benefits, growth and operations, and equipment to be outlined as part of our legislative funding request.

a. Why is state government providing these services? Could this function be done by a local government or the private sector?

In creating UETN as a central coordinating entity for education and healthcare technology infrastructure, the legislature specifically charged UETN to provide equitable service across the state and to achieve cost efficiencies not available to individual sites. Those core responsibilities continue.

UETN partners with the private sector for competitive bidding. These contracts are a key driver in economic development across the state. For example, the fiber contracts purchased by UETN in rural areas have encouraged expansion of services into key rural communities by providing a dependable anchor customer. Once providers contract with UETN to serve a school, library, or clinic they often choose to expand services into the full community, empowering residents, and small businesses, particularly in rural areas.

b. What will happen if the division/program is eliminated or downsized? Who will notice? Who will be affected the most?

Reduction would create an administrative and financial burden on schools, libraries, and healthcare facilities such community health clinics throughout the state because they would have to purchase services independently, at significantly greater cost than UETN is able to purchase in bulk. For example, in 2020 learning software purchased through UETN averaged 56% lower cost than for individual campuses. Last year UETN coordinated the return of more than \$16 million of federal E-Rate funds back to Utah. Without UETN support, entities would find it necessary to navigate federal funding processes for broadband on their own. This can be burdensome and personnel intensive.

c. Can the taxpayers' investment be reduced by implementing or increasing user fees?

Since UETN supports public-serving entities such as schools and libraries, user fees would not be an applicable source of funding. User fees could cause a financial burden to students and families and create educational inequities across the state. This model is also inefficient.

d. Should the funding mix be adjusted?

No. UETN's funding mix has been very successful, and we do not recommend changes. In FY21 operated with 87% state funding and 13% federal funds from E-Rate and public broadcasting grants . UETN works diligently to leverage every state dollar to benefit stakeholders. State funds help UETN return federal funds and those percentages are federally mandated.

e. Are some of the past building blocks no longer a high priority?

The building blocks continue to match UETN's top priorities. UETN evaluates its programs and services every year as it develops its legislative funding requests. If programs and services become outdated for the needs of stakeholders, UETN ends the service and returns that funding to the legislature as appropriate. Similarly, if growth or increased demand occurs, UETN seeks funding for service continuation.

f. Can some of the expenditures be reduced or eliminated?

UETN does not recommend reducing or eliminating any program or service it as part of its FY23 request. The Coronavirus pandemic has increased the need for services to support blended and remote learning, video conferencing and telehealth. We anticipate demand will continue, along with the number of schools, students, and Utahns being served. UETN's legislative request for growth and increased operational costs enable UETN to perform its legislatively assigned responsibilities.

Utah Education and Telehealth Network (September 2, 2021)

Program	Admin or Direct Service	Mission	Goals	Objectives	Performance measures (Items with ** and bold text are reported on legislature's COBI system).	Enabling statute reference	How does this tie to enabling statute?
Administration	Admin	We connect people and technologies to improve education and healthcare in Utah.	We will make decisions and take actions that match our values. We will secure ongoing funding for our work.	Support Board governance and Advisory Councils; Update policies and service catalog; Improve diversity and inclusion; Be transparent and efficient; Maximize E-Rate and HealthCare connect; Seek grants and partnerships; Leverage state and national initiatives; Liaise with appropriators and partners	Finances are stable and sustainable; The percentage of return on E-Rate and Rural Healthcare funds increases.	53B 17-1-101 to 53B 17-1-109	Core purpose
**Course Management System	Direct Service	"	We will curate and support high quality resources and tools.	Align to core needs and standards; Support certificate and degree programs of our partners; Maximize cost savings and collaborations through consortia; Improve accessibility	Active users as compared to K-12 and USHE enrollment.	"	"
Digital Teaching and Learning Program	Direct Service	"	Support USBE grant program.	Manage professional learning for administrators, technical inventory for K-12 schools.	Courses completed, inventory reports completed.	"	"
Instructional Support	Direct Service	"	We will provide excellent professional learning experiences to support our stakeholders.	Coordinate and provide training for state-licensed software; Increase support for school administrators, libraries and higher education; Provide opportunities to earn Ed Tech endorsement and related credentials; Produce quality multimedia professional learning content; Continue to understand and promote progressive practices that enhance education through technology.	Website and app metrics show increased utilization; Increase in PD courses, credit hours, and endorsements completed.	"	"
KUEN Broadcast	Direct Service	"	We will deliver programs and projects to benefit our community.	Program content to educate and inspire; Produce new media; Engage with and amplify the work of community partners; build capacity with emerging media platforms; Collaborate with peer stations	Number of broadcast households and uptime; programming aligned to mission, partner, advisory council and viewer engagement remain positive; performance on grant awards; compliance with FCC and other regulations.	"	"
Operations and Maintenance	Admin	"	Maintain physical plant and cloud-based supports for staff	Operate a safe environment conducive to accomplishing our mission.	Measures of staff and constituent satisfaction remain positive.	"	"
Public Information	Direct Service	"	We will track and report on our performance, learn from and make decisions using data.	Communicate our work through publications and media	Social media and utilization metrics show increased engagement; publications meet or exceed accessibility and equity standards.	"	"
**Technical Services	Direct Service	"	We will administer a secure, advanced, and stable network.	Grow capacity, Anticipate and plan for demand and other exigencies, Manage security risk, Support high performance computing for research, Merge UEN and UTN infrastructure, Leverage peering	Circuit connections as compared to potential stakeholder institutions; Annual total of classes delivered on UETN videoconferencing systems; 100% of sites are connected at sufficient capacity to meet need; Network uptime and availability are 99.9% or greater; Number of videoconferencing classes for education and telehealth increase.	"	"
Utah Telehealth Network	Direct Service	"	We will assist health care organizations to achieve the triple aim of reduced costs, higher quality, and increased patient satisfaction.	Foster telehealth adoption and deployment; Serve as a regional Telehealth Resource Center; Develop valuable and timely telemedicine resources; Serve as a neutral convener for telehealth initiatives; Maintain HIPAA compliant systems and environment; Advance address to telehealth services.	Amount of telehealth technical assistance provided; 100% of sites are connected at sufficient capacity to meet need; Network uptime and availability are 99.9% or greater; Number of videoconferencing events for telehealth increase.	"	"