

MOREnet Council Meeting Agenda

TIME: 11:00 a.m. - 12:00 p.m.
Thursday, December 12, 2019

PLACE: Join Zoom Meeting
<https://zoom.us/j/747538973>
Meeting ID: 747 538 973
One tap mobile
+16468769923,,747538973# US (New York)
+16699006833,,747538973# US (San Jose)
Dial by your location
+1 646 876 9923 US (New York)
+1 669 900 6833 US (San Jose)

A G E N D A

	<u>Page</u>	<u>Presentation by:</u>
I. Introduction		
1. Call to Order		Donna Liss, Chair
2. Introduction of Council Members, Staff, Observers		Donna Liss, Chair
3. Call for Additional Agenda Items and Adoption of Agenda		Donna Liss, Chair
II. Action Items		
1. Minutes of the August 29, 2019, MOREnet Council Meeting - Approval	8	Donna Liss, Chair
2. Election of Officers – Endorsement	11	Donna Liss, Chair
3. FY21 Work in Progress Budget and Member Fees		Lynn Burgan
a. FY21 Work in Progress Budget Projection – Information	12	
b. FY21 Member Fees – Endorsement	15	
▪ Member Service Package Fees		
▪ Network Connectivity Fees		
▪ For-fee Service Fees		
III. Discussion/Information Items		
1. Broadband Programs Update - E-rate C2 Order and Rural Health Care Update – Information	17	Chris Schneider
2. Membership and Service Agreements, Terms/Conditions – Information	18	Natasha Angell
3. Missouri High School Cybersecurity Challenge Recap – Information	20	Natasha Angell
4. Future Meeting Schedule*		
a. TBD		
IV. Open Time for the Public to Address the Council		

MOREnet Council Members

	Title	First	Last	Position	Organization	E-mail	Phone	Term Ends
	Ms.	Beth	Chancellor	Interim Vice President for Information Technology and MU Chief Information Officer	University of Missouri	chancellorb@health.missouri.edu	(573) 882-9200	No Term
***	Mrs.	Natasha	Angell	Executive Director	MOREnet	angelln@more.net	(573) 882-9025	No Term
	Mr.	John	Bax	Chief Information Officer	Lincoln University	baxj2@lincolnu.edu	(573) 681-5859	12/31/2020
	Ms.	Carrie	Cline	Director	Neosho Newton County Library	carrie@neosho.lib.mo.us	(417) 451-4231	12/31/2020
	Mr.	Michael	Davis	Director	Camden County Library	michaeld@cclld.us	(573) 346-7733	12/31/2022
	Mr.	Jeff	Falter	Chief Data Officer	Department of Elementary & Secondary Education	jeff.falter@dese.mo.gov	(573) 522-3207	No Term
	Mr.	Ryan	Gooding	Technology Director	Raymore-Peculiar School District	ryan.gooding@raypec.org	(816) 892-1332	12/31/2022
	Mr.	Steve	Siegler	Deputy for Operations	Office of Administration Information Technology Services Division	steve.siegler@oa.mo.gov	(573) 751-1504	No Term
**	Mr.	Steve	Klotz	Assistant Superintendent	Maryville R-II Schools	klotz@maryviller2.com	660-562-3255	12/31/2020
	Ms.	Sue	Lightfoot	Director	Carrollton Public Library	director@carrolltonlibrary.com	(660) 542-0183	12/31/2021
*	Ms.	Donna	Liss	Chief Information Officer	Truman State University	dliss@truman.edu	(660) 785-4163	12/31/2019
	Mr.	Tom	Schreiner	Director of Technology	Jackson R-2 Schools	tschreiner@jr2mail.org	(573) 450-9368	12/31/2021
	Mr.	Gary	Stanowski	Chief Information Officer	Columbia College	gstanowski@ccis.edu	(573) 875-7353	12/31/2021
	Ms.	Robin	Westphal	Missouri State Librarian	Missouri State Library	robin.westphal@sos.mo.gov	(573) 526-4783	No Term
	Ms.	Mara	Woody	Assistant Commissioner for Postsecondary Policy	Missouri Department of Higher Education	mara.woody@dhewd.mo.gov	(573) 751-5221	No Term

MOREnet Council Alternates (vote only when serving as proxy for their above Council member)

Ms.	Ginger	King	Director of Technology	Rolla Public Schools	gking@rolla.k12.mo.us	(573) 458-0100	12/31/2019
Ms.	Debbie	Musselman	Library Development Director	Missouri State Library	debbie.musselman@sos.mo.gov	(573) 751-2679	No Term

MOREnet Staff

Ms.	Lynn	Burgan	Chief Financial Officer		burganl@more.net	(573) 884-2316
Mr.	Chip	Byers	Director Strategic Initiatives		chip@more.net	(573) 882-9787
Ms.	Sherry	Loyd	Executive Staff Assistant II		loyds@more.net	(573) 884-2666
Mr.	Hank	Niederhelm	Director Infrastructure		hank@more.net	(573) 884-6326

* Chair

** Vice Chair

***Non-Voting

Agreement to Amend MOREnet Council Memorandum of Understanding

The Missouri Department of Higher Education, Department of Elementary and Secondary Education, Office of the Secretary of State and The Curators of the University of Missouri have entered into a Memorandum of Understanding regarding the MOREnet Council, dated October 2003, and hereby agree to amend the Memorandum of Understanding as set forth below.

1. Statement of Purpose

1.1. MOREnet Mission and Operations

- 1.1.1. The Missouri Research and Education Network (MOREnet) is a statewide consortium developed to provide services in support of education, research, public service, government, and economic development.
- 1.1.2. MOREnet operates as a separate unit within the University of Missouri.
- 1.1.3. MOREnet provides services as per MOREnet Service Policies (www.more.net/about/servicepolicies), signed Participation Agreements and other contracts between The Curators of the University of Missouri and organizations eligible to receive MOREnet services.

1.2. Functions of the MOREnet Council

- 1.2.1. The primary function of the MOREnet Council is to collectively provide planning and guidance to ensure the MOREnet infrastructure and services align with and support the future growth and success of programs and initiatives undertaken by the entities represented by the MOREnet Council members.
- 1.2.2. The MOREnet Council will review and provide oversight regarding policy and service offerings, including endorsement of MOREnet budgets and service fees.

1.3. Signatories and Sponsoring Organizations

- 1.3.1. This amendment will be signed by representatives of the current Memorandum of Understanding signatories, including the Missouri Department of Higher Education, Department of Elementary and Secondary Education, Office of the Secretary of State and The Curators of the University of Missouri on behalf of their respective organizations.
- 1.3.2. A sponsoring body (sponsor) is defined as any organized membership group or entity that represents a group of constituents that may receive services from MOREnet, that endorses the ongoing existence of MOREnet to provide services and that may advocate for state or federal funding in support of such services.
- 1.3.3. Additional organizations such as emerging, organized membership groups or state agencies may petition the MOREnet Council for seats on the MOREnet Council. All prospective MOREnet Council members must agree to the terms and conditions of this Memorandum of Understanding. Such petitions will be approved or declined by unanimous agreement among the MOREnet Council and approved petitions will become effective immediately.

2. Governance

2.1. Composition of the MOREnet Council

- 2.1.1. The MOREnet Council will be comprised of representatives of the following; all are full voting members of the MOREnet Council:
 - 2.1.1.a. The Curators of the University of Missouri, 1 permanent seat
 - 2.1.1.b. State of Missouri Chief Information Officer, 1 permanent seat
 - 2.1.1.c. The Missouri Department of Elementary and Secondary Education, 1 permanent seat
 - 2.1.1.d. The Missouri Department of Higher Education, 1 permanent seat
 - 2.1.1.e. The Missouri Office of the Secretary of State, 1 permanent seat
 - 2.1.1.f. Representative members of higher education institutions, as elected by the higher education advisory committee, currently the Missouri Education and Research Consortium (MERC), up to 3 seats
 - 2.1.1.g. Representative members of the public library community, as elected by the public library advisory committee, currently the Missouri Public Library Directors Association, up to 3 seats
 - 2.1.1.h. Representative members of the public K-12 school district community, as elected by the K-12 advisory committee, currently organized through the Missouri Association of School Administrators (MASA), up to 3 seats
 - 2.1.1.i. The MOREnet Executive Director will serve as a non-voting, permanent member of the MOREnet Council
- 2.1.2. Each of the eight membership groups identified in 2.1.1. may name one alternate representative to serve as a proxy in the absence of a MOREnet Council member. Each group is responsible for identifying the alternate representative and providing the individual's name and contact information to the MOREnet Council.
- 2.1.3. The MOREnet Council acknowledges that the advisory committee groups from which MOREnet Council members are elected may change from time to time upon approval by the MOREnet Council. Up to three primary representatives and one alternate representative will be elected by each membership group's advisory committee. The primary representatives will have full privileges on the MOREnet Council.
- 2.1.4. Each elected membership group representative will normally serve a term of three years. During the initial year of establishing representatives, one elected representative from each membership group will serve for a period of one year, one for a period of two years and one for a period of three years in order to establish a defined rotation to promote consistency of representation. Alternate terms shall be determined by appointing membership group.
- 2.1.5. The MOREnet Council will be chaired by a voting, seated representative elected annually, following the fiscal year calendar, by the MOREnet Council. A vice chair will be elected annually by the MOREnet Council to fulfill the duties of the chair in his or her absence. The current chair will appoint a nominating committee from which the MOREnet Council will elect both the chair and vice chair. The MOREnet Council reserves the right to propose the replacement election of any chair or vice chair that is unable or unwilling to fulfill his or her duties.

2.2. Operating Procedures

- 2.2.1. The MOREnet Council will meet at least quarterly, either face-to-face or through technology-mediated means.
- 2.2.2. Representatives from other organizations may be invited to attend and be part of the agenda of MOREnet Council meetings, as appropriate.
- 2.2.3. MOREnet will, to the extent permitted by funding, implement the decisions, actions, and documents endorsed by the MOREnet Council.
- 2.2.4. The MOREnet Council will follow parliamentary procedure. A quorum shall be defined as a minimum of 50 percent of the voting MOREnet Council members.
- 2.2.5. In situations where there is not mutual agreement on proposed actions among the MOREnet Council, the issue will be referred to the MOREnet Executive Director and senior University of Missouri officials for a decision.
- 2.2.6. MOREnet Council members must attend a minimum of 50 percent of scheduled meetings as measured over a one year rolling period. If a MOREnet Council member does not achieve the 50 percent meeting minimum, the sponsoring or signatory organization will be informed of the member's absence and asked to replace the member for the remaining term of that individual, or otherwise remedy the member's absence.
- 2.2.7. MOREnet Council members are responsible for keeping their respective alternate representative informed of relevant and current issues pertaining to the MOREnet Council. Alternate representatives are encouraged to attend all MOREnet Council meetings.
- 2.2.8. The meetings of the MOREnet Council will be open to the public and all interested parties are encouraged to attend.

2.3. Contractual Arrangements

- 2.3.1. Sponsors and other organizations may establish a contractual relationship with MOREnet for the delivery of services.
- 2.3.2. The MOREnet Council may review all such contracts as part of its overall duties as described in Section 1.2.

3. Responsibilities

3.1. MOREnet Council Responsibilities

- 3.1.1. The MOREnet Council will review, suggest modifications, and endorse MOREnet's proposed annual financial plan, financial assumptions, business practices and policies.
- 3.1.2. The MOREnet Council may review and recommend any appropriation request(s) on behalf of MOREnet for submission to the appropriate governing bodies or sponsoring agencies, and subsequently the Governor, and the General Assembly.
- 3.1.3. The MOREnet Council will establish consultative groups or task forces as needed.
- 3.1.4. The MOREnet Council will become and remain informed about state information technology standards and policies that could impact or benefit portions of the MOREnet membership.
- 3.1.5. The MOREnet Council may advise the UM Vice President for Information Systems on the selection of the MOREnet Executive Director.

3.2. MOREnet Responsibilities

- 3.2.1. The MOREnet Executive Director will report to the MOREnet Council at regular meetings and provide additional reports as requested.
- 3.2.2. MOREnet will provide the MOREnet Council with current financial information according to the normal fiscal year calendar.
- 3.2.3. MOREnet will inform the MOREnet Council about the input, recommendations, or decisions of its membership group advisory committees.

4. Term, Modification and Termination

- 4.1. The term of this amended Memorandum of Understanding shall commence March 1, 2011, and will become effective on July 1, 2011, and continue indefinitely or until modified.
- 4.2. The MOREnet Council or its members may propose modifications to this Memorandum of Understanding, including termination by proposing the modifications in writing to the MOREnet Council for review, approval, and adoption by the MOREnet Council. Any such amendment, consent, or waiver shall be effective only in the specific instance and for the specific purpose given.
- 4.3. Any signatory may withdraw from this Memorandum of Understanding by providing written notice to the MOREnet Council at least six (6) months prior to the end of the current fiscal year.

APPROVALS

For the Missouri Department of Elementary and Secondary Education:

Name: Chris L. Nicastro Title: Commissioner of Education
Signature: Chris L. Nicastro Date: March 16, 2011

For the Missouri Department of Higher Education:

Name: David R. Russell Title: Commissioner of Higher Education
Signature: David R. Russell Date: March 16, 2011

For the Missouri Secretary of State:

Name: Rich Lamb Title: Exec. Deputy Sec. of State
Signature: Rich Lamb Date: March 11, 2011

For the Curators of the University of Missouri on behalf of MOREnet:

Name: GARY K. Auen Title: VP - IT
Signature: GARY K. Auen Date: 3/24/11

APPROVED
AS TO
LEGAL FORM
3/24/11 KAM

MODIFICATION TO THE MEMORANDUM OF UNDERSTANDING

June 4, 2013 Meeting

Proposed Modification to the MOU – Approval

John Gillispie explained the proposed request to modify the Memorandum of Understanding (MOU) to a calendar year officer rotation. Chair Palmer asked for a motion to approve the proposed modification to the MOU. Jacque Cowherd moved to approve the MOU modifications of changing the fiscal year rotation to a calendar year rotation starting with the nominations at the June 4, 2013 meeting. David Doennig seconded the motion and it passed unanimously.

- 2.1.5. The MOREnet Council will be chaired by a voting, seated representative elected annually, following the fiscal year calendar, by the MOREnet Council. A vice chair will be elected annually by the MOREnet Council to fulfill the duties of the chair in his or her absence. The current chair will appoint a nominating committee from which the MOREnet Council will elect both the chair and vice chair. The MOREnet Council reserves the right to propose the replacement election of any chair or vice chair that is unable or unwilling to fulfill his or her duties.

Proposed Modification:

- 2.1.5. The MOREnet Council will be chaired by a voting, seated representative elected annually, following ~~a the fiscal calendar~~ year ~~calendar~~ schedule, by the MOREnet Council. A vice chair will be elected annually by the MOREnet Council to fulfill the duties of the chair in his or her absence. The current chair will appoint a nominating committee from which the MOREnet Council will elect both the chair and vice chair. The MOREnet Council reserves the right to propose the replacement election of any chair or vice chair that is unable or unwilling to fulfill his or her duties.

DRAFT MOREnet Council Meeting Minutes

TIME: 1:00-2:00 p.m.

PLACE: Zoom

Thursday, August 29, 2019

Members present:

Donna Liss – Chair
Gary Allen
John Bax
Carrie Cline
Michael Davis
Steve Klotz
Sue Lightfoot
Tom Schreiner
Robin Westphal

MOREnet staff present:

Natasha Angell
Lynn Burgan
Chip Byers
Sherry Loyd
Hank Niederhelm

State Library staff present:

Jennifer Thompson (phone)

Alternates present:

Debbie Musselman

Chair Liss called the meeting to order. Those who were in attendance are listed above.

Chair Liss called for a motion to approve the agenda as described. Steve Klotz moved to approve, Sue Lightfoot seconded, all were in favor and it passed unanimously.

ACTION ITEMS

Minutes

Chair Liss called for a motion to approve the draft meeting minutes of the May 30, 2019 meeting. John Bax moved to approve the minutes as distributed. Michael Davis seconded, all were in favor and it passed unanimously.

DISCUSSION ITEMS

FY19 Year-End Updates – Information

Connectivity

Hank Niederhelm reported that total bandwidth capacity increased by 22.68 Gbps this past fiscal year bringing the year-end total to 162 Gbps. Although capacity continued to increase in FY19 the number of Internet connections continues to decline. Although two new Internet connections were added there was still a net reduction of 20 Internet connections compared to FY19.

Member Services

Natasha Angell reported that 98% of members continue to maintain a Member Service Package like they have for the last three fiscal years. 69% of the members subscribe to both a Member Service Package and Connectivity. During FY19, the consortium welcomed 17 new members and lost 8 members.

Member Satisfaction Survey Highlights

Dawn Thurnau shared that members used to get one satisfaction survey a year but due to declining responses a three pronged approach is now being used to ensure we're delivering on promises and making it right when needed.

- 1) Case surveys are sent every third case and results show that 96% are satisfied in all six areas: timeliness, knowledge, communication, customer service, effectiveness of solution and time to resolution.
- 2) Training satisfaction surveys are distributed after every registered-for training session and response rates are low but show very high satisfaction
- 3) Annual satisfaction surveys are sent in April. Response rates increased by over 10% this year. For the tenth straight year, overall customer satisfaction remains at or over 92%.

DESE Contract for Computer Science Standard Professional Development – Information

In May, the State Board of Education approved Computer Science Performance Standards for implementation during the 2019-2020 school year. Because of our work in the MILL and our promotion of computer science related courses it made sense to partner with DESE as our content was created and we have the experts to be able to provide a quick turnaround.

The partnership includes 18 two-day regional training sessions (2 in each DESE region), in-house classes at our offices in Columbia and online courses through Zoom and Canvas. All attendees for the regional training sessions will be entered to win a Sphero education pack.

DESE is covering the training fee for all basic and non-member training and there will be an online depository that all teachers can access for information sharing. The first webinar had 40 educators in attendance for the standards overview class.

Staff are hopeful that this training could result in more consortium members, increased usage of our professional development services for current members, and a contract renewal with DESE for next year's training needs.

Network Connectivity Fee (NCF) > Gbps Pricing Changes – Information

Lynn Borgan reported that to remain competitive and to encourage bandwidth growth, the fee for bandwidth above 1 gig decreased by an average of 13% as of July 1st. It also now includes additional services (router management, network security services, after-hours connection monitoring, vendor management, and circuit procurement services). This decreased pricing will impact 23 members.

Fiber Project Update – Information

Lynn reported that as of August there were 92 members with a fiber project connection with a total of 182 Gbps in total capacity and 35.4 Gbps in Internet connectivity. Over the past 5 years, the fiber project connections have increased in provisioned bandwidth by 30,322 Mbps. Fourteen fiber connections are up for renewal and most have already renewed. Staff are hopeful the rest will do the same.

Missouri High School Cyber Security Challenge – Information

Andy King shared that MOREnet is sponsoring the Missouri High School Cyber Security Challenge this year in partnership with the Missouri Cybersecurity Center of Excellence (MCCOE.org). Up to 450 students will compete in Round 1 at their individual schools and then on October 9 the top 10 teams will come together and compete in Round 2, a virtual, timed series of cyber security challenges during the MOREnet Annual Conference at Tan-Tar-A. The top 3 teams will split a cash prize and members of the winning team will each receive a \$2,000 Drury scholarship which will be renewable each year for a total of \$8,000.

Governor Parson as well as Dan Commons, the CISO for the Department of Education Federal Student Aid have confirmed they'll be presenting at the awards ceremony on that day. We currently have 33 teams confirmed.

Natasha thanked Andy for his work on this challenge.

Natasha reported that today was Dr. Gary Allen's last Council meeting before his retirement. She thanked him for his leadership to both MOREnet and the Council.

Future Meeting Schedule*

December 12, 2019, 11:00 a.m.-2:00 p.m. – MOREnet Offices

Meeting adjourned 1:24 pm

Respectfully submitted by Sherry Loyd

AGENDA ITEM SUMMARY

ELECTION OF OFFICERS

AGENDA ITEM

The following MOREnet Council members have accepted nominations for the 2020 Chair and Vice-Chair slate.

MOREnet Council Chair Nomination – Steve Klotz

Current Term: November 15, 2016 to December 31, 2020

Chair Term: January 1, 2020 to December 31, 2020

Steve is currently serving in his tenth year as assistant superintendent in the Maryville R-II school district. Prior this position, he was the elementary principal at Eugene Field Elementary for six years in the Maryville district and the assistant principal for three years in the same building. Steve started his career teaching fourth grade and coaching high school football and basketball at North Andrew School District. Kimberly, Steve's wife, teaches fifth grade in the Maryville school district, and the couple has two children, Vanessa, 18, and Lucas, 15.

MOREnet Council Vice-Chair Nomination – Michael Davis

Current Term: December 5, 2016 to December 31, 2022

Vice-Chair Term: January 1, 2020 to December 31, 2020

Mr. Davis is the Director of the Camden County Library District serving 44,000 patrons with six locations in Camden County. He received his Bachelor of Music degree from Missouri State University in 1991 and his Masters in Library and Information Science from University of Illinois Urbana-Champaign in 1994. With over 25 years' experience in public libraries, he has previously worked as a Reference Librarian, Reference Technology Librarian, Head of IT and Director. Mr. Davis relocated to central Missouri in 2013 after working in libraries in the Chicago area. He currently lives in Camdenton with his wife, also a librarian, and two beautiful daughters.

RECOMMENDATION

Chair Liss recommends approval of the slate of candidates as presented.

ATTACHMENT(S)

None

AGENDA ITEM SUMMARY FY21 WORK IN PROGRESS BUDGET PROJECTION

DESCRIPTION

The FY21 budget is based on the FY20 membership levels and selection, FY21 member fees for all member groups and FY21 expense estimates. The result, after the plant fund transfer, is a balanced budget for FY21.

REVENUE

1. K12, Higher Education, Affiliates, and Libraries Revenue

The budgeted revenue for each member group includes:

Membership Service Package Revenue

The budgeted revenue is based on FY20 membership levels and selection, and includes a net increase of \$105K for existing three-year terms expiring as of June 30, 2020 and renewing at the current rate which is ~5% higher because of a rate increase in FY19 that did not impact members in existing contracts and a revenue reduction for the 63 members that have historically opted for the one-year term at the higher rate. There was no increase in FY21 membership pricing schedule fees.

Network Connectivity Fee (NCF) Revenue

The budgeted revenue is based on current network connection revenue, plus expected growth for K12 and Higher Education members, the updated FY21 pricing schedule with \$1,262,000 reduction in revenue, and a \$950,000 payment for the University of Missouri network management MOU.

Connection Revenue

The connection revenue is based on pass through circuit costs (tail circuits).

2. State Appropriations and Contracts

The FY21 House Bill 12 (HB12) appropriation (to the Secretary of State for the REAL Program) budget amount is based on the FY20 amount of \$2,000,000.

3. E-rate Reimbursements

The E-rate reimbursement is based on projected eligible expenses and estimated E-rate discount rates for FY21. The reimbursement reduction is related to the reduction in eligible aggregation and connection circuit expenses.

4. Other Fees and Miscellaneous Revenues

Other fees and miscellaneous revenues are based on projected conference exhibitors, attendee revenue, and For-Fee Service (FFS) revenues. The increase is due to the reselling of Canvas licenses.

5. Sponsorship Revenue

Revenues are based on projected support of the MOREnet annual conference.

EXPENSE

1. Network Related Expense

Network related expenses are based on bandwidth projections, circuit cost estimates, equipment and software expenses related to the shared network, member connections, and other shared network expenses. Major areas of change include:

- (\$160,880) decrease for aggregation circuit expenses,
- (\$186,611) decrease for network maintenance expense; and
- \$23,443 increase in Internet access expenses

2. Connection Expense

Connection circuit expenses are based on the expected cost of tail circuit connections.

Connection equipment expenses are based on replacing one seventh of in-production routers with a 1 Gigabit per second (Gbps) capable router.

Connection maintenance expenses are based on providing maintenance for all in-production routers as part of the NCF service.

3. Other Expenses

Other expenses includes decreases in member training, travel expenses, online resources expenses, and increases in member related services expenses, conference expenses and FFS related expenses.

4. Direct & G&A Salaries and Benefits

Direct and G&A salaries and benefits includes \$178,882 for two open positions, promotions, and student employees, a 2.0% merit based salary increase pool and benefits expenses based on the current UM benefits calculation method.

5. G&A Expenses

The operating expenses include increases in travel, member outreach, equipment and professional services, and a decreases in telephone, office supplies, and maintenance.

**FUND BALANCES, ENDING BALANCE TRANSFERS, AND RESERVE
BALANCES AND UNOBLIGATED RESERVES**

	Total (\$ millions)
Draft FY21 Ending Balances - Operating	15.529
Draft FY21 Ending Balances - Plant	12.404
Less FY20 Minimum Operating Reserves (MOR)	-
Total Reserves Net MOR	27.933
Less Current E-rate Receivable	(18.615)
Unobligated Reserves at the end of FY21	9.318

RECOMMENDED ACTION

Staff recommends endorsement of the FY21 work in progress budget

ATTACHMENT(S)

- FY21 Consolidated Work In Progress Budget compared to the FY20 Original Budget

FY21 Consolidated Work in Progress Budget
compared to the FY20 Original Budget

	FY21 Work In Progress Budget	FY20 Original Budget	Change
Revenues:			
K12	9,008,975	9,196,379	(187,404)
Higher Education	2,277,006	2,385,004	(107,998)
Affiliates	1,357,754	1,227,486	130,268
Libraries	725,448	728,976	(3,528)
REAL MOU	2,000,000	2,000,000	-
E-rate Reimbursements	6,286,030	6,342,697	(56,667)
Investment Income	-	-	-
Other Fees and Miscellaneous	1,717,442	1,764,215	(46,773)
Sponsorship Revenue	13,500	13,500	-
Revenue Transfers	-	-	-
Total Revenue	23,386,155	23,658,257	(272,102)
Expenses:			
Direct Expenses			
Internet Access Circuits	233,934	210,491	23,443
Aggregation Circuits	349,445	510,325	(160,880)
Backbone, I2, Other Network	901,632	909,600	(7,968)
Maintenance	1,182,349	1,368,960	(186,611)
Network Related Travel	5,000	15,000	(10,000)
Total Network Related Expense	2,764,345	3,014,376	(250,031)
Connection Circuits	7,789,543	7,828,774	(39,231)
Connection Equipment	217,800	217,800	-
Connection Equipment Maintenance	93,285	93,285	-
Total Connection Expense	8,008,643	8,139,859	(131,216)
Member Training	10,000	17,315	(7,315)
Conferences/Member Meetings	141,000	139,000	2,000
Member Related Travel	15,000	19,350	(4,350)
Online Resources	1,012,829	1,028,054	(15,225)
Product Development	-	-	-
Member Related Services	392,241	388,430	3,811
Fee-for-Service Related	1,200,299	1,168,919	31,380
Total Other Expenses	2,771,369	2,761,068	10,301
Direct Salaries and Benefits	4,075,631	4,132,764	(57,133)
Total Direct Expenses	17,619,988	18,048,067	(428,079)
G&A Expenses			
Staff Dev., Travel and Meeting Expense	158,848	198,949	(40,101)
Member Outreach	52,142	52,143	(1)
Telephone	32,103	30,305	1,798
Office Supplies and Expense	57,999	47,998	10,001
Equipment, Software and Accessories	59,299	47,199	12,100
Maintenance for Equipment and Software	209,643	134,728	74,915
Professional Services	104,460	129,460	(25,000)
Rent, Utilities, Janitorial, and Security	304,076	304,077	(1)
Total Operating Expenses	978,570	944,859	33,711
G&A Salaries and benefits	3,359,425	3,234,314	125,111
Total G&A Expenses	4,337,995	4,179,173	158,822
Total Expenses	21,957,983	22,227,240	(269,257)
Revenue over Expenses	1,428,172	1,431,017	(2,845)
Fund Transfers	(1,428,172)	(1,431,017)	2,845
Surplus after Plant Fund	-	-	-

AGENDA ITEM SUMMARY

FY21 MEMBER FEES

AGENDA ITEM

FY21 Member Fees

DESCRIPTION

MOREnet staff have prepared FY21 member fees for Membership Service Packages (MSP) and the Network Connectivity Fee (NCF) and are reviewing pricing for the For-Fee Services (FFS).

MEMBERSHIP SERVICE PACKAGES (MSP)

To reward members' commitment to MOREnet, we are now offering the three-year MSP pricing on an annual basis, without the three-year term requirement. This change also simplifies the MSP pricing schedule and reduces the number of quotes members have to authorize, as the one-year MSP service agreement will automatically renew each year. There is no increase in the MSP fee schedule for FY21. Recall, the last fee change was in FY19.

MOREnet will continue to offer Full and Basic Membership packages, designed to provide members with the greatest flexibility to select the services that they require along with the Nonprofit/Agency Membership package crafted for nonprofit organizations and local government entities.

Full-Service Membership Service Package (MSP)

The Full-Service Membership package includes all services historically provided with membership at unlimited volumes and for FY21 will include one complimentary two-day MOREnet Conference registration, a \$295 value. For FY20, 465 members or 68% of members with an MSP selected the Full service package.

Public and Private K-12 Schools (Students)	Libraries (Tax Revenue)	Higher Education (Student FTE)	Affiliates	FY21 MOREnet Fee
	\$0-\$24,999			\$ 695
Less than 249	\$0-\$124,999			\$ 946
250-499	\$125,000-\$249,999		Non-profit & UM Aff.	\$ 3,902
500-999	\$250,000-\$399,999	Less than 1,500		\$ 7,106
1,000-1,999		1,500-4,999		\$ 10,175
2,000-3,999	\$600,000-\$999,999	5,000-9,999		\$ 13,472
4,000+	\$1,000,000 or greater	10,000+		\$ 16,733

Basic Membership Service Package (MSP)

The Basic Membership package includes a base amount of support for MOREnet's most popular services: training, technical support and video services and provides the opportunity for members to purchase additional service as needed. For FY20, 206 members or 30% of members with a MSP selected this service package.

Public and Private K-12 Schools (Students)	Libraries (Tax Revenue)	Higher Education (Student FTE)	Affiliates	FY21 MOREnet Fee
	\$0-\$24,999			\$ 450
Less than 249	\$0-\$124,999			\$ 530
250-499	\$125,000-\$249,999		Non-profit & UM Aff.	\$ 3,063
500-999	\$250,000-\$399,999	Less than 1,500		\$ 5,799
1,000-1,999		1,500-4,999		\$ 8,424
2,000-3,999	\$600,000-\$999,999	5,000-9,999		\$ 11,243
4,000+	\$1,000,000 or greater	10,000+		\$ 14,034

Nonprofit/Agency Membership Service Package (MSP)

The Nonprofit/Agency Membership package includes up to 10 Zoom licenses, access to the LearningExpress Library online resource, one network assessment, MOREnet's consortium discounts and up to 10 Cofense PhishMe licenses. The Nonprofit/Agency Membership package is \$900 annually. For FY20, 14 members or 2% of members with an MSP selected this service package.

NETWORK CONNECTIVITY FEE (NCF)

For FY21, we will reduce the total NCF revenue by \$1,262,000, thanks to the continued bandwidth growth, as well as, lower costs of backbone connections and maintenance. The pricing reduction will enable members with a 3Mbps or above connection to move up to the next NCF bandwidth tier for the same NCF price or less. As a reminder, the NCF does not include the individual vendor tail circuit expenses.

The NCF is based on the bandwidth for each connection a member organization is receiving from MOREnet. It covers the costs related to bringing member connections into the MOREnet backbone, Internet access, support of the MOREnet backbone, a connection to Internet2, router management, network security services, after-hours connection monitoring, vendor management, and circuit procurement services.

FY21 NCF Schedule:

Bandwidth (mbps)	FY20 NCF	FY21 NCF	Difference
1.5	\$ 1,104	\$ 1,008	\$ (96)
6	\$ 2,004	\$ 1,500	\$ (504)
10	\$ 2,604	\$ 2,004	\$ (600)
20	\$ 3,396	\$ 2,604	\$ (792)
30	\$ 4,356	\$ 3,396	\$ (960)
50	\$ 6,324	\$ 4,356	\$ (1,968)
80	\$ 9,012	\$ 6,324	\$ (2,688)
100	\$ 10,896	\$ 9,012	\$ (1,884)
250	\$ 13,140	\$ 10,896	\$ (2,244)
375	\$ 19,020	\$ 13,140	\$ (5,880)
500	\$ 24,888	\$ 19,020	\$ (5,868)
625	\$ 31,020	\$ 24,888	\$ (6,132)
750	\$ 37,140	\$ 31,020	\$ (6,120)
875	\$ 41,016	\$ 35,004	\$ (6,012)
1000	\$ 44,868	\$ 40,008	\$ (4,860)
1750	\$ 48,228	\$ 42,000	\$ (6,228)
2750	\$ 51,324	\$ 45,000	\$ (6,324)
4750	\$ 56,604	\$ 50,004	\$ (6,600)
10000	\$ 73,692	\$ 55,008	\$ (18,684)

FOR-FEE SERVICE FEES (FFS)

MOREnet's goal is to hold FY21 FFS fees flat, while covering the direct costs of providing the services. Staff are currently reviewing all FFSs to ensure we remain competitive, or to simplify the service unit or pricing tiers, as applicable.

RECOMMENDED ACTION

None

ATTACHMENT

None

FCC Potential Updates for E-rate and RHC (Rural Health Care) FACT SHEET

The FCC has taken a number of targeted steps to protect the nation's communications networks from potential security threats. With this Report and Order, Further Notice of Proposed Rulemaking, and Order, the FCC would take the next step in ensuring that the public funds in the USF are not used in a way that undermines or poses a threat to national security.

**For more information or
questions, contact the State
E-rate Coordinator:**

Chris Schneider
schneider@more.net
573-882-8429

The FCC circulated Order [FCC-CIRC1911-01](#) that is to be voted upon at the FCC open meeting on November 19, 2019. The order addresses issues of "National Security Threats to the Communications Supply Chain through FCC Programs". The FCC Fact Sheet makes the following points.

- The Order would take the next step in ensuring public funds in the Universal Service Fund are not used in a way that undermines or poses a threat to national security.
- The Order would adopt a rule that prohibits USF funds to purchase or obtain any equipment or services produced or provided by a company that poses a national security threat to the integrity of communications networks or supply chain.
- The Order would initially designate two companies covered by this rule, Huawei Technologies Company and ZTE Corporation.
- The Order proposes to require USF recipients that are eligible telecommunications carriers (ETCs) to remove, from their network, any existing equipment or services provided by covered companies.

RHC Update

The FCC released [Order 19-78](#) on August 20, 2019 to take action to promote program transparency and predictability, and to further the efficient allocation of program funds. Following is a summary of the Order changes.

- In the case where funding demand exceeds available program funding, distribution will be prioritized based on three rurality tiers.
- All HCF consortia applications must meet the majority Rural standard by Funding Year 2020, meaning more than 50% of participating consortia members must be Rural. The majority Rural standard percentage increases by 5% every year following a funding year where funding demand exceeds program funding.
- Competitive bidding period officially opens on July 1 of the prior calendar year.
- Eliminates distance-based support in the Telecom program and establishes a requirement for USAC to determine Rural and Urban rates using a cost-based study.

Notable Points on E-rate for Schools & Libraries

We anticipate an FCC E-rate Category Two (C2) Order soon that may:

- Formalize permanent C2 budget approach for network equipment and maintenance
- Support district-wide or library system-wide budget model and eliminate equipment transfer rules
- Adopt fixed 5-year budget cycle starting in Funding Year 2020
- Increase budget floor to \$25,000
- Expand the Eligible Services List to include firewall features

AGENDA ITEM SUMMARY

MEMBERSHIP AND SERVICE AGREEMENTS, TERMS/CONDITIONS

AGENDA ITEM

Membership and service agreements, terms/conditions

DESCRIPTION

In an effort to provide greater clarity regarding the service term and financial commitment members are making, specifically for connectivity services, with guidance from University general counsel, we are currently working to update our service quotes as follows:

- Changing the quote to a service agreement document
- Revising the approval process to include a MOREnet counter signature
- Adding specific language to the service agreement document that requires the member to acknowledge that s/he has the authority to enter into the agreement on behalf of the organization

MOREnet requires electronic member authorization for service orders and then enters into agreements with third party providers on behalf of our members for connectivity and various other services. Thus, MOREnet becomes party to a contract with the third party provider and is listed as the customer of record for such services. We realize some members require local board approval for our service orders and we have gladly provided the required information and/or presentation to various members' boards in the past.

We count on our member contacts to know and follow their local purchasing policies and procedures and while requiring electronic authorization, we enter into these agreements on our member's behalf in good faith and in our effort to provide the best possible service. Unfortunately, we cannot monitor or enforce local purchasing policies.

Over the years, we have had a few members maintain (well after installation and after having used the connection, even upgraded the connection and paid the annual fees for a number of years) that the member contact of record who originally authorized our electronic quote for the service did not follow proper internal procedure and was not authorized to purchase on behalf of the organization. On this basis, and without MOREnet agreement, the organization has cancelled the connection before the expiration date, leaving MOREnet with the cost of the associated early termination penalties, typically 100% of the monthly recurring rate for the remaining circuit term.

Fortunately, this rare behavior has not created a significant expense for the MOREnet consortium. However, the discussion and associated risk have recently resurfaced as a few organizations are claiming similar internal process failures and disputing previously agreed upon (through the service quote) responsibility for early termination penalties. Should several additional members follow suit, leaving early termination penalties for the consortium which is not prepared to absorb such debt, it could create a financial burden for the consortium and negatively impact member fees, which we strive to hold flat or reduce when possible.

We believe these latest changes will further mitigate financial risk to the consortium.

RECOMMENDED ACTION

None

ATTACHMENT

Sample Service Agreement



Service Agreement

Summary

Agreement Number 00007376 Created Date 11/13/2019

Account Name MOREnet - Internal

Contact Kevin Gilmore Prepared By Docu Sign

Email kevin@more.net Email appservices.mnet@gmail.com

Phone (573) 884-7214

Product	Line Item Description	Quantity	Price	Unit	Term	Total
Circuit 1 Gbps	Circuit 1 Gbps	1.00	\$0.00	MONTH	20-YEAR	\$0.00
Membership Service Package (MSP) - Basic	Membership Service Package (MSP) - Basic	1.00	\$556.92	MONTH	1-YEAR	\$556.92
Netsweeper ICF Network Filtering Licenses and Hosting Fee	Netsweeper ICF Network Filtering Licenses and Hosting Fee	1.00	\$4.80	YEAR	1-YEAR	\$4.80
SecondWeb Hosting Service	SecondWeb Hosting Service	1.00	\$13.67	MONTH	1-YEAR	\$13.67

Grand Total \$575.39

Terms & Conditions

- The services listed are subject to the MOREnet Participation Agreement, Service Policies (www.more.net/service-policies), and individual service terms (www.more.net/terms-and-conditions).
- MOREnet may enter into 3rd party agreements, on behalf of the Member, in fulfilling the services on this agreement. Prices listed are provided in good faith based on the latest information available.
- Members are responsible for actual costs and all associated early termination fees and/or cancellation penalties.
- All circuits and 3-Year Membership Service Packages carry applicable early termination fees and/or cancellation penalties, up to 100% of service cost.
- As applicable, circuit term and financial commitment begin at the actual date of installation.
- As applicable, the federal Universal Services Fund (USF) discount reflected will vary from year-to-year and is contingent upon the Member maintaining compliance with the USF program guidelines.
- Services with a 1-Year term will automatically renew for the next service term unless otherwise specified. Member will be notified of any service fee changes in advance of the next service term.
- The Person Signing this Service Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations here-under have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms. Authorization of this agreement will constitute a firm order for the services listed.

MOREnet - Internal

DocuSigned by:

Hank Mederhelm

8E1DE9F7608C412...
Signature

MOREnet

DocuSigned by:

Lynn Burgan

95CCB6FFEC1B486...
Signature

AGENDA ITEM SUMMARY

MISSOURI HIGH SCHOOL CYBERSECURITY CHALLENGE RECAP

AGENDA ITEM

Missouri High School Cybersecurity Challenge Recap

DESCRIPTION

Cyber security skills are in high demand, and the demand is increasing. It's estimated that there will likely be 3.5 million unfilled cyber security jobs by 2021. It's vitally important to expose students to cyber security concepts and practices; learning how to penetrate a network from a hacker's viewpoint helps prepare future cyber security experts for the challenges they'll face on the job.

Because of our ongoing commitment to take on challenges facing Missourians and to help develop a stronger workforce ensuring a bright future for the state, over the summer, MOREnet began a statewide effort to invite all Missouri high schools to participate in the state's first cyber challenge. Through a partnership with the Missouri Cybersecurity Center of Excellence (MCCOE) and the Merit Network, our peer research and education network in Michigan, the competition began in September. The contest highlighted various methodologies about applied critical thinking as it relates to securing a network.

On Oct 9, ten teams of three students each competed in the finals, held at Tan Tar A Resort in Osage Beach. The top 10 finalists were chosen through the first-round competition among more than 50 participating teams from across the state.

First Place: Vianney 1, St. John Vianney High School
Second Place: Renegades, Summit Technology Academy
Third Place: MID, Summit Technology Academy

The first place team received a \$5000 grant toward the school's cyber security program. Each member of the first-place team received:

- Scholarship offer from Drury University (set amount renewable for four years)
- Scholarship offer from Lindenwood University (set amount renewable for four years)
- Scholarship offer from University of Missouri - Columbia (set amount renewable for four years)
- One-year subscription to StormWind cyber security training

The second place school received a \$3000 grant toward the school's cyber security program. The team members each received a scholarship offer from University of Missouri's College of Engineering. (one time).

The third place team received a \$2000 grant toward the school's cyber security program. Each team member received a scholarship offer from University of Missouri's College of Engineering. (one time).

The grants to schools were coordinated by the Missouri Cybersecurity Center of Excellence. They worked with donors to secure the prize money.

We are already planning the 2020 event, which will include both high school and college students.

See UM System's event coverage: <https://www.umsystem.edu/stories/morenet-cybersecurity-challenge-announces-winners>

RECOMMENDED ACTION

None

ATTACHMENT

None