



John R. Kasich, Governor
Jim Petro, Chancellor

Directive 2011-023

September 9, 2011

RE: CONSOLIDATION OF CONSORTIA

The Chancellor of the Ohio Board of Regents has created five consortia organizations under the Chancellor's authority granted in division (U) of section 3333.04 of the Ohio Revised Code. The consortia's are OARnet, Ohiolink, Ohio Learning Network, Ohio Supercomputer Center and Articulation and Transfer Network. The authority over these entities is prescribed in the Ohio Revised Code below:

ORC 3333.04(U): Appoint consortia of college and university personnel to advise or participate in the development and operation of statewide collaborative efforts, including the Ohio supercomputer center, the Ohio academic resources network, OhioLink, and the Ohio learning network. For each consortium, the chancellor shall designate a college or university to serve as that consortium's fiscal agent, financial officer, and employer. Any funds appropriated for the consortia shall be distributed to the fiscal agents for the operation of the consortia. A consortium shall follow the rules of the college or university that serves as its fiscal agent. The chancellor may restructure existing consortia, appointed under this division, in accordance with procedures adopted under divisions (O)(1) to (6) of this section.

The Ohio Academic Resources Network known as OARnet was established in 1987 and serves Higher Education, K-12 hubs, PBS stations, State and Local governments and Healthcare by providing access to affordable broadband services. The role of OARnet has expanded in the past several years to include aggregate purchasing opportunities (VMWare) and shared services to higher education and the board of regents. OARnet has 70 staff members and an annual budget of \$19,911,868.00. The Ohio State University is the fiscal agent for OARnet and they are located on west campus.

Ohiolink is the consortium that serves higher education libraries throughout the State of Ohio. It provides access to 48 million library items, 9,000 electronic journals and 150 research databases serving 90 member institutions. Ohiolink has 14 staff members and an annual budget of \$6,100,000.00. Its fiscal agent is Wright State University and the offices are located downtown.

The Ohio Learning Network (OLN) is the consortium that works with higher education, schools, policy makers, business and industry, government and local communities using technology to expand educational opportunities for Ohioans. OLN has 15 employees and an annual budget of \$2,532,688.00. Its fiscal agent is The Ohio State University and the offices are located downtown.

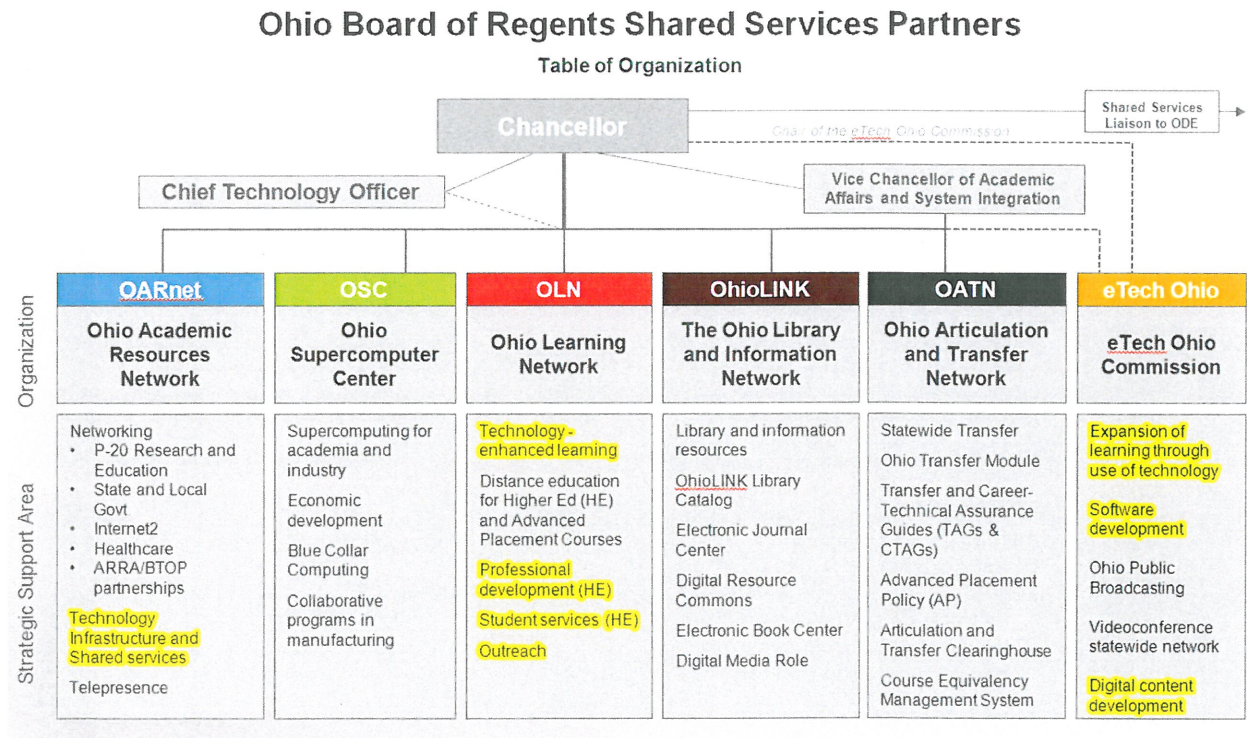
The Ohio Supercomputer Center (OSC) was established in 1987 and is the consortium providing statewide, shared advanced computing hardware and expertise to higher education and statewide economic development efforts. OSC has 29 staff members and an annual budget of \$3,347,418.00. Its fiscal agent is The Ohio State University and the offices are located on west campus.

The Ohio Articulation and Transfer Network is the consortium servicing higher education and the seamless transfer of students within Ohio’s public universities. The Articulation and Transfer Clearinghouse provides institutions receiving transfer students with additional electronic information regarding how a transfer student’s current coursework matches with his or her new institution’s coursework that is guaranteed to transfer and apply through the Ohio Transfer Module (OTM) and Transfer Assurance Guides (TAGS). This helps receiving institutions consider transfer credits in a consistent manner across the state. It has 13 staff members and an annual budget of \$2,000,000.00. Its fiscal agent is Wright State University and the offices are located within the Board of Regents.

Following the Governor’s directive to streamline state operations, removing duplication and saving money through efficiency, a careful review of all the consortia was conducted and significant areas of concern were uncovered: the shared services model lacks governance and control of software, systems development and maintenance, and the absence of a comprehensive IT budget.

Identifying the duplication within the Consortia

The chart below shows the actual duplication among our consortia and the eTech commission.



The above chart shows specific examples of our consortia performing very similar or identical tasks as other consortia or the eTech commission.

The Chancellor of the Ohio Board of Regents consolidation plan

By having all these organizations operate independently with individual administrative, technological and management functions seems redundant and inefficient not to mention that each organization is using different technology platforms. Upon this discovery, the Chancellor began developing a plan to merge Ohio Academic Resources Network, Ohio Supercomputer Center, Ohio Learning Network and shifting all IT personnel from Ohiolink into a single consortium at The Ohio State University called the Ohio Technology consortium (OH-TECH). By merging the organizations into a single consortium the Chancellor can leverage existing strengths for each organization and enable those organizations to concentrate on their core mission.

The Chancellor and the President of The Ohio State University will enter into an agreement regarding the operations and management of the Ohio Technology Consortium.

The consolidation will result in an estimated saving through personnel reductions of \$650,000 in year one, after factoring in potential severance costs associated with the reductions in staff. The year two savings projections are estimated at \$850,000.00 per year. Once the merger of the consortia is complete our goal will be to look for additional efficiencies of operation within the organization.

Also, the Ohio Learning Network is re-defined by the most recent Budget Bill, House Bill 153, moving the Distance Learning Clearinghouse to Ohio State College of Education. The remaining functions of the organization are easily folded into the single consortium. The eTech Commission will no longer be contracted with to provide software development for any BOR initiative and will have more time to dedicate to re-focusing its mission in the near future to provide specific accountable and measurable goals.

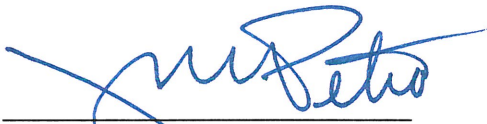
The current committees for OSC and OARnet shall continue as committees but are hereby reconstituted to be advisory committees rather than governance committees. The committees shall advise the director of the respective division within OH-TECH on broad policy decisions. In addition, the director of OSC shall serve on the advisory committee for OARnet and the director of OARnet shall serve on the advisory committee for OSC.

OH-TECH will function as the umbrella organization for Ohio Supercomputer Center cutting edge research, OARnet expansion of the Broadband network to Ohio Higher Education, K-12 and State and Local government, providing the IT infrastructure to the BOR and offering cutting edge and innovative student services for higher education customers in Ohio. OH-TECH will provide all fiscal and human resources needs for each of its divisions.

OSC and OARnet, shall continue their current functions, until the Chancellor, upon advice of their advisory boards provide further guidance or change of the functions. All funds appropriated to the individual consortia in the House Bill 153 remain dedicated to the specific divisions within OH-TECH and OH-TECH shall use such funds as the law permits. OLN is hereby dissolved and the division of student services within OH-TECH is established, and is the successor to OLN.

This Directive was posted for public comments. Pursuant to Section 3333.04 (U) of the Ohio Revised Code, I hereby create a single consortium, Ohio Technology consortium (OH-TECH), with The Ohio State University as its fiscal agent, and restructure OSC, OARnet, and OLN to be divisions within OH-TECH. By operation of this Directive, all previous Directives of the Board of Regents related to the formation and/or governance of prior consortia know as Ohio Academic Resources Network, Ohio Supercomputer Center, Ohio Learning Network and Ohiolink that are inconsistent with this Directive are hereby rescinded.

This Directive is effective immediately, by



Jim Petro
Chancellor, Ohio Board of Regents