

April 23, 2014

Local Libraries' Internet Services

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Al Muratsuchi, Chair





Background



Report on Local Libraries' Internet Services Recently Released

- Required by the Legislature in the *2013-14 Budget Act*.
- Found that many libraries have slow Internet speeds (as defined by the State Library).
- Found that more than half of library jurisdictions do not obtain federal and state Internet service discounts.
- Presented three options for improving Internet speeds relative to the status quo: (1) the State Library would oversee regional library consortia that would work cooperatively to purchase Internet services, (2) local libraries would connect to the California Government Enterprise Network, and (3) local libraries would connect to the Corporation for Education Network Initiatives in California (CENIC).
- Recommended contracting with CENIC.



Governor's Proposal



State Would Provide \$4.5 Million Annually for CENIC Contract

- State Library would enter into a contract with CENIC for local libraries to access CENIC's high-speed Internet backbone and other services.
- \$2.25 million would come from the General Fund.
- \$2.25 million would come from the California Teleconnect Fund (CTF), a state special fund.



State Would Provide Small Amount of One-Time Funding for Library Equipment

- State would provide \$1 million in one-time funds in each 2014-15 and 2015-16 for local libraries' basic networking equipment.



Local Libraries Would Pay for All Other Costs

- Local libraries would pay for "last-mile" connections from their sites to the CENIC backbone or another CENIC-connected site.
- These last-mile connections may include both one-time infrastructure and ongoing operating costs. (Last-mile connections are provided by commercial Internet companies.)

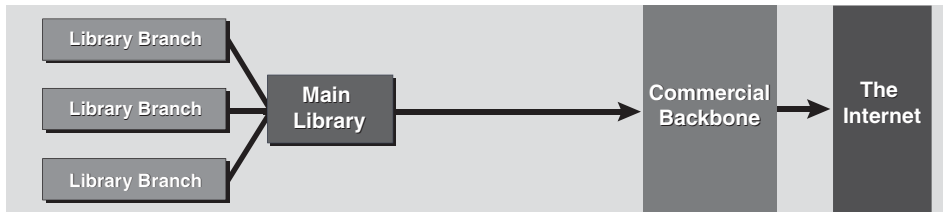


Governor’s Proposal

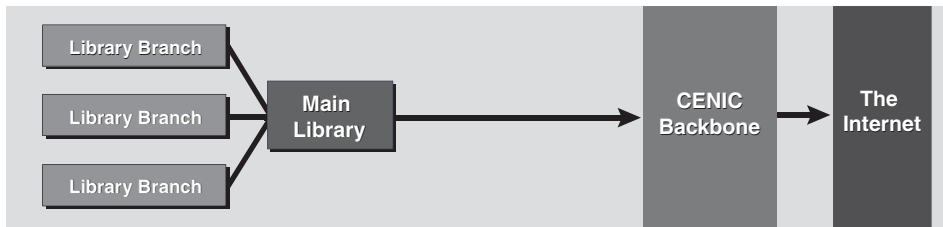
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Comparing Current Internet Connectivity Model With CENIC Connectivity Options^a

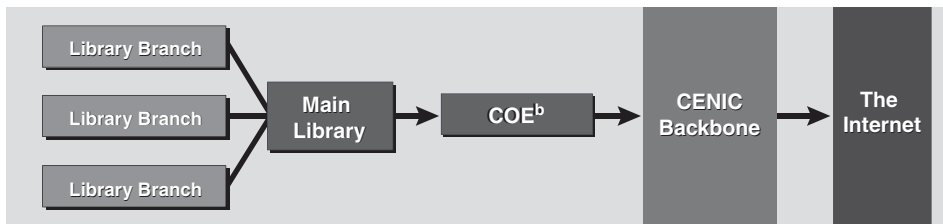
Current Internet Connectivity Model



Connectivity Option #1



Connectivity Option #2



^a Distances not to scale. Distance from branches to main library and from main library to backbone or other sites vary significantly across the state.

^b Could be any site—COE, CCC, CSU or UC—already connected to CENIC backbone. Libraries likely would enter into memorandums of understanding with these sites to gain access to their connections to the CENIC backbone, with some chance of incurring associated costs.

CENIC = Corporation for Education Network Initiatives in California and COE = county office of education.



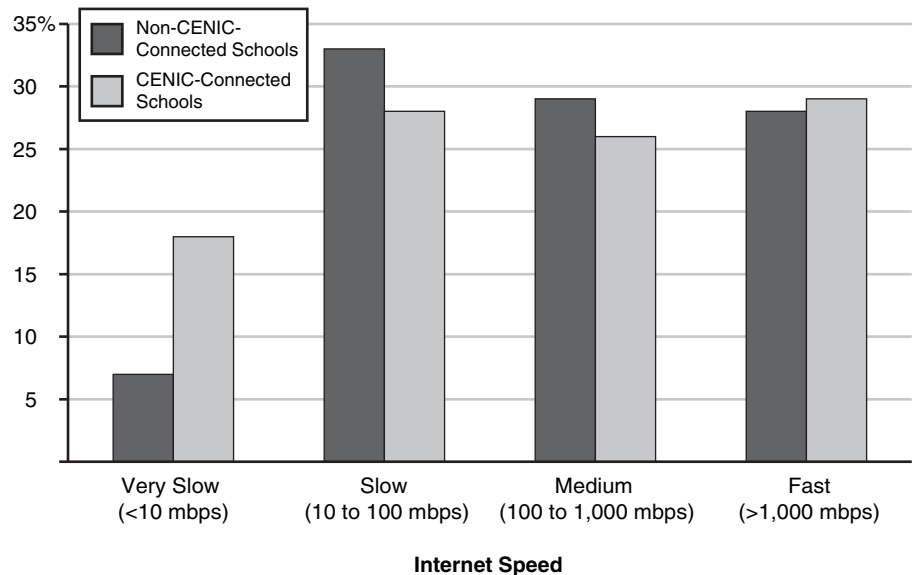
LAO Assessment



Proposal May Not Increase Internet Speeds at Many Local Libraries

- Local libraries may not be willing or able to pay commercial Internet companies for fast last-mile speeds.
- For many libraries, achieving fast speeds would be impossible without costly infrastructure upgrades. We estimate these upgrade costs are about \$85 million statewide.
- Data on schools connected to CENIC show many schools still have slow Internet speeds for these reasons.
- Schools not connected to CENIC have similar Internet speeds as schools connected to CENIC.

Internet Speeds at Schools Connected to CENIC's Backbone Are Similar to Those Not Connected^a



^a Shows data for 6,922 CENIC-connected schools and 1,015 non-CENIC-connected schools together representing roughly 90 percent of all public, noncharter schools in California. Speed categories match those included in the State Library's 2014 connectivity report.

CENIC = Corporation for Education Network Initiatives in California and mbps = megabits per second.



LAO Assessment

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Proposal Lacks Adequate Cost Information

- CENIC has provided conflicting information regarding actual cost for libraries to use its Internet backbone and receive related services.
- Proposal does not address what happens if CTF cannot pay for half of CENIC contract.
- No documentation provided to support request for local library equipment.
- Proposal does not account for costs of last-mile connections.



LAO Recommendations



Recommend Legislature Reject Governor's Proposal

- Proposal unlikely to increase Internet speeds for many libraries and lacks adequate cost information.



Recommend Focusing on Improving Existing Programs

- State already (1) provides substantial discounts on Internet services for libraries and other organizations; (2) negotiates bulk purchasing agreements with commercial Internet providers for local agencies, including libraries; and (3) offers substantial subsidies to commercial Internet providers to build infrastructure in unserved and underserved areas.
- Improvements to these programs could result in benefits not only for libraries but also schools, hospitals, health clinics, community organizations, and various other public (and even private) entities.