
FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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GOVERNOR'S BUDGET HEARING — IOWA COMMUNICATIONS NETWORK

On November 15, 2018, Governor Kim Reynolds held a budget hearing for the Iowa Communications Network (ICN). Executive Director Philip Groner stated that the ICN does not have a budget request for FY 2019 as the ICN receives all of its operational funding through billing for services it provides to State agencies, educational institutions, the health care industry, and public safety departments. The projected budget for FY 2020 is \$32.7 million, approximately \$926,000 more than FY 2019.

Director Groner also provided updates on the ICN's programs and activities over the last year. While the ICN has generated positive cash proceeds for 7 of the last 10 fiscal years, FY 2019 was an exception due to \$10.0 million in capital expenses for necessary core network upgrades, a 10.0% reduction in Internet rates for government entities, a restructure in Internet service to education clients (resulting in approximately \$1.0 million in savings for education clients), and clients reducing their own expenditures due to decreasing resources.

The ICN is also endeavoring to improve service and reduce costs in the following ways:

- Reducing legacy network maintenance costs by decommissioning older equipment.
- Contracting with private providers to avoid future capital expenditures.
- Merging landline and wireless 911 services into one system.
- Developing public-private partnerships, creating greater financial and operational efficiencies.

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