

Iowa Department of Transportation  
Fiscal Year 2006  
Report of Savings by Using Video Conferencing  
Through Iowa Communications Network

to the Iowa General Assembly

Pursuant to Chapter II 84  
Acts and Joint Resolutions  
enacted at the  
1994 Regular Session  
of the 75th General Assembly  
of the State of Iowa

**Code section 8D.10**  
**Report of Savings by State Agencies**

January 2007

## **Introduction and Summary**

Iowa Code section 8D.10 requires that certain state agencies prepare an annual report to the General Assembly certifying the identified savings associated with that state agency's use of the Iowa Communications Network (ICN).

This report covers estimated cost savings related to video conferencing via ICN for the Iowa Department of Transportation (DOT).

In FY 2006, the DOT conducted two sessions utilizing ICN's video conferencing system which resulted in \$13,017 in estimated savings to the DOT.

## **DOT Video Conferences**

The DOT has seven small video conference sites located at five of the six DOT district offices, the administration building in Ames, and the Park Fair DOT office in Des Moines. Each year the DOT staff utilizes the ICN's classroom video sites or network for video conferences requiring more space or for conferences at locations where the DOT does not have video facilities.

In FY 2006, the DOT established two video conference training sessions with ICN. The estimated cost savings from using the ICN resulted from applying estimates to savings in staff time and travel expenses (meals and mileage). The following are other benefits of video conferencing not included in the cost estimates:

- broader participation by more people allowing for enhanced input and discussion;
- timely information-sharing;
- productive participation through visual sharing not offered by telephone conferences;
- more productive relationships between central office and geographically dispersed customers; and
- the ability to videotape meetings to share with others or keep as historical record.

## **Video Conferencing Costs**

The DOT reimburses ICN for a video conference session when the DOT is the scheduling agency or if there are special requirements such as the use of an ICN classroom. The DOT is not billed for ICN video conference sessions if the session was scheduled by another agency.

## **DOT Cost Savings in FY 2006**

The following chart details the cost savings estimated for the DOT's use of ICN video conferencing in FY 2006. Note: The savings shown below are rounded to the nearest dollar.

Number of video conferences held	2	
Number of non-DOT participants	11	
Number of DOT participants	120	(conducted 2 sessions via ICN to 7 locations)
Travel miles avoided	685	
Vehicle cost savings	\$ 4,981	
Meal cost savings	\$ 660	
Travel time savings	<u>\$ 7,563</u>	
Total estimated savings		\$ 13,204
Less direct cost of using ICN		<u>\$ 187</u>
Net savings for FY 2006		\$ 13,017

This savings applies only to the DOT staff who participated in the sessions. Conferences included non-DOT staff. Cost savings accrued to non-DOT staff are not included in these estimates.

## **Assumptions Used for Cost Savings Computation**

Estimated amounts are based on the following assumptions:

- meetings would have been held at the DOT host site or, in the case of training sessions, the DOT trainer would have traveled to multiple sites to provide the training;
- at least one participant from each site would have traveled to the meeting site;
- the DOT's mileage cost savings are based on travel miles avoided, multiplied by the state car rate of 26 cents per mile;
- meal cost savings are based on in-state meal reimbursement limits;
- distances between cities are calculated using the data shown on the Iowa Transportation Map; and
- productivity gains are calculated using travel time avoided (miles driven divided by 55 miles per hour) multiplied by an hourly rate, excluding fringe benefit cost. The productivity gains are determined by using the most prevalent job classification of the attendees for each session. For the January session an hourly rate of \$44.24 was used, the hourly rate for a transportation engineer administrator. For the March session an hourly rate of \$19.97 was used, the hourly rate for an equipment operator.

**Appendix A**  
**Iowa Department of Transportation**  
 (Cost in whole dollars)

	Length of Session Hours	Sites	Participants	Travel (Y/N)	Distance	Productivity	Lodging	Meals	Travel-IN	Other	Room Charge	ICN Cost	Savings	Y-T-D Savings
1/13/06	4	Interface A - Johnston	0	0	0	0	0	0	0	0	0	34	-34	-34
	4	Bettendorf - CC1	4	0	173	1113	0	44	360	0	0	34	1483	1449
3/15/06	2	Interface B -Johnston	0	Y	0	0	0	0	0	0	0	17	-17	-17
	2	Ames - Scheman	30	Y	0	0	0	0	0	0	0	17	-17	-34
	2	Cedar Rapids - Public Library	2	Y	102	148	0	12	106	0	0	17	249	215
	2	Chariton - Army National Guard	20	Y	54	784	0	120	562	0	0	17	1449	1664
	2	Cherokee - Mental Health	20	Y	157	2280	0	220	1633	0	0	17	4116	5780
	2	Creston - SW Community College	20	Y	79	1147	0	120	822	0	0	17	2072	7852
	2	Mason City - NIA Area Com College	24	Y	120	2091	0	144	1498	0	0	17	3716	11568
			116		512	6450	0	616	4621	0	0	119	11568	
		Total	120		685	7563	0	660	4981	0	0	187	13017	