

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$50,000		See Below	
CASH FUNDS				
FEDERAL FUNDS			See Below	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$50,000</b>			

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 1026 amends current intent language regarding goals of the state in terms of the utilization of educational technology to enhance educational services and broaden educational opportunities for Nebraska learners. The use of digital educational content is promoted as is the use of student information data systems for the benefit of parents, educators, and students. The bill requires the development of an instructional support and improvement system plan.

The bill also provides duties and responsibilities for the Educational Technology Center in the State Department of Education (NDE). It creates a position of PK-12 Chief Integration Officer to lead the work of the center. The bill requires the department to organize and develop a repository of digital education courses, learning objects and other digital resources. NDE is also to develop a statewide instructional improvement system that supports personal learning. The system is to include virtual educator standards; Nebraska meta tag standards; an open education resources library; digital books library; digital learning teacher certification process; and, integrated instructional resources connected to an education data dashboard system. The department is also to provide technical assistance to educators in accessing digital systems and resources.

Background: NDE has used several large (SLDS – statewide longitudinal data systems) federal grants received in FY2007 (\$3.5 million) and FY2012 (\$4.4 million) to upgrade the methods used by school districts to submit and access data. The department recently applied for a \$7 million federal SLDS grant but was turned down. NDE also requested \$14.2 million of general funds in its biennial budget request for FY2015-16 to implement an instructional improvement system and a student data information system. The agency requested \$16.6 million of general funds for FY2016-17 to continue the projects started in FY16 and to add an eLearning project to procure electronic learning objects for distribution to public schools. The Legislature did not fund any of these requests nor has the Appropriations Committee, at this point in time, approved a \$550,000 request for FY2016-17 for data hosting services and technical support for the statewide data system.

NDE is currently in the process of implementing many of the aspects of LB 1026. The implementation requires collaboration and planning with multiple partners such as school districts, the NITC, ESU's, NETC, colleges, the University, etc. The fiscal note prepared by NDE indicates the department will work with its partners to develop a more refined targeted approach in the next biennium. It is possible that collaboration with school districts may result in the use of state aid resources to help provide support to modernize, secure and sustain digital educational systems which are currently in development.

Fiscal Impact of LB 1026: It is apparent, based upon NDE requests for state and federal funding, the bill will have a significant fiscal impact. NDE indicates the passage of LB 1026 will not require immediate fiscal investments and the department will not add a new PK-12 Chief Integration Officer as authorized at the present time. The department proposes that \$50,000 of general funds be provided in FY2016-17 to contract with a consultant to facilitate the development of a strategic plan. A goal of the plan is to identify initiatives, funding efforts and activities that occur in isolation at NDE, ESU's, schools districts and other entities for possible integration in the future.

The fiscal impact of the bill after the initial year of implementation will depend upon the recommendations from the strategic planning process as to the possibility of integrating local, state and federal resources.

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2016

LB<sup>(1)</sup> 1026

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Department of Education

Prepared by: <sup>(3)</sup>

Dean Folkers

Date Prepared: <sup>(4)</sup>

1/27/2016

Phone: <sup>(5)</sup>

402-471-4740

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>50,000</u>	<u></u>	<u>TBD</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>50,000</u>	<u></u>	<u>TBD</u>	<u></u>

Explanation of Estimate:

The opportunity to fully implement aspects of LB1026 requires collaboration and planning of multiple partners. The Department is reviewing previous requests for funding and working with partners across the state to develop a proposal that will be submitted to the NITC for review, infused into the biennium technology plan process, and provide for a more refined targeted approach in the next biennium. The plan will also propose a concept of “services in lieu of aid” that would enable use a portion of future aid resources in support of modernizing, securing, and sustaining the systems, as well as provide all learners in Nebraska access to the digital resources and tools available now and in the future. The approach would also allow the state to modernize the textbook loan program and supports for all students across Nebraska.

The fiscal note includes the following estimates and approaches:

**FY 2016-17**

The primary expenditures associated with the changes in the bill do not require significant immediate fiscal investments, but rather establish an opportunity to modernize the intent and purposes of the educational technology center. There is an opportunity to engage a contractor to support the strategy and planning along with identifying the numerous initiatives, funding efforts, and activities that occur in isolation at NDE, ESU’s, School Districts, and other resources sources. Estimates to achieve this planning and documentation are \$50,000. Initial identification of current expenditures that could be considered for integration include textbook loan (~\$500,000), software licensing at the local, regional and state level (~\$75,000,000/annually), Open Education Resources, National Repository of Online Curriculum (NROC) (~300,000), along with many other opportunities for coordination and efficiency. In addition, a primary opportunity to increase the focus and consistent application of student data privacy and security associated with educational technology for schools in Nebraska.

**FY 2017-18**

Absent the comprehensive strategy and plan it is not possible to provide a realistic estimate for expenditures for the 17-18 year. Some examples of expenditures that may be a part of the future plan include:

- Contractor Support for evaluating options for integration and implementing systems, including provide high level technical expertise, project management, and digital implementations
- Contract IT Staff Augmentation
- Statewide Enterprise Licensing of key resources to provide services to all students.
- Evaluation and Analytics to support evaluation of use, impact of resources, and scope of students/ teachers/ parents served
- Professional Development Streamline Support

- Coordinated and Integrated Help Desk support
- Coordinated Marketplace for schools

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....CONTRACTS.....			50,000	TBD
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>50,000</b>	<b>TBD</b>