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STATE OF NEBRASKA

OFFICE OF THE CHIEF INFORMATION OFFICER

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The Office of the CIO is prepared to announce the 2010-11 Network Nebraska-Education fees and also update you on a number of exciting developments relative to the statewide education network.

In July 2009, in fulfillment of an NITC action item, the first ever Network Nebraska Advisory Group (NNAG) was formed—comprised of 16 individuals from K-12 and higher education. These members have met seven times and indirectly represent the interests of all 236 entities presently on the K-20 network. Their job is to provide strategic vision and operational recommendations to the Office of the Chief Information Officer as we manage and grow the network. NNAG website:
<http://nitc.nebraska.gov/NNAG/index.html>

The NITC Education Council Services Task Group has compiled a list of Network Nebraska-Education benefits and services. (See attached) In December 2009, the NITC Education Council Marketing Task Group completed its second annual Network Nebraska Marketing Survey. The participant responses suggest that they are becoming more comfortable with the network reliability and costs and now label "Student Learning Opportunities" as their #1 priority. This could be an indication that the network is maturing and that participants can now turn their attention to investing and implementing more Intranet-based applications. Network Nebraska Marketing Survey Report:
http://nitc.nebraska.gov/NNAG/meetings/documents/20100715/NNMarketingSurveyReport_20100228.pdf

The Office of the CIO is enthused to report that two new services will be implemented on the K-20 network in summer 2010. As a result of a request from ESU network operations staff, two new **traffic shaper devices** have been purchased and will be installed in Lincoln and Omaha. These new appliances will guarantee purchased bandwidth and allow network administrators to coordinate with Network Nebraska staff to add custom shaping rules unique to their network. The University of Nebraska also finished an RFP for **Network Management software** and will be awarding and purchasing within the next couple months. This enterprise contract will allow Network Nebraska entities to better manage their network data and provide a dashboard for various network management tools.

I am excited to report that four new independent colleges and one public community college will be joining Network Nebraska during summer 2010. That completes the provision of access for the public higher education sector, as tasked by the Legislature in 2006 and broadens the base for cost sharing to make Network Nebraska affordable and sustainable by all participating entities. An invitation to participate will again be extended to the schools in the ESU 3, 4, 5, 6 region to join Network Nebraska in Summer 2011. **The NNAG also recommended the discontinuation of double-billing six small rural districts and two ESUs for multiple circuits into Network Nebraska. That reduced the entity number by eight, which added an additional \$6.62/month to each entity's monthly participation fee.**

As you probably know, the State of Nebraska bid for Internet service for Network Nebraska for 2010-2012 and was successful in reducing the unit price for E-rate-eligible Internet access by 60%, from \$15/Mbps/month down to \$6.10/Mbps/month. As a result, the regional K-12 consortia increased their Internet bandwidth purchases by 60%, effective July 1, 2010.

Because of the significant increase in Internet bandwidth, the Network Nebraska backbone will increase in cost from \$258,145 for 2009-10 to \$316,788 for 2010-11. Because of Nebraska's statewide consortium reimbursement of 70% from the Federal E-rate program, the monthly Interregional Transport rates will increase only slightly.

The Network Nebraska Advisory Group, the OCIO financial solutions team, and the Collaborative Aggregation Partnership (CAP) have been reviewing the network revenue and expenses for 2009-10 and are prepared to announce the 2010-11 rates.

2007-08 (Phase I - 94 entities participating)

Network Nebraska Participation Fee	\$200.00/entity/month (K-12, Higher Ed)
Interregional Transport Fee (Pre-Erate)	\$ 0/entity/month (no backbone required in Year 1)
Interregional Transport Fee (Post-Erate)	\$ 0/entity/month (no backbone required in Year 1)

2008-09 (Phases I, II - 182 entities participating)

Network Nebraska Participation Fee	\$197.80/entity/month (K-12, Higher Ed)
Interregional Transport Fee (Pre-Erate)	\$ 93.35/entity/month (Higher Ed billed amount)
Interregional Transport Fee (Post-Erate)	\$ 34.21/entity/month (K-12 billed amount)

2009-10 (Phases I, II, III - 231 entities participating)

Network Nebraska Participation Fee	\$192.47/entity/month (K-12, Higher Ed)
Interregional Transport Fee (Pre-Erate)	\$ 92.72/entity/month (Higher Ed billed amount)
Interregional Transport Fee (Post-Erate)	\$ 34.48/entity/month (K-12 billed amount)

2010-11 (Phases I-IV - 228 entities participating)

Network Nebraska Participation Fee	\$195.13/entity/month (K-12, Higher Ed)
Interregional Transport Fee (Pre-Erate)	\$115.78/entity/month (Higher Ed billed amount)
Interregional Transport Fee (Post-Erate)	\$ 36.45/entity/month (K-12 billed amount)

I want to alert you that the Office of the CIO will be switching to a more efficient, automated monthly billing system starting with your July 1, 2010 billing. Invoices will now reach you in the first week of the following month (on or about August 7) instead of the third week of the current month (on or about July 20). We continue to appreciate that many ESUs have agreed to rebill their schools in an effort to help us keep our administrative costs contained.

As CIO for the State of Nebraska, I am both proud and humbled to be associated with this public-private, federated project conceived by the Legislature. Due to the cooperative spirit of Nebraska education entities, you have found a way to work together, share costs, and grow this network to serve over 250,000 Nebraska students. By aggregating your Internet demand, you have now leveraged one of the lowest unit prices for Internet access in the entire country. You are one of only a small number of networks completely funded by the participants, themselves. In these tough economic times, you have been able to continue to make advancements in data management technology that improve the security and reliability of the overall network. For this, I commend you.

If you have questions or comments about the contents of this packet, please contact me at brenda.decker@nebraska.gov or you can reach me at 402-371-3717.

Sincerely,



Brenda L. Decker
Chief Information Officer
State of Nebraska

COMPREHENSIVE LISTING OF NETWORK NEBRASKA— EDUCATION SERVICES AND BENEFITS (4/21/2010)

Student Learning Opportunities

- Statewide Clearinghouse and Videoconferencing Scheduling Software (i.e. Renovo)
- High quality exchange of Nebraska K-12 and college video distance learning classes
- High bandwidth Internet2 access to over 50,000 education partners and content providers
- Internet2 programming and virtual museum trips from across the U.S./world

Connectivity/Transport

- Intranet Ethernet connectivity to all 235+ Network Nebraska participants and Nebraska Dept of Education
- Interregional (high bandwidth backbone) Transport between Grand Island, Lincoln and Omaha
- Access to commodity Internet1 service (state contract purchase)
- Internet2 access and Internet2 Commodity Peering/Routing to over 60,000 companies
- Limited co-location rack space at Grand Island, Lincoln and Omaha core locations on a space available basis
- Core router and core infrastructure cost avoidance through State and University of Nebraska partnerships

Network Management/ Monitoring

- 24/7 network monitoring and call center
- Toll-free Network Nebraska number, 1-888-NET-NEBR (638-6327)
- Automated Notification System services
- Network abuse and nefarious activity monitoring
- Bandwidth measuring and assistance
- Level 1 network troubleshooting and support on Network Nebraska - Education backbone, core network devices and State Contract and University of Nebraska contracts for Internet access
- Level 2 network troubleshooting and support on wide area networking and other participant routing and DNS issues
- Level 2 video/scheduling troubleshooting and support
- Traffic shaping of Network Nebraska Internet bandwidth
- Onsite and/or remote technician assistance, upon request

Administrative/E-rate

- RFP development and State Master Contract negotiations
- E-rate filing on the K-12 eligible portion of the Interregional Transport
- Sponsored Education Group Participation (SEGP) Membership
- Establishing the yearly eligibility list for LB1208 Distance Education Incentive Dollars and Equipment Reimbursements
- Management of the statewide purchase contracts for statewide scheduling, WAN services, Internet access, Cisco equipment, and videoconferencing equipment.
- E-rate archiving of bid documents, invoices, correspondence
- Continual Management of Consortium Letters of Agency to maintain E-rate eligibility
- OCIO Financial Solutions Services for budget development and vendor service orders
- State Billing services for Network Nebraska Participation Fee and Interregional Transport
- Network Nebraska website (www.networknebraska.net) development and support
- Staff support for the Network Nebraska-Education Advisory Group
- Informational presentations about Network Nebraska, upon request

	A	B	C	D	E	F	G
1	Network Nebraska Interregional Transport Fee				Cost Recovery Period		
2							
3	Date of Last Revision: June 8, 2010	Units	# of Payments Per Year	Price	Cost	Life Cycle	Annualized Cost
4							
5	master lease interest rate						5%
6							
7	Hardware:						
8					\$0	1	\$0
9							
10	Software:						
11					\$0	1	\$0
12							
13	Labor Costs:						
14					\$0	1	\$0
15							
16	Backbone Transport Circuit Costs (See Footnote)						
17	Grand Island to Omaha, 0Mbps Qwest + 200Mbps NNNC	1	12	\$0.00	\$0.00	1	\$0
18	Lincoln to Omaha, 600Mbps State Disaster Recovery Fiber	1	12	\$0.00	\$0.00	1	\$0
19	Grand Island to Lincoln, 800Mbps Qwest	1	12	\$5,424.95	\$65,099.40	1	\$65,099
20							
21	Routing & Aggregation Circuits (See Footnote)						
22	Omaha, 800Mbps (QMOE)	1	12	\$5,117.60	\$61,411.20	1	\$61,411
23	Lincoln, 800Mbps (QMOE)	1	12	\$5,117.60	\$61,411.20	1	\$61,411
24	Grand Island, 1200Mbps (QMOE)	1	12	\$8,349.60	\$100,195.20	1	\$100,195
25	Grand Island, 300 Mbps (Charter Business)	1	12	\$2,347.55	\$28,170.60	1	\$28,171
26							
27	Other:						
28	Non-recurring Cost (Charter Business)	1	1	\$ 500	\$500	1	\$500
29							
30							
31							
32	Total						\$316,788
33							
34	Projected Units of Sale						228
35							
36	Annual Cost Per Unit (Pre Erate)						\$1,389.42
37	Monthly Cost Per Unit (Pre Erate)						\$ 115.78
38	Net Monthly Cost Per K-12 Unit (Post Erate)						\$ 36.45
39	Footnote						
40	Network Costs include NUSF						
41							
42							
43					Total Units	K-12 Units	H.E. Units
44					228	213	15
45	Form 471 Certification Results		2/18/2010	Cost Reco	Annual	Monthly	Total
46	Total Funding Year pre-cost allocation amount		\$ 316,787.60	Higher Ed	\$ 1,389.42	\$ 115.78	\$ 20,841.29
47	Total Annual Cost Allocation for PreK, Higher Education		\$27,108.79				
48	Total Funding Year pre-discount amount		\$289,678.81				
49	Total Funding Commitment Request (70%)		\$ 202,775.17	E-rate		\$ 79.33	\$ 202,775.17
50				K-12 (post erate)		\$ 36.45	\$ 93,171.14
51	Total Budgeted Amount allocated to resources not eligible for Erate		\$ 539,136.00	K-12 Contributions			\$295,946.31
52	Total amount necessary for the applicant to pay the non-discount share		\$ 539,136.00	TOTAL			\$316,787.60

	B	C	D	E	F	G	H	I	J	K	L	
1	Network Nebraska Participation Fee FY2011			Cost Recovery Period								
2	Date of Last Revision: June 8, 2010	Units	# of Payments Per Year	Price	Cost	Life Cycle	Annualized Cost	FY2011 Subtotals		FY2010 Subtotals	% Change FY2011 vs FY2010	
3												
4	master lease interest rate							5%				
5												
6												
7												
8	Equipment:											
9	Router -- Grand Island	0.5	1	\$ 61,100	\$30,550	5	\$6,918		NU			
10	Router -- Lincoln	0.5	1	\$ 61,100	\$30,550	5	\$6,918		NU			
11	Router -- Omaha	0.5	1	\$ 61,100	\$30,550	5	\$6,918		NU			
12	Network Switch -- Grand Island	1	1	\$ 5,000	\$5,000	5	\$1,132		NU			
13	Packet Shaper - OMA/PKI	1	1	\$ 31,483	\$31,483	5	\$7,129		NU			
14	Packet Shaper - LNK/CSN	1	1	\$ 31,483	\$31,483	5	\$7,129		NU			
15	MCU -- Shared Service	1	1	\$ -	\$0	1	\$0		OCIO			
16								\$36,146		\$ 38,871	-7%	
17	Equipment Maintenance:											
18	Router Maintenance -- Grand Island	0.5	1	\$ 4,471	\$2,236	1	\$2,236		NU			
19	Router Maintenance -- Lincoln	0.5	1	\$ 7,070	\$3,535	1	\$3,535		NU			
20	Router Maintenance -- Omaha UNO/PKI	0.5	1	\$ 2,390	\$1,195	1	\$1,195		NU			
21	Network Switch -- Grand Island	1	1	\$ 280	\$280	1	\$280		NU			
22	Packet Shaper Maintenance - UNO/PKI for 3 years	1	1	\$ 14,140	\$14,140	3	\$5,085		NU			
23	Packet Shaper Maintenance - LNK/CSN for 3 years	1	1	\$ 14,140	\$14,140	3	\$5,085		NU			
24	Probe Maintenance - Grand Island	0.4	1	\$ 10,690	\$4,276	1	\$4,276		NU			
25	Probe Maintenance - Lincoln	0.3	1	\$ 3,090	\$927	1	\$927		NU			
26	Probe Maintenance - UNO/PKI	0.3	1	\$ 7,084	\$2,125	1	\$2,125		NU			
27	Proximity Maintenance for Access System	0.5	1	\$ 320	\$160	1	\$160		NU			
28								\$24,905		\$ 25,100	-1%	
29	Non-Recurring Network Costs											
30	Grand Island to Cloud (post e-rate)	0	12		\$0	1	\$0		OCIO			
31								\$0		\$ -		
32	QMOE:											
33	Omaha	0	12	\$ 2,764	\$0	1	\$0		NU			
34	Lincoln	0	12	\$ 2,182	\$0	1	\$0		NU			
35	Grand Island	0	12	\$ 2,215	\$0	1	\$0		NU			
36	Installation Costs	3	1	\$ 1,200	\$3,600	3	\$1,295		NU			
37								\$1,295		\$ 1,295	0%	
38	Software:											
39	Ngenious Mgr Maintenance	0.5	1	\$ 8,075	\$4,038	1	\$4,038		NU			
40	Stat Seeker Maintenance	0.5	1	\$ 5,000	\$2,500	1	\$2,500		NU			
41	Whatsup Maintenance	0.5	1	\$ 1,895	\$948	1	\$948		NU			
42	Network Management Maintenance	0.5	1	\$ 10,000	\$5,000	1	\$5,000		NU			
43	Network Management software from RFP	0.5	1	\$ 80,000	\$40,000	5	\$9,058		NU			
44	RedHat Enterprise Linux Software Maintenance	0.5	1	\$ 723	\$362	1	\$362		NU			
45	i.Support Licenses	1	1	\$ 25,000	\$25,000	1	\$25,000		NU			
46								\$46,905		\$ 21,121	122%	
47												
48	Staff Support -- University of Nebraska											
49	Several positions (to be itemized)	1	1	\$ 180,000	\$180,000	1	\$180,000		NU			
50	Training	1	1	\$ 1,875	\$1,875	1	\$1,875		NU			
51	Travel	1	1	\$ 3,000	\$3,000	1	\$3,000		NU			
52								\$184,875		\$ 163,875	13%	
53												
54	Staff Support -- Office of the CIO (Network Services)											
55	State Network Coordinator (including benefits)	0.6	12	\$ 6,230	\$44,853	1	\$44,853		OCIO			
56	Credit for labor support for Scheduling System Hosting Service	15	12	\$ (72.25)	-\$13,005	1	-\$13,005		OCIO			
57	State E-rate Coordinator	1	4	\$ 4,500	\$18,000	1	\$18,000		OCIO			
58	Travel	1	1	\$ 500	\$500	1	\$500		OCIO			
59								\$50,348		\$ 93,717	-46%	
60	Other:											
61	SEGP	1	1	\$ 36,000	\$36,000	1	\$36,000		NU			
62	Expand wiring closet at G.I	0.5	1	\$ 15,422	\$7,711	5	\$1,746		NU			
63	Wiring Closet Rental at G.I.	0.5	1	\$ 7,500	\$3,750	1	\$3,750		NU			
64	Proximity access system	0.5	1	\$ 11,164	\$5,582	5	\$1,264		NU			
65	Automatic Notification System	1	1	\$ 3,100	\$3,100	1	\$3,100		NU			
66	Emergency Power Study at G.I. College Park	1	1	\$ 3,000	\$3,000	1	\$3,000		NU			
67	Website Redesign - estimated 150 hours	150	1	\$ 50	\$7,500	1	\$7,500		NU			
68	Omaha Server Room Expansion	1	1	\$ 20,000	\$20,000	5	\$4,529		NU			
69								\$60,889		\$ 51,277	19%	
70												
71												
72												
73	Sub Total							\$405,362		\$405,362	3%	
74												
75	Estimated Loss from FY2009 (Cash Basis)	1	1	\$5,372	\$5,372	2	\$2,828					
76	Estimated Loss from FY2008 (Cash Basis)	1	1	\$148,652	\$148,652	3	\$53,463					
77	Indirect Cost Allocation (Interregional Transport Fee)	10%	1	\$316,788	\$31,679	1	\$31,679					
78	Indirect Cost Allocation (Participation Fee)	10%	1	\$405,362	\$40,536	1	\$40,536					
79								\$128,506		\$ 140,588	-9%	
80												
81	Total							\$533,868		\$533,868	0%	
82												
83	Projected Units of Sale							228		232	-2%	
84	Annual Cost Per Unit							\$ 2,341.53		\$ 2,309.67	1%	
85	Monthly Cost Per Unit	12 months						\$ 195.13		\$ 192.47	1%	
86	Total Projected Revenue							\$ 533,868		\$ 535,844	0%	
87	NOTE: Major cost changes since FY 2010 are highlighted in yellow.											