



Ninety-Ninth Legislature - Second Session - 2006
Committee Statement
LB 1208

Hearing Date: February 13, 2006
Committee On: Education

Introducer(s): (Raikes, Baker, D. Pederson, Stuhr)
Title: Change education provisions and provide for distance education services

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Senator Byars, Howard, Kopplin, McDonald, Raikes, Schrock, and Stuhr
1	No	Senator Bourne
0	Present, not voting	
0	Absent	

Proponents:

Senator Ron Raikes
Robert Evnen
Doug Christensen
Nigel Buss
Suzan DeCamp

Marshall A. Hill

Milford L. Smith

Walter Weir
Dennis Linster
Thomas O'Neill

Terry Haack
Art Tanderup
Jay Sears
Justin Brady

Representing:

Introducer
State Board of Education
Nebraska Department of Education
Educational Service Unit #8
Nebraska Association of School Boards / St. Paul
Public School Board
Coordinating Commission for Postsecondary
Education
Nebraska Coalition for Education Equity and
Adequacy
University of Nebraska
Wayne State College
Association of Independent Colleges and
Universities of Nebraska
Nebraska Council of School Administrators
Tekemah-Herman Community Schools
Nebraska State Education Association
INTRALOT USA

Opponents:

Representing:

Neutral:
Brenda L. Decker

Representing:
State of Nebraska Chief Information Officer

Summary of purpose and/or changes:

Legislative Bill 1208 would implement the recommendations of the Distance Education Enhancement Task Force. Distance education services would be transferred from distance education consortia to educational service units (E.S.U.'s). A budget exception would recognize expenditures that had previously been outside of the limits due to the interlocal agreements forming the distance education consortia. Network Nebraska would be recognized by statute as a series of contracts coordinated by the Chief Information Officer to provide government and education entities access to a high speed reliable telecommunications network. A Distance Education Council would be created for coordination of courses. Lottery funds would be used for distance education equipment and incentives for districts and E.S.U.'s exchanging courses through the Distance Education Council. A new allowance in the state aid formula would individualize telecommunications and data transmission costs for school systems. Receipts for courses provided through the Distance Education Council would be excluded from accountable receipts and from budget limitations.

Section 9-812 would be amended by directing that lottery funds distributed to the Education Innovation Fund be used for distance education and equipment beginning with fiscal year 2006-07. Except for \$1 million going to the School District Reorganization Fund, the funds are currently being directed to the General Fund for 2006-07 and in the following years allocated to the mentor teacher program, the Attracting Excellence to Teaching Program, and grants selected by the Governor with recommendations from the Excellence in Education Council. The requirement for \$1 million to be allocated to the School District Reorganization Fund for 2006-07 would remain. Language regarding grants from the Governor would be eliminated.

The section would also be amended by including the Nebraska State Fair Board in the distribution of lottery proceeds as required by the Nebraska Constitution. The percentage distributed to the Education Innovation Fund would be reduced from 24.75% to 19.75%. The percentage distributed to the Nebraska Environmental Trust Fund would be reduced from 49.5% to 44.5%. The percentage distributed to the Nebraska Scholarship Fund and the Compulsive Gamblers Assistance Fund would remain the same.

Section 79-761 would be amended by eliminating provisions for funding mentor teacher programs from lottery funds.

Section 79-1003 would be amended by adding a definition for the distance education and telecommunications allowance, which would include 85% of the costs for telecommunications services, access to data transmission networks, and the transmission of data minus receipts from the federal Universal Service Fund beginning with the calculation of aid for 2007-08. The new allowance would be subtracted from adjusted general funds operating expenditures. The new allowance would also be included in formula needs for the purpose of determining the temporary aid adjustment factor. Obsolete language regarding the school Technology Fund would be eliminated.

Section 79-1007.02 would be amended by including the distance education and telecommunications allowance in the calculation of formula needs beginning with the 2007-08 school fiscal year.

Section 79-1018.01 would be amended by excluding from accountable receipts in the state aid formula receipts from other school districts for providing distance education courses through the Distance Education Council.

Section 79-1028 would be amended by providing an exception to the applicable allowable growth rate for receipts from other school districts for providing distance education courses through the Distance Education Council. Another exception would be provided for 2007-08 in an amount equal to the amount paid in 2006-07 to any distance education consortium in which the district was participating pursuant to an interlocal agreement.

Section 79-1204 would be amended by specifying distance education services as part of the technology included in core services for E.S.U.'s.

Section 79-1223 would be amended by expanding the resale authorization for E.S.U.'s to include authorization to sell to any educational entity and to include instructional services in the resale authorization. Currently, E.S.U.'s can resale administrative and instructional supplies, instructional equipment, and personal property to school districts and state colleges within the territory of the E.S.U. The bidding procedures would also be amended to require that the acceptance of a bid obligates the E.S.U. to award the contract according to the bid documents for anything that the E.S.U. is authorized to resell. Currently, the bidding requirement only applies to administrative or instructional materials.

Section 79-1233 would be amended by including the capacity to receive and transmit distance education courses by August 1, 2007 in the requirement for E.S.U.'s to provide telecomputing resources. The requirement could be met through interlocal agreements with other educational service units and would no longer require the cooperation of the Department of Education. Training would also be required to meet distance education needs. Districts could annually elect not to connect to the telecomputing resources. The lease or purchase of equipment and software would be required to meet the minimum standards set by the Nebraska Information Technology Commission, instead of being coordinated by the department and being compatible with a statewide plan. The Chief Information Officer would be required to bid for equipment and software and to allow school districts, E.S.U.'s, community colleges, state colleges, and the University to participate in statewide leasing or purchasing contracts.

Section 79-1241.01 would be amended by applying the appropriations growth intent language to both core services and technology infrastructure funding for E.S.U.'s in the same section.

Section 79-1241.02 would be amended by requiring funds appropriated for technology infrastructure to E.S.U.'s follow the review process including review by the technical panel of the Nebraska Information Technology Commission.

Section 79-1243 would be amended by adding to the minimum amount of technology infrastructure funds to be received by any E.S.U. 85% of the costs for telecommunications

services, access to data transmission networks, and the transmission of data minus receipts from the federal Universal Service Fund and minus receipts from school districts or other educational entities for payment of such costs. Currently, each E.S.U. receives at least 2.5% of the appropriation. Other requirements regarding the distribution of core services funds would be repeated in the section.

Section 79-1302 would be amended by deleting a reference to section 79-1301, which would be outright repealed.

Section 79-1303 would be amended by eliminating the introduction of technology from the mission of the Educational Technology Center.

Section 79-1304 would be amended by replacing a requirement for the Educational Technology Center to design, implement, and evaluate a distance learning project with a requirement to evaluate Internet-based distance education courses. Community colleges would be included in the entities for which the Center would be required to seek partnerships. Currently, the Center is required to seek partnerships with the Nebraska Educational Telecommunications Commission, the University, the state colleges, educational service units, the Nebraska Library Commission and other public and private entities. A requirement to establish an electronic data network and data bases would be eliminated.

A new section would require E.S.U.'s to assume responsibility for distance education services on July 1, 2007. Interlocal agreements forming distance education consortia would terminate on June 30, 2007. The school districts forming each consortia would determine which E.S.U. will receive the assets and liabilities. E.S.U.'s would be able to contract with other E.S.U.'s to serve some or all of the member school districts.

A new section would provide definitions as follows:

1. Distance education course would mean a course with at least 1 student in a different location than the teacher utilizing either interactive two-way video or the Internet without two-way interactive video and would include dual enrollment courses meeting the definition;
2. Dual-enrollment course would mean a course taught for credit at both a high school and a postsecondary educational institution.
3. Educational entity would mean a school district, a private, denominational, or parochial school, an educational service unit, a community college, a state college, the University, or a nonprofit private postsecondary educational institution;
4. Network Nebraska would mean the network created pursuant to a new section;
5. Qualified distance education course would mean a distance education course meeting applicable rules and regulations of the Department of Education, offered for 1 semester of high school credit, and for which all of the education entities have access to Network Nebraska; and
6. Two-way interactive video distance education course would mean a distance education course in which a teacher delivers instruction to students in a different location than the teacher using two-way interactive video on at least two different days per week during the course.

A new section would create the Distance Education Council to coordinate distance education. The council would be composed of one administrator of his or her designee from each E.S.U. The Council shall hire an administrator and other personnel and be funded from appropriations by the Legislature and fees established for services provided to educational entities.

A new section would provide powers and duties of the Council to include:

1. Providing access to lists of qualified distance education courses;
2. Collecting and providing school schedules for participants;
3. Facilitation of scheduling for qualified distance education courses;
4. Brokering of qualified distance education courses;
5. Assessment of distance education needs and evaluation of services;
6. Compliance with technical standards set forth by the Nebraska Information Technology Commission and academic standards set forth by the Department of Education;
7. Establishment of a system for prioritizing courses if the demand exceeds capacity;
8. Scheduling and prioritization for access to Network Nebraska by educational entities in cooperation with the Chief Information Officer and using scheduling software or services;
9. Administration of learning management systems in compliance with applicable standards; and
10. Coordination with E.S.U.'s and postsecondary educational institutions to provide assistance for instructional design.

The Council would only provide assistance in brokering or scheduling courses to educational entities that have access to Network Nebraska. The costs associated with assisting private, denominational, or parochial schools and private postsecondary educational institutions would be paid by the private entity. Services may also be offered to other public entities with access to Network Nebraska. The Council could not approve technology purchases for the Council in excess of \$10,000 without approval of the technical panel of the Nebraska Information Technology Commission.

A new section would provide distance education equipment reimbursements for fiscal years 2007-08 through 2013-14 to school districts and E.S.U.'s from lottery funds. The reimbursements may include hardware, software, and installation costs, but are limited to \$20,000 for each entity and the entity would be required to have access to Network Nebraska. The applications for school districts would include a commitment to either send or receive two-way interactive video distance education courses through the Distance Education Council each semester for 4 years. Reimbursements would be paid on or before September 1 of each year. Applications for incentives would be used to confirm that the commitment is met. School districts failing to complete the commitment would be required to repay the reimbursements. An appeal procedure would be available.

A new section would provide for distance education incentives for school districts and E.S.U.'s to be paid from lottery funds for qualified distance education courses coordinated through the Distance Education Council. The incentives would be calculated as follows:

1. Each district would receive distance education units as follows:
 - a. 1 unit for each two-way interactive video course received;
 - b. 1 unit for each course sent, but not to a sparse or very sparse district;

- c. 1 unit for each course sent to a sparse or very sparse district, but not by two-way interactive video; and
 - d. 2 units for each course sent to a sparse or very sparse district by two-way interactive video;
2. The amount in the Education Innovation Fund minus any obligation for equipment reimbursements would be divided by the total number of units to determine the incentive per unit, except that the incentive per unit could not be more than \$1,000.

The provisions include an appeal procedure.

Section 79-1325 would be amended by removing a requirement that the director of instructional telecommunications assist all school with access to a minimum of two instructional telecommunications services.

Section 81-1634 would be amended by eliminating references to the obsolete School Technology Fund.

Section 86-515 would be amended by requiring that any time that there is not a member of the Distance Education council serving on the Nebraska Information Technology Commission, the technical panel of the Commission, or a working group of the Commission, the Governor appoint a member of the Distance Education Council for a term of one year.

Section 86-516 would be amended by requiring the Nebraska Information Technology Commission to assist the Chief Information Officer in developing and maintaining Network Nebraska.

Section 86-520 would be amended by requiring the Chief Information Officer to establish and maintain Network Nebraska and to bid for telecomputing and distance education equipment. The section would also be amended by removing an exemption from the jurisdiction of the Chief Information Officer for education related state government.

A new section would require the Chief Information Officer, in cooperation with the University, to develop and maintain a statewide, multipurpose, high capacity, scalable telecommunications network to be called Network Nebraska. The network would consist of contractual arrangements with providers to meet the demand of state agencies, local governments, and educational entities. The Chief Information Officer would be required to provide access to all school districts, E.S.U.'s, community colleges, state colleges, and the University at the earliest feasible date and no later than July 1, 2012. A cost structure would be established based on actual costs plus administrative expenses and would be charged to participants.

Several sections would be outright repealed as follows:

79-8,132 to 79-8,140 – The Attracting Excellence to Teaching Program Act

79-1301 and 79-1305 to 79-1307 – State Education Technology Consortium

79-1310 – School Technology Fund

79-1328 – Distance Education Network Completion Grants

79-1329 to 79-1330 – Distance Education Enhancement Task Force

Explanation of amendments, if any:

The Committee Amendments would incorporate the provisions of Legislative Bill 969, which would reduce the courses that could be offered on an alternating biennial basis, and Legislative Bill 1049, which would allow the Nebraska Educational Telecommunications Commission additional contracting authority. The amendments would also require the Chief Information Officer to make an aggregate E-Rate application for requesting school districts and would make other minor modifications to the proposal.

The provisions from LB 969 would amend § 79-704 by prohibiting the establishment of an alternating biennial secondary course offering in any subject area for which the State Board of Education has adopted content standards. The State Board of Education currently has content standards in mathematics, reading/writing, science, and social studies/history.

The provisions from LB 1049 would amend § 79-1319 to allow the use of contractual arrangements to generate revenue from excess transponder capacity, excess transmission spectrum, and transmission and production facilities. Currently, the only type of contractual arrangements authorized are leases. The use of production facilities is not currently included as a potential revenue source. A requirement is also eliminated for revenues to be used to pay the costs associated with satellite capacity replacement and digital conversion.

The duties of the Chief Information Officer in § 86-520 would be further amended to include a requirement to apply in aggregate for reimbursements from the federal Universal Service Fund on behalf of school districts requesting to be included in such aggregated application. The section would also be amended by retaining the exemption for education related state government from the jurisdiction of the Chief Information Officer.

Section 79-1007.02 would be further amended by harmonizing the grammar.

Sections 79-1018.01 and 79-1028 would be further amended to allow school districts to exclude qualifying distance education receipts from education entities other than school districts from accountable receipts and the budget lids.

Section 79-1233 would be further amended to allow private educational entities to participate in statewide leasing or purchasing contracts.

Section 79-1303 would be further amended to reference the new definition of educational entity.

The new provisions for equipment reimbursements would be amended to allow school districts with multiple high schools to receive reimbursements equal to \$20,000 multiplied by the number of high schools in the district.

The new provisions for Network Nebraska would be amended by requiring the Chief Information Officer to work in partnership with the University, instead of in cooperation with the University.

Senator Ron Raikes, Chairperson