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Governor

STATE OF NEBRASKA

OFFICE OF THE CHIEF INFORMATION OFFICER

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Chief Information Officer

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The Office of the CIO is excited to report that the Phase III network upgrade is in full motion for 50 new Participants to join Network Nebraska and be interconnected by August 1, 2009. The new member entities include the remaining public higher education institutions, ESU 13 (Panhandle), ESU 9 (Hastings), Lincoln Public Schools, Omaha Public Schools, and the ESU 3 office.

The Office of the CIO has finished reviewing the costs for Network Nebraska for Phase II (2008-09) network management/operations and have set the invoice amounts for Phase III (2009-10), including the Interregional Transport. Although Interregional Transport bandwidth increased by 25%, facility remodeling took place at College Park, and a new packet shaper service was requested to be added to Network Nebraska, the addition of 50 new participants kept the overall monthly fees virtually the same for 2009-10.

2008-09 (Phase I, II Entities)

Network Nebraska Participation Fee	\$197.80/entity/month (182 entities participating)
Interregional Transport Fee (Pre-Erate)	\$ 93.35/entity/month (Higher Ed billed amount)
Interregional Transport Fee (Post-Erate)	\$ 34.21/entity/month (K-12 Post-Erate amount)

2009-10 (Phase I, II, III Entities)

Network Nebraska Participation Fee	\$192.47/entity/month (232 entities participating)
Interregional Transport Fee (Pre-Erate)	\$ 92.72/entity/month (Higher Ed billed amount)
Interregional Transport Fee (Post-Erate)	\$ 34.48/entity/month (K-12 Post-Erate amount)

As you may know, the Office of the CIO sustained an operational deficit of \$194,703 from FY 2007-08 that will be amortized and recovered over three years of the project (FY2008-09, FY2009-10, FY2010-11) at \$70,025 per year. [See attached spreadsheets for more details]

By August 1, 2009, Network Nebraska will be serving every public school district and ESU in Nebraska except the ESU 4, 5, 6 region, the schools of ESU 3, and South Platte Public Schools in Big Springs. An invitation to participate will once again be made to these 60 entities to join Network Nebraska in Summer 2010.

The ESU administrators from ESUs 1, 2, 7, 8, 15, 16, 17, 18, 19 have decided to make monthly payments on behalf of their member schools to the Office of the CIO and rebill the costs back to the schools as appropriate. ESUs 9, 10, 11, 13 have the Office of the CIO bill their member schools directly. The Office of the CIO will bill higher education entities directly. Please notify your accounting staff that invoices will begin arriving in mid-August for July service. We would appreciate the ESU administrators forwarding this memo to each school in their service area that is also a Participant in Network Nebraska. Thank you!

If you have questions or comments about the contents of this letter, please contact me at brenda.decker@nebraska.gov or you can reach me at 402-471-3717.

Sincerely,

Brenda L. Decker
Chief Information Officer
State of Nebraska

Background:

In enacting LB 1208 (N.R.S. 86-5,100) in 2006, the Legislature directed the Chief Information Officer to “provide access to each school district, each educational service unit, each community college, each state college, and the University of Nebraska at the earliest feasible date and no later than July 1, 2012” and to “establish a cost structure based on actual costs plus administrative expenses and (to) charge participants according to such cost structure”. The fees established pursuant to this statute are the only source of funding to offset the administrative and network management costs for Network Nebraska.

The services covered by the “actual costs and administrative expenses” include:

- Research, development, writing, evaluating and managing the State procurement process for the statewide scheduling system; network/Internet/edge devices for Phases 1, 2, 3, 4; videoconferencing equipment; and statewide backbone.
- Management of the statewide purchase contracts for statewide scheduling, WAN services, Internet access, Cisco equipment, and videoconferencing equipment.
- Network design, equipment, management, Layer 3 routing, and trouble shooting to assure reliable and adequate qualities of service through appropriate virtual and transparent Local Area Network (LAN) services between major and minor telecommunications vendors.
- Developing, distributing, gathering, inventorying and storing all Letters of Agency and Free/Reduced Lunch data forms for Phases 1, 2, 3, 4.
- Development, filing and archiving of Federal E-rate forms to coincide with each State RFP and Interregional Transport for E-rate eligible services.
- Outbound Call Center services from UNCSN and the Office of the CIO.
- Level One Network Troubleshooting/Support on Network Nebraska—Education backbone, core network devices, and State Master Contract internet access
- Level Two Helpdesk services to route trouble tickets and reach resolution on WAN services, Internet access, routing and Renovo server problems.
- Bandwidth Measuring and Assistance
- Packet Shaping of Network Nebraska Internet bandwidth

Network Nebraska Participation Fee FY2010

Cost Recovery Period

Date of Last Revision: May 12, 2009

	Units	# of Payments Per Year	Price	Cost	Life Cycle	Annualized Cost
master lease interest rate						5%
Equipment:						
Router -- Grand Island	0.5	1	\$ 61,100	\$30,550	5	\$6,918
Router -- Lincoln	0.5	1	\$ 61,100	\$30,550	5	\$6,918
Router -- Omaha	0.5	1	\$ 61,100	\$30,550	5	\$6,918
Network Switch -- Grand Island	1	1	\$ 5,000	\$5,000	5	\$1,132
Packet Shaper at PKI	1	1	\$ 75,000	\$75,000	5	\$16,984
Equipment Maintenance:						
Router -- Grand Island	0.5	1	\$ 6,200	\$3,100	1	\$3,100
Router -- Lincoln	0.5	1	\$ 6,200	\$3,100	1	\$3,100
Router -- Omaha	0.5	1	\$ 6,200	\$3,100	1	\$3,100
Network Switch -- Grand Island	1	1	\$ 800	\$800	1	\$800
Packet Shaper at PKI (maintenance)	1	1	\$ 15,000	\$15,000	1	\$15,000
Backbone Data Circuit Costs:						
Grand Island to Omaha	0	12		\$0	1	\$0
Lincoln to Omaha	0	12		\$0	1	\$0
Grand Island to Lincoln	0	12	\$ 1,600	\$0	1	\$0
QMOE:						
Omaha	0	12	\$ 2,764	\$0	1	\$0
Lincoln	0	12	\$ 2,182	\$0	1	\$0
Grand Island	0	12	\$ 2,215	\$0	1	\$0
Installation Costs	3	1	\$ 1,200	\$3,600	3	\$1,295
Software:						
Intermapper Maintenance	0.5	1	\$ 820	\$410	1	\$410
Probe Maintenance	0.5	1	\$ 5,600	\$2,800	1	\$2,800
Ngenious Mgr Maintenance	0.5	1	\$ 7,000	\$3,500	1	\$3,500
Stat Seeker Maintenance	0.5	1	\$ 5,000	\$2,500	1	\$2,500
Whatsup Maintenance	0.5	1	\$ 2,500	\$1,250	1	\$1,250
Netcool Maintenance	0.5	1	\$ 10,000	\$5,000	1	\$5,000
Netcool	0.5	1	\$ 50,000	\$25,000	5	\$5,661
Staff Support -- University of Nebraska						
Several positions (to be itemized)	1	1	\$160,000	\$160,000	1	\$160,000
Training	1	1	\$ 1,875	\$1,875	1	\$1,875
Travel	1	1	\$ 2,000	\$2,000	1	\$2,000
Staff Support -- Office of the CIO (Network Services)						
State Network Coordinator (including benefits)	0.6	12	\$ 6,230	\$44,853	1	\$44,853
Credit for labor support for Scheduling System Hosting Service	15	12	\$(72.25)	-\$13,005	1	-\$13,005
State Network Analyst / Senior (including benefits)	1	12	\$ 4,822	\$57,869	1	\$57,869
State Network Supervisor (including benefits)	0	0	\$ -	\$0	1	\$0
Training	1	1	\$ 2,000	\$2,000	1	\$2,000
Travel	1	1	\$ 2,000	\$2,000	1	\$2,000
Other:						
Polycm Dues	1	1	\$ 99	\$99	1	\$99
SEGP	1	1	\$ 36,000	\$36,000	1	\$36,000
WS-C3560G-24TS-E Catalyst 3560 24 10/100/1000T + 4 SFP + IPS Image	1	1	\$ 4,200	\$4,200	3	\$1,511
Expand wiring closet at G.I.	0.5	1	\$ 11,000	\$5,500	5	\$1,246
Wiring Closet Rental at G.I.	0.5	1	\$ 7,500	\$3,750	1	\$3,750
Proximity access system	0.5	1	\$ 13,000	\$6,500	5	\$1,472
Automatic Notification System	1	12	\$ 600	\$7,200	1	\$7,200
Sub Total						\$395,256
Estimated Loss From FY2009	1	1	\$13,144	\$13,144	2	\$6,920
Estimated Loss from FY2008	1	1	\$ -	\$0	3	\$70,025
Indirect Cost Allocation (Interregional Transport Fee)	10%	1	\$241,182	\$24,118	1	\$24,118
Indirect Cost Allocation (Participation Fee)	10%	1	\$395,256	\$39,526	1	\$39,526
Total						\$535,844
Projected Units of Sale						-
Annual Cost Per Unit						\$ 2,309.67
Monthly Cost Per Unit						\$ 192.47

NOTE: Cost changes since FY 2009 are highlighted in yellow.

Network Nebraska Interregional Transport Fee

Cost Recovery Period

Date of Last Revision: May 12, 2009

	Units	# of Payments Per Year	Price	Cost	Life Cycle	Annualized Cost
master lease interest rate						5%
Hardware:				\$0	1	\$0
Software:				\$0	1	\$0
Labor Costs:				\$0	1	\$0
Backbone Transport Circuit Costs (See Footnote)						
Grand Island to Omaha, 400Mbps Qwest + 200Mbps NNNC	1	12	\$4,599.95	\$55,199.40	1	\$55,199.40
Lincoln to Omaha, 400Mbps State Disaster Recovery Fiber	1	12		\$0.00	1	\$0.00
Grand Island to Lincoln, 200Mbps Qwest	1	12	\$3,444.95	\$41,339.40	1	\$41,339.40
QMOE (See Footnote)						
Omaha, 1000Mbps	1	12	\$6,059.20	\$72,710.40	1	\$72,710.40
Lincoln, 200Mbps	1	12	\$2,290.40	\$27,484.80	1	\$27,484.80
Grand Island, 800Mbps	1	12	\$5,117.60	\$61,411.20	1	\$61,411.20
Other:				\$0	1	\$0.00
Total						\$258,145.20
Projected Units of Sale						0
Annual Cost Per Unit (Pre Erate)						\$1,112.69
Monthly Cost Per Unit (Pre Erate)						\$ 92.72
Net Monthly Cost Per K-12 Unit (Post Erate)						\$ 34.48

Footnote

Network Costs include NUSF