



**Dave Heineman**  
Governor

# STATE OF NEBRASKA

**OFFICE OF THE CHIEF INFORMATION OFFICER**

**Brenda L. Decker**  
*Chief Information Officer*  
P.O. Box 95045  
Lincoln, Nebraska 68509-5045  
402-471-3560

To: Network Nebraska Participant  
Mike Calvert, Legislative Fiscal Office

From: Brenda L. Decker, State CIO

Date: November 15, 2010

RE: Network Nebraska Detailed Cost Report

Pursuant to Neb.Rev.Stat. 86-5,100 [As amended by LB1071, § 43 (2010)], the Office of the Chief Information Officer has prepared a financial report of actual revenue and expenses dating back to the inception of Network Nebraska—Education, July 2006. This report is to be provided annually to each Network Nebraska—Education participant and to the Legislative Fiscal Office.

The first page of the report is the summary of the Participation Fee, Interregional Transport Fee, and Renovo Software, from FY 2006-07 through FY2009-2010. Subsequent pages provide additional detail for each year and for each subcategory.

If you have any questions about this report, you may contact Steve Schafer, IT Administrator for Financial and Customer Management, Office of the CIO, [steve.schafer@nebraska.gov](mailto:steve.schafer@nebraska.gov) or 402-471-4385.

Copies of this report can be downloaded from [www.networknebraska.net](http://www.networknebraska.net).

**Neb.Rev.Stat. 86-5,100** The Chief Information Officer, in partnership with the University of Nebraska, shall develop and maintain a statewide, multipurpose, high capacity, scalable telecommunications network to be called Network Nebraska...The Chief Information Officer shall establish a cost structure based on actual costs, including necessary administrative expenses but not including administrative travel or conference expenses, and shall charge participants according to such cost structure. The Chief Information Officer shall annually provide a detailed report of such costs to each participant and to the Legislative Fiscal Analyst.

## NETWORK NEBRASKA (Distance Education)

	FY 2007	FY 2008	FY 2009	FY 2010	TOTAL
<b>REVENUE</b>					
Interregional Transport Fee	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 184,085
Participation Fee	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 1,151,021
Renovo	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700	\$ 1,227,730
<b>Total:</b>	\$ 99,093	\$ 504,934	\$ 1,212,849	\$ 745,960	\$ 2,562,836
<b>EXPENSES</b>					
Salaries\Benefits	\$ -	\$ 38,610	\$ 81,807	\$ 84,785	\$ 205,202
Communication Expenses	\$ -	\$ 127,019	\$ 163,020	\$ 181,186	\$ 471,225
Contractual Services	\$ 37,732	\$ 137,849	\$ 221,152	\$ 364,341	\$ 761,074
Software	\$ 130,523	\$ 195,595	\$ 699,004	\$ 112,700	\$ 1,137,822
Indirect Costs	\$ -	\$ 11,769	\$ 38,826	\$ 34,267	\$ 84,862
Other Operating Expenses	\$ 17,165	\$ 56,633	\$ 14,412	\$ 1,313	\$ 89,523
<b>Total:</b>	\$ 185,420	\$ 567,475	\$ 1,218,221	\$ 778,592	\$ 2,749,708
<b>Variance</b>	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ (186,872)
				FY 2010 E-rate	\$ 161,473
					\$ (25,399)

Service	FY 2007	FY 2008	FY 2009	FY 2010	Deferred	TOTAL
<b>RENOVO</b>						
Revenue	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700		\$ 1,227,730
Expenses	\$ 185,420	\$ 230,606	\$ 699,004	\$ 112,700	\$ -	\$ 1,227,730
Variance	\$ (86,327)	\$ 86,327	\$ -	\$ -		\$ -
<b>PARTICIPATION FEE</b>						
Revenue	\$ -	\$ 188,001	\$ 431,604	\$ 531,416		\$ 1,151,021
Expenses	\$ -	\$ 336,869	\$ 356,197	\$ 484,706	\$ -	\$ 1,177,772
Variance	\$ -	\$ (148,868)	\$ 75,407	\$ 46,710		\$ (26,751)
<b>INTERREGIONAL TRANSPORT FEE</b>						
Revenue	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 161,473	\$ 345,558
Expenses	\$ -	\$ -	\$ 163,020	\$ 181,186		\$ 344,206
Variance	\$ -	\$ -	\$ (80,779)	\$ (79,342)	\$ 161,473	\$ 1,352
<b>TOTAL:</b>						
Revenue	\$ 99,093.00	\$ 504,934.00	\$ 1,212,849.00	\$ 745,960.00	\$ 161,473	\$ 2,724,309.00
Expenses	\$ 185,420.00	\$ 567,475.00	\$ 1,218,221.00	\$ 731,528.00	\$ -	\$ 2,749,708.00
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 161,473	\$ (25,399)

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**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT**  
**For The Year Ending June 30, 2007**

**REVENUE**

Interregional Transport Fee	\$	-
Participation Fee	\$	-
Renovo	\$	99,932

**Total:** \$ 99,932

**EXPENSES**

Salaries\Benefits	\$	-
Communication Expenses	\$	-
Contractual Services	\$	37,732
Software	\$	130,523
Indirect Costs	\$	-
Other Operating Expenses	\$	17,165

**Total:** \$ 185,420

**Positive/Negative Variance:** \$ (85,488)

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Renovo**  
**For The Year Ending June 30, 2007**

**REVENUE**

Renovo	\$	99,093
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Total:	\$	99,093
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**EXPENSES**

Salaries\Benefits	\$	-
Communication Expenses	\$	37,732
Contractual Services	\$	-
Software	\$	130,523
Indirect Costs	\$	17,165
Other Operating Expenses	\$	-

Total:	\$	185,420
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Positive/Negative Variance:	\$	(86,327)
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**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT**  
**For The Year Ending June 30, 2008**

**REVENUE**

Interregional Transport Fee	\$	-
Participation Fee	\$	188,001
Renovo	\$	316,933

**Total:** \$ 504,934

**EXPENSES**

Salaries\Benefits	\$	38,610
Communication Expenses	\$	127,019
Contractual Services	\$	137,849
Software	\$	195,595
Indirect Costs	\$	11,769
Other Operating Expenses	\$	56,633

**Total:** \$ 567,475

**Positive/Negative Variance:** \$ (62,541)

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Participation Fee**  
**For The Year Ending June 30, 2008**

**REVENUE**

Participation Fee	\$	188,001
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Total:	\$	188,001
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**EXPENSES**

Salaries\Benefits	\$	38,610
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Communication Expenses	\$	127,019
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Contractual Services	\$	137,849
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Software	\$	-
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Indirect Costs	\$	11,769
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Other Operating Expenses	\$	21,622
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Total:	\$	336,869
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Positive/Negative Variance	\$	(148,868)
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**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Renovo**  
**For The Year Ending June 30, 2008**

**REVENUE**

Renovo	\$	316,933
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Total:	\$	316,933
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**EXPENSES**

Salaries\Benefits	\$	-
Communication Expenses	\$	-
Contractual Services	\$	-
Software	\$	195,595
Indirect Costs	\$	-
Other Operating Expenses	\$	35,011

Total:	\$	230,606
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Positive/Negative Variance:	\$	86,327
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**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT**  
**For The Year Ending June 30, 2009**

**REVENUE**

Interregional Transport Fee	\$	82,241
Participation Fee	\$	431,604
Renovo	\$	699,004

**Total:** \$ 1,212,849

**EXPENSES**

Salaries\Benefits	\$	81,807
Communication Expenses	\$	163,020
Contractual Services	\$	221,152
Software	\$	699,004
Indirect Costs	\$	38,826
Other Operating Expenses	\$	14,412
Startup Costs	\$	49,623

**Total:** \$ 1,267,844

**Positive/Negative Variance:** \$ (54,995)

**NETWORK NEBRASKA (Distance Education)  
INCOME STATEMENT - Participation Fee  
For The Year Ending June 30, 2009**

**REVENUE**

Participation Fee	\$	431,604	
Total:			\$ 431,604

**EXPENSES**

Salaries\Benefits	\$	81,807	
Communication Expenses			
Contractual Services	\$	221,152	
Software			
Indirect Costs	\$	38,826	
Other Operating Expenses	\$	14,412	
Start Up Costs	\$	49,623	
Total:			\$ 405,820

Positive/Negative Variance: \$ 25,784

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Interregional Transport Fee**  
**For The Year Ending June 30, 2009**

**REVENUE**

Interregional Transport Fee	\$	82,241
Total:	\$	82,241

**EXPENSES**

Salaries\Benefits		
Communication Expenses	\$	163,020
Contractual Services		
Software		
Indirect Costs		
Other Operating Expenses		
Total:	\$	163,020

**Positive/Negative Variance:** \$ (80,779)

Footnote: Revenue - a \$126,285 check from the federal E-rate program was issued to cover approximately 63% of the backbone costs but appears as FY 2010 credit against expenses. This was the fiscal year in which the funds were received; Expenses associated with the backbone incurred but not realized in this fiscal year totaled \$36,325 due to delayed billing by the telecommunications provider.

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Renovo**  
**For The Year Ending June 30, 2009**

**REVENUE**

Renovo \$ 699,004

Total: \$ 699,004

**EXPENSES**

Salaries\Benefits

Communication Expenses

Contractual Services

Software \$ 699,004

Indirect Costs

Other Operating Expenses

Total: \$ 699,004

Positive/Negative Variance: \$ -

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT**  
**For The Year Ending June 30, 2010**

**REVENUE**

Interregional Transport Fee	\$	101,844		
Participation Fee	\$	531,416		
Renovo	\$	112,700		
Total:			\$	745,960

**EXPENSES**

Salaries\Benefits	\$	84,785		
Communication Expenses	\$	181,186		
Contractual Services	\$	364,341		
Software	\$	112,700		
Indirect Costs	\$	34,267		
Other Operating Expenses	\$	1,313		
Startup Costs	\$	49,623		
Total:			\$	828,215

Positive/Negative Variance: \$ (82,255)

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Participation Fee**  
**For The Year Ending June 30, 2010**

**REVENUE**

Participation Fee	\$	531,416	
Total:		\$	531,416

**EXPENSES**

Salaries\Benefits	\$	84,785	
Communication Expenses			
Contractual Services	\$	364,341	
Software			
Indirect Costs	\$	34,267	
Other Operating Expenses	\$	1,313	
Startup Costs	\$	49,623	
Total:		\$	534,329

Positive/Negative Variance: \$ (2,913)

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Interregional Transport Fee**  
**For The Year Ending June 30, 2010**

**REVENUE**

Interregional Transport Fee	\$	101,844
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Total:	\$	101,844
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**EXPENSES**

Communication Expenses	\$	181,186
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Total:	\$	181,186
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Positive/Negative Variance:	\$	(79,342)
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Footnote: Revenue - a \$161,473 check from the federal E-rate program will be issued to cover approximately 63% of the backbone costs. These funds will be received and recorded in the upcoming fiscal year. Expenses associated with the backbone incurred but not realized in this fiscal year totaled \$76,959 due to delayed billing by the telecommunications provider.

**NETWORK NEBRASKA (Distance Education)**  
**INCOME STATEMENT - Renovo**  
**For The Year Ending June 30, 2010**

**REVENUE**

Renovo	\$	112,700		
Total:			\$	112,700

**EXPENSES**

Software	\$	112,700		
Total:			\$	112,700

Positive/Negative Variance:			\$	-
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