KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Kentucky Education Technology System (KETS) Operational Plan for School Year 2025-2026
Date: August 2025
Action Requested: ☐Review   ☐Action/Consent   ☒Action/Discussion
Held In: ☒Full Board   ☐State Schools   ☐United We Learn

SUMMARY OF ISSUE BEFORE THE BOARD:

To approve the use of Kentucky Education Technology System (KETS) funds in the amount of $15.4M for the 2025-2026 school year.

The Kentucky Board of Education (KBE) has already approved the annual KY K-12 education technology priorities and needs as part of the KETS Master Plan for Education Technology for School Year (SY) 2024-2030, that was officially approved in March 2024 as a document incorporated by reference to 701 KAR 5:110. Since 1992, the KBE has been required, by statute, to approve KETS funds as one of the annual funding sources to help address the annual KY K-12 education technology (EdTech) needs. There are a variety of funding sources in districts and KDE that go toward paying for the KY K-12 products and services each year; however, the only EdTech funding source that the KBE is required to approve annually is the KETS funds, which are $15.4M for SY 2025-2026. This is the main reason this staff note is being brought before you each year.

We also always use this annual opportunity with the Commissioner and KBE members at the KBE board meeting in August to make them better aware of the overall status, preparedness, and health of KY K-12 EdTech across all 171 districts and KDE organizations. KY K-12 has been and continues to be "the" pioneer and national leader in most aspects of EdTech. The KETS historic achievements and Infographic are provided in attachments as evidence of that statement.

This annual awareness also includes making the Commissioner and KBE members aware of the other funding sources beyond the $15.4M in KETS funds that also can help address our KY K-12 funding needs for the next school year. For SY 2025-2026 the additional federal, state, and local funds in districts and KDE organizations, which pay for EdTech products and technology enabled services beyond the $15.4M, is anticipated to be $387.7M. The KBE is not being asked nor is required to approve that $387.7M but is being provided this information for awareness purposes only. This additional $387.7M brings the total amount of expected EdTech funds being available for SY2025-2026 to $403.1M ($15.4M + $387.7M). However, we want and need members to be aware now that we have already started the steep decline in available funding for EdTech and are now headed back on the path toward pre-pandemic amounts available. We want to take this opportunity in advance to get on the KBE's radar screen the pressing need in future years to raise the amount of KETS funds above $15.4M per year to at least $30M per year, to help address this upcoming major EdTech funding cliff situation.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the board approve the SY 2025-2026 KETS operational management resources of $15.4M in accordance with KRS 157.665(3) to help address the KY K-12 education technology operational management needs.

APPLICABLE STATUTE OR REGULATION:

KRS 156.670, KRS 157.655, KRS 157.660, KRS 157.665, 701 KAR 5:110

BACKGROUND:

Existing Policy:

Federal funding from Covid (aka CV-19) has helped the Kentucky Education Technology System (KETS) obtain the largest amount of education technology funds available to address education technology needs in districts in the 30-year history of the KETS program--which we greatly appreciate and have maximized. These temporary funds allowed us to address previous and sustained funding shortfalls prior to CV-19 as well as implementing new, needed technology enabled KY K-12 services for now and the future.

Below are the last ten (10) years of grand totals of all the EdTech funding sources available to KDE, districts, and schools identified to obtain KY K-12 EdTech products and technology enabled services, prior to the CV-19 pandemic in March 2020 and since March 2020. Prior to all the temporary CV-19 federal relief funds, KY K-12 EdTech had been regularly underfunded between $100M-$140M per year. KY K-12 districts are quickly returning to that significant underfunding of $100M-$140M of EdTech and, thus, will quickly experience the negative impacts of that underfunding unless something is done to increase the KDE Office of Education Technology (OET) and KETS budget to address that large funding shortfall.

- SY25-26 - $403.1M
- SY24-25 – $443.1M
- SY23-24 - $491.6M
- SY22-23 - $502.7M (includes $27.7M of last round of temporary federal Emergency Connectivity Funds (ECF))
- SY21-22 - $405.4M (includes $48.7M in first rounds of temporary federal Emergency Connectivity Funds (ECF))
- SY20-21 - $330.7M
- SY19-20 - $288.3M (includes $20.8M jump of student & staff computer purchases from March 2020 to June 2020)
- SY18-19 - $265.6M
- SY17-18 - $228.7M
- SY16-17 - $215.5M

Since 2010, the Kentucky Education Technology System (KETS) allocation, approved by the legislature through their budget language, has been steadily reduced from $24.5M annually to $15.4M annually. Although KETS had been identified as one of KBE's top additional budget priorities in the 2020-2022 and the 2024-2026 KDE Biennial Budget Requests, additional funding has not been approved by the General Assembly in enacted Executive Branch Budgets. In the 2024 legislative session, the additional budget request for KETS was identified as a top six priority by the KBE and the KETS budget was increased in the Governor Office's budget proposal but that requested increase was not funded by the House or Senate in their budget.

Going forward, OET strongly advocates for KETS to be one of the KBE's top five funding priorities identified until funded by the Governor's Office and General Assembly. Without

addressing this funding shortfall, it is effectively acknowledging that the KETS program will not be provisioned with the resources necessary to sustain reliable, capable, and quality education technology services for all Kentucky K-12. In education technology, our needs are not as visible, and this makes our requests more difficult even though they are just as needed to support KY K-12 education.

There are five major things impacting the KETS $14.6M additional budget increase to bring KETS funding from $15.4M per year to $30M per year:
1. $11M per year cuts to the KETS budget since 1992
2. $4.5M per year cost of living loss since 1992
3. $2M per year cuts in certain EdTech shared services for districts required since nothing else to fund it.
4. $8.5M per year for new basic EdTech shared service costs for districts since 1992.
5. $1.6M-$2.5M per year KETS financial offers to district needed for $25 and/or $30 per ADA.

The following must occur to appropriately fund education technology:
1.   Increase the KETS annual allocation to from $15.4M per year to $30M per year to (a) counteract the effects of inflation to KETS since 1992, (b) to restore the significant cuts (i.e., $11M) of over the past 14 years to the basic KY K-12 edtech funding and (c) to address the rapid annual increase/replacement in the numbers (e.g., districts going to 1 to 1 computers), types of tech devices (e.g., HVAC using the Internet, phones over the Internet, school safety devices that use the Internet) and services (e.g., KY K-12 Internet bandwidth service) being used by over 750,000 KY K-12 students & adults for instructional, communication, physical safety, cybersafety and cybersecurity purposes. This increase from $15.4M to $30M annually also includes $1.6M to KETS to pay for KDE's annual portion of the KY K-12 Infinite Campus School Information System (KSIS), KY K-12 identity management cybersecurity system (aka Connected User Experience (CUES)), and cost of living increases of legislative mandated statewide KY K-12 technology enabled systems (e.g., KY K-12 financial management system (aka Munis), KY K-12 Internet Content Management System for cybersecurity and cybersafety, KY K-12 school report card dashboard, e-transcripts for high school students, KY virtual library, and virus protection) that are used by all 171 KY K-12 school districts. When the legislature provided the funding to implement the statewide KY K-12 KSIS in 2006 they unfortunately did not provide the funding for the annual ongoing costs and we have been limping along since then using e-rate rebates to pay for that $1.6M that your never sure you will get it or when you'll get it. It is like counting on your income tax returns each year to pay for your mortgage payment or monthly rent. So rather than KDE having use $1.6M from the e-rate rebates to pay for that annual KSIS costs, OET can instead send that $1.6M in e-rate rebates to districts and have a stable funding source in KETS to pay for that annual KSIS cost.

These resources are critical in providing educators, school leaders, and administrators with appropriate professional learning, devices, content, and methods to use technology effectively in the classroom from administering computer-based assessments to blended learning strategies. Exacerbating this situation is the expansion of tech responsibilities that the shrinking amount of district EdTech staff have (e.g., security cameras that use the Internet, voice systems that use the Internet, heating and air conditioning systems that use the Internet, etc.). It is very unrealistic to maintain basic high-quality technology enabled services for schools and districts without raising the KETS baseline from $15.4M per year to at least $30M per year.

2.   Increase funding by $50,000 per year for the Computer Science/Information Technology (CS/IT) Academy for school districts to restore a previous funding cut back up to its original

$800,000 per year. The Computer Science/Information Technology (CS/IT) Academy is a joint venture of OET & the Office of Career and Technical Education (OCTE) with the aim of supporting rigorous computer science teacher professional learning in addition to teacher and student course support in the demonstration of Computer Science standards and industry certification exam vouchers in ALL computer science courses and pathways. The Kentucky K-12 Computer Science and IT Academy program prepares educators and students for industry-recognized certifications. By creating more opportunities for computer science learning for Kentucky students, we will reach, keep, and engage more students in learning, create a pool of more qualified people to fill existing job openings and stimulate suppressed economic regions of our state by developing a high-tech skilled workforce. Computer science and coding utilize critical thinking and problem-solving talents that benefit all career paths.

3.   CV-19 pandemic K-12 response efforts unveiled an even greater need for and resulted in the establishment of increased edtech services which were only made possible through temporary CV-19 federal relief funds. With the expiration of these temporary federal funds beginning now, additional funding is needed to sustain core value added edtech services initiated/prompted by COVID response/recovery/ongoing preparedness increases. Campus Learning at $700K per year and Online Registration (OLR) at $815K per year are two of the core value added edtech services initiated. Campus Learning offers districts grade passback options from any Learning Management System, provides students and teachers discussion boards, document sharing, Curriculum Planner, Unit/Lesson Plan/Assignment Library, Quick Assessments, Standards Portfolio and Progress Monitor, Score analysis tools and more. OLR creates efficiencies in annual student data collection, helps families register students and request courses to help ensure alignment to student learning pathways. Sustaining these tools for students and teachers improves the classroom experience, continues the focus on student engagement contributing to learning loss remediation all while leveraging cost savings through a statewide purchase reducing costs up to 50% from what districts pay per student.

Summary of Issue:

The KETS Master Plan for Education Technology for SY2024-2030 highlights the administrative technology (or school efficiency technology) as well as the integration of instruction with educational technology to transform the way curriculum is delivered and provides students with access to technology. The driving force behind the Master Plan is ensuring that student classroom performance and students' preparedness for professional certifications, higher education, the military and the workforce are kept at the forefront of any educational initiative that involves technology. We have moved far past the time of implementing technology for technology's sake or as a system that does not have direct connections with teaching, learning, productivity, student work, communications, decision making and leadership.

Since 1992, in August of each year, board members are educated on the most current status of KETS; are reminded of the annual KY K-12 education technology needs that are based upon the most current and already KBE approved version of the KETS Master Plan; are made aware of all the EdTech federal and state funding sources available in districts and KDE to address the EdTech for the upcoming school year; and, lastly, approving the amount of KETS Trust Fund dollars allocated for the upcoming school year (e.g., $15.4M for SY2025-2026).

In accordance with KRS 156.670, this projection establishes the baseline EdTech need for all Kentucky public schools and districts and includes the annual resources required to sustain the education technology shared services provided by the KDE to all schools and districts statewide. Each Master Plan item represents an industry standard "best practice" approach as

opposed to a requirement and carries the expectation that a wide variety of local, state and federal resources should be leveraged to address the ongoing need to implement and incrementally replace all technology components and services (701 KAR 5:110). This figure is derived from the KETS Master Plan for Education Technology for SY2024-SY2030 that contains the initial acquisition, ongoing operational, incremental replacement and average lifespan of each technology component.

This need projection does not reflect the additional technology components and/or services that districts choose to implement above and beyond the baseline need (e.g., security cameras, video surveillance systems, environmental technology, personal data storage devices, smartphones, Internet access beyond the school campus, etc.), but are recognized as flexible priorities that districts may address exclusively with available local and/or federal resources.

Each district is required to report overall implementation progress for all baseline technology components, services, and staffing on an annual basis. The annual statewide reporting cycle consists of three required components in order to participate in the statewide KETS program:

1. District Technology Plan
2. Digital Readiness Feedback
3. Technology Activity Report

The KETS Master Plan for SY2024-2030 also anticipates that as technology components and services continue to evolve, innovation will possibly reduce the dependency on a particular technology component. As an example, it's expected that as end-user access to digital content increases, the reliance on printing services will naturally decrease over the six-year span of our current plan. Conversely, as the expectation of high-speed access to digital content continues to escalate, it is anticipated that the bandwidth need associated with Internet access will continue to increase at a moderate rate. The KY K-12 education technology need projection worksheet is found in Appendix H of the KBE and legislatively approved KETS Master Plan for Education Technology for SY2024-2030.

The KETS Master Plan for Education Technology for SY2024-SY2030 includes eight major areas of emphasis. The areas of emphasis established through a strategic planning process are intended to highlight the groundbreaking progress made over KETS program history and continue placing major emphasis on this work as a primary goal. Additionally, this will help prevent duplicate initiatives, which create confusion and lost time, while simultaneously focusing energy on areas of improvement in order to get better.

These areas will focus efforts during the life of this Master Plan to continue the delivery of quality, opportunity and access to students and staff:

1. Collaborative Leadership
2. Robust Infrastructure & Ecosystem
3. Data Security, Safety, Privacy & Use
4. Budget & Resources
5. Partnerships
6. Digital Learning, Curriculum, Instruction & Assessment
7. Personalized Professional Learning
8. Use of Space & Time

One main objective of the KETS Master Plan for Education Technology for SY2024-SY2030 is to recognize and build upon the state's past successes while at the same time being innovative for the future.

There are a variety of federal, state, local and private resources that can address the technology operational management need identified in the KETS Master Plan for Education Technology for SY2024-2030. The SY2025-2026 KETS Operational Plan addresses education technology need in the context of technology ownership including initial acquisition, recurring operational management needed to support implementation, continuous improvements in technology, professional capacity of teacher and the people side of technology.

The attached KETS Timeline provides a history of the program's successes since its inception in 1992 while the attached KETS Infographic provides a recent visual depiction of analytics from multiple sources reflecting the varied technology trends taking place over the past year. KETS Offers of Assistance only represent part of the operational management strategy needed to support each district's technology services.

Budget Impact:

The KETS Trust Fund is one resource used to address districts' education technology operational management need. It was established in 1992 in the Finance and Administration Cabinet by KRS 157.665(1) and is administered by the School Facilities Construction Commission (SFCC) to provide education technology for the public school system. Funds are appropriated to the Trust Fund in each biennial budget by legislation. Resources approved by Expenditures from the KETS Trust Fund (i.e., the $15.4M for SY2025-2026) require the initial approval of the Kentucky Board of Education (KRS 157.665(3)); this approval is accomplished through board approval of the KETS Operational Plan. Resources approved by the KBE, for a KETS Offer of Assistance, project or service in a previous fiscal year, are not required to be approved again. Monies are drawn from the KETS Trust Fund on a fiscal year basis.

The SY 2025-2026 KETS Operational Plan establishes expenditure levels from the KETS Trust Fund for new SY 2025-2026 KETS funds available for the KETS Offers of Assistance program as well as KETS Shared Discounted Services and projects for schools. State Shared Services for schools are those aspects of the KETS system that are provided as direct discounted services to districts and schools at no local cost. The KETS Financial Offers of Assistance are sent and equally matched by local school districts. These funds are used in accordance with the KETS Master Plan and the local district's technology plan.

The following must occur before a district receives its resources:

1. State board approves the education technology needs for each district,
2. School Facilities Construction Commission (SFCC) approves the education technology need,
3. The district successfully meets all the statutory requirements of KRS 157.655 and KRS 157.660,
4. The district verifies its final ADA count to KDE, and
5. KDE calculates the KETS Offers of Assistance based on these variables. The districts must follow requirements of the SFCC by receiving approved board action and proof of deposit into a local interest-bearing technology account. The SFCC will then wire to the district's technology account.

The SY 2025-2026 KETS Operational Plan also includes the federal, state, and local resources

that can go toward the SY 2025-2026 education technology needs. For example, the federal E-rate rebates, local district's match of KETS Offers of Assistance, and school facility construction funds all play a significant role in annually addressing a district's education technology needs.

The $387.7M in financial resources beyond the $15.4M listed in the SY 2025-2026 KETS Operational Plan are not part of the KETS Trust Fund and, therefore, do not require the board's approval; they are only listed for the board's informational purposes so the board is aware of all of the possible funding resources beyond the KETS resources that can go toward addressing the SY 2025-2026 education technology needs.

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:
- KY K-12 Local Superintendents Advisory Council (LSAC) through approval of the KETS Master Plan for Education Technology 2024-2030
- KY K-12 District chief information officers (CIOs) and education technology leaders (The CIO or edtech leader represents education technology at the district level educating and receiving feedback from the superintendent and other district leadership)
- Kentucky Associate for School Technology (KAST); formerly Kentucky Society of Technology in Education (KySTE)
- KDE Commissioner, KDE Associate Commissioners and their representatives on KDE's Technology Planning Council (TPC) (The TPC provides representation, input and feedback from all KDE offices)
- Kentucky K-12 Educational Cooperatives
- KY K-12 education technology vendors and partners (e.g., KY K-12 educational cooperatives)

These groups/individuals are in support of the SY 2025-2026 KETS trust fund allocation.

CONTACT PERSON(S):

David Couch, Associate Commissioner
Office of Education Technology
Email: david.couch@education.ky.gov
(502) 564-2020, ext. 2229

Commissioner of Education

Category: ⊠ Educator Workforce Diversity   ⊠ Portrait of a Graduate Partnerships   ⊠ Racial Equity Commitment   ⊠ Student-Centered Accountability System   ⊠ Early Childhood   ⊠ District Support