KENTUCKY DEPARTMENT OF EDUCATION (KDE) STAFF NOTE

Topic: Kentucky Education Technology System (KETS) Operational Plan for School Year 2026-2027
Date: August 2026
Action Requested: ☐Review ☐Action/Consent ☒Action/Discussion
Held In: ☒Full Board ☐State Schools ☐United We Learn

SYNOPSIS OF WHAT YOU WILL BE SHARING:

Request to approve the use of Kentucky Education Technology System (KETS) funds in the amount of $15.4M for the 2026-2027 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 2026-2027. This is the main reason this staff note is being brought before you each year.

KDE Office of Education Technology (OET) 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 2026-2027 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 $420.7M. The KBE is not being asked nor is required to approve that $420.7M but is being provided this information for awareness purposes only. This additional $420.7M brings the total amount of expected EdTech funds being available for SY 2026-2027 to $436.1M ($15.4M + $420.7M).

COMMISSIONER’S RECOMMENDATION:

The Commissioner recommends that the board approve the SY 2026-2027 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:

Below are the last eleven (11) 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.

- SY 26-27 - $436.1M
- SY 25-26 - $403.1M
- SY 24-25 – $443.1M
- SY 23-24 - $491.6M
- SY 22-23 - $502.7M (includes $27.7M of last round of temporary federal Emergency Connectivity Funds (ECF))
- SY 21-22 - $405.4M (includes $48.7M in first rounds of temporary federal Emergency Connectivity Funds (ECF))
- SY 20-21 - $330.7M
- SY 19-20 - $288.3M (includes $20.8M jump of student & staff computer purchases from March 2020 to June 2020)
- SY 18-19 - $265.6M
- SY 17-18 - $228.7M
- SY 16-17 - $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 each of the three prior KDE Biennial Budget Requests, additional funding has not been approved by the General Assembly in enacted Executive Branch Budgets. In the 2026 legislative session, the additional budget request for KETS was identified as a top four priority by the KBE, which we greatly appreciate; however, that requested increase was not funded by the House or Senate in their budget proposals.

Due to the most recent additional budget request for the KETS program not being funded, we have reached a point where state shared services will be impacted resulting in a negative impact to school districts. The cost of these services will be shifted from the Office of Education Technology (OET) to districts with each district now paying, on average, 60% more per student for that service than what OET paid as a shared service by leveraging the entire state's purchasing power:

- Infinite Campus Online Registration - States like North Carolina and Delaware are now passing KY by recently implementing IC statewide in following KY's example. However, both states also included IC's online registration for all their districts and schools not only because it is a service that parents greatly value but also greatly increases the accuracy of the data in their districts and state. Beginning on July 1, 2026, the cost for this service will be shifted from OET to districts. Districts will pay, on average, 60% more than OET.
- Infinite Campus' Campus Learning – Along with the increase in costs there is a loss of functionality for districts who choose not to continue this service. Campus Learning closely ties together Google classroom tools and IC. North Carolina and Delaware also provide/pay for this service to all their districts. Beginning on July 1, 2026, the cost for this service will be shifted from OET to districts. Districts will pay, on average, 60% more than OET.
- KY K-12 IT Academy – For the first time, OET will now have to deny funding student's requests for marketable IT certifications and computer science AP exams. Demand for these services by KY K-12 students is now exceeding the current $760K available.

• KY K-12 Virus Protection – Virus protection for all Windows computers in all 171 districts will be turned off July 1, 2026. Beginning on July 1, 2026, the cost for this approximately $500K per year service will be shifted from OET to districts. Districts will pay, on average, 60% more than OET and will also have to absorb the personnel costs to locally provide that service.

Hopefully, all districts will identify the funding to continue these valued services after July 1, 2026. Going forward, OET strongly advocates for KETS to continue 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 three 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. When the legislature provided the funding to implement the statewide KY K-12 Infinite Campus School Information System in 2006 they, unfortunately, did not include 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 you are never sure will be received or when it will be received. It is like relying upon an income tax return each year to pay a monthly mortgage payment or monthly rent.

Summary of Issue:

The KETS Master Plan for Education Technology for SY 2024-2030 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, are requested to approve the amount of KETS Trust Fund dollars allocated for the upcoming school year (e.g., $15.4M for SY 2026-2027).

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 SY 2024-2030 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 SY 2024-2030 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 SY 2024-2030.

The KETS Master Plan for Education Technology for SY 2024-2030 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 SY 2024-2030 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 SY 2024-2030. The SY 2026-2027 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 teachers 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 SY 2026-2027) 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 2026-2027 KETS Operational Plan establishes expenditure levels from the KETS Trust Fund for new SY 2026-2027 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 2026-2027 Operational Plan also includes the federal, state, and local resources that can go toward the SY 2026-2027 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 $420.7M in financial resources beyond the $15.4M that has been recently appropriated by the legislature for the next school year for KETS beginning on July 1, 2026, 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 2026-2027 education technology needs.

Groups Consulted and a Brief Summary of Responses:

- KY K-12 Local Superintendents Advisory Council (LSAC) through approval of the KETS Master Plan for Education Technology for SY 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 2026-2027 KETS trust fund allocation.

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Commissioner of Education

GOALS/PRIORITIES: Indicate all applicable options.

☒ **Foster Educational Innovation Through Vibrant Learning Experiences**
☒ **Advance Educational Excellence Through Continuous Professional Improvement**
☒ **Cultivate Collaborative Partnerships**
☒ **Legislation**
☐ **Commissioner's Management**