

Substitute for SENATE BILL No. 614

AN ACT concerning the KAN-ED network; relating to funding thereof; amending K.S.A. 2001 Supp. 66-2010 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2001 Supp. 66-2010 is hereby amended to read as follows: 66-2010. (a) The commission shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the KUSF.

(b) The administrator shall be responsible for: (1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF; (2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF; (3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and (4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.

(c) Any information made available or received by the administrator from carriers, utilities or providers receiving funds from or providing funds to the KUSF shall not be subject to any provisions of the Kansas open records act and shall be considered confidential and proprietary.

(d) The administrator shall be authorized to maintain an action to collect any funds owed by any telecommunications carrier, public utility or wireless telecommunications provider in the district court in the county of the registered office of such carrier, utility or provider or, if such carrier, utility or provider does not have a registered office in the state, such an action may be maintained in the county where such carrier's, utility's or provider's principal office is located. If such carrier, utility or provider has no principal office in the state, such an action may be maintained in the district court of any county in which such carrier, utility or provider provides service.

(e) The KUSF administrator shall be responsible to ensure that funds do not fall below the level necessary to pay all amounts collectively owed to all qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers. The administrator shall have the authority to retain and invest in a prudent and reasonable manner any excess funds collected in any period to help ensure that adequate funds are available to cover amounts payable in other periods.

(f) (1) *Before October 1, 2002, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund created by K.S.A. 2001 Supp. 75-7225, and amendments thereto, for the fiscal year ending June 30, 2003. Before October 1, 2003, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount equal to twice the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003. Before July 1, 2004, and before July 1 of each year thereafter, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year commencing the preceding July 1. Upon receipt of the certification of the chief executive officer of the state board of regents, the KUSF administrator shall add the amount certified to the amount annually required to fund the KUSF as determined pursuant to subsection (b).*

(2) *Commencing January 1, 2003, and until June 30, 2004, on or before the 10th day of each month the administrator of the KUSF shall pay from the KUSF to the state treasurer an amount equal to $\frac{1}{6}$ of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (f)(1) for the fiscal year ending June 30, 2003. Commencing July 1, 2004, on or before the 10th day of each month, the administrator of the KUSF shall pay from the KUSF to the state treasurer $\frac{1}{12}$ of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (a) for the fiscal year preceding the fiscal*

year in which the payment is made. Upon the receipt of the payment, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund. Any such payments shall be made after all payments required by K.S.A. 2001 Supp. 66-2008, and amendments thereto, for the month are made from the KUSF.

(3) Amounts appropriated to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003, shall be based on a budget for only six-months' operations. Amounts appropriated thereafter shall be based on a budget for 12-months' operations.

(4) Not more than \$10,000,000 shall be paid from the KUSF to the state treasurer pursuant to this subsection (f) in any one fiscal year.

(5) The provisions of this subsection (f) shall expire on June 30, 2005. Thereafter, state general fund moneys shall be used to fund the KAN-ED network.

Sec. 2. K.S.A. 2001 Supp. 66-2010 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

President of the Senate.

Secretary of the Senate.

Passed the HOUSE _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.