

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:10 a.m. on January 18, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Mary Compton
Rep. Don Dahl
Rep. Don Myers
Rep. Gene O'Brien
Rep. Jerry Williams

Committee staff present: Lynne Holt, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Committee Secretary

Conferees appearing before the committee: Andy Tompkins, Kansas State Department of Education
Craig Grant, Kansas National Education Association
Rob Hodges, Kansas Telecommunications Industry Association
Mark Uhart, Sprint
Richard Veach, Pioneer Communications
John Federico, Kansas Cable Telecommunications Association
Robert Kelly, Kansas Independent College Association

Others attending: See Attached List

HB 2035 - Establishment of broadband technology-based network for schools, libraries and hospitals.

Chairman Holmes welcomed Andy Tompkins, Kansas State Department of Education Commissioner, who testified in support of **HB 2035** (Attachment 1). Mr. Tompkins explained that the department strongly supported the concept. Their goals include equal access to educational opportunities, effective utilization of current resources, promoting a vision for the future of education in Kansas and students gaining a competitive edge in the work force. Mr. Tompkins explained that the bottom line was increased bandwidth and shared services (connectivity, training, software, technical support and distance learning potential).

Craig Grant, appearing on behalf of the Unified School Finance Coalition and the Kansas National Education Association, testified in support of **HB 2035** (Attachment 2). Mr. Grant stated that technology is now a vital part of education and the proposed statewide technology backbone would ensure every Kansas school district has equal access.

Rob Hodges, President of the Kansas Telecommunications Industry Association, appeared as a proponent of **HB 2035** (Attachment 3). He explained that representatives of various telephone, wireless, cable and equipment suppliers worked together and spoke with one voice during the preparation of the bill.

Mark Uhart, of Sprint, served on the Task Force and spoke to the portion of **HB 2035** that deals with the development of the KAN-ED Board (Attachment 4). Mr. Uhart outlined the specific tasks he felt were essential for the board.

Richard Veach, Pioneer Communications, also served on the Task Force. Mr. Veach expressed his support for the bill.

Appearing on behalf of the Kansas Cable Telecommunications Association, John Federico testified in support of **HB 2035** (Attachment 5). Mr. Federico expressed the industry's commitment to "connecting" Kansas schools and libraries and that the delivery of the network is best served by competing private entities.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:10 a.m. on January 18, 2001.

Executive Director of the Kansas Independent College Association, Bob Kelly, appeared in support of **HB 2035** (Attachment 6) and requested an amendment to include private, independent colleges.

Written testimony (Attachment 7) was provided by the Kansas Hospital Association in support of **HB 2035**.

The conferees responded to questions from the committee. Chairman Holmes closed the hearing on **HB 2035** and opened the floor for debate.

Rep. Alldritt moved to strike the words "subject to approval of the governor" from page 4, line 22. Rep. Kuether seconded the motion, motion failed.

Rep. Alldritt moved to add the words "and any agency of the state of Kansas" on page 3, line 14. Rep. Kuether seconded the motion, motion carried.

Rep. Alldritt moved to change page 2, line 6 to include "unless private sector facilities are not otherwise made available." Rep. Kuether seconded the motion, motion failed.

Rep. Krehbiel moved to strike Section 2 (c)(4) and add, under Section 2 (e)(2) the words "Kansas educational institution, as defined in K.S.A. 2000 Supp. 74-32,120,." Rep. Kuether seconded the motion. Motion carried.

Rep. Loyd moved to recommend **HB 2035**, as amended, favorable for passage. Rep. Dreher seconded the motion. Motion carried. Rep. Krehbiel will carry the bill.

Meeting adjourned at 10:47 a.m.

Next meeting is scheduled for Monday, January 22, 2001.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 18, 2001

NAME	REPRESENTING
Rob Hodges	KTIA
Jeff Bottoberg	PNM
John Federico	KCTA
Andy Duzinski	KSDA
Sal Tajari	KSDF
Guy Kusumasa	KSDF
Alan Weis	KTEC
DIVANE JOHNSON	State Library
Elaine Frisbie	Div. of the Budget
Melissa Hungerford	Ks Hosp Assn
Jack Graves	Aug. Duby. P & Utility Reg.
Doug Lawrence	Connect KANSAS
Don & Miles	KEC
Mark Caplinger	State Independent Tel. Assn
John D. Pinegar	State Independent Telephone Assn.
Rob Kelly	KILA
TOM DAY	KCC
Brian Boisvert	Wilson Telephone Co
Robin Boisvert	
WALKER HENDRIX	CURIS

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 18, 2001

NAME	REPRESENTING
JANET BUCHANAN	KCC
Joe Lawhon	Post Audit
Carol Crayman	ITWJ
DENNY KOCH	SWB
Julia Allen	Hein + Weir
Danielle Kloe	D of A
MAREY SULLIVAN	DISC
sandy Braden	Machus, Braden, Barbee
Brad Smart	KLA
Tom Gleason	Independent Telecom Group
Mike Recht	AT&T
RICHARD VEACH	POWER COMMUNICATIONS
ANOM SCHARF	DISC
Diane Gjerstad	Wichita Public Schools
Craig Grant	TNEA
Michelle Byrth	Rural Telephone
Tom Carmach	Johnson County Library



Kansas State Department of Education

120 S.E. 10th Avenue
Topeka, Kansas 66612-1182

January 18, 2001

To: House Committee on Utilities
From: Kansas State Board of Education
Subject: HB 2035

We sincerely appreciate the committee's interest in a statewide, broadband telecommunications network for K-12 schools and public libraries. The State Board in cooperation with the State Library is excited about the potential impact of this type of network. Attached please find several slides that summarize our views on this concept.

We strongly support this concept and for the last two years have requested money to implement the project. A recently conducted Legislative Post Audit report indicates that "if the Legislature wants all districts to be interconnected by high-speed lines, and to have access to advanced educational resources, it likely would need to provide State funding for some type of program. The Legislature will need to decide whether that program is KAN-ED or some other alternative".

In the past, this committee has shown leadership and support for this concept. We look forward to your continued support during this Legislative session.

Statewide Telecommunications Network for Kansas

House Committee on Utilities
January 18, 2001
Andy Tompkins
Commissioner of Education

Our Goals

- Equal access to educational opportunities
- Effective utilization of current resources
- Promoting a vision for the future of education in Kansas
- Our students gaining a competitive edge in the work force

What are we talking about?

- Leveraging statewide resources and buying power to provide each school district and public library with:
 - a **broadband** connection that would provide Internet, Video, and Direct Access to each other.
- » **AND**
- Technical Support
 - Professional Development Opportunities
 - Distance Learning Opportunities
 - Statewide software licensing
 - Opportunities to expand in the future

Think About

- Kansas ranks 8th in the country in multimedia computers / student but ranks 23rd in Internet connected computers / student
- Monthly costs for broadband connections range from basically free to over \$2000 per month
- 190 Kansas school districts have declining enrollment
- Kansas' distance learning networks can not all talk to each other
- Technical assistance is hard to get and harder to keep

Nationally

- 34 states have a statewide K12 network
- 44% provide teachers access from home
- 25% provide students access from home
- Percentage of schools with Broadband access?
 - Kansas 34%
 - National Average 49%

What will it mean to schools and libraries?

- Leverage - Buying Power - It will save money!
 - Federal E-rate discounts
 - Online Resources
- Quality of Services
 - Adequate bandwidth
 - Connections that can grow as usage increases
- Increase in telecommunications investment for communities
- Technical Support / Professional Development/Online course opportunities

What is the bottom line?

- **Bandwidth**

- Adequate, Guaranteed and Scalable
- If the 1980's were about quality and the 1990's were about reengineering, then the 2000's will be about velocity...When the increase in velocity is great enough, the very nature of business changes.
Bill Gates 1999
- It is estimated that by 2004, 85% of the data crossing over networks will be video
Apple Computer

What is the bottom line?

- **Shared Services**

- Aggregate buying power and leverage partnerships to ensure affordable technology access for all schools and libraries
 - Connectivity
 - Training
 - Software
 - Technical Support
 - Distance Learning Potential



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony
House Utilities Committee
Thursday, January 18, 2001

Thank you Mr. Chairman. I am Craig Grant with the Kansas NEA. Today I am representing the Unified School Finance Coalition. The coalition is made up of the Kansas Association of School Boards, the Kansas NEA, Unified School Administrators of Kansas, Schools for Quality Education, the Kansas Education Coalition, Kansans for Local Control, and the individual school districts of Blue Valley, Kansas City, Shawnee Mission, Topeka, Olathe, and Wichita.

The coalition supports the **KAN-ED** proposal. The legislature has studied this issue for a couple of sessions now. We thought we were close last year to actually starting this project. As we start this legislative session, our schools still have great technology needs and find themselves further behind the curve in providing needed technology to our Kansas students. Technology is now a vital part of education and the proposed statewide technology backbone would ensure every Kansas school district has equal access to the Internet. The prospects of connecting our schools (and libraries which we believe are also important) to the already existing network are exciting to our schools. Internet 2 could provide invaluable support for our teachers. As I understand it, we may be able to leverage a great deal of e-rate money for our schools.

While Kansas schools are leading the country in number of computers per student, they are seriously lacking in Internet connectivity. As of last school year, Kansas ranked 36th in the nation in the percent of classrooms with Internet access. Our neighbor Nebraska ranks 2nd with over 80% of the classrooms connected. Colorado ranks 13th, Iowa ranks 7th, Missouri ranks 17th, and Arkansas ranks 27th. Only Oklahoma ranks below us in this category.

As far as expenditures for education technology, in the last five years, the following amounts have been appropriated by the states indicated:

- Oklahoma -- \$18.8 million
- Nebraska -- \$22.0 million
- Missouri -- \$130.0 million
- Iowa -- \$90.0 million
- Arkansas -- \$59.0 million
- Kansas -- \$12.5 million

This trend should not continue if our students in Kansas are to compete with students from other states in the coming years.

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The coalition hopes this committee and the entire legislature will support the schools in finding the best way to create the “backbone” in technology we desperately need. We are not opposed to any provider assisting us in our efforts to bring connectivity to our children. We just believe that we have an opportunity to move now to provide inexpensive and quality programs to our children. We hope that the state will not make undue delays in this program.

As I indicated in this proposal, we support the interim committee’s proposal for KAN-ED. We lag behind other states. We need to step up and start to solve our problem. We stand ready to work with you and the entire legislature to help ensure our success. Thank you for considering our comments.

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Legislative Testimony

Kansas Telecommunications Industry Association 700 SW Jackson St., Suite 704, Topeka, KS 66603-3758 V/TTY 785-234-0307 FAX 785-234-2304

Before the House Committee on Utilities

HB 2035

January 18, 2001

Mr. Chairman, members of the committee, I am Rob Hodges, President of the Kansas Telecommunications Industry Association. The Association's membership is made up of local telephone companies, long distance companies, wireless telecommunications companies, and firms and individuals that provide service to and support for the telecommunications industry in Kansas.

The involvement of the KTIA in the meetings of the State Education Technology-Based Network Task Force was an historic, enjoyable, and we believe successful experience. I think it was the first time that representatives of local telephone companies, long distance companies, wireless companies, cable telecommunications companies, and even equipment suppliers came together, worked together, and spoke with one voice.

The bill you have before you, like nearly all legislation, is the result of evolution, negotiation, and compromise. During the task force meetings the positions of the respective parties came together and resulted in HB 2035, which the telecommunications industry is proud to support.

We stress that this bill is not an end as much as it is a beginning. The bill calls for the creation of a public-private partnership organization to oversee the provision of broadband services to Kansas schools, libraries, and hospitals. To the extent that this bill would create a new bureaucracy, we believe it does so in the best way and for the best reasons.

We believe that the KAN-ED Board created by HB 2035 will permit all parties to come to the table to make decisions and participate on an equal basis. Libraries should not feel like they are part of a network for schools and schools should not feel they are part of something designed for health care. The KAN-ED board can assure that the program integrates all of education and achieves useful economies of scale in doing so. The private sector is made an equal player at the table, too, and there is room for large and small companies, companies which deliver their services using coaxial cable, twisted-pairs, and, of course, fiber. There is even room for new technologies that may be just over the horizon today.

The task force struggled with the question of "What should this network look like?" Ultimately, the members of the task force came to understand that a network design cannot be determined until substantial information is gathered regarding

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ATTACHMENT 3

what services are needed, in what locations, and in what quantity. Gathering that information will be the first order of business for the KAN-ED board.

There are two members of the telecommunications industry here today who served on the task force. Let me introduce to you Mark Uhart of Sprint and Dick Veach of Pioneer Cmmunications. They each have brief remarks to make to you and then we will be pleased to stand for questions.

KAN-ED BOARD ESSENTIAL TASKS

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- Gather and analyze data from potential KAN-ED customers, telecomm/cable service providers, and ISPs.
- Assess customer needs (LANs, WANs, bandwidth, Internet access, interactive video, content, training, etc.)
- Develop the master needs and capabilities database.
- Primary contractor/liaison for telecomm/cable industry.
- Assess the level of E-rate participation and success in acquiring discounts for telecomm services and Internet access. Aggregate data circuit requirements.
- Establish specifications and standards for the network.
- Develop a comprehensive request for proposal (RFP).
- Manage the KAN-ED fund and operational budget.



Prepared by Mark Uhart
LTD's Education Markets Group



Testimony in Support of HB 2035

Presented by John Federico; Federico Consulting
On Behalf of the Kansas Cable Telecommunications Association

Before the House Utilities Committee
January 18, 2001

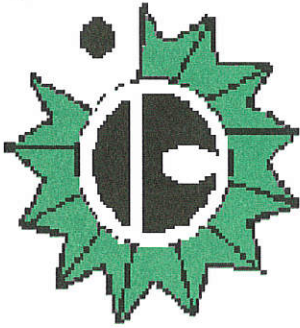
My name is John Federico and I appear before you today on behalf of the Kansas Cable Telecommunications Association. Thank you Mr. Chairman for the opportunity to stand before your Committee and offer our full support of HB 2035. From the earliest discussion of implementing a statewide technology backbone, the cable television industry has been supportive of the policy behind the effort to connect schools and libraries across the state.

It is my belief that the actions of the cable television industry speaks volumes about their commitment to "connecting" our Kansas schools and libraries. On a daily basis the cable industry is responding to the needs of school districts across the state by providing free cable connections which allow them to deliver the technology that best suits the schools' needs.

The technology the cable industry is currently deploying allows us to provide high speed internet access and interactive distance learning through a variety of wide area networks to school districts of various sizes and locations. We are anxious to continue our expansion into other communities in the state, both small and large, and we feel that HB 2035 will allow us to do that.

The cable television industry was fortunate to have a representative from our industry represented on the KAN-ED task force that met this summer and fall and that crafted the legislation that you are considering today. Our ability as an industry to have significant and meaningful input into the final product was instrumental in us supporting this year's KAN-ED legislation without hesitation or qualifications. We maintain our belief that the delivery of a broadband technology-based network to schools, libraries, and hospitals is best served by competing private entities.

We urge your support of HB 2035 as drafted and would be happy to respond to any questions.



KANSAS INDEPENDENT COLLEGE ASSOCIATION

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ROBERT N. KELLY, Executive Director

TESTIMONY BEFORE THE HOUSE UTILITIES COMMITTEE ON HB2035 JANUARY 18, 2001

Mr. Chairman and Members of the Committee:

I am Bob Kelly, Executive Director of the Kansas Independent College Association.

Our Association enthusiastically endorses the concept of KAN-ED. In fact, several of our colleges are reviewing wireless technology and would be prepared to participate in the KAN-ED network, when implemented.

However, there is one problem. As HB2035 is written we are not included. Assuming this omission is inadvertent, I propose the following inelegant amendment to Sec. 2(e) beginning on line 32:

or state educational institution, as defined in K.S.A. 72-4412, and amendments thereto, or Kansas educational institution, as defined in K.S.A. 74-32,120 and amendments.

The relevant language in K.S.A. 74-32,120 is as follows:

- (f) "Kansas educational institution" means a state educational institution under the control and supervision of the board of regents, a municipal university, or a not-for-profit independent institution of higher education which is accredited by the north central association of colleges and secondary schools accrediting agency based on its requirements as of April 1, 1985, is operated independently and not controlled or administered by the state or any agency or subdivision thereof, maintains open enrollment, and the main campus or principal place of operation of which is located in Kansas.

**BAKER UNIVERSITY/BENEDICTINE COLLEGE/BETHANY COLLEGE/BETHEL COLLEGE/CENTRAL COLLEGE/
DONNELLY COLLEGE/FRIENDS UNIVERSITY/HESSTON COLLEGE/KANSAS WESLEYAN UNIVERSITY/
MCPHERSON COLLEGE/MIDAMERICA NAZARENE UNIVERSITY/NEWMAN UNIVERSITY/OTTAWA
UNIVERSITY/SAINT MARY COLLEGE/SOUTHWESTERN COLLEGE/STERLI** HOUSE UTILITIES

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ATTACHMENT 6

Memorandum



Donald A. Wilson
President

January 17, 2001

To: House Utilities Committee

From: Melissa Hungerford, Sr. Vice President
Kansas Hospital Association

Subject: **House Bill 2035**

The Kansas Hospital Association and its members across the state are pleased to be included in the broad-band network proposed by HB 2035. We support the proposal and will be happy to provide whatever information the legislature or the proposed KAN-ED Board may need concerning potential hospital involvement.

Hospitals will provide a useful resource to the educational function of the proposed network. In addition, hospitals have growing workforce challenges which require new approaches to continuing education and training of new health professionals and workers.

Thank you for the opportunity to provide these brief comments.

MH:mkc

Kansas Hospital Association

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ATTACHMENT 7