

Approved: April 29, 2005
Date

Carl Dean Holmes

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:12 a.m. on March 3, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Virginia Beamer - Excused
Representative Eric Carter - Unexcused
Representative Don Myers - Excused
Representative Jason Watkins - Unexcused

Committee staff present: Mary Galligan, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee:
Hal Gardner, Kan-Ed, Topeka, KS
Eldon Rightmeier, Kan-Ed, Topeka, KS
Mark Galbraith, Kansas State Library, Topeka, KS
Mel Chastain, Regents Education Communications Center, Manhattan, KS
Diana Wieland, Colby Public Schools, Colby, KS
Sandy Braden, Cingular Wireless, Topeka, KS
Jim Edwards, Kansas Association of School Boards, Topeka, KS
Dina Fisk, Verizon Wireless, Overland Park, KS

Others attending: See Attached List

HB 2026 - KAN-ED funding

Chairman Holmes opened the hearing on **HB 2026**. Copies of the DA400 report for Fiscal Year 2006 Budget for Kan-Ed (Attachment 1) and the Kan-ed Budget vs. Expenditures spreadsheet (Attachment 2) were distributed to the committee.

Hal Gardner, Executive Director of Kan-Ed, addressed the committee in support of **HB 2026** (Attachment 3). Mr. Gardner provided a brief history of the Kan-Ed program as well as the status of its connection to the state's school districts, libraries, and hospitals.

Eldon Rightmeier, Director of Technical Operations and Planning for Kan-Ed, testified in support of **HB 2026** (Attachment 4). Mr. Rightmeier described the technical implementation and operations of the network.

Marc Galbraith, Deputy State Librarian, provided testimony in support of **HB 2026** (Attachment 5). Mr. Galbraith said that Kan-Ed has met considerable success because of its creative nature. The library community looks forward to reaping the rewards of what Kan-Ed can and will do.

Mel Chastain, Director of the Kansas Regents Educational Communication Center, appeared in support of **HB 2026** (Attachment 6). Mr. Chastain shared information about other states' experiences with similar programs. He also provided a brief history of interconnection throughout the state.

Diana Wieland, Curriculum Director for the Colby Public Schools, spoke to the committee in support of **HB 2026** (Attachment 7). Ms. Wieland said that continued funding is essential to the growth and development of Kan-Ed.

Sandy Braden, on behalf of Cingular Wireless, testified in support of **HB 2026** (Attachment 8). Ms. Braden said that Cingular would encourage a gradual shifting of funding from the KUSF to the state general fund.

Jim Edwards, Governmental Relations Specialist for the Kansas Association of School Boards, appeared in support of **HB 2026** (Attachment 9). Mr. Edwards said that Kan-Ed has met the challenge of providing students and teachers access to educations most comprehensive programs and funding is critical.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 231-N, Statehouse, at 9:12 a.m. on March 3, 2005

Dina Fisk, speaking on behalf of Verizon Wireless, appeared in support of **HB 2026**. (Attachment 10). Ms. Fisk offered their support of an amendment that would phase out the KUSF contribution to Kan-Ed gradually replacing it with state general funds revenue over three years.

The conferees responded to questions from the committee. Additionally, Janet Buchanan, Chief of Telecommunications for the Kansas Corporation Commission, responded to questions.

The hearing on **HB 2026** was suspended.

The meeting adjourned at 10:27 a.m.

The next meeting is Friday, March 4, 2005 at 9:00 a.m.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 3, 2005

NAME	REPRESENTING
Bradley S. Williams	KBOR - Kan-ed
MEL CHASTAIN	Kansas Regents Educational Communications Center - KSU
Jerry Niebaum	KBOR - Kan-ed
Hal Gardner	KBOR, Kan-ed
Charmine Chambers	KBOR - Kan-ed
Eldon Rightmeier	KBOR - Kan-ed
Heather Morgan	Division of Budget
TOM DAI	KCC
JANET BUCHANAN	KCC
Cindy Shuman	Kan-ed
Diana Wieland	Colby Public Schools, NWKS - Kan-ed Region
El Rarden	KFED
Dan Murray	Federico Consulting
Shirley Allen	Allen Consulting
Kristina Hilboldt	Anten Rep. Watkins
MARC GRIZZARD	STATE LIBRARY
Jennifer Findley	KS Hospital Assoc.
Brent Larsen	RTG
Dick Cuth	RTG
Rachel Wall	Rep. Miller

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 3, 2005

NAME	REPRESENTING
Gladys R. Tsimonjela	visitor 84 th Wichita
Rebekah Gaster	Rep. Long
Jenni Row	KACCT
Juanita Blackmon	Millennium Moms Empowerment Network - 84 th dist Wichita, Ks
Sandia Braden	Cingular
Kathy Shaw	Alltel
Jim Edwards	KASB
Anne Spiess	KTIA
D. S. Koch	SBC
Nelson Krueger	Western Wireless
Barb Coxant	KAOA

NARRATIVE INFORMATION -- DA 400 AGENCY NAME: KANSAS BOARD OF REGENTS
 AGENCY-SUBAGENCY CODES: 561-00 FUNCTION NO. 03 DIVISION OF THE BUDGET
 PROGRAM TITLE AND CODE: Kan-ed PROGRAM - 40000
 STATE OF KANSAS SUBPROGRAM TITLE AND CODE: _____ PAGE 1

Program Goal:

Kan-ed will be the leader in developing relationships to improve the condition of patients, to provide better results among students and improved resources for teacher, to enhance information services to library patrons, and to enrich research and collaborative opportunities among Kansas institutions of higher education.

Through Senate Substitute for House Bill #2035 in 2001, the Kansas Legislature created Kan-ed with following language:
 "The purpose of this act is to provide for a broadband technology-based network to which schools, libraries and hospitals may connect for broadband Internet access and intranet access for distance learning. For that purpose, the state board of regents shall contract in accordance with this act for the creation, operation and maintenance of such network, to be known as the Kan-ed network."

This bill was signed into law and now exists as Kansas Statutes 75-7223 through 75-7227.

Kan-ed: Project Overview

A goal of Kan-ed is to improve the quality of education and health care for Kansas' citizens. Another goal is to improve the quality of life and quality of the economy by helping eliminate the digital divide for citizen access to information through public libraries. The Kan-ed network will help to reduce professional isolation felt by education and health care professionals in rural areas of our state. It will build on successful models for interactive distance learning and telemedicine programs begun more than a decade ago. Kan-ed seeks to integrate existing distance learning and telemedicine networks into a comprehensive statewide network that enables school-to-school, library to school, school to hospital, hospital to hospital for all schools, libraries, and hospitals in the state. Such a network will then facilitate continuing education for educators (CE), as well as continuing medical education (CME) and continuing nursing education (CNE).

Schools, hospitals, and libraries will contract with their local service provider for connectivity and for commercial Internet access. Kan-ed will not provide commercial Internet access, but Kan-ed will provide connectivity to Internet2, the national network for education and research. Kan-ed will facilitate the development of high-speed commercial Internet access in areas that do not have it by coordinating with Internet and communications providers when necessary.

Kan-ed will provide commercial Internet subsidies to provide "parity" for high-speed broadband connectivity for libraries, hospitals, school districts and higher education. The goal is to equalize education and information access across all the user communities. Kan-ed will provide grant programs to assist with interactive distance learning and equipment necessary to access high-speed Internet and Intranet connectivity.

HOUSE UTILITIES
 DATE: 3-3-05
 ATTACHMENT 1

NARRATIVE INFORMATION -- DA 400 AGENCY NAME: KANSAS BOARD OF REGENTS
AGENCY-SUBAGENCY CODES: 561-00 FUNCTION NO. 03 DIVISION OF THE BUDGET
PROGRAM TITLE AND CODE: Kan-ed PROGRAM - 40000
STATE OF KANSAS SUBPROGRAM TITLE AND CODE: _____ PAGE 2

Kan-ed will contract for statewide access to information databases to be made available to all users, for example such as newspaper archives, a general reference electronic encyclopedia, and a medical reference service. It will build on the excellent work in database licensing and access already begun by the state library and the Regents universities.

This is not a "project" with a conventional expectation of project completion. The Kan-ed network and its related consortium will be an on-going activity of the Board of Regents. It will have continuing staff and continuing expenses. Pursuant to K.S.A. 66-2011, Kan-ed is to be funded through annual transfers from the Universal Service Fee Fund, not to exceed \$10 million. On June 30, 2005, this provision expires and the Kan-ed network is to be funded from state general funds.

Kan-ed: Network Overview

The Kan-ed network is a "network of networks" established through lease agreements with telecommunications service providers throughout the state. Kan-ed leases allow for statewide network connectivity and data routing. Kan-ed consists of multiple OC-3 links connected to Juniper M7i and Cisco 7603 Network Access Point (NAP) routers located throughout the state. This network brings services closer to end-users and reduces end-user costs.

EXPENDITURE JUSTIFICATION - KAN-ED PROGRAM

SALARIES AND WAGES

Object Code 100: Salaries and Wages

SUMMARY: Approved staffing in the Kan-ed program includes 9.08 FTE, including 7.08 unclassified positions and 2.0 classified positions.

Current Year FY 2005 - Salaries and wages are budgeted at \$650,829 from the Kan-ed Universal Service Fee Fund.

Budget Allocation Request FY 2006 - \$651,493 would provide for continuation of the current budget. This budget level includes the benefit rate changes with no other salary increases as directed by the Division of the Budget. The fringe benefits were computed using the rates provided by the Division of Budget.

OTHER OPERATING EXPENDITURES

Object Code 200 - 290 - Contractual Services

NARRATIVE INFORMATION – DA 400 AGENCY NAME: KANSAS BOARD OF REGENTS
AGENCY-SUBAGENCY CODES: 561-00 FUNCTION NO. 03 DIVISION OF THE BUDGET
PROGRAM TITLE AND CODE: Kan-ed PROGRAM - 40000
STATE OF KANSAS SUBPROGRAM TITLE AND CODE: _____ PAGE 3

SUMMARY: The contractual services include expenditures for phone, mail, rent, travel and payments for contracts of professional services.

Current Year FY 2005 - \$7,607,025 represents the current year. This includes \$812,772 for research and education databases for statewide use; \$1,500,000 for network management fees for the NOC (network operation center); \$2,892,000 in leased connectivity fees (routers and bandwidth), \$190,000 for portal hosting and maintenance; \$248,484 grant for KHA EMS systems; \$360,000 for Sprint Empowered Desktop (LearningStation, Atomic Learning, NetTrekker); \$575,000 for technical consulting; \$69,000 for customized audio/video broadcasts (Kan-ed LIVE!); \$240,000 for IDL software licensing; \$425,000 for evaluation, baseline determination, research/survey; \$1,000,000 for strategic technology planning and higher education connectivity; \$130,000 for MCU bridge for videoconferencing; \$100,000 for Chronically Ill Kids Telemedicine initiative; \$100,000 Educational Service Center Training and support for Kan-ed applications; \$128,840 Technology Rich Classroom initiative; \$30,000 annual maintenance fees for IDL scheduling software; \$24,000 for technical strategic planning consultant; \$24,000 for e-rate consultant; \$5,000 for STATENETS membership, \$5,000 for EDUCAUSE membership; \$6,000 KanREN membership; \$4,500 for ARIN IP address fee for Kan-ed IP addresses; \$500,000 network contingency fund; \$75,000 conference sponsorship; \$17,500 for regional chair stipends.

Budget Allocation Request FY 2006 - \$7,962,864 represents the current year base, with a few increases in the budget for increased fees and contracts.

Object Codes 300 - 390 - Commodities

SUMMARY: Expenditures in this category are generally for office and data processing supplies.

Current Year FY 2005/Budget Allocation Request FY 2006 - \$35,000 represents both the current year budget and budget allocation request.

Object Code 400 - Capital Outlay

SUMMARY: Expenditures from this category are for computers and software purchases.

Current Year FY 2005 - \$80,000 is budgeted for capital outlay for FY 2005.

Budget Allocation Request FY 2006 - \$45,000 is budgeted for FY 2006.

Object Code 500 - Aid to Local Governments

SUMMARY: Expenditures in this category are for Kan-ed broadband subsidy payments to schools, libraries and hospitals.

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STATE OF KANSAS SUBPROGRAM TITLE AND CODE: _____ PAGE 4

Current Year FY 2005 - \$3,450,000 is budgeted for subsidies.

Budget Allocation Request FY 2006 - \$2,450,000 is budgeted for FY 2006.

ENHANCEMENT PACKAGE: Kan-ed Program

Package #1 - Salary Increase - \$36,056

Description: The Board is requesting \$36,056 for a 6.0% salary increase, funded from the Kan-ed Universal Service Fee Fund.

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Salaries and Wages -- DA 412

Program Name: KAN-ED Program-Summary

Page: 1 of 2

Agency Name: Board of Regents

Date: 12/14/2004

Agency Reporting Level: 561-00-40000-00000-00000-0000

Time: 12:40:39

Division of the Budget
State of Kansas

Version: 2006-L01-00561

Classification Of Employment	Pay Grade	FY 2005 Estimate		FY 2006 Request	
		Pos	Amount	Pos	Amount
Authorized Positions					
Regular Classified					
Accounting Specialist	19	1.00	28,725	1.00	28,725
Senior Administrative Asst	15	1.00	21,965	1.00	21,965
Subtotal Regular Classified		2.00	50,690	2.00	50,690
Regular Unclassified					
Assoc Dir of Information Tech	1	.08	4,285	.08	4,285
Dir of Tech Ops & Planning	1	1.00	77,250	1.00	77,250
Director for KAN-ED	1	1.00	88,863	1.00	88,863
Director of Information Tech	1	1.00	72,040	1.00	72,040
Portal & Mmbrshp Svcs Coord	1	1.00	38,050	1.00	38,050
Research and Development Co	1	1.00	61,800	1.00	61,800
Technical Operations Assistant	1	1.00	45,000	1.00	45,000
Video Applications Specialist	1	1.00	70,000	1.00	70,000
Subtotal Regular Unclassified		7.08	457,288	7.08	457,288
Totals		9.08	507,978	9.08	507,978
Totals by Fringe Benefits					
Retirement	TIAA		41,615		41,615
Retirement	KPERS		2,772		2,975
FICA			31,492		31,496
UNEMP			1,931		2,185
WKCMP			4,928		5,081

Salaries and Wages -- DA 412

Program Name: KAN-ED Program-Summary

Agency Name: Board of Regents

Agency Reporting Level: 561-00-40000-00000-00000-0000

Version: 2006-L01-00561

Page: 2 of 2

Date: 12/14/2004

Time: 12:40:39

Division of the Budget
State of Kansas

Classification Of Employment	Pay Grade	FY 2005 Estimate		FY 2006 Request	
		Pos	Amount	Pos	Amount
Totals by Fringe Benefits					
RSAL			2,185		2,235
Health Single			43,702		43,702
Health Family			6,859		6,859
FICA Medicare 2			7,367		7,367
Total Benefits			142,851		143,515
Total Salaries and Benefits			650,829		651,493
 Totals by Position Type					
Regular Classified		2.00	50,690	2.00	50,690
Regular Unclassified		7.08	457,288	7.08	457,288

DA 406/410 - Expenditures and Plans for Financing

Dept. Name: KAN-ED Program-Summary

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Agency Name: Board of Regents

Date: 12/14/2004

Division of the Budget

Agency Reporting Level: 561-00-40000-00000-00000-0000

Time: 12:44:07

State of Kansas

Version: 2006-L01-00561

Obj. Code	OBJECTS OF EXPENDITURE	FY 2004 Actuals	FY 2005 Adjusted Budget Request	Column 3	FY 2006 Revised Request	FY 2006 Agency Change Packages	FY 2006 Adjusted Budget Request
	Salaries and Wages	486,775	650,829	0	651,493	36,056	687,549
	TOTAL Salaries and Wages	486,775	650,829	0	651,493	36,056	687,549
2001	COMMUNICATION	404,583	29,500	0	29,500	0	29,500
2101	FREIGHT AND EXPRESS	281	500	0	500	0	500
2201	PRINTING AND ADVERTISING	1,643	100,000	0	100,000	0	100,000
2301	RENTS	34,039	1,032,200	0	2,929,570	0	2,929,570
2401	REPAIRING AND SERVICING	33,745	800	0	0	0	0
2501	IN-STATE TRAVEL AND SUBSISTENC	54,424	35,000	0	35,000	0	35,000
2502	OUT-OF-STATE TRAVEL AND SUBSIS	12,751	15,000	0	15,000	0	15,000
2601	FEES-OTHER SERVICES	1,763,192	2,831,025	0	2,287,294	0	2,287,294
2701	FEES- PROFESSIONAL SERVICES	2,190,293	3,517,000	0	2,503,000	0	2,503,000
2901	OTHER CONTRACTUAL SERVICES	51,881	46,000	0	63,000	0	63,000
	TOTAL Contractual Services	4,546,832	7,607,025	0	7,962,864	0	7,962,864
3002	CLOTHING	255	0	0	0	0	0
3401	MAINTENANCE CONSTRUCTION MATER	865	0	0	0	0	0
3501	MOTOR VEHICLE PARTS	224	0	0	0	0	0
3601	PROFESSIONAL AND SCIENTIFIC SU	726	10,000	0	10,000	0	10,000
3701	STATIONERY	14,689	25,000	0	25,000	0	25,000
3901	OTHER SUPPLIES	257	0	0	0	0	0
	TOTAL Commodities	17,016	35,000	0	35,000	0	35,000
	TOTAL Capital Outlay	182,563	80,000	0	45,000	0	45,000
	SUBTOTAL State Operations	5,233,186	8,372,854	0	8,694,357	36,056	8,730,413
5101	STATE AID PAYMENTS	3,413,719	3,450,000	0	2,450,000	0	2,450,000

DA 406/410 - Expenditures and Plans for Financing

Dept. Name: KAN-ED Program-Summary

Page: 2 of 5

Agency Name: Board of Regents

Date: 12/14/2004

Division of the Budget

Agency Reporting Level: 561-00-40000-00000-00000-0000

Time: 12:44:07

State of Kansas

Version: 2006-L01-00561

Obj. Code	OBJECTS OF EXPENDITURE	FY 2004 Actuals	FY 2005 Adjusted Budget Request	Column 3	FY 2006 Revised Request	FY 2006 Agency Change Packages	FY 2006 Adjusted Budget Request
	TOTAL Aid to Local Governments	3,413,719	3,450,000	0	2,450,000	0	2,450,000
5501	STATE SPECIAL GRANTS	184,597	0	0	0	0	0
	TOTAL Other Assistance	184,597	0	0	0	0	0
	TOTAL REPORTABLE EXPENDITURES	8,831,502	11,822,854	0	11,144,357	36,056	11,180,413
	TOTAL EXPENDITURES	8,831,502	11,822,854	0	11,144,357	36,056	11,180,413

DA 406/410 - Expenditures and Plans for Financing

Dept. Name: KAN-ED Program-Summary

Agency Name: Board of Regents

Division of the Budget

Agency Reporting Level: 561-00-40000-00000-00000-0000

State of Kansas

Version: 2006-L01-00561

SeriFund Code	FUND/ACCOUNT TITLE	FY 2004 Actuals	FY 2005 Adjusted Budget Request	Column 3	FY 2006 Revised Request	FY 2006 Agency Change Packages	FY 2006 Adjusted Budget Request
1 2276	2660 Kan-Ed Fund-KUSF	486,775	650,829	0	651,493	36,056	687,549
1 2276	2276 SUBTOTAL for 2276's	486,775	650,829	0	651,493	36,056	687,549
	232 TOTAL Salaries and Wages	486,775	650,829	0	651,493	36,056	687,549
2 2266	5000 INSERVICE EDUCATION WORKSHOP FI	9,836	0	0	0	0	0
2 2266	2266 SUBTOTAL for 2266's	9,836	0	0	0	0	0
2 2276	2660 Kan-Ed Fund-KUSF	4,537,175	7,607,025	0	7,962,864	0	7,962,864
2 2276	2276 SUBTOTAL for 2276's	4,537,175	7,607,025	0	7,962,864	0	7,962,864
2 3042	3010 ABE-ADMINISTRATION	-179	0	0	0	0	0
2 3042	3042 SUBTOTAL for 3042's	-179	0	0	0	0	0
	262 TOTAL Contractual Services	4,546,832	7,607,025	0	7,962,864	0	7,962,864
3 2276	2660 Kan-Ed Fund-KUSF	17,016	35,000	0	35,000	0	35,000
3 2276	2276 SUBTOTAL for 2276's	17,016	35,000	0	35,000	0	35,000
	272 TOTAL Commodities	17,016	35,000	0	35,000	0	35,000
4 2276	2660 Kan-Ed Fund-KUSF	182,563	80,000	0	45,000	0	45,000
4 2276	2276 SUBTOTAL for 2276's	182,563	80,000	0	45,000	0	45,000
	282 TOTAL Capital Outlay	182,563	80,000	0	45,000	0	45,000
8 2276	2660 Kan-Ed Fund-KUSF	3,413,719	3,450,000	0	2,450,000	0	2,450,000
8 2276	2276 SUBTOTAL for 2276's	3,413,719	3,450,000	0	2,450,000	0	2,450,000
	292 TOTAL Aid to Locals	3,413,719	3,450,000	0	2,450,000	0	2,450,000
9 2276	2660 Kan-Ed Fund-KUSF	184,597	0	0	0	0	0
9 2276	2276 SUBTOTAL for 2276's	184,597	0	0	0	0	0

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DA 406/410 - Expenditures and Plans for Financing

Dept. Name: KAN-ED Program-Summary

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Agency Name: Board of Regents

Date: 12/14/2004

Division of the Budget

Agency Reporting Level: 561-00-40000-00000-00000-0000

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State of Kansas

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SeriFund Code	FUND/ACCOUNT TITLE	FY 2004 Actuals	FY 2005 Adjusted Budget Request	Column 3	FY 2006 Revised Request	FY 2006 Agency Change Packages	FY 2006 Adjusted Budget Request
302	TOTAL Other Assistance	184,597	0	0	0	0	0
302	TOTAL All Funds	8,831,502	11,822,854	0	11,144,357	36,056	11,180,413

07-1

DA 406/410 - Expenditures and Plans for Financing

Dept. Name: KAN-ED Program-Summary

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Agency Name: Board of Regents

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Division of the Budget

Agency Reporting Level: 561-00-40000-00000-00000-0000

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Fund Code	FUND/ACCOUNT TITLE	FY 2004 Actuals	FY 2005 Adjusted Budget Request	Column 3	FY 2006 Revised Request	FY 2006 Agency Change Packages	FY 2006 Adjusted Budget Request
5000		9,836	0	0	0	0	0
2266	SUBTOTAL INSERVICE EDUCATION WOR	9,836	0	0	0	0	0
2660		8,821,845	11,822,854	0	11,144,357	36,056	11,180,413
2276	SUBTOTAL KAN-ED FUND	8,821,845	11,822,854	0	11,144,357	36,056	11,180,413
3010		-179	0	0	0	0	0
3042	SUBTOTAL ADULT BASIC EDUCATION-FE	-179	0	0	0	0	0
362	TOTAL MEANS OF FUNDING	8,831,502	11,822,854	0	11,144,357	36,056	11,180,413

ed Budget vs. Expenditures FY03

AGENCY NAME Kansas Board of Regents
 AGENCY NUMBER 561

OBJECT OF EXPENDITURE	OBJ. CODE	FY 2003 APPROVED	FY 2003 REVISED	FY 2003 Actual Expenditures			
01 TOTAL SALARIES AND WAGES	100	361,000	379,461	286,046			
05 Communication	200	25,000	25,000	148,388			
05 Freight & Express	210	0	0	46			
05 Printing & Advertising	220	25,000	10,000	2,130			
05 Rents	230	0	0	11,324			
05 Repairing & Servicing	240	0	0	3,493			
05 Travel & Subsistence	250	50,000	25,000	28,472			
05 Fees-Other Services	260	0	10,000	198,781			
05 Fees-Professional Services	270	125,000	225,000	196,298			
05 Utilities	280	0	0	0			
05 Other Contractual Services	290	0	5,000	8,628			
06 TOTAL CONTRACTUAL SERVICES							
10 Food & Forage	310	0	0	0			
10 Maintenance Materials, Supplies, Parts	340	0	0	0			
10 Professional & Scientific Supplies	360	0	8,959	280			
10 Stationery/Office Supplies	370	4,000	22,000	12,233			
10 Scientific Research Supplies	380	0	0	0			
10 Other Supplies, Materials, Parts	390	0	0	0			
11 TOTAL COMMODITIES							
15 Equipment	400	\$0	\$0	\$8,599			
15 Microcomputers	413	10,000	10,000	12,598			
15 Computer Hardware	416	0	0	0			
15 Computer Software	418	0	0	0			
15 Switching Equipment	462	0	970,000	248,281			
15 Data Communications Equipment (KAN-ED Backbone)	466	3,306,580	3,306,580	0			
16 TOTAL CAPITAL OUTLAY							
20 Debt Service -- Principal	600	0	0	0			
20 Debt Service -- Interest	610	0	0	0			
20 INSTITUTIONAL OR DEPT. DEBT		0	0	0			
25 TOTAL NONEXPENSE ITEMS	700	0	0	0			
30 SUBTOTAL-STATE OPERATIONS		\$0	\$0	\$0			
35 Federal Aid to Local Governments	500	0	0	0			
35 State Aid to Local Governments	510	0	0	2,254,335			
36 TOTAL AID TO LOCAL UNITS							
38 TOTAL OTHER ASSISTANCE, GRANTS & BENEFITS							
40 TOTAL EXPENDITURES		\$3,906,580	\$4,997,000	\$3,419,931			
FTE Positions		7.5	7.5				
Unclassified Temporary Positions		0.0	0.0				
45 TOTAL POSITIONS		7.5	7.5				

DISC Network management
 RENT to KBOR
 DFM
 192,000 one-time fee to DISC
 members hips /subscriptions

HOUSE UTILITIES

DATE: 3-3-05

ATTACHMENT 2

Budget vs. Expenditures FY04

AGENCY NAME Kansas Board of Regents
 AGENCY NUMBER 561

OBJECT OF EXPENDITURE	OBJ. CODE	FY2004 APPROVED	FY2004 REVISED	FY 2004 Actual Expenditures	Includes	99,080 in	indirect to KBOR
01 TOTAL SALARIES AND WAGES	100	600,000	600,000	486,775			
5 Communication	200	25,000	25,000	91,796			
5 Freight & Express	210	0	0	281	Disc Network Management		
5 Printing & Advertising	220	25,000	35,000	1,643			
5 Rents	230	20,000	20,000	26,084			
5 Repairing & Servicing	240	0	0	33,745	PFM, software "maintenance"		
5 Travel & Subsistence	250	50,000	50,000	67,354			
5 Fees-Other Services (Content)	260	500,000	500,000	33,999			
5 State Library - Databases for Statewide Use	260	1,000,000	970,525	970,525			
5 Fees-Professional Services Network Management	260	1,068,591	1,000,000	995,736			
5 EETT KSDE Program	260	0	87,200	0			
5 Professional & Technical Consulting	279	0	0	8,108			
5 Portal Development	279	196,000	196,000	189,685			
5 Engineering Trade Study / Technical Consulting (RTG)	279	1,000,000	1,350,000	1,730,528			
5 KAN-ED Live! Web Broadcasts	279	34,200	34,200	34,200			
5 E-Rate consultant	279	25,000	24,000	18,000			
5 Evaluation & Research / Survey Team (OEIE)	279	375,000	475,000	203,772			
5 Network Access Point Lease (NAPS)	204	1,000,000	X	X			
5 RFP 06412 Estimate (NAPS) (12@530k/mo)	204	X	180,000	72,787			
5 Independent Telecom Bid Estimated (4@10k/mo)	204	X	60,000	0			
5 OC-3 Bandwidth Lease to connect NAPS	204	367,000	X	X			
5 RFP 06412 Estimated (OC-3s and 'Tail' Circuits)	204	X	556,764	0			
5 Independent Telecom Bid Estimated (DS-3 and OC-3)	204	X	240,000	0			
5 Membership Fees & Subscriptions/Other Contractual	290	0	0	1,449			
5 EDUCAUSE	291	0	5,000	5,500			
5 KANREN	291	2,500	6,000	39,932	Fees to KANREN for startup		
5 ARJN	291	5,000	5,000	5,000			
5 Network Contingency		500,000	500,000	0			
5 Conference Sponsorship	269	0	50,000	0			
06 TOTAL CONTRACTUAL SERVICES							
10 Food & Forage	310	0	0	0			
10 Maintenance Materials, Supplies, Parts	340	0	0	0			
10 Professional & Scientific Supplies	360	8,971	10,000	726			
10 Stationery/Office Supplies	370	25,000	25,000	17,339			
10 Scientific Research Supplies	380	0	0	0			
10 Other Supplies, Materials, Parts	390	0	0	0			
11 TOTAL COMMODITIES							
15 Equipment	400			170,257			
15 Microcomputers	413	10,000	10,000	12,190			
15 Computer Hardware	416	25,000	25,000	0			
15 Computer Software	418	5,000	5,000	116			
15 Switching Equipment	462	0	0	0			
15 Data Communications Equipment	466	0	0	0			
16 TOTAL CAPITAL OUTLAY							
20 Debt Service -- Principal	600	0	0	0			
20 Debt Service -- Interest	610	0	0	0			
20 INSTITUTIONAL OR DEPT. DEBT							
25 TOTAL NONEXPENSE ITEMS	700						
30 SUBTOTAL STATE OPERATIONS							
35 IDL Network Party Support	599	0	515,985	Total below			
35 KAN-ED Broadband Subsidy	599	2,200,000	2,400,000	Total below			
35 KAN-ED Enhancing Technology Grant Program	599	0	250,000	Total below			
35 KAN-ED IDL Conversion/Upgrade Grant Program	599						
36 TOTAL AID				\$3,598,316			
38 TOTAL OTHER ASSISTANCE, GRANTS & BENEFITS							
40 TOTAL EXPENDITURES		\$9,067,262	\$10,210,674	\$8,815,844			
** E-RATE DISCOUNT (65%) on Network NAPS / Bandwidth			(\$1,036,764)	Credit in FY05			
TOTAL EXPENDITURES AFTER E-RATE			\$9,173,910				
FTE Positions		7.5	6.5	7.0			
Unclassified Temporary Positions		0.0	0.0	0.0			
45 TOTAL POSITIONS		7.5	6.5	7.0			

* KAN-ED is funded through the Kansas Universal Service Fund, not State General Fund.

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Kan-ed Budget FY 05 Thru 10/31/04

AGENCY NAME Kansas Board of Regents
 AGENCY NUMBER 361

OBJECT OF EXPENDITURE	OBJ. CODE	FY2005 Estimated	FY2005 Approved	FY 2005 Actual Expend. Through 10/31	
01 TOTAL SALARIES AND WAGES	100	678,000	678,000	178,205	
5 Communication	200	25,000	25,000	8,457	
5 Postage, Freight & Express Delivery	210	5,000	5,000	19	
5 Printing & Advertising & Media Development	220	100,000	100,000	1,485	
5 Rents	230	30,000	30,000	15,266	
5 Travel & Subsistence	250	50,000	50,000	12,150	
5 Fees-Other Services (Content)	260	x	x	x	
5 State Library - Research and Education Databases	260	812,772	812,772	812,772	
5 KHA - EMSystems	260	248,454	248,454	248,454	
5 Empowered Desktop / LearningStation	260	360,000	360,000	0	
5 Teleconnect Chronically Ill Kids Telemedicine	260	100,000	100,000	0	
5 Educational Service Center Training / Support	260	100,000	100,000	0	
5 Higher Education Strategic Connectivity and Planning	260	1,000,000	1,000,000	0	MATCH 1ST
5 E2T2 Technology Rich Classrooms	260	128,840	128,840	0	
5 Technical Services - Network Management	260	1,500,000	1,500,000	283,400	KAN-REU
Renovo Video Scheduling License (one-time)	279	241,000	241,000	241,000	
Renovo Annual Maintenance	279	30,000	30,000	39,000	
5 Professional & Technical Consulting	279	x	x	x	
5 Kan-ed Portal Development and Maintenance	279	190,000	190,000	67,488	
5 Technical Implementation and Project Planning Consulting	279	575,000	575,000	246,022	TECH ENHANCEMENT - SITE MANAGEMENT
5 KAN-ED Live! Web Broadcasts	279	69,000	69,000	69,000	
5 Technical Strategic Planning Consultant	279	24,000	24,000	452	
5 E-Rate consultant	279	24,000	24,000	24,000	
5 Evaluation & Research / Survey Team	279	425,000	425,000	82,744	
5 Leased Equipment/Connectivity and Services	233	2,892,000	2,892,000	727,578	
5 Membership Fees & Subscriptions/Other Contractual Services	290	x	x	x	
STATENETS	291	5,000	5,000	5,500	
5 EDUCAUSE	291	5,000	5,000	0	
5 KANREN	291	6,000	6,000	7,960	
5 ARIN	291	4,500	4,500	4,500	
5 Network Contingency		500,000	500,000	0	
5 Conference Sponsorship	269	75,000	75,000	34,500	
5 Kan-ed Regional Chair Development (7 x \$2500)		17,500	17,500	0	
06 TOTAL CONTRACTUAL SERVICES					
10 Food & Forage	310	25,000	25,000	1,883	
10 Professional & Scientific Supplies	360	10,000	10,000	330	
10 Stationery/Office Supplies	370	25,000	25,000	4,450	
11 TOTAL COMMODITIES					
15 Equipment	400	\$0	\$0	15,600	Video Equipment / Projectors
15 Microcomputers	413	10,000	10,000	6,705	
15 Computer Hardware	416	60,000	60,000	0	
15 MCU Bridge (KBOR)	416	130,000	130,000	0	
15 Computer Software	418	10,000	10,000	0	
16 TOTAL CAPITAL OUTLAY					
20 Debt Service -- Principal	600	0	0	0	
20 Debt Service -- Interest	610	0	0	0	
20 INSTITUTIONAL OR DEPT. DEBT		0	0	0	
25 TOTAL NONEXPENSE ITEMS	700	0	0	0	
30 SUBTOTAL-STATE OPERATIONS		\$0	\$0	\$0	
35 IDL Parity	599	\$200,000	\$200,000	\$15,000	
35 Content and Services Mini-Grants	599	\$250,000	\$250,000	\$0	
35 Basic Broadband Connectivity Subsidy	599	2,000,000	2,000,000	766,465	
35 Enhancing Technology Equipment Grant Program	599	500,000	500,000	318,968	
36 TOTAL GRANTS/SUBSIDIES					
38 TOTAL OTHER ASSISTANCE, GRANTS & BENEFITS					
40 TOTAL EXPENDITURES		\$13,441,066	\$13,441,066	\$4,239,353	
Carryover FY04		(\$2,938,190)	(\$2,938,190)		
TOTAL EXPENDITURES		\$10,502,876	\$10,502,876		
** E-RATE DISCOUNT (65%) on Network Connectivity/Leases		(\$1,723,518)	(\$1,723,518)	(\$139,437)	
TOTAL EXPENDITURES AFTER E-RATE		\$8,779,358	\$8,779,358	\$4,099,916	
FTE Positions		9.0	9.0	9.0	
Unclassified Temporary Positions		0.0	0.0	0.0	
45 TOTAL POSITIONS		9.0	9.0	9.0	

* Kan-ed is funded through the Kansas Universal Service Fund, not State General Fund.

\$1.3M CARRYOVER

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*** Kan-ed FY2006 Estimated Budget**

AGENCY NAME Kansas Board of Regents
 AGENCY NUMBER 561

OBJECT OF EXPENDITURE	OBJ. CODE	FY2006 Estimated	FY2006 Approved	DOB USE ONLY
01 TOTAL SALARIES AND WAGES	100	678,000		Staff Salaries
5 Communication	200	29,500		Internet, Phones (disc, cingular), postage
5 Postage, Freight & Express Delivery	210	5,000		central mail, fedex
5 Printing & Advertising & Media Development	220	100,000		job ads, brochures, dvd/cd's
5 Rents	230	51,800		KBOR rent
5 Travel & Subsistence	250	50,000		Kan-ed staff, UAC, delegates
5 Fees-Other Services (Content)	260	x		
5 State Library - Research and Education Databases	260	500,000		State library database contract
5 KHA - EMSystems	260	248,454		Kansas Hospital Assoc. contract
5 Sprint Empowered Desktop / LearningStation		360,000		Sprnt contract
5 Teleconnect Chronically Ill Kids Telemedicine	260	100,000		KU Med grant (year 3 of 3 FY06)
5 Higher Education Strategic Connectivity and Planning	260	1,000,000		TBD
5 Technical Services - Network Management	270	1,500,000		KanREN
Renovo Video Scheduling License (one-time)	279	50,000		KanREN
Renovo Annual Maintenance	279	40,000		KanREN
5 Professional & Technical Consulting	279	x		
5 Kan-ed Portal Development and Maintenance	279	190,000		K-State (ECC)
5 Technical Implementation and Project Planning Consulting	279	250,000		RTG
5 KAN-ED Live! Web Broadcasts	279	75,000		ESSDACK
5 Technical Strategic Planning Consultant	279	24,000		Jerry Niebaum contract
5 E-Rate consultant	279	24,000		Dietrich Lockard contract
5 Evaluation & Research / Survey Team	279	300,000		K-State OEIE
5 Leased Equipment/Connectivity and Services	233	2,892,000		telecom providers (sprnt, cov, sbc, indp.)
5 Membership Fees & Subscriptions	291	x		
STATENETS	291	5,000		EDUCAUSE
5 EDUCAUSE	291	5,000		EDUCAUSE
5 KANREN	291	6,000		KanREN
5 ARIN	291	4,500		American Registry for Internet Numbers
5 Network Contingency		250,000		TBD
5 Conference Sponsorship	269	25,000		Individual conferences
5 Kan-ed Regional Chair Development (7 x \$2500)		17,500		NE, SE, NC, SC, SW, SE, C Regions
06 TOTAL CONTRACTUAL SERVICES				
10 Food & Forage	310	12,500		UAC meetings, workgroup meetings, etc.
10 Professional & Scientific Supplies	360	5,000		Dell, Palmone, misc. vendors
10 Stationery/Office Supplies	370	15,000		BOISE misc vendors
11 TOTAL COMMODITIES				
15 Microcomputers	413	10,000		Dell, IBM, misc vendors
15 Computer Hardware	416	25,000		Dell, IBM, CYTEK, misc. vendors
15 MCU Bridge (KBOR)	416	130,000		CYTEK
15 Computer Software	418	10,000		software house international
16 TOTAL CAPITAL OUTLAY				
20 Debt Service -- Principal	600	0		
20 Debt Service -- Interest	610	0		
20 INSTITUTIONAL OR DEPT. DEBT		0		
25 TOTAL NONEXPENSE ITEMS	700	0		
30 SUBTOTAL-STATE OPERATIONS		\$0		
35 Party (branch, school district, IDL)	599	\$500,000		school districts
35 Content and Services Mini-Grants	599	\$250,000		grant recipients
35 Basic Broadband Connectivity Access Program	599	2,000,000		grant recipients
35 Enhancing Technology Equipment Grant Program	599	250,000		grant recipients
36 TOTAL GRANTS/SUBSIDIES				
38 TOTAL OTHER ASSISTANCE, GRANTS & BENEFITS				
40 TOTAL EXPENDITURES		\$11,988,254		
Carryover FY05		(\$1,800,000)		FY05 Carry over
TOTAL EXPENDITURES		\$10,188,254		
** E-RATE DISCOUNT (65%) on Network Connectivity/Leases		(\$1,723,518)		
TOTAL EXPENDITURES AFTER E-RATE		\$8,464,736		
FTE Positions		9.0		
Unclassified Temporary Positions		0.0		
45 TOTAL POSITIONS		9.0		

* Kan-ed is funded through the Kansas Universal Service Fund, not State General Fund

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KANSAS BOARD OF REGENTS

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Testimony Regarding HB 2026
House Utilities Committee
March 3, 2005
Hal Gardner
Executive Director, Kan-ed
Kansas Board of Regents

Good morning Chairman Holmes and members of the committee. My name is Hal Gardner and I am Executive Director of Kan-ed at the Kansas Board of Regents. I am here today to provide testimony regarding HB 2026. Mr. Chairman, I propose to present our office's testimony in two parts. First I will provide our stance on funding from the KUSF as proposed in HB 2026. I will also provide an accounting of Kan-ed activity covering the period from August, 2004 to the present. Then, our Director of Technical Operations and Planning, Eldon Rightmeier, will address some of the operational detail that has made the network a reality this past year.

HB 2026 would reauthorize the current statute, (75-7221 – 75-7227), from its current June 30, 2005 "sunset" to June 30, 2008. This proposal would also authorize the continuing use of the Kansas Universal Service Fund (KUSF) to fund Kan-ed at the current rate of \$10 million per year.

The Kansas Board of Regents, the Kansas Hospital Association, the Kansas Library Association, and the Kansas State Department of Education all support the continuation of funding for Kan-ed, by way of the KUSF through June of 2008. In addition to letters of support you and other legislators may have received from Kan-ed members, your committee will, over the next two days, also receive, either oral or written testimony from a number of individuals representing hospitals, schools, and libraries from a number of regions throughout Kansas.

Authorized by the legislature in the 2001 session, Kan-ed was provided with sufficient funds to conduct research and planning. Full funding for Kan-ed from the KUSF was authorized by the legislature in 2002, with first payments to the Kansas Board of Regents in January of 2003. The Executive Director was named in November of 2002. Staffing to the current level of nine was accomplished in 2004. While our history is brief, our accomplishments in a relatively short timeframe have been substantial.

- Currently, 80% of the 939 eligible higher education institutions, hospitals, K-12 schools, and libraries have become Kan-ed members and have access to a variety of Kan-ed services.

HOUSE UTILITIES

DATE: 3-3-05

ATTACHMENT 3

- Specific to connection to the physical, private and secure network, nearly 200 member sites, which include K-12 interactive distance learning (IDL) sites for course delivery, have been connected to the Kan-ed core backbone with the initiation of approximately 6,000 classroom sessions resulting in more than 15,000 individual connections between and among students and teachers in Kan-ed sites across Kansas.
- The Kan-ed Broadband Subsidy Program provided \$770,000 in 2004 for bandwidth acquisition support allowing for greater speed of connectivity to the Internet, to 339 of its member institutions.
- The Kan-ed Enhancing Technology Grant Program distributed \$3 million to 137 members in 2004 to upgrade older distance learning and video conferencing systems to state of the art H.323 (video over Internet Protocol) standards.
- Kan-ed is leasing telecommunications facilities and equipment from multiple local service providers to create a backbone across the state. Network Access Points (NAPS) at strategic locations connect the state's telecommunications providers directly, minimizing tariffs and access fees to the end user. This also allows Kan-ed to participate in the federal e-rate program, discounting services on the core network by nearly \$1.6 million. This federal program is administered by the schools and libraries division (SLD) a program of the FCC, and is intended to make connections to Internet and video technology resources, economically more feasible through telecommunications discounts, for schools and libraries in the United States. Kan-ed qualifies for this source of discounts because of our relationship to schools and libraries making use of the private and secure network over leased circuits.
- The Kan-ed competitive content and services development grant program provided \$250,000 to its members in 2004 to create programs that respond to the needs of Kan-ed members. This grant model will be carried forward into upcoming years as a means of providing a catalyst to members to discover increasingly innovative ways and means to fully utilize their network

In June 2005, Kan-ed will sponsor its annual membership and leadership forum in Wichita. Marty Hale, former Dean of the School of Library Science at Emporia State, will close the conference on June 17 with her analysis of where Kan-ed has come since its inception in 2001. Without major contributions from telecommunications collaborators, this event would not have been possible.

We strongly recommend the reauthorization of Kan-ed's source of funding so that we can provide rigorous, ongoing effort over the next three years. During that same time, Kan-ed staff, our many volunteers, and consultants will be working to identify and develop other stable funding models for Kan-ed to build upon important work begun in these formative years.

Having the right people on staff is critical. There is no question in my mind that the person most qualified to do what many said would be an impossible task, was Eldon Rightmeier. Eldon will walk you through some of the critical steps that were taken this past year to fully implement the Kan-ed network's core backbone and opening rounds of end-user connectivity to that network.

Thank you for the opportunity to comment. We will be available for questions at the appropriate time.

Hal Gardner, Executive Director, Kan-ed at the Kansas Board of Regents

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Testimony before the House Utilities Committee – March 4, 2005

Mr. Chairman and Members of the House Utilities Committee:

My name is Eldon Rightmeier. I am the Director of Technical Operations and Planning for Kan-ed. My purpose this morning is to provide information regarding the deployment of the Kan-ed private network.

Implementation

The Kan-ed Act (K.S.A. 75-7221 et seq) instructs “the state board of regents shall contract in accordance with this act for the creation, operation, and maintenance of [the network]”. Contracts “shall be let by competitive bid” but shall not provide for “impairment of any existing contract for the provision of telecommunication services or internet services to any school, library, or hospital.” In addition, the statute directs the network shall not provide for “state ownership or construction of any network facilities other than those owned or being constructed by the state on the effective date of this act.”

In order to meet these statutory provisions, Kan-ed initiated a Request for Proposal (RFP) process in April of 2003. The intent of this process was to establish a public/private partnership that would make statewide connectivity both cost effective and widely available to end users (schools, libraries and hospitals) through the leasing of appropriate network equipment and bandwidth.

Vendor responses to this process were complete and ready for review in September 2003. After review and negotiation, Kan-ed staff determined a multiple award contract was most appropriate. State contract 06412 was awarded to SBC, Cox and Sprint and became effective in January 2004.

At approximately the same time, it became apparent to staff the Kan-ed network must access more of the state’s telecommunications infrastructure if it was to allow reasonably affordable access for the majority of constituents. Essentially, Kan-ed had to become a “network of networks” and include as many state telecom networks as possible.

In order to achieve this, Kan-ed initiated meetings with the Kansas Telecommunications Industry Association (KTIA) and the State Independent Telephone Association (SITA) to determine logical connection points for accessing additional Kansas telecommunications networks. An Invitation for Bid (IFB) process was undertaken, in concert with the state’s procurement office, to extend the backbone further into independent telephone company territories in order to achieve greater direct, and therefore more affordable, access for Kan-ed constituents. The end result of the RFP and IFB processes is the network you see pictured in your handouts and on the map in the hearing room.

At present, Kan-ed partners with approximately twenty Kansas companies, either directly through contracts or indirectly through industry initiated cooperation. The Kan-ed

network is completely leased through these Kansas telecom providers and has Network Access Points in all areas of the state.

Operations

Kansas Statute 75-7224 requires network standards, administration and operations for the network. To address “technical standards for operation and maintenance of the network, and the method of monitoring operations of the network”, Kan-ed sought to create an industry neutral, independent, operations center. KanREN, an existing networking organization serving the needs of higher education in Kansas as well as certain Kan-ed constituents, was contracted to perform network management functions. The Network Operations Center (NOC), located in Lawrence, was created in late spring 2004 and became fully functional in August 2004. Not only did partnering with KanREN provide an industry neutral operations center, it allowed approximately 70 additional constituents instant access to the Kan-ed backbone and resources.

The Kan-ed network became operational in late August 2004. Initial sites were connected between mid-August and early October. The first sites to be connected to the network were Interactive Distance Learning (IDL) sites. Currently, over 200 sites are functioning on the combined Kan-ed/KanREN network.

Costs and Benefits

I would like to add just a few comments regarding the costs and benefits of the network. The backbone network pictured before you costs approximately \$2.7 million dollars per year to lease. When Network Operations Center costs are added in, that figure grows to around \$4.2 million dollars per year. However, after applying e-rate funds of approximately \$1.6 million dollars, the total “out-of-pocket” expenditure for the private network drops to around \$2.6 million dollars annually. Since Kan-ed is effectively just getting started, we believe current funding levels will be adequate as network expansion continues during the next few years.

Also, since not all Kan-ed funds are used for the private network and the statute requires Internet access support, Kan-ed funds not used for the network are used to support constituent commercial internet access, network equipment requirements and certain content and database initiatives. Commercial internet and equipment expenditure support is pictured on the remaining maps in your hand-out information. As you can see, distribution of funding is widespread throughout the state.

Please note Kan-ed does not compete with private industry in the commercial internet market. Rather, we have taken the position that Kan-ed exists to provide that connectivity, and those services, which private industry is less capable of providing; i.e. statewide video conferencing and access to Internet 2. As stated, Kan-ed supports commercial internet access through subsidies and grants.

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In terms of benefits, the Kan-ed program has made it possible to connect approximately eleven Interactive Distance Learning Networks. This has been attempted numerous times over the past twelve to fifteen years, but has never been as successful as it is today. At the present time, Distance Learning is a reality across Kansas, not just at certain locations within Kansas.

Another benefit of Kan-ed that is beginning to appear is access to statewide networking is becoming more cost effective for constituents. When a Kan-ed institution can work solely with their local provider to connect to the statewide backbone, costs are reduced for that institution. The extended network, or network of networks, concept operates for over 90 of the state's current 120 plus distance learning constituents. The most notable cost savings to date is a school in northeast Kansas where multiple vendor billing decreased from approximately \$2,400 per month to single vendors' billing of less than \$900 per month. After applying e-rate, the out-of-pocket expense for this school dropped to around \$300 per month, a net savings of approximately \$6,500 per year.

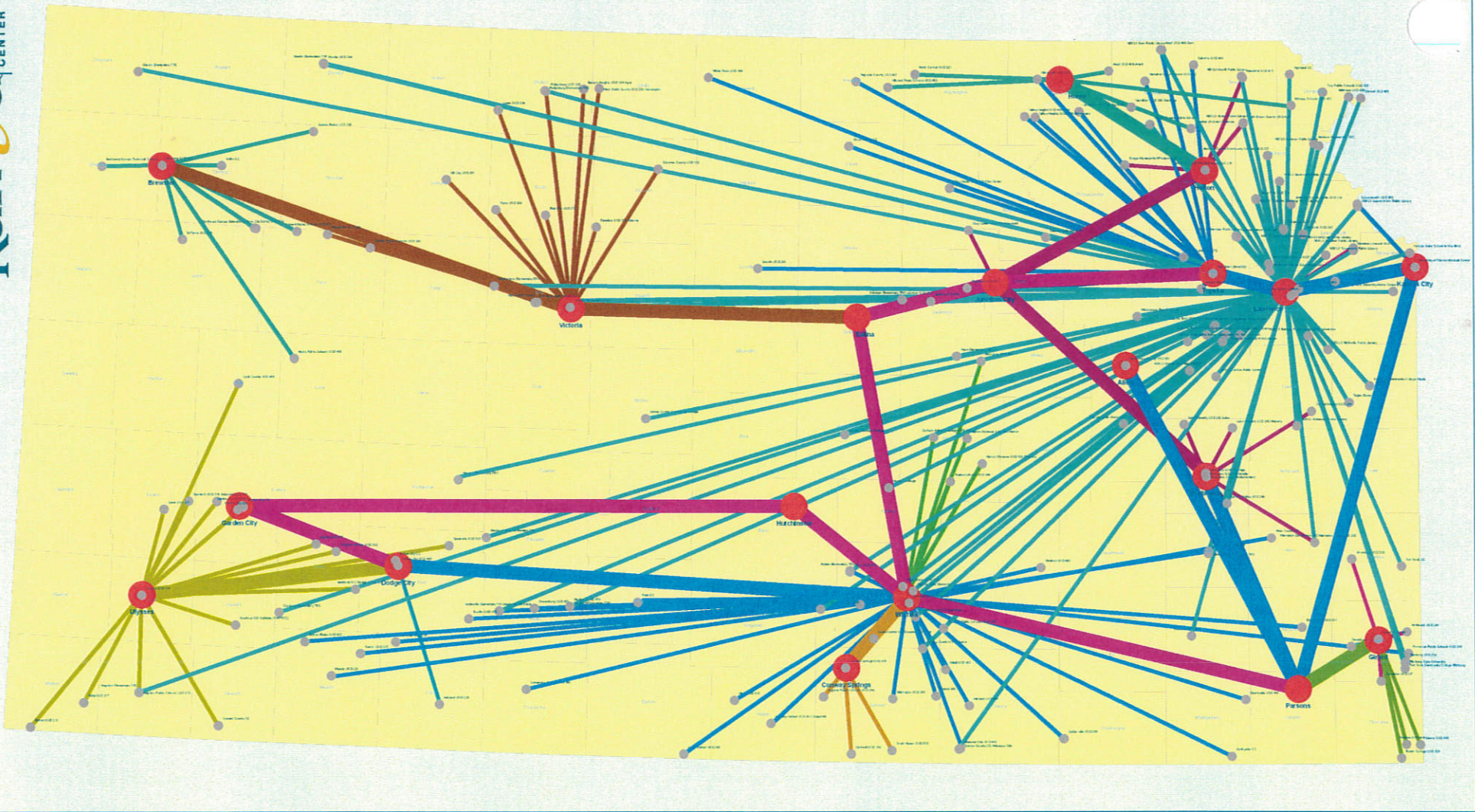
Industry cooperation is also playing a part in constituent savings. In 2004, one of our primary partners reduced its rate for Distance Learning local service from approximately \$1,100 per month to less the \$800 per month. Other providers are already in this price range or are discussing similar measures. In addition, bundling of services and creative routing schemes may also result in cost savings for constituents. Such support of Kansas communities by the telecommunications industry is greatly appreciated.

Where the Kan-ed Network is Going from Here

Kan-ed was charged with assessing "the need of schools, libraries and hospitals for full-motion video connectivity" {K.S.A. 75-7224 (e)}. We are working with multiple Kansas hospitals to deploy telemedicine and tele-radiology applications. Kan-ed is looking at refinements and upgrades for the scheduling process associated with Distance Learning. We are looking to enhance scheduling for mobile classrooms and interstate access applications. A new product, Marratech, for desktop video collaboration is also under review with a recommendation scheduled by mid-year 2005.

I realize this is a considerable amount of information in a short period of time. I will try to answer any questions you may have. Thank you.

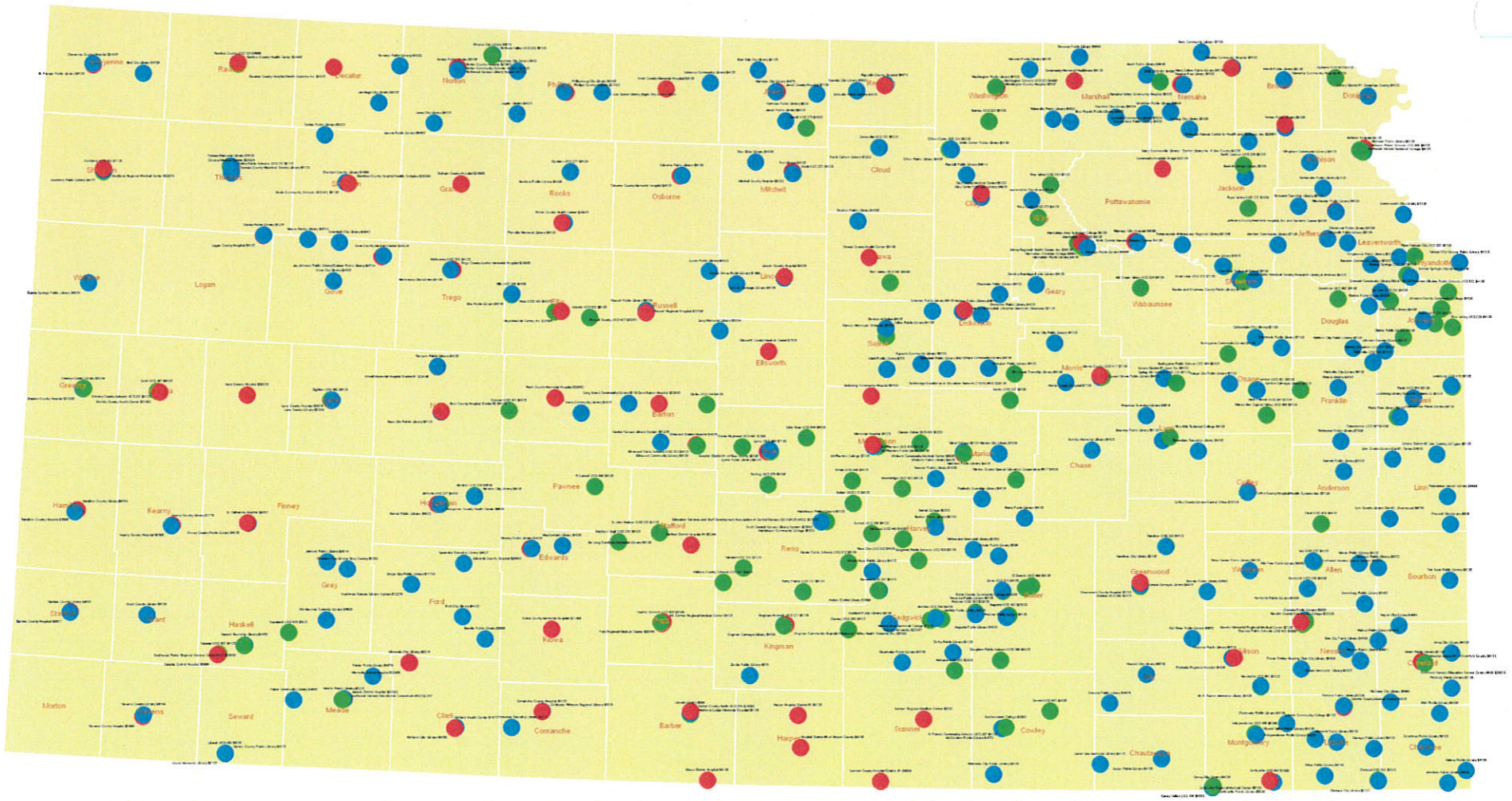
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CONNECTED MEMBERS

<p>Abilene USD 435 Allen County CC Andale Elementary TRC Anthony-Harpe USD 361-Chaparral Argonia Public Schools USD 309 Arkansas City USD 478 Astland USD 259 Atchison County Community Schools USD 377 Atchison Elementary TRC Attika USD 811 Auburn Westburn USD 437 Astish USD 488-Isabel Astish USD 488-Bam Baker University Barton County Community College Baseline-Linwood USD 458 Basilar Springs USD 508 Benedict USD 214 Bucklin USD 489 Burlington USD 244-Elementary Burlington USD 244-High Caldwell USD 350 Cedar Vale USD 208 Central Christian College Central Heights USD 288 Chapman USD 473 Cheney Elementary TRC Chickasha USD 247 Cheney USD 447 Cheylin Elementary TRC</p>	<p>Cimarron-Ensign USD 102 Clay Center USD 278-City Center Clay Center USD 278-Village Cloud Elementary TRC Coffeyville CC Cobey CC Comanche County USD 290 Conway Springs USD 356 Capeland Elementary TRC Cowley County CC-Adrian as City Cowley County CC-Adrian Cowley County CC-Southside Deerfield USD 216 Deerfield USD 216 Dodge City USD 443 Durham-Hillsboro-Leigh USD 418 Eastern Heights USD 324-aga Eckhart USD 218 Elwood USD 486 Emporia State University Erie-St Paul USD 101 Fort Belknap USD 490 Fort Hays State University Fort Scott CC Fort Scott Community College-Paris Fort Scott Community College-Pittsburg Fowler USD 228 Fredonia USD 484 Frontenac Public Schools USD 249 Galena USD 499</p>	<p>Garden City CC Garden City USD 457 Garden City Zoo Glad USD 248 Gladwin USD 285 Golden Plains USD 516 Greenbush Greenburg USD 422 Grinnell Public Schools USD 291 Harston Elementary TRC Heald Elementary TRC Healy USD 474 Hays Public Library Henry Public Schools USD 468 Herington USD 487 Huston College Hudson USD 419 Highland CC Hill City USD 281 Hillcrest Rural Schools USD 455 Holcomb USD 363 Holton USD 355 Holton USD 356-Mayetta Hook Elementary TRC Hugoton Elementary TRC Hugoton Public Schools USD 210 Ingle USD 477 Inftitocal 613 Ensign (SKA-CD) Inftitocal 625 Saffelt (SKA/PSC) Jefferson County Public USD 328 Jefferson USD 340</p>	<p>Kansas State University Kansas State University Kirksville-Clarks Elementary TRC Kismet-Palma USD 483 Lakin USD 215 Lawrence Public Library Lawrence USD 483 Lebo-Warely USD 245-Lebo Lebo-Warely USD 245-Warely Lincoln USD 298 Lincoln Elementary TRC Logan USD 328 Maize USD 266 Main-Florance USD 408-Florance Main-Florance USD 408-Morton Manhattan Elementary TRC Manhattan Valley USD 296 Marysville USD 384 McElroy USD 342 Meriden USD 236 Midway Schools USD 433 Minnetonka USD 219 Mulvane Elementary TRC Mulvane USD 424 NEKLS Atchison Public Library NEKLS Baldwin Public Library NEKLS Bascher Public Library NEKLS Barn Public Library NEKLS Burlington Public Library NEKLS Carbondale Public Library</p>	<p>NEKLS Carling Public Library NEKLS Delaware Township Public Library NEKLS Horton Public Library NEKLS Lawrence Public Library NEKLS Linwood Public Library NEKLS Lyndon Public Library NEKLS McClure Public Library NEKLS Meador Public Library NEKLS Musk Public Library NEKLS Norton Public Library NEKLS Olathe City Public Library NEKLS Oklahoma Public Library NEKLS Overbrook Public Library NEKLS Richwood Public Library NEKLS Tonganoxie Public Library NEKLS Webbville Public Library Neamba Valley Schools USD 442 North Central USD 221 North Lyon County USD 231 Northwest Kansas Educational Serv. Ctr. Northeast Kansas Library System Northside USD 246 Northwest Kansas Educational Serv. Ctr. Northwest Kansas Technical College Oakley USD 274 Ocala Elementary TRC Ocala USD 294 Omega-Hawensville Wheaton USD 322 Osborne County USD 392 Osawatomie USD 341 Oxford USD 358</p>	<p>Palo Alto USD 269 Paradise USD 399-Halena Peabody-Burns USD 396 Perry Public Schools USD 343 Phillipsburg Elementary TRC Phillipsburg USD 326 Pittsburg State University Pittsburg State University-Metro Center Pittsburg USD 250 Pittsburg USD 270 Platt CC Quinter Public Schools USD 280 Quinter County USD 427 Raton USD 494 Riley USD 217 Risa HR Public Schools USD 394 Sabalva USD 441 Sabalva USD 441-Winrose Santa Fe Trail USD 434 Santa Fe Trail USD 434-Carbondale Santa Fe Trail USD 434-Collector Santa Fe Trail USD 434-Overbrook Santa Fe Trail USD 434-Scranston Scott County USD 486 Seaward County CC Silver Lake USD 372 Solomon Elementary TRC Osborne USD 383 South Butler USD 258 South Brown County USD 430 South Central KS Education Serv. Ctr.</p>	<p>South Haven USD 509 Spearville USD 261 Tipton USD 276 Trijon Elementary TRC Troy Public Schools USD 429 Ulati USD 463 Ulysses USD 214 Uniontown USD 218 University of Kansas University of Kansas Medical Center Valley Falls USD 338 Valley Heights USD 498-Elementary Valley Heights USD 498-High Vermilion USD 300-Central Vermilion USD 300-Frontier Victoria Elementary TRC Waldenville USD 330 Washburn University Washington Elementary TRC Watkins USD 426 Wellington USD 353 West Smith County USD 238-Kennington Wheatland USD 292 White Rock USD 344 Wichita State University Yates Center Elementary TRC Yates Center USD 368</p>
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- Connected Members
- Network Access Points
- Blue Valley
- Cox Communications
- CrawKan
- Haviland Telephone
- KanREN
- Pioneer Communications
- Rural Telephone
- S & A Telephone
- S & T Telephone
- Southwestern Bell
- Sprint
- Sunflower Broadband
- United Tele
- Network Tool & Life

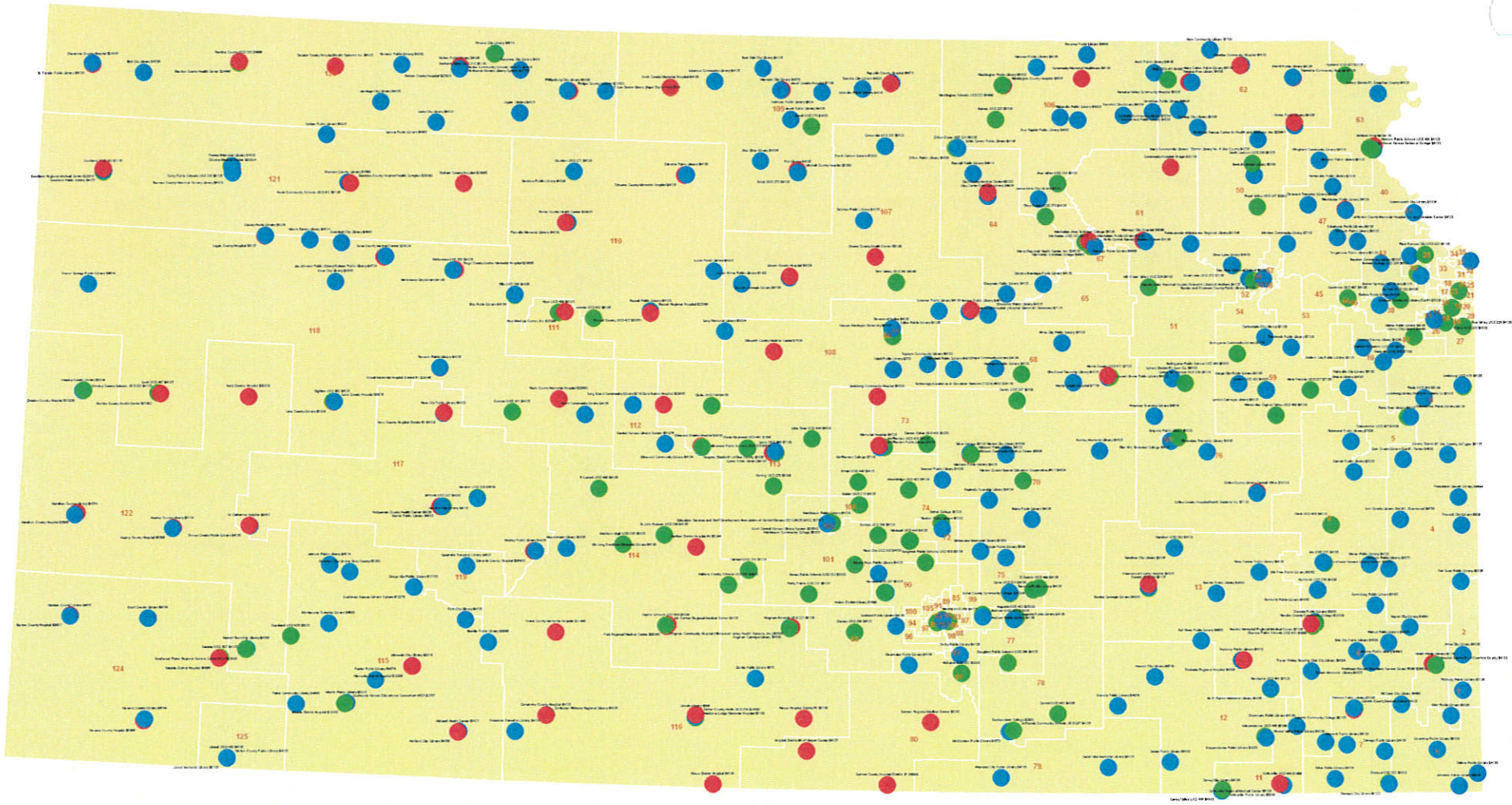


- Hospitals
- Schools
- Library

Non-Connected Kan-ed Member Funding by County

Kan-ed | NETWORK OPERATIONS CENTER

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- Hospitals
- Schools
- Library

Non-Connected Kan-ed Member Funding by House District



March 3 and 4, 2005

House Utilities Committee, Representative Carl Holmes, Chair

March 3, 2005

Statement from Marc Galbraith, Deputy State Librarian, Rom 343, Capitol Building.

Mr. Chairman and members of the committee,

Thank you for the opportunity to speak to you about House Bill 2026.

As you know, Kan-ed was created just three years ago with the legislative vision of delivering high quality, high-speed Internet access to every resident of Kansas and doing so through their libraries, schools, institutions of higher education and hospitals.

Kan-ed has met with considerable success over its short life span and they have done so, I believe, because of their creative nature. This Kan-ed characteristic can be evidenced by the fact that as Kan-ed was just beginning to take shape and as staff were just beginning to assemble the parts of the backbone, they were also busy demonstrating the ability of the network to deliver valuable content - sort of delivering the product while still building the factory.

Today, Kan-ed has achieved a membership count of almost 750. Of that total, 300 are individual Kansas public libraries. All of those libraries are connected to the backbone. Of those libraries connected to the backbone, almost half have been recipients of Kan-ed subsidy. Those public libraries have used that subsidy to enable them to work with local service providers to bridge that last mile of connectivity. That is a true success story for those libraries and for the communities in which they reside. I can assure you, Kan-ed has similar success stories to tell with respect to schools and hospitals.

Because the existence of the backbone has such huge potential as a catalyst, Kan-ed has encouraged members to use and adapt the network in a fashion that would also add to the usefulness of the network. One way Kan-ed has done this is to offer, through a competitive grant process, grants for technical and content innovation. This strategy has been successful. A couple of examples might help to illustrate. Relying partially on these funds, one Kansas library system has created a shared, automated library catalog that can truly be spoken of as a model. Dollars from this same initiative have also been used to implement a trauma management system that is helping emergency medical workers determine which area hospital has not only available beds, but also the needed specialties for the given situation.

Kan-ed has also worked with all of its constituents, again in a collaborative fashion, to deliver high quality research and educational databases that have quickly become an appreciated resource among a wide array of Kansans. Kan-ed has just recently completed

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the initial year of availability of these databases. And, even with the fits and starts not uncommon of a new venture, the databases are proving quite useful and popular. As an example, World Book Online, one of the databases available, and the electronic equivalent of one of the most trusted and respected U.S. encyclopedias, has been accessed, and used, over 600,000 times. Those are actual uses, total hits to the database number more than 27,000,000. We expect use of this database and of the other databases, by school children, library patrons and many others, to grow significantly over the next year.

Like the initiation of the databases, Kan-ed has of course suffered from its own growing pains. That is to be expected of a completely new entity. Still, we note that Kan-ed has made good on its basic mandate to implement the backbone. It has made good on its goal of connecting membership to the backbone. Kan-ed has also been successful in keeping its promise to help its constituents achieve that last mile of connectivity, and Kan-ed has begun to deliver highly valuable and useful information via the backbone.

We, in the library community, look forward to reaping the rewards of what Kan-ed has been able to achieve to date, but we also look forward to promising developments that we believe the network has the potential to deliver. We look forward to using the network for on-line conferencing, which offers the potential to save us time and make us more productive. We look forward to the possibilities of distance learning for our students and for our participants in lifelong learning. We look forward to many more Kan-ed-based products with real cost-benefit rewards.

**Testimony before the Kansas House Committee on Utilities
on behalf of House Bill 2026,
An Act concerning the Kansas Universal Service Fund, relating to KAN-ED
amending KSA 66-2010 and repealing the existing section.**

Mel Chastain, Ph.D.
Director, Kansas Regents Educational Communications Center
Interim Associate Vice Provost for Information Technology
Bob Dole Hall, Kansas State University, Manhattan, KS 66506
chastain@ksu.edu
(785) 532-3112

The Honorable Carl Holmes, Chairperson
The Honorable Carl Krehbiel, Vice Chairperson
Members of the House Utilities Committee
Guests & Visitors

I am Mel Chastain, Director of the Kansas Regents Educational Communications Center, located at Kansas State University in Manhattan. I'm honored to speak to you on behalf of the continuation of funding of Kan-ed, the statewide network serving the education, research and health care needs of the state of Kansas.

A brief resume is attached, for your perusal. In 1999 I was nominated by KSU President Jon Wefald to serve on one of a series of State-wide committees that over the next few years eventually, under the guidance of Jerry Niebaum, produced the bill that made Kan-ed a reality. One of those committees I served on became the Kan-ed User Advisory Council, and I currently serve as the chairman of that group.

Since your committee is charged with deciding whether or not to extend the funding for Kan-ed, it might be helpful to compare what's happened in Kansas with the experiences in other states over the past several years, to see how we stack up with our contemporaries.

Historically, it's always been about using technology to extend access to those who don't have it. While corporations and commercial networks are primarily concerned with connecting the big cities, the states take on the responsibility of extending that access to the small and rural communities.

In 1967, the Public Broadcasting Act created the PBS Television Service and National Public Radio, interconnecting hundreds of heretofore separate and independent non-commercial stations for the very first time.

Not long thereafter, a Kansas pioneer named Florence Metcalf of Hugoton lobbied this very legislature to consider the task of constructing seven microwave hops from the public television station in Bunker Hill, Kansas all the way to deep southwest Kansas, so

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the residents in that primarily rural section of the state could obtain the same educational and cultural programming as their counterparts in Wichita, Topeka and Kansas City. As daunting as that concept seemed at the time, it *happened*, and the residents of the western half of Kansas are still reaping the benefits.

In the late '80's Kansas partnered with Missouri, Oklahoma, Alabama and Mississippi to beam educational, enrichment, social, health care and economic development programming by satellite to predominantly small and rural schools throughout the country. And it's still working. One of our programs, "Spanish via Satellite" is completing its 15th consecutive year of service to Kansans and beyond, and has taught the Spanish language and culture to over 25,000 high school students in 19 states.

About the same time, a southwest Kansas educator named Don Nigus, together with Pioneer Telephone's Dick Veatch embraced a new technology called fiber optics, and boldly connected a dozen or so public schools together and began the first digital interactive television network in Kansas. It was a huge gamble because of the cost involved (each of the school districts pledged \$25,000 per year for 10 years to pay for the interconnection) and the untested nature of the technology.

I don't need to tell you it worked, because today we have nearly a dozen ITV or interactive distance learning networks in Kansas, due to the pioneering spirit of people like Dave DeMoss and Carol Woolbright of Greenbush, Carol Swinney of Sublette, Lesta Jagggers of Natoma, Ann Lundy of Udall, Sharon Tatge of Herington, and a host of other IDL pioneers, who now call themselves the Kansas Association of Interactive Distance Educators, or KAIDE.

The Kansas Technology Enterprise Corporation (KTEC) initiated the "compressed video network" in the early 90's, enabling two-way audio and video connections over bundles of ordinary telephone lines, between educational and health care environments throughout Kansas. In the mid-90's, I sat in a hearing room like this one and watched Bill Mahler and Don Stanze from the KU Medical Center play a video tape showing a heart specialist at the KU Medical Center diagnosing, treating, and saving the LIFE of a two year old girl with a heart murmur at the Health Education Center in Hays. The diagnosis occurred in the middle of a Kansas Winter ice storm, and there was literally no other way that child could have received the care and attention that system provided for her.

Now we have the Internet, multimedia, an amazing array of wireless telephones, IPODS, and interactive hand-held devices. From almost no technologies that reach the isolated individuals, we now have a dizzying array of them. But they each need proximity to a tower, backbone, satellite or "network" to cover that all important "last mile". So what does this history lesson have to do with Kan-ed and the wisdom behind extending the Universal Service Fund another three years to enable it to continue to grow in its service to Kansans?

There are three easy answers to that question:

1. *For the first time, all of these technologies are brought together* for every member of Kan-ed. Point-to-mass audio and video, interactive television, compressed video, the Internet, multimedia, databases with lightning fast search engines ... it's all there for the public schools, libraries, higher education institutions and health care facilities that are members of Kan-ed. That statement was impossible to make before Kan-ed. Today, it is a reality.
2. *It is the best bargain in all the 50 states.* The \$10M Kansas is currently spending for Kan-ed each year is a fraction of what other states have spent. Iowa, for instance, decided to *build its own network* about a decade ago, rather than renting or leasing existing bandwidth from commercial providers. The initial cost was in excess of \$100M, and the annual costs are more than triple what Kansas spends. North Carolina simply picked one common carrier to build the system and send the bill to the state house. The cost was more than four times the cost to build Kan-ed. The comparisons could go on and on. The average annual cost of operating MOREnet in Missouri is over \$40M, and the annual bill for the system in Oklahoma is between \$20M and \$30M. From a start-up standpoint, Kan-ed went from an idea to actual connectivity in a year, and should have most of its members connected in two years, while most of its peer states took from seven to fifteen years to get the job done.
3. Which brings up the third good reason to continue the USF funding for Kan-ed. *The job isn't done yet.* It's timeline for achieving an operational mode was so short that it began offering content & services (research databases, through Kansas Public Library Cards statewide) *before* it even had a connected network up and running.

Today, it has:

- Connected more than 200 IDL schools with broad bandwidth interactive distance learning connectivity;
- Created an "empowered desktop" for use in research by every Kansas school, library or citizen in need of its power;
- Built a governance system that includes a Statewide User Advisory Council with equal representation from each of its four constituent groups;
- Developed a grass-roots "Delegate Assembly" process, so that constituents in each of the seven Kan-ed districts can develop agendas and bring them to the annual Delegate Assembly for action;
- Created a Content & Services Standing Committee that is building both a marketplace and a collaboration environment, for the buying, selling, acquiring and/or creation of content and services over the network; and
- Established a comprehensive evaluation process that assures an objective, third party assessment of each of its actions, programs, plans and dreams.

All of this has happened with a full-time staff of eight, which is a fraction of what you'll find at any of the above-referenced statewide networks.

But there's still a lot of work to do. They're finding out how hard it is to effectively communicate with four VERY different constituent groups, yet treat each with the respect its culture and environment deserve and expect.

Developing a technical network is difficult in any state. But in Kansas, our heritage clearly suggests that if Kan-ed were to achieve political reality, it had to do so by inventing itself the Kansas way ... assuring the fact that those who had already invested mightily in the vision that would finally become Kan-ed would indeed have a vital role to play in its establishment and operation. While that makes sense politically and culturally, the task of developing that populist notion into a statewide system with uniform standards, sufficient bandwidth, physical and content security, and an operational mode that is efficient, high quality and affordable is a very difficult task indeed.

And the processes have to be developed as the assembly line rolls along. Everything from how one gets elected, selected, appointed or anointed to an advisory board to the process for getting one's ideas, needs, or willingness to collaborate before people of like minds and intentions ... it all has to be developed, and at something approaching warp speed.

And yet Kan-ed has done it. As you might have guessed, none of this is really about the technology, but about the *people*. From Nigus to Swinney to Woolbright to Stanzy, from Jerry Niebaum to Milt Pippinger to Hal Gardner to Eldon Rightmeier, it's people with a vision, guts, integrity, and a feeling that everyone in Kansas should have the same access to opportunity that their counterparts in other states enjoy.

So VERY much has been done. In so short a time, and on a budget that even in Kansas terms would be called Spartan. And yet there is still so VERY much still to do.

The *alternative* to continuing the progress made possible by HB2026 is almost too depressing to seriously consider, but it must be addressed. With no additional funding, not only will Kan-ed cease to exist, but:

- Our public school networks will lose the interconnectivity they've struggled 16 years to obtain;
- Small and medium sized libraries will no longer be able to afford databases from World Book or a host of other global resources;
- The promise of truly statewide distance diagnosis will be delayed yet again; and
- Broadband research that combines data, voice and video will be reserved for other states, but not for Kansas.

As one who watches from the sidelines, I urge you to seriously consider extending the USF support for Kan-ed another three years. At that time, I'm sure someone like me will be more than pleased to step before this group and thank you for what you've done.

Thank you for the opportunity to speak with you today.

Mel Chastain
Director – Kansas Regents Educational Communications Center, Kansas State University

BIOGRAPHICAL DATA

Mel Chastain

EDUCATION:

- Undergraduate Studies, Communications, Baker University, 1957-1960
- B. A. Radio-TV-Film, The University of Denver, 1961
- M. A. Communicative Arts, The University of Denver, 1962
- Ph.D. Educational Administration, Texas A&M University, 1970

POST-DOCTORATE STUDY:

Executive Development, Harvard University (1980)

EXPERIENCE:

Administration/Management:

Kansas State University, Manhattan, Kansas
Director, Kansas Regents Educational Communications Center, 1987-present
Interim Associate Vice-Provost for Information Technology, 2000-present
Interim Director, Information Technology Assistance Center (iTAC), 2000-2002

Texas A&M University, College Station, Texas
Director, Educational Broadcast Services,
General Manager, KAMU-TV/FM, 1970-1988
Director, Educational Television Program, 1965-1970

University of California, Berkeley, California
Producer-Director & Assistant Head, Television Office, 1963-1965

California Academy of Sciences, San Francisco, California
Production Manager, "Science in Action", 1962-1963

Teaching:

Kansas State University
Associate Professor, School of Journalism and Mass Communications
1988-present

Texas A&M University
Associate Professor, Departments of Communications and Educational Technology, Graduate
Faculty member, 1978-1988
Assistant Professor, same departments, 1965-1977

Example grant proposals authored or co-authored:

- Plains Academy CO-OP Partnership. Chastain, Mel; Maes, Sue; Newhouse, Barbara (1998). Three year plan to train faculty at two-year and four-year institutions in Kansas in curriculum revision and the use of available and appropriate technologies to reach both traditional and place-bound learners. Submitted to and funded by the Fund for the Improvement for Post-Secondary Education (FIPSE) of the U.S. Department of Education.
- Learning Anytime, Anywhere Partnership (LAAP). Krauth, Barbara; Shea, Pat; Chastain, Mel. (1999). Three year plan to provide online services (starting with academic and career advising) to distant learners. Partners with the Western Cooperative for Educational Telecommunications (WCET), Regis University (Denver, CO), and Kapo'alini Community College (HI). Submitted to and funded by LAAP. Administered by FIPSE in the U.S. Department of Education.

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- AT&T/Kansas State University Project SOLVE. Chastain, Mel; Holen, Mike; Ross, Tweed. (2000). Two year plan to create an entire course within the College of Education at K-State dealing with the use of available and appropriate technology in the small and rural K-12, community college and higher education institution, from which excerpts and modules can be drawn for specific field applications to solve unique field-based problems. Submitted to and funded by the AT&T Foundation.
- Midwest Consortium Star Schools Network. Chastain, Mel; Horn, Jerry; Lowman, Robert; Lindsey, Laverne. (1989, 1990). Partnership between higher education and public schools in Kansas, Missouri, Oklahoma, Alabama and Mississippi to build infrastructure, then deliver mediated instruction to isolated learners in sparsely populated areas of rural Midwestern States. Submitted to and funded by the Star Schools program of the U.S. Department of Education.

Current Statewide Leadership

KAN-ED (Kansas Information Highway for Education, Research and Health Care):

- Board of Regents representative, User Advisory Council - (2000 - present)
 - Chair, User Advisory Council – (2004-2005)
 - Chair, Content and Services Committee, User Advisory Council (2000 - present)
 - Regional Affiliate, KAN-ED Delegate Assembly - Responsible for North East Kansas Regional Delegate Assembly Process
- Coordinator, first ever statewide KAN-ED Delegate Assembly (Manhattan, KS - April 28, 2003)
- Coordinator, first ever interconnected meetings of the seven KAN-ED Regional Delegate Assemblies (May 9, 2003)

Convergence Conference:

- Coordinated and hosted the statewide digital learning conference which led to the formulation of KANDL (April 16, 2002)

KANDL (Kansas Digital Learning) Advisory Board:

- Charter member, Advisory Board (June 2002 – July 2004)
- Chair, Communications Work Group (June 2002 – July 2004)

Related IT Activities

- IP Video over the Internet2. Collaborating with plant pathology department heads and distinguished professors, IT service units and central administration officials at Kansas State University, the University of Nebraska, and Oregon State University, provided studio origination, production support and campus linkages to the I2 to create what is believed to be the first ever fully interactive full-motion graduate level course (Molecular Plant-Microbe Interactions) offered over the I2. (Fall Semester 1999).
- Long-Range IT Project Management. Supervise multiple externally funded IT/curriculum-related projects, including:
 - a. Plains Academy CO-OP. (3-yr. Grant).
 - b. Midwest Consortium Star Schools Network. (Two 2-yr. Grants).
 - c. Teaching Tomorrow=s Teachers to Use Technology project (USDE 3-yr. Grant).
 - d. Learning Anytime, Anyplace Partnership (LAAP). 3-yr. Grant to develop online academic advising for distant learners - a national model.

PROFESSIONAL INTERESTS:

telecommunications, educational research, curriculum design, multimedia, distance learning, project management theory & practice

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Testimony Regarding HB 2026

House Utilities Committee

March 3, 2005

Diana Wieland
Curriculum Director, Colby Public Schools
Northwest Kansas Affiliate Chair, Kan-ed

Good Morning, Chairman Holmes and members of the committee.

I am Diana Wieland and am Director of Curriculum and Instruction for USD 315 Colby Public Schools. Prior to this position, I served as the Curriculum Consultant and Staff Development Coordinator at the Northwest Kansas Educational Service Center for seventeen years. In 2003, I was asked to be the Kan-ed Northwest Kansas Region Affiliate Chair, a position that I'm honored to still hold. I am here to provide testimony regarding HB 2026.

HB 2026 would authorize the continuation of Kan-ed funding being drawn from the Kansas Universal Service Fund (KUSF) at the current rate of \$10 million per year. In my opinion, this **continued** funding is viewed as essential to the growth and development of Kan-ed.

- Currently, Kan-ed's Northwest Kansas region, consisting of twelve counties, has 100% of the 70 eligible libraries, hospitals, higher education institutions, and K-12 schools as Kan-ed members. As the network develops, the constituents are accessing a variety of Kan-ed services. I think this participation is a reflection of the network potential to provide the much-needed **connectivity** and resources for the Northwest Kansas constituent groups.
- Based on the needs identified by a membership survey and the Delegates / Alternates representing K-12, Higher Education, Hospitals, and Libraries, two essential launching planks are the basis for all other issues - **Affordability and Accessibility**.

Affordability is the key to **accessibility**. It is important that all Kan-ed members are able to enter the playing field (Kan-ed network) at the same level regardless of the geographical and/or demographics of where one resides in Kansas. In order to effectively **participate**, it must be economically accessible (**affordable**) to all. Affordability to our region means that the smallest school district, the smallest public library, and the smallest qualified hospital can gain a reasonable minimum level of service or access without disrupting other necessary programs.

The benefit of being affiliated with Kan-ed must be a desirable 'return on investment' that includes, content and services that support required or necessary programs. Bottom line; connectivity must be available, on-demand, at a reasonable rate.

The state-wide infrastructure by Kan-ed connecting Kansas schools, libraries, hospitals and institutions of higher education continues to place a high priority on **accessibility** with each of its connected institutions. The state funds must touch as many lives as possible. Kan-Ed must continue to become accessible at a level that the technology is transparent through easy entry and connectivity. Kan-ed can become the select and ubiquitous source of **information** for all members of the constituent groups.

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The Kan-ed portal, according to the Northwest Kansas delegate assembly, must provide user-friendly, current, fast, information-rich content with a vast amount of 'just-in-time' learning opportunities. Kan-ed must play a vital role in providing the collaborative tool to promote public/private interaction. Currently, e-meeting tools are being explored. Funding must continue to support pilot projects that most of us would not be able to finance on our own. These seamless interactions between and among constituent groups should be natural, unencumbered, and user-friendly.

- Interactive Distance Learning is very important piece of this initiative. Northwest Kansas ITV Network, served by the Northwest Kansas Educational Service Center, enables six area high schools, the local community college and technical college to share resources for the mutual benefit of the students. Entities not currently connected to the network benefit by utilizing existing sites to participate in activities at those locations. In addition, this network provides instruction for what are considered "low-incidence" classes in area high schools—due to low enrollment, lack of a qualified instructor, or specialized courses. Northwest Kansas ITV Network is used for continuing education to enhance the skills of the medical community, judicial officials, government employees, law enforcement personnel, SRS workers; just to name a few.
- Kan-ed, through the cooperation and interactions of the constituent groups, can provide the online resources, databases, and collaboration mechanisms (e-meeting software) either directly, through subsidized pricing, or leveraging volume purchasing for the much-needed resources in Northwest Kansas. It is imperative that we look toward the future and the quality of life that we want for all Kansans.

I have had the opportunity to share the 'Empowered Desktop by Kan-ed' at the first two of the seven Kan-ed regional meetings. The current subsidized databases offer a wealth of information for all constituent groups. The resources designed for the K-12 constituent group deliver necessary skill development for the 21st century learner.

I often compare the development of the Kan-ed network as a work-in-progress similar to building an airplane in the air; *we are using it while creating it*. It is invigorating to witness the excitement as the participants begin to understand the potential of the Kan-ed network, the rich resources, and the implications for the future. I am privileged to be a part of the Kan-ed organization and its initiative to 'Re-Imagine' the way Kansans do business. Kan-ed has the potential to be the model for 21st Century Statewide Networks.

We strongly urge the reauthorization of funding through HB 2026 so we can continue to create, build, and implement the potential of Kan-ed over the next three years. With this continued funding and the dedication of the Kan-ed staff, consultants, and vast number of volunteers, this can be the catalyst for the delivery of many things for the 21st Century.

Thank you for the opportunity to address this committee. I welcome any questions that you might have.

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**Testimony of Sandy Braden
Gaches, Braden, Barbee and Associates
On Behalf of Cingular Wireless
In Support of House Bill 2026
Thursday, March 3, 2005**

Thank you, Chairman Holmes and members of the Committee for this opportunity to testify in support of House Bill 2026. I am Sandy Braden with Gaches, Braden, Barbee and Associates, testifying on behalf of Cingular Wireless.

Cingular Wireless serves more than 49 million subscribers and is a joint venture of SBC and BellSouth, with SBC owning 60% and BellSouth owning 40%.

Our customers contribute to the Kansas Universal Service Fund (KUSF) through an assessment on their bills that is a percentage of all intrastate retail revenues, and Cingular does not receive any funds from KUSF. KUSF support is distributed back to local telephone companies, designated eligible telecommunications carriers as well as programs like Lifeline, Kansas Relay Services, Telecommunications Access Program and KAN-ED.

Cingular is supportive of programs like KAN-ED, that expand opportunities for education, libraries and hospitals. Originally KAN-ED was viewed as a necessary program to connect Kansans to services that improve the quality of life. Due to limited state resources at the time, the legislature decided to fund KAN-ED out of the KUSF for three years with a \$10 million cap.

Cingular would encourage the legislature to transition the funding from KUSF to the state general fund. Although Cingular is not recommending a specific time frame for this transition to be accomplished, we support that gradually shifting from the KUSF fund to the state general fund would allow continuation of the valuable KAN-ED program.

Thank you. I will be available for questions at the appropriate time.

**Sandy Braden
Gaches, Braden, Barbee and Associates
825 S. Kansas Suite 500
Topeka, Kansas 66612
1-785-233-4512**

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ATTACHMENT 8

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony on **HB 2026**
before the
House Utilities Committee

by

Jim Edwards, Governmental Relations Specialist
Kansas Association of School Boards

March 3, 2005

Chairman Holmes and Members of the Committee:

Thank you for allowing me the opportunity to appear today to express KASB's support for **HB 2026**, a measure which provides for the continued funding of the operations of KAN-ED from the Kansas Universal Service Fund (KUSF).

KAN-ED was created by the Kansas Legislature to expand the collaborative capabilities of Kansas' public institutions, specifically K-12 schools, higher education, libraries and hospitals by providing a statewide private network to which constituents could connect for video collaboration and data sharing. KAN-ED also assists in negotiating content and services for the members as well as controlling access to the KAN-ED web site services.

Whether it be providing students and teachers access to education's most comprehensive suite of instructional programs, software content, and professional development programs or providing access to thousands of citations and many full-text articles in scholarly journals, business and trade journals, and other news sources or providing a technological infrastructure to extend the work with kids that suffer from a chronic illness, their classmates, and their loved ones across the state, KAN-ED has met the challenge. During times of added pressure on the State General Fund, most of this might not have taken place without the stable funding source provided by the KUSF.

Thank you for the opportunity to offer our thoughts on the renewal of the continued funding of KAN-ED using the KUSF and we would encourage you to report **HB 2026** out favorably. I would be happy to answer questions.

HOUSE UTILITIES

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ATTACHMENT 9

Vision Statement

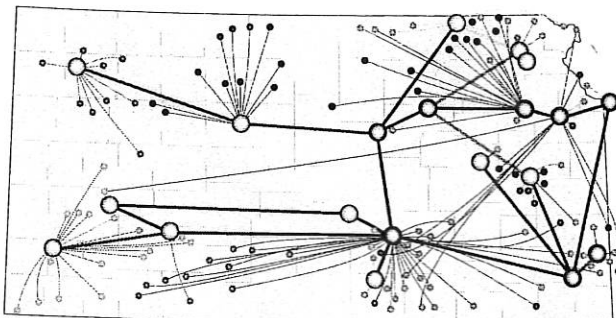
Kan-ed will work to enhance human and professional relationships through the utilization and promotion of efficient and appropriate use of network technologies.

Mission Statement

Kan-ed will support libraries, K-12 schools, higher education and hospitals by assisting with access to commercial Internet resources, providing access to private network resources for distance learning and applications, and providing access to other Internet technologies and technology services.

Primary Objectives

- Maintain and expand the private secure network
- Provide a framework for quality content & services
- Provide members with subsidies to help reduce their Internet fees



Call to Action

The Legislative act that created Kan-ed includes a "Sunset" provision, effective June 30, 2005. To guarantee progress that has been made by Kan-ed in the provision of broadband service to our schools, hospitals and libraries, continuance of support from the Kansas Universal Service Fund (KUSF) is critical.

The Scorecard

Kansas Legislative "Shalls"	KAN-ED Accomplishments
Provide a high-speed, private, secure network, to which Kansas Hospitals, K-12 schools, Libraries, and Higher Education Institutions can connect.	The Kan-ed "extended edge" private network is 100% operational. (see state map).
Provide access to 75% of member institutions who applied for membership in the first year. Access is recognized as not only the physical connection to the network, but also the provision of services to Kan-ed members.	As of the statutory date of July 1, 2004, seventy-seven percent (77%) of the 939 eligible Higher Education Institutions, Hospitals, K-12 schools, and Libraries have become Kan-ed members and have access to Kan-ed services.
Provide access to a stable platform for video conferencing and distance learning applications.	130 K-12 Interactive Distance Learning (IDL) sites initiated approximately 6,000 sessions resulting in more than 15,000 individual connections between Kan-ed sites.
Provide members with subsidies to help reduce their fees for Internet 1 (commercial Internet) access from local providers.	The Kan-ed Broadband Subsidy Program provided \$770,000 in 2004 for bandwidth acquisition support to 338 of its member institutions.
Provide Technology Grants to help members purchase equipment and services to connect to the Kan-ed network.	The Kan-ed Enhancing Technology Grant Program (ETGP) distributed \$3M to 137 constituent members in 2004 to upgrade older ITV and video conferencing systems to state-of-the-art H.323 (video over Internet Protocol) standards.
Collaborate with private providers. Kan-ed shall not impair existing contracts with Internet providers.	Kan-ed is leasing telecommunications facilities and equipment from multiple local service providers to create a backbone across the state. Network access points (NAPs) at strategic locations connect the state's telecommunications providers directly, minimizing tariffs and access fees.
Provide access to content and services that enhance the private network.	The Kan-ed competitive Content and Services Development Grant Program provided \$250,000 to its members for the 2004-5 year to develop programs that respond to the needs of its constituents.



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Thank you Chairman and members of the Committee.

Verizon Wireless speaks today in support of an amendment that will phase out the KUSF contribution to the KAN-ED fund, gradually replacing it with general revenue funding over a three-year time period.

It's commonly understood that the KUSF's social purpose is to facilitate the provision of basic voice telephone service to underserved areas of Kansas at affordable rates by subsidizing telephone companies to serve those areas.

Although KAN-ED's objective (to support schools, libraries, and hospitals by assisting with access to commercial Internet resources) may be socially beneficial, we don't believe that the KUSF was established with the legislative intent to fund programs like this one.

We are also concerned that the diversion of funds to KAN-ED will encourage other social programs, not directly related to the provision of affordable basic telephone service to underserved areas, to likewise seek USF funding in the future.

Since KAN-ED's services benefit more Kansans than just those that pay for telephone service, we believe that a funding shift from the KUSF to the general revenue fund will strike a fairer balance: those that benefit from the KAN-ED program will be more closely aligned with those that pay for it.

Thank you,

Dina Fisk

13106 Walmer
Overland Park, KS 66209
(913) 269-6915

HOUSE UTILITIES

DATE: 3-3-05

ATTACHMENT 16

Amendment to HB2026:

Page 3, Lines 4 thru 7, Insert:

On June 30, 2006, state general fund moneys shall be used to fund one-third of the KAN-ED network.
On June 30, 2007, state general fund moneys shall be used to fund two-thirds of the KAN-ED network.

Page 3, Lines 8 thru 10, Insert:

On June 30, 2008 and thereafter, state general fund moneys shall be used to fund 100% of the KAN-ED network. (Or as worded below)

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- 1 ~~based on a budget for 12 months' operations.~~
- 2 (4) Not more than \$10,000,000 shall be paid from the KUSF to the
- 3 state treasurer pursuant to this subsection (f) in any one fiscal year.
- 4 (4) On June 30, 2006, state general fund moneys shall be used to
- 5 fund one-third of the KAN-ED network.
- 6 On June 30, 2007, state general fund moneys shall be used to fund
- 7 two-thirds of the KAN-ED network.
- 8 (5) The provisions of this subsection (f) shall expire on June 30,
- 9 ~~2005 2008~~. Thereafter, state general fund moneys shall be used to fund
- 10 100% of the KAN-ED network.
- 11 Sec. 2. K.S.A. 66-2010 is hereby repealed.
- 12 Sec. 3. This act shall take effect and be in force from and after its
- 13 publication in the statute book.

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