

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:35A.M. on February 6, 2007 in Room 123-S of the Capitol.

All members were present except:  
Susan Wagle- excused

Committee staff present:  
Norm Furse, Revisor of Statutes  
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:  
Hal Gardner, Kan-Ed  
Roger Hayden, Deputy Secretary Kansas Department of Corrections  
Rosanne Siemans, Kansas Library Association  
Denise Moore, Department of Information Systems Commission (DISC)

Others attending:  
See attached list.

**SB 148-KAN-ED act; department of corrections; department of health and environment**

Chairperson Brownlee introduced Hal Gardner, to give a review on the annual report (Copy on file) for Kan-Ed. Mr. Gardner stated the annual report is also available on line at the Kan-ed website. Mr. Garner stated Kan-ed has constructed and operates a high-quality, private network within Kansas. There are two types of members; connected members who are connected to the network and those taking the subsidies and distribution of funds being able to better connect to the commercial internet through Kan-Ed's portal service provided by the Empowered Desktop. The connected members are made up of the following groups: higher education; hospitals; K-12; and libraries. Mr. Gardner reviewed the annual report in detail.

Questions and answers followed. Senator Brownlee has concerns about the fact that only 10% of the libraries are connected to the network. Mr. Gardner stated that they can still access the network if they are not connected by using the empowered desk top computer which Kan-Ed provides. Senator Brownlee and Senator Barone have concerns if the money is going where the greatest need is.

Chairperson Brownlee introduced Mary Gilligan, Legislative Research, to review the Report of the KAN-ED Oversight Committee to the 2007 Kansas Legislature. (Attachment 1) Ms. Galligan stated that the KAN-ED Oversight Committee recommends that the Legislature enact amendments to the KAN-ED Act that would allow the Department of Corrections and the Department of Health and Environment to become members of Kan-Ed.

Chairperson Brownlee opened the hearing on **SB 148** and recognized Mr. Gardner, representing Kan-Ed, to give his testimony as a proponent for the bill. Mr. Gardner presented written copy. (Attachment 2) Mr. Gardner stated that Kan-Ed is in support of the Kansas Department of Health and Environment and the Kansas Department of Corrections being added to the network of constituents for Kan-Ed. Such access could mean better use of Interactive Distance Learning; opportunities for telemedicine applications; and video conferencing. Such access would also provide for the development of new linkages and relationships with the existing Kan-Ed user community.

Questions and answers followed.

Chairperson Brownlee introduced Roger Hayden, Deputy Secretary, Kansas Department of Corrections, appearing as a proponent of **SB 148** on behalf of Roger Werholz, Secretary, Kansas Department of Corrections. Mr. Hayden presented Secretary Werholz's written testimony. (Attachment 3) Deputy Secretary Hayden stated the Kansas Department of Corrections is in support of the bill but would like the Committee to amend the bill to include their medical and education providers.

Questions and answers followed regarding the proposed amendment by the Kansas Department of Corrections

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:35A.M. on February 6, 2007 in Room 123-S of the Capitol.

which is included in Secretary Werholz testimony.

Chairperson Brownlee introduced Rosanne Siemens, Executive Director, Kansas Library Association, to give her testimony as a neutral party on **SB 146**. Ms. Siemens presented written copy. (Attachment 4) Ms. Siemens stated they have a concern regarding the funding; if at this time it does not allow for full service delivery to existing constituencies, how will it be sustained by adding additional groups without also increasing the budget? She stated this doesn't mean they aren't for expanded access, it simply means they would like this issue to be examined closely by the Committee before passing the bill out.

Questions and answers followed.

Chairperson Brownlee introduced Denise Moore, Department of Information Systems Commission (DISC) to give her testimony as a neutral party on **SB 146**. Ms. Moore presented written copy. (Attachment 5) Ms. Moore gave the Division of Information Systems & Communications perspective comparing Kan-ed and KanWin Network with Matrix. She stated that on recommendation of the Kan-Ed Oversight Committee, the three network organizations (Kan-ed, KanWin and KanREN) have contracted for a consolidation study to be completed no later than March 1, 2007 and presented during 2007 Legislature

Question and answers followed.

Chairperson Brownlee stated she would ask for the bill to be blessed allowing time for the consolidation study to be completed and presented to the Committee.

Chairperson Brownlee adjourned the meeting at 9:30 a.m., with the next scheduled meeting being February 7, 2007 at 8:30 a.m. in room 123S.



Report of the  
KAN-ED Oversight Committee  
to the  
2007 Kansas Legislature

**CHAIRPERSON:** Senator Pete Brungardt

**VICE-CHAIRPERSON:** Representative Joe McLeland

**OTHER MEMBERS:** Senators Karin Brownlee, Tim Huelskamp, Janis Lee, Jean Schodorf, and Dwayne Umbarger; and Representatives John Faber, Tom Hawk, and Ann Mah

**STUDY TOPICS**

Pursuant to Senate Sub. for HB 2968 the Committee was created to study the original objectives and goals of KAN-ED and whether those objectives and goals have been accomplished. The Committee also is directed to make recommendations for:

- Statutory changes needed to make KAN-ED a more viable program;
- Consolidation of KAN-ED with other state networks;
- The funding of KAN-ED; and
- The possible addition of other entities to the list of entities served by KAN-ED.

*December 2006*

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Senate Commerce Committee  
February 6, 2007

Attachment 1-1

# KAN-ED Oversight Committee

## 2006 REPORT

### CONCLUSIONS AND RECOMMENDATIONS

Regarding consolidation of state networks, the Committee concluded that:

- The Board of Regents and the Department of Administration should continue the effort that resulted in the *Network Study* prepared pursuant to KSA 2006 Supp. 75-7228 and should pursue recommendations made in that report.
- The time line presented by the Board of Regents in its proposal to the Committee is adequate and should guide the effort leading up to the March 1 report to the Legislature.
- All three networks examined in the *Network Study* should participate in additional planning and study to ensure establishment and maintenance of a common focus for state networks.
- The three network organizations should create a consolidation plan that, in addition to the issues identified in the *Network Study*, addresses:
  - backbone cost analysis
  - last mile access
  - premise equipment and local area networks
  - public/private partnering
  - funding source
  - permissible traffic (*i.e.*, Internet, voice over Internet protocol, video, data)
  - permissible constituent access (adding additional state agencies and health care institutions)
  - proposed statutory changes
  - current commodity Internet pricing

Based on these conclusions, the Committee recommends that:

- The Board of Regents, DISC, and KanREN pursue the recommendations made in the 2005 *Network Study* as outlined in that report and in the proposal presented to the Committee.
- The Board of Regents, KanREN, and DISC conduct a feasibility study of the three consolidation models presented to the Committee and present a specific recommendation no later than March 1, 2007 to the standing committees on Utilities, Education, Health, Commerce, Ways and Means, and Appropriations; and to the Joint Committee on Information Technology.

The Committee concluded that the Legislature would have an opportunity to consider additional statutory changes necessary to facilitate implementation of KAN-ED's goals during the 2007 Session after the proposed consolidation plan is presented along with suggested statutory changes.

- The March 1, 2007 report include drafts of any legislation required to implement the recommendations.

In regard to the membership of KAN-ED, the Committee concluded that additional state agencies would benefit from membership. Specifically, the Committee concluded that the Department of Corrections and the Department of Health and Environment would benefit from KAN-ED membership.

- Based on that conclusion, the Committee recommends that the Legislature enact amendments to the KAN-ED Act that would allow the Department of Corrections and the Department of Health and Environment to become members of KAN-ED. The bill containing those amendments accompanies this report.

**Proposed Legislation:** The Committee recommends one bill.

## BACKGROUND

The 2006 Legislature created the KAN-ED Oversight Committee in the Omnibus appropriation bill (2006 Sen. Sub. for HB 2968). The provision required that the Committee consist of one member from each of the following standing committees: House Appropriations, House Education, House Health and Human Services and House Utilities; Senate Ways and Means, Senate Education, Senate Public Health and Welfare, Senate Commerce and Senate Utilities; and a member of the Joint Committee on Information Technology. House members were appointed by the Speaker, Senators were appointed by the President, and the member of the Joint Committee on Information Technology was appointed jointly by the Speaker and the President.

The Committee's charge includes:

- Studying the original goals and objectives of KAN-ED and whether those goals and objectives have been met;
- Making recommendations for:
  - statutory changes required to make KAN-ED a more viable program;
  - consolidation of KAN-ED with other state networks;
  - funding of KAN-ED; and

- the addition of entities to the list of potential members of KAN-ED;

The authorizing legislation required that the Committee present its report on or before January 1, 2007.

## History

For nearly 20 years, the need for a network capable of transmitting voice, data, and video content has been recognized. In order to meet that need, a backbone network had to be designed and implemented to take advantage of emerging telecommunications technologies for state government and educational institutions. Studies and task forces, along with agreements between telecommunications providers and the Kansas Corporation Commission (KCC), have been combined to create the required connectivity. Over the course of the years, numerous concepts were discussed, some more elaborate than others. However, the current state expenditure for implementation of KAN-ED, approximately \$10 million per year, is within the range established by the various studies.

The 2001 Legislature enacted the KAN-ED Act (KSA 75-7222, *et seq.*) to create "a broadband technology-based network to which schools, libraries, and hospitals may connect for broadband Internet access and

intranet access for distance learning . . . .” (KSA 75-7223(a)) The Board of Regents was required to establish a plan to implement the Act.

The 2001 Legislature also appropriated \$345,000 from the State General Fund (SGF) to finance activities of a User Advisory Council to assist with the planning effort. In December 2001, the Advisory Council report was presented to the Board of Regents. This plan included in the report was endorsed in January 2002 by the Board of Regents and the Department of Education. The plan envisioned public funding for KAN-ED from all three levels of government: federal, state, and local. Local funding would provide for infrastructure and service provider connection. State funding would pay for the network backbone and access points to the network, information databases, network management, content development, and site subsidies. Federal funding would provide matching funds for the backbone and network access points.

The 2002 Legislature enacted SB 614 (KSA 66-2010), which provided that KAN-ED would be financed by the Kansas Universal Service Fund (KUSF) until 2005, with the suggestion that future funding would come from the SGF. During the 2003 Interim, the Special Committee on Utilities discussed telecommunications issues and reviewed the status of the KAN-ED network. In 2004, the KAN-ED network was deployed and during the 2004 Interim, the Legislative Educational Planning Committee recommended funding through the KUSF continue through 2008.

The 2005 Legislature extended until 2009 the length of time for KAN-ED financing from the KUSF. During this four-year extension, funding from the KUSF will be phased down to \$5.5 million. After fiscal year 2009, SGF financing is to be used for KAN-ED. Consistent with that law, the 2006 Legislature appropriated \$8 million for KAN-ED from the KUSF. An additional \$2 million was appropriated for KAN-ED from the SGF.

The same 2005 bill that changed KAN-ED financing for fiscal years 2007 through 2009 also required the State Board of Regents to study KAN-ED and two other statewide networks, Kansas Research and Education Network (KanREN) and Kansas Wide Area Network (KanWIN). The report (*Network Study*), with recommendations for eliminating duplications or inefficiencies was completed and presented to the House Utilities and Senate Commerce early in the 2006 Session.

## COMMITTEE ACTIVITIES

The Committee held two one-day meetings and one half-day meeting: October 27, November 20, and December 4. During those meetings the Committee received information from staff of KAN-ED, KanREN, KanWIN, the State Board of Regents, the State Library, the Corporation Commission, the Department of Transportation, and the Kansas Hospital Association.

The following discussion of Committee activities is organized to follow the Committee's statutory charge.

### KAN-ED Goals and Objectives

The KAN-ED Act established an overall goal of provision of a broadband network for schools, libraries and hospitals for Internet access and an intranet for distance learning. The Act places certain limitations on the network. The Board of Regents is specifically required to contract for operation and maintenance of the network. The network specifically cannot:

- Impair any existing contract for provision of telecommunications or Internet services to any school, library or hospital;
- Involve state ownership or construction of any network facilities other than those owned or being constructed by the state on April 26, 2001;

- Provide switched voice access, except to the extent switched access was being provided by state owned, leased or operated facilities on April 26, 2001;
- Transmit voice over Internet or voice over Internet protocol (VoIP), except as necessary to facilitate interactive two-way video; or
- Be used for purposes inconsistent with the Act.

The Committee received summary evaluations prepared by KAN-ED staff regarding fulfillment of statutory goals and objectives. Those evaluations found that KAN-ED has fulfilled its goals and objectives by:

- Providing broadband intranet connectivity for Interactive Distanced Learning (IDL) and other video conferencing formats, such as telemedicine.
- Avoiding competition with the Kansas telecommunications industry and impairment of contracts, by not providing commercial Internet access. Instead, KAN-ED subsidizes broadband Internet connections offered by local service providers.
- Offering neither circuit switched voice communication nor VoIP on the KAN-ED network.
- Developing implementation plans and network standards for operation, maintenance and monitoring of the network. Refinement of those plans and standards is ongoing. The Board of Regents contracts with KanREN for engineering and management services.

### Consolidation of KAN-ED with Other Statewide Networks

During its hearings, the Committee learned that the *Network Study* identified a duplication of network infrastructure and management facilities among the statewide networks. Thus, there is an opportunity for cost savings if the duplication can be reduced or eliminated. According to the *Network Study*, "consolidation of infrastructure elements could increase efficiency and potentially reduce costs. Study participants agree the systematic, staged integration of existing networks into one shared core network could provide improved cost-benefit performance." (*Network Study*, pg.1)

"Coordinating these activities could optimize benefits and allow sharing of expense. Other potential benefits from consolidation include uniform availability of services, increased service capability, increased stability and reliability and the leveraging of expertise and manpower of the network organizations." The report also notes that consolidation should preserve the "unique interactions, agreements and service level expectations" for each network. (*Network Study*, pg.1)

The *Network Study* also found that affordable last-mile connectivity is important to achieving the goal of linking Kansas public institutions, and that access to the public Internet remains the primary application required by Kansas public institutions.

Finally, the *Network Study* described seven steps necessary to facilitate functional integration of the networks without sacrificing existing, critical applications. Those steps are:

- Integrating network planning efforts between KAN-ED and KanREN.



- Developing a detailed, optimized plan for a consolidated KAN-ED and KanREN infrastructure.
- Studying the benefits and requirements to consolidate the KanWIN infrastructure and its management with the optimized KAN-ED/KanREN network.
- Providing a plan for potential KanWIN consolidation with the optimized KAN-ED/KanREN network.
- Creating policy to support integrated planning and consolidation if those efforts result in realizable cost benefits to Kansas. Changes in policy, regulatory and contract environments will be necessary to enable complete consolidation and enhance capabilities. Without these changes significant limitations will degrade or prevent potential benefits.
- Establishing a funding mechanism that will reliably support combined network requirements.
- Developing an organizational structure to operate the consolidated network while remaining responsive to individual constituent group requirements.

The Committee was informed that the Board of Regents would welcome an indication of the Legislature's desire regarding recommendations made in the *Network Study*.

The Committee learned that KanREN is a private non-profit organization supported by membership fees and fees for services. KanREN serves elementary and secondary schools, public libraries, non-profit organizations with a research or education purpose, and post-secondary educational institutions. KanREN is governed by a Board of Directors elected by the membership. The Board is composed of two representatives

each from K-12 schools, community colleges, private colleges, and Regents' universities member sites. In addition, the Board includes one member from an Internet2 member university (University of Kansas, Kansas State University and Wichita State University) and three at-large members.

KanREN has approximately 55 dues-paying members with 70 service sites. Approximately 62 percent of KanREN membership fees are paid by Regents' institutions. KanREN also provides technical support to KAN-ED on a contract for services basis. Services provided under that contract include working with telecommunication providers and member sites to support video scheduling, network management, and diagnostics and problem resolution. KanREN also works with KAN-ED to engineer connections.

KanWIN was created to serve the needs of state agencies for both intranet and Internet services. The impetus for creation of KanWIN was support for the human resource and payroll system. The network currently serves a broad range of agency and e-government needs. The nature of the business carried by KanWIN requires the network to be highly reliable, secure and resilient at the lowest cost possible for the agencies.

KanWIN users are defined by statute and include state agencies, contractors who work for state agencies, local units of government, K-12 schools, and non profit organizations. Residents of Kansas access e-government services via KanWIN. Most KanWIN users are state agencies and people doing business with those agencies.

KanWIN is operated by the Division of Information Systems and Computing as a service. Users are charged a monthly subscription fee to connect to KanWIN. No SGF moneys are appropriated directly to

support KanWIN. However, approximately 24 percent of KanWIN fees are paid from SGF appropriations to agencies.

### **Continued Exploration of Consolidation**

The Committee reviewed a proposal presented by KAN-ED describing the preliminary steps that could lead to network consolidation. The proposal, which encompasses recommendations made in the *Network Study*, involves immediate resumption of the examination of the feasibility of consolidation of KAN-ED and KanREN to create an "education network." Completion of that study is targeted in the proposal for March 1, 2007. The proposal indicates that specific cost savings that may be achieved from consolidation would be included in the March report.

Milestone dates for the KAN-ED/KanREN consolidation were included in the proposal. Those dates target the start of consolidation for June 1, 2007 with completion projected for the end of 2007. That phase of the project would be followed by examination of the feasibility of consolidating KanWIN with the education network. That second study would be completed by March 1, 2008. If the outcome of the study shows integration to be feasible, the proposal targets August 1, 2008 as the start date for the second round of consolidation. A completion date for that effort was not included in the proposal.

In regard to potential cost savings that might be achieved from network consolidation, the proposal presented three models:

- Model 1 would involve consolidation of the Next-Generation Optically Provisionable KanREN backbone and the existing KAN-ED Extended Edge backbone. The proposal characterizes startup costs for this model as "significant" due to one-time equipment costs. Relatively little savings are anticipated in the operation of the consolidated network. The preliminary

assessment by KAN-ED staff is that Model 1 would provide for the best service flexibility and the best ability to serve all the combined networks' various constituents now and into the future.

- Model 2 would involve modifying the KAN-ED backbone, separating the Internet/research network for institutions of higher education and retention of current KAN-ED capabilities. The proposal projected that both start-up and annual operating costs could be covered by the current level of appropriations for KAN-ED. Some savings might be realized.
- Model 3 would involve consolidation of the education network with KanWIN. The feasibility of this model was presented as being more uncertain than the other two models. The proposal contained neither an estimate of start-up costs nor of annual costs for this model. Potential savings might be realized, according to the proposal, by combining models 2 and 3. KAN-ED staff indicated that the third model would benefit from the use of state facilities, but would not provide as much flexibility as the other two models. Model 3 would have the most stringent security requirements because of the nature of the applications that run on KanWIN.

KAN-ED staff informed the Committee that an element of the feasibility analysis would be examination of any impact consolidation would have on eligibility for e-rate support in the future. According to KAN-ED staff, a number of variables in any consolidation effort may impact the amount of e-rate support for which KAN-ED is eligible.

### **Committee Conclusions Regarding Consolidation of Networks**

Regarding consolidation of state networks, the Committee concluded that:

- The Board of Regents and the Department of Administration should continue the effort that resulted in the *Network Study* and should pursue recommendations made in that report.
- The time line presented by the Board of Regents in its proposal to the Committee is adequate and should guide the effort leading up to the March 1 report to the Legislature.
- All three networks examined in the *Network Study* should participate in additional planning and study to ensure establishment and maintenance of a common focus for state networks.
- The three network organizations should create a consolidation plan that, in addition to the issues identified in the *Network Study*, addresses:
  - backbone cost analysis
  - last mile access
  - premise equipment and local area networks
  - public/private partnering
  - funding source
  - permissible traffic (*i.e.*, Internet, VOIP, video, data)
  - permissible constituent access (adding additional state agencies and health care institutions)
  - proposed statutory changes
  - current commodity Internet pricing

### **KAN-ED Financing**

The amount of state money available to finance KAN-ED operations is determined by the Legislature annually through an appropriation act. In each of fiscal years 2003, 2004, and 2005, \$10 million was appropriated to KAN-ED from the KUSF. That funding stream was set to expire at the end of FY 2005 when KAN-ED financing would have shifted to the SGF.

The 2005 Legislature amended the law to continue KUSF financing of KAN-ED in declining amounts until the end of FY 2009 at which time the financing statute will expire.

The Committee received communications from the Board of Regents, the Kansas Hospital Association, the State Department of Education, and the Kansas Library Association expressing support for continued financing of KAN-ED from the KUSF.

The Committee learned from the Kansas Corporation Commission that shifting KAN-ED support from the KUSF to another source would have reduced the consumer-paid monthly KUSF fee during the current year an amount in the range of \$0.08 to \$0.55.

### **Addition of Other Entities to the List of Potential KAN-ED Members**

Under the KAN-ED Act, hospitals, libraries, and schools are served by the network. The definition of school in the Act includes public and accredited nonpublic K-12 schools and public, and certain private, post secondary educational institutions. KAN-ED members comprise a subset of all eligible entities described in the ACT. The Committee learned that there are currently 797 KAN-ED members out of a potential membership of 898. "Connected members" comprise a subset of all members. Currently there are 257 connected members that are able to utilize the KAN-ED network for video-conferencing including Interactive Distance Learning and access to Internet2 sites. The Committee also learned that the service issue in much of the state is cost rather than the absence of connectivity.

The 2006 Legislature considered HB 2656 that would have extended KAN-ED membership eligibility to the Department of Corrections, the Juvenile Justice Authority and the state courts and their medical and education providers. The bill was

introduced by the House Committee on Higher Education and was referred to the House Utilities Committee. The bill was heard but died in Committee at the end of the 2006 Session.

### **Committee Conclusions Regarding Expansion of KAN-ED Membership**

The Committee concluded that making additional state agencies eligible for KAN-ED membership would provide benefits to those agencies. Specifically, the Committee concluded that the Department of Corrections and the Department of Health and Environment would benefit from KAN-ED membership.

### **Statutory Changes Required to Make KAN-ED a More Viable Program**

Board of Regents staff suggested two statutory changes that would facilitate integration of Kansas' networks. One change would permit KAN-ED to utilize state-owned network equipment. The second would make additional state agencies eligible for membership in KAN-ED.

### **Committee Conclusions Regarding Statutory Changes**

The Committee concluded that the Legislature would have an opportunity to consider additional statutory changes necessary to facilitate implementation of KAN-ED's goals during the 2007 Session after the proposed consolidation plan is

presented along with suggested statutory changes.

### **COMMITTEE RECOMMENDATIONS**

Based on information presented during its meetings and its conclusions described above, the Committee recommended that:

- The Board of Regents and the Department of Administration should continue the effort that resulted in the *Network Study* prepared pursuant to KSA 2006 Supp. 75-7228 and pursue recommendations made in that report.
- The Board of Regents, KanREN, and DISC conduct a feasibility study of the three consolidation models presented to the Committee and make a specific recommendation no later than March 1, 2007 to the standing committees on Utilities, Education, Health, Commerce, Ways and Means, and Appropriations; and to the Joint Committee on Information Technology.
- The March 1, 2007 report include drafts of any legislation required to implement the recommendations.
- The Legislature enact amendments to the KAN-ED Act that will allow the Department of Corrections and the Department of Health and Environment to become members of KAN-ED.



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Senate Commerce Committee  
February 6, 2007

Hal Gardner  
Executive Director, Kan-ed

Good morning Madame Chairman and Members of the Committee. I am pleased to have the opportunity to speak with you this morning on matters related to SB 148.

The current Kan-ed Act permits schools, libraries, and hospitals to connect to the Kan-ed network. The proposed amendment to the act in SB 148 would add "*Other authorized entities*" to mean the *Kansas Department of Health and Environment* and the *Kansas Department of Corrections*.

SB 148 is a result of discussion that took place this past fall in the Kan-ed Oversight Committee. Because connection to the Kan-ed network is defined in statute, this legislation was recommended by the Oversight Committee to accommodate the requests of the Kansas Department of Health and Environment and the Kansas Department of Corrections to be added to the list of network constituents.

Our efforts to date have concentrated on the best use of funds to provide connectivity and services to the four original constituent groups. Additional funding would not be required to add a new class of constituents, so long as the Kansas Department of Corrections and the Kansas Department of Health and Environment provide the necessary funding for equipment and physical connectivity. Capacity on the Kan-ed network is sufficient at this time to add such new constituents. We are supportive of their initiative to utilize the Kan-ed network for improved network access.

Such access could mean better use of Interactive Distance Learning, opportunities for tele-medicine applications, and video conferencing. Such access would also provide for the development of new linkages and relationships with the existing Kan-ed user community. Video depositions, tele-health programs, monitoring and diagnostics at a distance, are all potential outcomes of such networked relationships. Many examples abound.

I would be happy to answer any questions, expand on any of my comments in this testimony, or address any concerns that Members of the Committee may have.

Senate Commerce Committee  
February 6, 2007  
Attachment 2

Testimony on SB 148  
to  
The Senate Commerce Committee

By Roger Werholtz  
Secretary  
Kansas Department of Corrections  
February 6, 2007

The Department of Corrections supports the provisions of SB 148 which authorize the participation of the Department of Corrections and the Department of Health and Environment in the KAN-ED network. The Department of Corrections, however, requests that SB 148 be amended to include their medical and educational providers. A balloon amendment incorporating that amendment is attached.

The inclusion of the Department of Corrections' medical and education providers is contained in a similar bill amending the KAN-ED act. That bill, HB 2194 is currently pending before the House Energy and Utilities Committee. HB 2194 also provided for the inclusion of the Juvenile Justice Authority and state courts.

The Department of Corrections supports passage of SB 148. SB 148 amends the KAN-ED Act to permit participation in the KAN-ED broadband video network by the Department of Corrections and the Department of Health and Environment. The KAN-ED network is operated by the State Board of Regents. Under current law, participation is limited to hospitals, libraries and schools.

The KAN-ED network provides internet and intranet video capabilities for distance learning and medical services throughout the state. The KAN-ED network is well suited to providing distance learning opportunities and medical services to the department's correctional facilities located in 11 communities as well as its numerous parole offices throughout the state.

The mission of the department requires that it provide substantial training to its staff. Additionally, the department in its rehabilitation efforts provides vocational and GED educational programs to inmates. The department is also required to meet the medical needs of offenders in its custody. The department's provision of medical and educational programming can be enhanced by the same technology already available to hospitals and schools through the KAN-ED network.

The communication opportunities offered by the KAN-ED network would assist the department in providing long distance training developed either by the department or nationally to staff without the cost of travel. Likewise, inmate or parolee educational programming would be available irrespective of the inmate or parolee's location. The benefit of the network in providing medical communication services to hospital participants equally applies to inmates with the additional benefits of reducing cost and security concerns raised whenever an inmate is taken out of a facility. The video capabilities of the KAN-ED network would also aid in obtaining from KDOC contract medical providers at one correctional facility consultations regarding inmates confined at another location.

The Department urges favorable consideration of SB 148 as it is proposed to be amended.

SENATE BILL No. 148

By Committee on Federal and State Affairs

1-22

9 AN ACT amending the KAN-ED act; relating to the Kansas department  
10 of corrections and the Kansas department of health and environment;  
11 amending K.S.A. 2006 Supp. 75-7222, 75-7223 and 75-7224 and re-  
12 pealing the existing sections.

13  
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2006 Supp. 75-7222 is hereby amended to read as  
16 follows: 75-7222. As used in this act, unless the context requires  
17 otherwise:

18 (a) "Board" means the state board of regents.

19 (b) "Hospital" means a licensed hospital, as defined in K.S.A. 65-425,  
20 and amendments thereto.

21 (c) "Library" means: (1) The state library; (2) any public library es-  
22 tablished and operating under the laws of this state; or (3) any regional  
23 system of cooperating libraries, as defined in K.S.A. 75-2548, and amend-  
24 ments thereto.

25 (d) "Network" means the KAN-ED network created pursuant to this  
26 act.

27 (e) "*Other authorized entities*" means the Kansas department of  
28 health and environment and the Kansas department of corrections. ✓

29 (f) "School" means: (1) Any unified school district, school district in-  
30 terlocal cooperative, school district cooperative or nonpublic school ac-  
31 credited by the state board of education; or (2) any community college,  
32 technical college, area vocational school, area vocational-technical school  
33 or Kansas educational institution, as defined in K.S.A. 74-32,120, and  
34 amendments thereto.

35 Sec. 2. K.S.A. 2006 Supp. 75-7223 is hereby amended to read as  
36 follows: 75-7223. (a) The purpose of this act is to provide for a broad-  
37 band technology-based network to which schools, libraries and hospitals  
38 and other authorized entities may connect for broadband internet access  
39 and intranet access for distance learning. For that purpose, the state board  
40 of regents shall contract in accordance with this act for the creation, op-  
41 eration and maintenance of such network, to be known as the KAN-ED  
42 network.

43 (b) The network shall not provide for: (1) Impairment of any existing

and their medical and education providers.

1 contract for the provision of telecommunications services or internet serv-  
2 ices to any school, library ~~or~~, hospital *or other authorized entities*; (2) state  
3 ownership or construction of any network facilities other than those  
4 owned or being constructed by the state on the effective date of this act;  
5 (3) switched voice access, except to the extent switched access is being  
6 provided by state owned, leased or operated facilities as of the effective  
7 date of this act; (4) transmission of voice over internet or voice over in-  
8 ternet protocol, except to the extent necessary to facilitate interactive two-  
9 way video; or (5) use of the network for purposes inconsistent with the  
10 purposes of this act.

11 Sec. 3. K.S.A. 2006 Supp. 75-7224 is hereby amended to read as  
12 follows: 75-7224. (a) The board shall establish a plan to ensure that all  
13 schools, libraries ~~and~~, hospitals *and other authorized entities* have quality,  
14 affordable access to the internet and distance learning. The board shall  
15 adopt standards for determining whether such access is available to each  
16 school, library ~~or~~, hospital *or other authorized entities* desiring such access  
17 and shall adopt priorities for implementation of such access. The board  
18 may request and receive assistance from any school, any library, any hos-  
19 pital, the state corporation commission, any other agency of the state or  
20 any telecommunications, cable or other communications services pro-  
21 vider to gather necessary data to implement such plan and establish such  
22 standards and priorities. The board shall develop a methodology for up-  
23 dating and validating any data collected for periodic revisions of the plan,  
24 standards and priorities. Not less than 75% of all schools which have  
25 applied to the board to participate in the network, 75% of all libraries  
26 which have applied to the board to participate in the network and 75%  
27 of all hospitals which have applied to the board to participate in the net-  
28 work shall have access to the network by July 1, 2004.

29 (b) The board shall contract with providers of telecommunications  
30 services, cable services and other communications services for the crea-  
31 tion, operation and maintenance of the network. Such contracts shall be  
32 let by competitive bids as provided by K.S.A. 75-3739, and amendments  
33 thereto.

34 (c) The board shall establish: (1) Technical standards for operation  
35 and maintenance of the network; (2) the method of monitoring operations  
36 of the network; and (3) the method or methods of increasing the capacity  
37 of the network to accommodate changes in the demands of schools, li-  
38 braries ~~and~~, hospitals *and other authorized entities*.

39 (d) The board shall identify any potential regulatory impediments to  
40 and other regulatory considerations in implementation of the network and  
41 shall propose measures to address such impediments and other  
42 considerations.

43 (e) The board shall assess the need of schools, libraries ~~and~~, hospitals



1 *and other authorized entities* for full-motion video connectivity. Based on  
2 its findings, the board may develop a plan to provide such connectivity.  
3 The plan may require users of such connectivity bear part of its cost.

4 (f) The board may appoint such advisory committees as the board  
5 determines necessary to carry out the purposes of this act. The member-  
6 ship of advisory committees may include both members of the board and  
7 persons who are not board members. Such advisory committees, to the  
8 extent appropriate, shall include both communications services providers  
9 and participants knowledgeable about topics such as network facilities and  
10 services, network content and user training, and such other topics as may  
11 be necessary or useful. Members of advisory committees appointed by  
12 the board shall receive amounts provided for in subsection (e) of K.S.A.  
13 75-3223, and amendments thereto.

14 (g) ~~On or before July 1, 2002, and thereafter~~ As the board deems  
15 appropriate, the board shall adopt rules and regulations to implement and  
16 administer the provisions of this act.

17 (h) The board shall have all other powers necessary to achieve the  
18 purposes of this act, including but not limited to the power to receive any  
19 appropriations, donations, grants, bequests and devises, conditional and  
20 otherwise, of money, property, services or other things of value for the  
21 purposes of this act.

22 (i) The state department of education, the division of information  
23 systems and communications of the department of administration, the  
24 state corporation commission and all other state agencies shall cooperate  
25 with the board in providing information and other assistance requested  
26 by the board for the performance of its duties pursuant to this act.

27 Sec. 4. K.S.A. 2006 Supp. 75-7222, 75-7223 and 75-7224 are hereby  
28 repealed.

29 Sec. 5. This act shall take effect and be in force from and after its  
30 publication in the statute book.

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Senate Commerce Committee  
February 6, 2007  
Attachment 4-1

February 6, 2007

Thank you Senators Brownlee and Jordan, and members of the Senate Commerce Committee. My name is Rosanne Siemens and I am the Executive Director of the Kansas Library Association.

I am here today not as a proponent or an opponent of SB 148, but as a neutral party asked to raise a concern of the KLA membership and Kansas Library community.

The Kansas Library Association has received a strong message of concern from its members regarding SB148 because the library community does not believe it has received all of the services that have been promised by Kan-Ed, and by adding constituencies, may further stretch its ability to deliver these services to libraries. Library directors, and trustees have expressed concern that KanEd staff and funds will be stretched even further and the promised services to libraries will still not be realized.

When library staff and trustees across Kansas advocated for the creation of KanEd, we did so because we understood that the network would enable libraries from throughout the state to obtain broadband commercial Internet access at affordable rates, and that to be connected to the KanEd backbone would bring further high speed broadband capability to provide enhanced services to residents in each community. Libraries were the "front door" for Kansan's access to the KanEd network. Most of the libraries in Kansas still need that "last mile" of broadband connectivity. In the original statute that created KanEd, it says "74% of all libraries which have applied to the board to participate in the network... shall have access by July 1, 2004." Of the nearly 300 public libraries that KanEd lists as members of its library constituency, only 38 are currently connected to the KanEd backbone. 24 of those are connected through KanRen and as a result of a push in the Northeast Kansas Library System, who uses KanRen as a provider. In speaking with the technology consultant for Southwest Kansas Library System, Hamilton County Library from that region is on the KanEd backbone. Two more are in the process of becoming connected through the Enhanced Video project, however that is not yet totally implemented.

The ability of many libraries to connect and use the Kan-Ed network is dependent upon subsidies to reduce the costs of that access. Each year, Kan-Ed staff indicates that subsidies will only be available if universal service discounts are requested and received. For this reason, we have concerns about adding additional constituencies without increasing the budget to offset the costs of serving those new members, particularly when so many current members are not yet fully connected to the network.

A second point of concern involves access to electronic content made available through Kan-Ed. We believe that access to these critical resources is an essential part of leveling the "digital playing field" for all counties within the State. Kan-Ed has helped the library community to obtain invaluable information from statewide licensing of databases. Unfortunately, each year the ability to sustain these licensed databases from within the Kan-Ed budget is stated by KanEd staff to be at risk. It is for this reason that the State Library has included access to databases in its budget request. You will note that the 2007 KLA Legislative priorities include this request for licensed databases to ensure local residents who have come to rely on the databases have access.

Our concern is simple: if funding does not allow for full service delivery to existing constituencies, how will it be sustained by adding additional groups without also increasing the budget? This doesn't mean we aren't for expanded access. It simply means we would like this issue more closely examined by the committee.



Division of Information Systems and Communications

Kathleen Sebelius, Governor  
Denise Moore, Director

<http://www.da.ks.gov/disc/>

**SB148  
Commerce Committee**

**Denise Moore, Director  
Division of Information Systems & Communications**

**A DISC perspective:**

Kan-ed and KanWIN Network Comparison Matrix (attached).

**Assumptions:**

- Kansas Department of Corrections (DOC) sites currently have T1 (1.5Mbps) KanWIN last mile connection.
- DOC desires video services available on the Kan-ed network.
- Kan-ed does not provide Internet access or access to existing DOC data resources.

An arrangement to meet all DOC needs can be accomplished in two ways:

1. Establish a separate video connection to Kan-ed at each DOC site requiring such service.
  - a. Requires increased local loop access to the nearest Kan-ed access point, a DOC cost.
  - b. DOC uses existing T1 KanWIN connection for agency data transfer and Internet access.
  - c. Potentially a second premise router for Kan-ed connection, a DOC cost.
2. Use the existing KanWIN connection to establish access to Kan-ed video services.
  - a. Requires additional configuration for KanWIN to handle video.
  - b. Likely increase in DISC peering capacity between the KanWIN and Kan-ed networks in Topeka (would be assessed to Kan-ed).
  - c. Existing T1 bandwidth likely inadequate to handle agency data traffic, Internet and video traffic. Increase KanWIN connection to handle video, Internet and DOC data transfer, a DOC cost.

Note: Direct access to Kan-ed may provide better video performance due to lower latency or delay. Using KanWIN would require all DOC video traffic to be routed via Topeka and the network peering connection. Additional routing equipment, switching equipment and transport facilities would be added to DOC video connections thus increasing (although perhaps minimally) latency.

A similar scenario could be derived for KDHE access to Kan-ed. However, KDHE already has a video wide area network which could make that access easier to configure.

**Current Efforts:**

- On recommendation of the Kan-ed Oversight Committee, the three network organizations (Kan-ed, KanWIN and KanREN) have contracted for a consolidation study to be completed no later than March 1, 2007 and presented during the 2007 Legislature.

Senate Commerce Committee  
February 6, 2007

Attachment 5-1



**Kan-ed and KanWIN Comparison Matrix**

	<b>Kan-ed</b>	<b>KanWIN</b>
Purpose	Provide a broadband technology-based network for schools, libraries and hospitals.	Provide reliable, secure and resilient network for state government network needs, both agency internal applications and public e-gov applications.
Infrastructure	Medium speed extended-edge backbone. Last-mile connections aggregated at 19 access points. 210 sites.	Lower speed core backbone. Last-mile circuits aggregated at three access points. Extended local loops, 625 connections.
User Community	Schools (K-12 and Higher Ed) libraries and hospitals.	State agencies, local government, K-12, other not-for-profit organizations, state residents.
Applications	IDL and desktop video. Access to Internet2. Telemedicine and Electronic Medical Record (EMR) transfer are pending.	State government applications (payroll, human resources, budget, accounting, revenue, social services, transportation, health, criminal justice, legislative) and access to the Internet. E-government services for state residents.
Cost Model	Total operating costs FY05 \$4,450,130. Projected FY06 is \$4,235,000. E-rate lowers cost but is unpredictable.	Total cost in FY05 was \$2,697,425. FY06 projected at \$2,403,879. 24% of revenues from SGF and 76% from fees and other funds.
Funding Model	State funded through KUSF. Transitioning to SGF.	Rate based. DISC establishes rates for services, revises rates annually.
Governance Model	Governed by the Kansas Board of Regents. Advisory Council, Delegate Assembly and Technical Work Group offer advice.	Under Secretary of Administration. Policy Board & Technical Advisory Board advise DISC on policy and technical matters.

From *A Study of private Data networks in Kansas*, January 12, 2006.