

January 25, 2011

The Honorable Lana Gordon, Chairperson  
House Committee on Education Budget  
Statehouse, Room 151-S  
Topeka, Kansas 66612

Dear Representative Gordon:

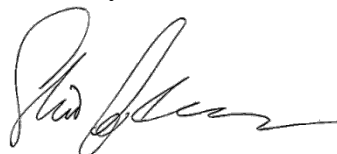
**SUBJECT:** Fiscal Note for HB 2021 by Legislative Educational Planning Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2021 is respectfully submitted to your committee.

HB 2021 would authorize an annual \$10.0 million transfer to the Board of Regents KAN-ED system from the Kansas Universal Service Fund (KUSF). The funding would be subject to appropriations acts. The bill would expand membership in KAN-ED to allow network connection to providers of health information organizations, community anchor institutions, and community based technology networks. The bill would permit transmission of voice over internet protocol. The bill updates references and provides new definitions. In addition, an outdated statute, KSA 2010 Supp. 75-7228, requiring an efficiency study would be repealed.

HB 2021 would not increase funding for the KAN-ED network; however, the bill would require that KAN-ED be funded from the KUSF in fiscal year 2011, and each fiscal year thereafter. Current law directs that the system be financed from the State General Fund. The Board of Regents estimates that the impact on the KUSF would be 24 cents per month per phone line to provide \$10.0 million for the KAN-ED network and connectivity and programs. The KAN-ED program has been entirely funded through the KUSF in recent years, and that is the source for the program in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Diane Duffy, Board of Regents  
Tom Day, KCC