

## MINUTES

### KAN-ED OVERSIGHT COMMITTEE

December 4, 2006  
Room 514-S—Statehouse

#### Members Present

Senator Pete Brungardt, Chairperson  
Representative Joe McLeland, Vice-Chairperson  
Senator Karin Brownlee  
Senator Tim Huelskamp  
Senator Janis Lee  
Senator Jean Schodorf  
Senator Dwayne Umbarger  
Representative John Faber  
Representative Tom Hawk  
Representative Ann Mah

#### Staff

Mary Galligan, Kansas Legislative Research Department  
Matt Spurgin, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Art Griggs, Revisor of Statutes Office

The Committee was called to order by Senator Pete Brungardt, Chairperson, at 1:40 p.m. in Room 514-S of the Statehouse.

The Chairperson recognized Jerry Huff, KAN-ED, to respond to a question regarding the status of the 2005 KAN-ED application for e-rate funding. Mr. Huff responded that since the Committee's last meeting, the appeal of the 2005 e-rate application had been decided in the state's favor and that additional information would be provided to the FCC by December 22 in accordance with that decision. He informed the Committee that the decision on the 2005 application would favorably impact the 2006 application that also had been rejected for the same reason. Mr. Huff responded to a follow-up question by stating that rejection of the applications was not a reflection on the effectiveness of KAN-ED's e-rate consultant. Rather, the rejection resulted from a change in the procedure used to review the applications. The question was whether KAN-ED needed to submit letters of agency with its application. Prior application reviewers had determined that letters of agency were not required because of the provisions of the KAN-ED Act. A new reviewer made the opposite determination.

Mr. Huff explained that the e-rate consultant's contract is for a year and that the consultant has other clients, although he does not know how much time is devoted to those other clients. Mr.

Huff explained that the consultant hired by the Board of Regents was one of four who responded to an RFP issued for those services.

In response to a question about earmarking of KAN-ED grant funds specifically for schools, Mr. Huff said that the Board does not set aside particular amounts for schools versus libraries. He also noted that the amount granted in prior years was greater than the amount available in FY 2007 because in prior years carry-over funds were used.

The Chairperson recognized Hal Gardner, KAN-ED, to discuss the Board of Regents' plan for implementation of recommendations made in the 2006 *Network Study (Attachment 1)*. Mr. Gardner responded to a question saying that he anticipates that KanREN will operate the consolidated physical network. Mr. Gardner noted that the Board is not making a firm recommendation regarding the consolidation because the feasibility study has not been completed. The time-line in Attachment 1 indicates the first phase of the feasibility study will be completed by March 1, 2007.

The Chairperson recognized Eldon Rightmeier, DISC, to explain the three models described in Attachment 1. Mr. Rightmeier explained that in regard to capacity and services, Model 1 would provide the greatest capacity and service flexibility. That would give the network the best ability to serve everyone who would use it. That network also likely would be the highest cost to the state. The network under that model would lose some redundancy of distribution capacity. The extended edge, that makes KAN-ED particularly useful in rural areas of the state, would not be lost, but some capacity might be lost in the extended nodes. He noted that all three models are based in part on the assumption that the extended edge architecture would be used.

Mr. Rightmeier continued by explaining that Model 2 might be more appealing in regard to cost, but that is not finally determined at this point.

Mr. Rightmeier noted that consolidating the education network with the KanWIN network might be beneficial, but that such a network would not be as flexible as the other models. He also noted that costs are more uncertain under that model for a variety of reasons. In response to a member's question, Mr. Rightmeier said that there is a question as to whether consolidation could be implemented given existing contractual obligations.

A Committee member observed that in the process of network consolidation, schools' use of KAN-ED for educational assessments could not be interrupted. Mr. Rightmeier responded to a question by saying that any of the three models would be manageable. He said Model 3 would pose the greatest number of management challenges because that network would have the most users and the highest security requirements. In response to another question, he said Model 1 likely would be the easiest to integrate with IPv6 technology.

A member asked whether the additional portions of the feasibility study of network consolidation could be done by a consultant. Mr. Rightmeier said that some resources might be available to obtain outside help with that effort.

Mr. Rightmeier responded to a question regarding whether any consolidation actions might make the state ineligible for e-rate funding. He said the state likely would not become completely ineligible, but that consolidation might make cost allocation such that e-rate income would no longer meet outflow as it does today. He said that without additional detail regarding the physical consolidation, he does not know how e-rate eligibility would. He noted that postsecondary educational institutions are not eligible for e-rate funding and that hospitals have a separate program. He observed that operating KAN-ED on state-owned infrastructure might have an adverse impact on the amount of e-rate funding that could be obtained.

In response to a question about the cost of consolidation of the networks, Mr. Rightmeier observed that the original projection provided by KanREN was \$3 million in the first year and approximately \$2 million per year for on-going cost. He thinks that once the network is consolidated, the current KAN-ED funding level will meet the operating need. He noted that some of the \$3 million one-time expense might be offset if a decision is made to lease some of the network elements.

Mr. Rightmeier said that he thinks the best arrangement from all perspectives could be identified by March, as indicated in the time line in Attachment 1.

In response to a question regarding the amount of KAN-ED's budgeted expenditures covered by e-rate funds, Mr. Huff said that because of timing and other variables, e-rate moneys are not relied upon for the budget. He noted that just under \$2million each year likely will be available from e-rate for 2005 and 2006.

Mr. Rightmeier responded to a question about KAN-ED providing VoIP services, saying that KAN-ED members are very interested in obtaining that service. He noted that a statutory change would be necessary to permit that and that there likely would be some costs associated with instituting that service.

*Senator Umbarger moved and Senator Lee seconded, a motion to endorse the recommendations made in the 2005 Network Study and the timeline for implementation presented by the Board of Regents to the Committee at this meeting. Senator Umbarger clarified the motion to include a continuation of the prior study to include the additional items presented in today's testimony and the timeline presented today. Results of the study are to be presented to the Legislature by March 1, as described in the timeline. The motion was adopted.*

During discussion of the motion, Senator Umbarger noted that collaboration among the three networks is expected as they move toward consolidation. He noted that the Committee is not recommending a particular model for the network consolidation. The Chairperson noted that the report to the Legislature should be made to the usual committees that receive such reports and the Joint Committee on Information Technology. The Committee also agreed that any necessary legislation to implement the consolidation should be submitted with the report and that KAN-ED staff should work with the Revisor's office to be sure bill drafts are available at the time the report is presented.

Mr. Rightmeier noted that KanREN issued an RFP in February for an upgrade of the university core. He said responses to that RFP may have been the source of the estimate of consolidation cost cited earlier. The Chairperson recognized Erica McDiffett, Operations Coordinator for KanREN to respond to a question. Ms. McDiffett explained that KanREN began planning to move to an optical core at the request of its membership. Initially that plan was just to accommodate members' needs, but the upgraded network could handle both KAN-ED and KanREN traffic.

*Senator Brownlee made and Representative Mah seconded, a motion to include in the Committee report an expression of support for the transition of KAN-ED financing from KUSF to the State General Fund as described in current law. The motion failed.*

*Representative Mah made, and Representative Hawk seconded, a motion to amend the KAN-ED Act to allow the Departments of Corrections and Health and Environment to become KAN-ED members. The motion was adopted.*

Staff was directed to prepare a draft report and bill for Committee review.

The Chairperson adjourned the meeting at approximately 4:45 p.m.

Prepared by Mary Galligan

Approved by Committee on:

December 20, 2006  
(date)