

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at Noon on May 3, 2011, in Room 152-S of the State Capitol.

All members were present except:
Senator Terry Bruce, excused

Committee staff present:
Matt Sterling, Assistant Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Ann McMorris, Committee Assistant

Conferees appearing before the Committee:
John Federico, KS Cable Telecommunications Assn.
Dina Fisk, Verizon Wireless
Catherine Moyer, Kansas Rural Independent Telephone Companies
Dr. Andy Tompkins, Pres & CE, Board of Regents
Chad Austin, Kansas Hospital Association
Brad Herrelson, Kansas Farm Bureau
Carol Woolbright, Greenbush Education Service Center
Janet Reynolds, Prairie View High School
Charlene McGuire, SW Kansas Library System
Tom Kregs, Kansas Association of School Boards
Brandi Hendrix, Technology Excellence in Educational Network
Doug Vander Linden, USD #244 Burlington
Leora Kinzie, Stormont Vail Healthcare
Audra May, SC Kansas Distance Learning Network
Chris Modellmog, KAIDE – Kansas Assn. Of Interactive Distance Education

Others attending: See attached list.

Chair opened hearing on
HB 2390 – KAN-ED act; repeal

Proponents

John Federico, KS Cable Telecommunications Association (Attachment 1)
Dina Fisk, Verizon Wireless (Attachment 2)
Catherine Moyer, Kansas Rural Independent Telephone Companies (Attachment 3)

Written only –
Patrick Fucik, Sprint (Attachment 4)
Dr. Art Hall, Exec Dir, Center for Applied Economics, Kansas University School of Business
(Attachment 5)

Committee questioned proponents

Opponents

Dr. Andy Tompkins, Pres & CE, Board of Regents (Attachment 6)
Chad Austin, Kansas Hospital Association (Attachment 7)
Brad Herrelson, Kansas Farm Bureau (Attachment 8)
Dennis George, Ottawa School Board (Attachment 9)
Carol Woolbright, Greenbush Education Service Center (Attachment 10)
Janet Reynolds, Prairie View High School (Attachment 11)
Charlene McGuire, SW Kansas Library System (Attachment 12)
Tom Kregs, Kansas Association of School Boards (Attachment 13)
Brandi Hendrix, Technology Excellence in Educational Network (Attachment 14)
Doug Vander Linden, USD #244 Burlington (Attachment 15)
Lenora Kinzie, Stormont Vail Healthcare (Attachment 16)
Audra May, SC Kansas Distance Learning Network (Attachment 17)
Chris Modellmog, KAIDE – Kansas Assn. Of Interactive Distance Education (Attachment 18)

CONTINUATION SHEET

Minutes of the Senate Utilities Committee at 1:30 p.m. on May 3, 2011, in Room 152-S of the Capitol.

Written Only

Dr. Gary George, Olathe School District ([Attachment 19](#))

Mary Adam, Pioneer Health Network ([Attachment 21](#))

Cindy Beisner, Director, ICAN – Interactive Consortium Academic Network ([Attachment 21](#))

Kay Stith, Director of Libraries, Manhattan School District ([Attachment 22](#))

Joan Weaver, SW Kansas Library System ([Attachment 23](#))

Committee questioned several of the opponents. Chair noted that there should be an interim meeting of the parties involved and an agreement reached on any proposed legislation.

Chair closed the hearing on **HB 2390**.

No further meetings of the Senate Utilities Committee are scheduled for this session.

Adjournment

Respectfully submitted,
Ann McMorris, Committee Assistant

Attachments - 23

**SENATE UTILITIES
COMMITTEE GUEST LIST
MAY 3, 2011**

NAME	REPRESENTING
DINA FISK	VERIZON
Kathy Dossard	Kan Ed User - Holy Family School, Topeka
Mike Rickett	sprint
Coleen Jennison	Cox Communications
Doug Vander Linden	Burlington USD 244 & Coffey CAN
Dennis George	Coffey Health System USD 280
Mike Hufles	Ks. Rural Independent Telephone Cos
Catherine Moyer	Pioneer Communications
BRAD HARRELSON	KFB
CORT BUFFINGTON	KanREN, Inc.
Lenora Kinzie	Stormont-Vail HealthCare
Charlene McGuire	Southwest Kansas Library System
MARC GALBRAITH	STATE LIBRARY
Jo Budler	State Library
Jimmy Roe	RLA
Roger Carswell	Iola Public Library
Christine Waddell	Library District #2 of Linn Co. - LaCygne
Janet Reynolds - USD 362 Prairie View	& Lib Dist #2 of Linn Co LaCygne

Andy Tompkins
Jonathan Krueger

Dani Onions
Brandi Hendrix

Audrey May
Carol Woolbright
Chris Modellmog

John Curtin
K Prideaux

KBOR
KBOR

Intern, Kuttala

Technology Excellence in Education Network

South Central KS Distance Learning Network

Southeast Kansas Education Service Center

KS Assoc. for Interactive Distance Ed.

ESU

KHSU

[illegible]



Kansas Cable Telecommunications Association

Testimony in Support of HB2390

Senate Utilities Committee

John J. Federico

May 3, 2011

My name is John Federico and I serve as the President of the Kansas Cable Telecommunications Association. I appear today in support of HB2390. The KCTA represents telecommunication companies, big and small, serving both urban and rural areas in all four corners of the state.

The KCTA believes that HB2390 addresses the lingering concerns with the Kan-Ed Program and seeks to fix a problem with what appears to be another government program that has "over-reached" and lost sight of its original mission and purpose.

The KCTA has a long history of support of the Kan-Ed Program and offered testimony on the original bill establishing the Program in the 2001 Legislative Session. I personally offered testimony on behalf of the KCTA "*supporting a statewide technology backbone to connect schools, libraries and hospitals across the state.*" I went on to say in my testimony however, that "*the KCTA maintains their belief that the delivery of a broadband technology-based network is best served by competing private entities.*"

The cable industry is not alone in their thinking, nor were they in 2001. Among the recommendations to the 2001 Legislature by the State Education Technology-Based Network Task Force was the declaration that "*Kan-Ed must be managed in a manner that will not compete with the private sector.*" Testimony offered to the Senate Commerce Committee by the Chairman of the Rural Telephone Company: State Affairs Committee stated in their endorsement of *Kan-Ed* legislation that "*services provided over the Kan-Ed network should be clearly and narrowly defined, and periodically revisited to avoid unforeseen or unintended competition with the private sector.*"

In short, the overarching concern of the telecommunications industry during the formation of the Kan-Ed Program was its potential to negatively impact competing private entities. As such, great care was taken to negotiate and gain consent to language limiting the scope and purpose of the state-managed broadband network.

The original intent of the law establishing Kan-Ed was to "*provide for a broadband technology-based network which schools, libraries and hospitals may connect for broadband internet access and intranet access for distant learning.*" The network shall allow for the following features (1) Universal provider interconnection or peering rights; and (2) competitively bid end-user Kan-Ed connections. Further restrictions in the law prohibited the network from, among other things, providing as part of their offerings - phone services (either switched voice access or via VoIP)

Senate Utilities Committee
May 3, 2011
Attachment 1-1

The KCTA believes there has been a slow, deliberate departure from the original intent and limited scope of the Kan-Ed Program. Earlier this Session there was, in our opinion, a full-blown breach to that "contract." I ask you to review the attached bill, HB2021 that was approved for introduction to the legislature by the Board of Regents and was then introduced in January.

In spite of the fact that the Board of Regents has decided to not pursue HB2021 this legislative session, the cable industry still has concerns about future efforts to steer Kan-Ed down the path of state-subsidized competition to private providers.

There are generally three areas of concern that lead us to support HB2390.


The first is the purpose and mission of Kan-Ed. As mentioned above, we believe they have strayed from the original intent of the law. There seems to be a focus on content versus connectivity. Kan-Ed was born at a time of an emerging broadband market. Today, based on an extensive mapping effort, data confirms that over 99% of households have access to broadband internet. With the proliferation of broadband competition across the state, can't the needs of most end-users be met with private market offerings.

Secondly, the funding of Kan-Ed is a growing concern. It was never intended that the program be permanently funded using KUSF money. Through exhaustive debate in the Capitol over the years related to Kan-Ed funding, it was thought that Kan-Ed if considered a worthy and valuable program should be funded using state general funds. Currently, it is funded by a \$10M transfer from the KUSF. The KUSF is funded by charging a tax on all telecommunication providers who pass the tax onto their customers, your constituents. The KUSF is bloated with over \$65M in the fund. Is it necessary that Kansas maintain the 3rd largest state universal service fund in the country? It should be the goal of the legislature and other policymakers to reduce the size of that fund and provide at least *some* relief to the taxpayers who pay that telecommunication tax because of the use their use landline and cell phones.

Lastly, our members have some concern about the oversight of the Kan-Ed program. These concerns have nothing to do with personnel but more to do with "process." The fact that HB2021 was never put before the Kan-Ed Advisory Board is a bit mystifying and does lead to some paranoia. The purpose of the Kan-Ed Advisory Board, which includes some members of the telecommunication industry, is to provide input on various matters of interest to the Kan-Ed program. If the subject matter contained in the Board of Regents' bill (HB2021) is not worthy of consideration by this Board, then I am hard pressed to know what would be appropriate!

In closing, it may appear that HB2390 is a bit drastic, but perhaps it is time for a little tough love from the Legislature. Is it not worth considering, given the current state of telecommunications competition across the state, whether the Kan-Ed program has served its purpose? Is it unrealistic to ask the end-users of the state's telecommunications backbone to contribute to an effort to self-fund the program? Should the legislature be endorsing the use of taxpayer money (KUSF) to fund what is morphing into a subsidized competitor to private business?

We ask your support of HB2390 and am happy to stand for questions.



USAC administers the four universal service programs – High Cost, Low Income, Rural Health Care, and Schools and Libraries – under terms defined by the Telecommunications Act of 1996 as well as regulations, orders, and directives issued by the Federal Communications Commission (FCC or Commission) and its Bureaus and Offices.

Beneficiaries across the country keep connected thanks to universal service support disbursed to service providers participating in one or more of these programs. These beneficiaries include Americans living in remote or rural areas, low-income consumers, rural health care providers, and public and private schools and public libraries.

The High Cost Program ensures that consumers across the country pay rates for telecommunications services that are comparable to those available in urban areas. In 2010, over 1,800 eligible carriers received High Cost Program support.

The Low Income Program helps eligible low-income consumers establish and maintain telephone service by discounting services provided to them by local telephone companies. Over 10 million low-income households throughout the nation benefited from the program in 2010.

The Rural Health Care Program provides reduced rates to rural health care providers for telecommunications and Internet services necessary for providing health care. Over 3,000 health care providers received support this year. The Rural Health Care Pilot Program is supporting the development of advanced networks to support telemedicine services across the country.

The Schools and Libraries Program, often called the “E-Rate” program, provides discounts to help schools and libraries in every U.S. state and territory secure affordable telecommunications, Internet access, basic maintenance, and internal connections. Over 22,000 eligible applicants benefited from Schools and Libraries Program support this year to bring telecommunications and Internet services to millions of students and library patrons.

Universal Service Fund Disbursements by Program (Unaudited)

Calendar Year 2010 | (in thousands)



State	High Cost	Low Income	Rural Health Care	Schools & Libraries	Total 2010 Disbursements	Total All Programs 1998-2010
Alabama	\$ 93,551	\$ 41,473	\$ 354	\$ 43,944	\$ 179,322	\$ 1,638,379
Alaska	218,978	26,839	49,749	22,217	317,775	2,034,452
American Samoa	3,831	82	228	1,588	5,729	48,369
Arizona	67,545	20,868	1,575	59,031	149,019	1,476,022
Arkansas	105,255	12,565	917	20,788	139,525	1,655,836
California	911,824	174,727	1,233	348,702	1,616,486	7,478,901
Colorado	75,866	2,323	249	18,003	96,441	1,123,229
Connecticut	489	8,196	0	19,928	28,613	336,763
Delaware	265	1,789	0	2,230	4,284	24,230
District of Columbia	0	1,945	0	14,812	16,757	109,685
Florida	67,693	88,201	226	107,719	263,839	1,950,556
Georgia	115,569	50,387	1,571	73,068	240,535	2,235,146
Guam	16,082	287	74	260	16,703	139,208
Hawaii	511,772	504	102	2,552	64,930	386,691
Idaho	51,785	3,445	281	6,746	62,257	695,576
Illinois	21,898	35,665	1,139	64,416	173,118	1,713,250
Indiana	79,290	4,233	846	41,433	125,802	969,624
Iowa	129,222	3,894	613	12,442	146,171	1,173,957
Kansas	195,307	4,569	278	16,958	217,112	2,014,654
Kentucky	103,799	12,221	450	28,806	145,276	1,272,236
Louisiana	136,480	35,609	44	61,258	233,391	1,943,340
Maine	24,540	8,472	58	11,159	44,229	549,110
Maryland	3,767	11,037	0	14,082	28,886	219,120
Massachusetts	2,258	25,912	130	31,368	59,668	566,675
Michigan	49,571	56,642	2,841	49,821	158,875	1,406,938
Minnesota	105,707	6,356	3,125	22,052	137,240	1,464,931
Mississippi	260,553	12,392	180	32,993	306,118	2,835,942
Missouri	107,372	11,429	571	41,876	161,247	1,536,634
Montana	85,810	3,762	838	4,822	95,232	945,083
Nebraska	88,667	1,874	1,612	10,647	102,790	894,097
Nevada	24,440	3,065	58	3,236	30,799	392,496
New Hampshire	9,671	1,519	13	2,622	13,825	149,189
New Jersey	1,538	24,950	0	58,819	85,307	624,904
New Mexico	81,692	13,727	660	34,328	130,397	1,149,581
New York	44,148	95,938	43	193,945	334,074	3,692,359
North Carolina	79,631	61,403	351	57,235	198,620	1,521,594
North Dakota	97,567	2,632	945	4,560	105,704	831,786
Northern Mariana Islands	1,214	184	0	996	2,394	42,285
Ohio	38,943	59,808	769	77,572	177,092	1,458,507
Oklahoma	148,877	79,107	797	50,527	279,308	2,168,518
Oregon	74,972	5,967	335	14,686	95,960	1,035,795
Pennsylvania	61,902	34,697	97	89,139	185,835	1,552,680
Puerto Rico	208,626	39,974	0	23,227	271,827	2,095,989
Rhode Island	35	3,003	0	6,618	9,656	119,803
South Carolina	118,547	10,776	14	41,287	170,624	1,410,923
South Dakota	90,096	2,184	680	4,936	97,896	862,325
Tennessee	60,695	41,962	350	56,980	159,987	1,247,429
Texas	247,395	101,728	1,691	234,544	585,358	5,536,342
Utah	23,190	3,727	804	16,012	43,733	399,874
Vermont	20,999	2,590	59	2,116	25,764	379,781
Virgin Islands	19,539	84	22	10,562	30,207	348,655
Virginia	71,362	21,345	1,002	31,634	125,343	1,174,135
Washington	91,282	16,177	80	31,770	139,309	1,432,182
West Virginia	53,399	5,851	199	12,725	72,174	890,966
Wisconsin	131,007	15,189	7,588	32,854	186,638	1,692,297
Wyoming	52,256	453	113	1,881	56,703	632,547
TOTAL	\$4,267,746	\$1,315,734	\$85,952	\$2,282,499	\$7,951,931	\$73,671,611

Note: Numbers may not add due to rounding.

1-4

**Senate Utilities Committee
HB 2390**

May 3, 2011

Mr. Chairman and Members of the Committee,

My name is Dina Fisk and I appear today on behalf of Verizon Wireless providing support for HB 2390.

Although Kan-Ed may be a worthwhile program, the funding mechanism for Kan-Ed has been a concern for many years. In 2009, Kan-Ed funding was phased-out from the KUSF and was to be funded by the State General Fund like other important programs. Instead, Kan-Ed has been funded from the KUSF \$10 million each year since 2002, while other agencies and programs have been cut over the years due to budget restraints. Because Kan-Ed is an educational program that is intended to benefit all citizens of the state, if it is needed, then it should be paid for by the state general fund, or become self-funding by users of the Kan-Ed network.

As a result of funding Kan-Ed \$10 million each year from the KUSF, Kansas has the third largest state fund in the nation, behind only the much larger states of California and Texas, and also one of the highest total tax loads on telecommunications customers. The KUSF is already too high at approximately \$74 million in 2010, in part due to the \$10 million going to Kan-Ed, which is by far its highest funded program.¹ The \$74 million KUSF results in a 6.64% surcharge to each telecommunications customer's bill in Kansas and that is in addition to the federal universal service surcharge and all other taxes already assessed – making Kansas residents some the most heavily taxed consumers of telecommunications services in the nation. Citizens of this state would be better served by legislative efforts to decrease Kansas's citizen's extraordinary tax burden.

If Kan-Ed cannot be self-funding or important enough to be funded from the State General Fund, then I encourage you to vote YES to repeal Kan-Ed.

Thank you, and I stand for questions.

Senate Utilities Committee
May 3, 2011
Attachment 2-1

¹ KCC Calculation of KUSF Requirement (March 2011-2013) Kansas Relay Service, Inc. (KRSI) \$1,998,315; Telecommunications Access Program (TAP) \$814,173; Kan-Ed appropriations \$10,000,000.

Senate Utilities Committee
Kan-ed Comments, HB 2390
Catherine Moyer, Director of Legal & Regulatory Affairs
Pioneer Communications
On Behalf of: Kansas Rural Independent Telephone Companies

May 3, 2011

Good morning, Mr. Chairman and members of the Committee. I'm Catherine Moyer, the Director of Legal and Regulatory Affairs for Pioneer Communications, which is headquartered in Ulysses, Kansas. I am speaking on behalf of the Kansas rural telecommunications companies.

I am here today to visit with you about Kan-ed. Let me unequivocally state at the outset that we are philosophically in favor of the concept of providing high-speed Internet access and Kan-ed access to schools, libraries, and hospitals in Kansas. We are not opponents of a properly managed Kan-ed network, nor properly administered Kan-ed funding. However, we do not deny that we have serious concerns with what appears to be the changing, or really, abandoning, of the original Kan-ed principles and the scope of the original program.

Historically speaking, the rural companies' support for the Kan-ed program was based entirely on fundamental policy understandings. From KSA § 75-7223, the purpose of Kan-ed was a "...technology based network to which schools, libraries and hospitals may connect for broadband Internet and intranet access for distance learning." Distance learning was the purpose of Kan-ed. Period. Additionally, the funding for Kan-ed can be found in Kansas Statute, specifically, KSA § 66-2010. The statute provides a sliding scale of funding for Kan-ed, starting with \$10 million from the Kansas Universal Service Fund, the KUSF, in 2006, phasing down to \$0 from the KUSF in 2010. The first years of KUSF funding was intended to be seed money to get Kan-ed started. It was not intended that Kan-ed funding would remain in the KUSF.

These basic policy understandings, that Kan-ed was intended for distance learning for schools, hospitals and libraries, and that the KUSF would supply the seed money for Kan-ed, but not ongoing support, allowed the Kansas rural telecommunications companies to support the formation of Kan-ed. As Kan-ed has moved away from these policy understandings, the rural telecommunications companies' support has waned.

The biggest issue for the rural telecommunications companies has always been the funding of Kan-ed. At many times over the past several years, Kan-ed has taken the position that it has just as much right to the KUSF as the rural telecommunications companies, in order to secure its funding in the tough economic environment. The Kansas Legislature has chosen to fund Kan-ed out of the KUSF, rather than out of the State General Fund, against the intent of KSA § 66-2010. In reality, the Kansas Universal Service Fund was established in response to the State of Kansas lowering the cost based access rates to an arbitrarily low rate to satisfy interexchange carriers, in other words, long distance carriers. Access rates are the dollars that are exchanged between

carriers, be it land-line phone companies, wireless companies, or long distance companies. There are two types of access charges, interstate, regulated by the Feds, and intrastate, regulated by the states. The State of Kansas lowered intrastate access rates, over which it had jurisdiction. Because intrastate rates before the lowering were cost-based on the actual cost the rural telecommunications carriers incurred in building their networks, the carriers experienced a loss of revenue. In order to compensate the carriers for this loss of revenue, the KUSF was established. KUSF payments to the carriers make up for what the carriers lost, and continue to lose, when intrastate rates were lowered.

Kan-ed should not continue to be funded out of the KUSF. The rural telecommunications companies understand the economic environment has necessitated KUSF funding, rather than State General Fund funding. But, at what point should questions be asked about whether Kan-ed needs \$10 million? Or if the funding should even be coming from the State General Fund? I am one of three industry members on the Kan-ed Advisory Committee, and based on our most recent meeting, there appears to be no movement towards alternate forms of funding. Regardless of what the Committee chooses to do with this bill, the Legislature should instruct Kan-ed to explore alternate forms of funding, and follow-up that instruction.

I appreciate the opportunity to appear in front of the Committee today, and am happy to answer any questions you might have. Thank you.

Sprint

together with NEXTEL

Sprint Nextel

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Director, West Region
State Government Affairs
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**Written Testimony of Patrick Fucik / Sprint
In Support of HB 2390:
Eliminating KAN-ED from KUSF
Senate Utilities Committee
May 3, 2011**

Chairman Apple:

Thank you for the opportunity to provide written comments on behalf of Sprint in support of HB 2390.

Sprint is not taking a position on the merits of the KAN-ED program but is supportive of HB 2390 because it will reduce the Kansas Universal Service Fund (KUSF) by \$10 million as a result of eliminating funding for KAN-ED from the KUSF.

Sprint has been actively working to reduce the size of state universal service funds across the country because increased competition means that subsidies paid for by telecommunications consumers to other providers are obsolete.

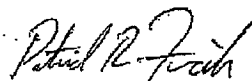
Kansas is no exception. At \$78 Million, Kansas has the third largest state universal service fund in the nation, behind only California and Texas, and it has been growing significantly over the last several years. While the Kansas state budget has had to withstand severe budget cuts over the last several years, the KUSF has continued to grow.

The elimination of funding KAN-ED from the KUSF would help reduce the overall size of the KUSF and would reduce the amount of the KUSF surcharge that your constituents (many of them our customers) have to pay. The Kansas Corporation Commission has increased the KUSF assessment from 5% in 2009 to 6.18% in 2011, an increase of more than 20%! Any proposal that reduces the size of the KUSF, such as HB 2390, is welcome and supported by Sprint.

In conclusion, Sprint supports HB 2390 because it reduces the size of the KUSF and would reduce the KUSF assessment on Kansas consumer's bills. I encourage the Committee to pass HB 2390.

Thank you.

Patrick R. Fucik



Director, West Region
Sprint State Government Affairs

Senate Utilities Committee
May 3, 2011
Attachment 4-1

KAN-ED: Mission Accomplished; Time to Re-deploy its Resources

Testimony Related to HB 2390

Art Hall, Executive Director*

Center for Applied Economics, KU School of Business

Submitted to the Senate Standing Committee on Utilities

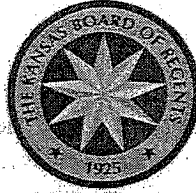
May 3, 2011

Summary of Key Points:

- The Legislature created KAN-ED in 2001 to provide schools, hospitals, and libraries with broadband internet connectivity.
- KAN-ED successfully and effectively accomplished its mission by 2007.
 - The 2006 KAN-ED Annual Report (p. 4) stated that “network expansion is considered complete at this time. . .”
 - A 2007 Legislative Post Audit report indicated that KAN-ED had far exceeded the statutory thresholds set for connectivity of schools, hospitals, and libraries.
 - The 2010 KAN-ED Annual Report says that KAN-ED “has declared that all organizations eligible for membership are now considered to be members.”
 - KAN-ED membership, by definition, indicates broadband connectivity.
- The maturity of broadband internet—and the vast service capability built into it—evolved in ways (and at rapid speeds) that could not have been foreseen when the Legislature created KAN-ED, and has essentially made KAN-ED obsolete.
- A federal government program known as E-Rate provides financial assistance to schools and libraries, financed out of the federal Universal Service Fund. Most of the KAN-ED services are now readily available in the marketplace and most of the KAN-ED membership base can access federal government E-Rate assistance to pay for their use.
- The Kansas Corporation Commission finds that an average of 99.41% of Kansas households have access to broadband internet. Broadband connectivity is widely available.

* The viewpoints expressed by Art Hall are his alone, based on his research and independent judgment; they should in no way be interpreted as representing the viewpoints of the University of Kansas (or any sub-unit thereof) or the Kansas Board of Regents.

Senate Utilities Committee
May 3, 2011
Attachment 5-1



KANSAS BOARD OF REGENTS

SENATE UTILITIES COMMITTEE

May 3, 2011

Testimony in Opposition to House Bill 2390

Dr. Andy Tompkins, President & CEO

Chairman Apple, Ranking Member Kultala, and members of the Committee, I am here on behalf of the Kansas Board of Regents to testify in opposition to HB 2390, legislation that would eliminate the Kan-ed program. As you may know, HB 2390 was introduced late in the legislative session (March 14), was heard by the House General Government Budget Committee (March 29), and then, after a lengthy debate on the House floor, the bill was approved by a 69-51 vote (April 1).

Kan-ed is a program that was created by the 2001 Legislature and is administered by the Board of Regents. Kan-ed provides high-speed bandwidth connectivity for Kansas hospitals, libraries, higher education institutions, and K-12 schools, and works with over 20 private telecom and cable providers to facilitate the public-private partnerships and collaboration necessary to provide this connectivity within the state. Kan-ed provides video-conferencing technology that is utilized to connect local and state leaders with their counterparts across the state, nation, and globe, assists in providing distance learning services to school districts throughout the state, provides educational and research databases to libraries, provides critical services to hospitals, and homework tutorial services to students at all educational levels. We fully support Governor Brownback's recommendation to continue funding for Kan-ed in his Fiscal Year 2012 budget, and his understanding that Kan-ed contributes directly to the broadband access vision he articulated in his "Road Map for Kansas." We also believe that the services provided by Kan-ed are essential to the economic vitality of our rural state as envisioned in the Governor's Rural Initiative.

Kan-ed is not competing with the private-sector, but rather spurring investment in our state by leasing services from Kansas telephone and cable companies. The money that these companies receive for payment of Kan-ed services contributes to the local economy and helps to build up infrastructure in the local communities. Kan-ed does not own any network infrastructure – everything is leased from private companies. The funding mechanism that provides support for Kan-ed, the KUSF, also supports nearly all Kansas telephone companies.

Additionally, private industry provides the Kan-ed network operations center (KanREN in Lawrence), and at least 10 high-tech jobs would be impacted by elimination of Kan-ed at the Network Operations Center. All Kan-ed services are purchased or leased from private companies, the majority of which are located in Kansas.

★ LEADING HIGHER EDUCAT

Senate Utilities Committee

May 3, 2011

Attachment 6-1

It is important to note that Kan-ed provides a "virtual" network that connects all the Kan-ed members together so they can share resources and provide advanced applications without using public internet connections. For example, if a member is sending data to another member, the Kan-ed routers use virtual routing and forwarding to sense that the path through the Kan-ed network is faster, and then makes those connections through the Kan-ed private network. This is critical when doing telemedicine, virtual learning, or providing distance education courses that require higher bandwidth and quality of service. This sort of statewide network would not be possible without Kan-ed. Further, no alternatives to the Kan-ed network have been proposed or identified.

This vision developed by the Legislature and Governor over a decade ago, and now reconfirmed by Governor Brownback, was intended to help all of these institutions, which are critical to the education and care of our citizens and bridge the digital divide regardless of their size or location. Their hope also envisioned a network that would provide cost efficiencies and enhanced quality through aggregation of services statewide. That dream has become a reality, and those who use it can certainly testify to how it has served them. I am convinced that elimination of this network would recreate the digital divide in our state, reduce the quality of services available to most of these institutions, and in many cases dramatically increase the price for these services. Ultimately, this will mean that these services will not be available to the citizens served by these institutions across the state.

In summary, Kan-ed provides an invaluable service to Kansas within the institutions that are a part of the mission of this initiative at no cost to the SGF. Kan-ed connects hundreds of Kansas hospitals, libraries, and higher education and K-12 institutions, and hundreds of thousands of Kansans within these institutions. Kan-ed ensures that these institutions, no matter where they are located in the state, have high quality, cost effective, high-speed broadband access.

I have attached a "Kan-ed Fact Sheet" that provides an accurate depiction of the services offered by Kan-ed, and I hope you find this information helpful. Mr. Chairman, thank you again for the opportunity to appear before your Committee today.

6-2

KAN-ED FACT SHEET

- If enacted, HB 2390 would terminate Kan-ed effective June 30, 2012. All Kan-ed contracts with private companies and public agencies would be canceled, and nine FTE positions would be eliminated.

Funding

- Kan-ed receives \$10 million annually from the Kansas Universal Service Fund (KUSF). Its elimination would result in no SGF savings.
- Since its inception in January of 2003, Kan-ed has received \$75 million from the KUSF.

Connection Services

- Kan-ed provides a T-1 (1.54 mb) access line at no charge to Kan-ed members that do not have high speed access.
- Kan-ed members receive discounted service (\$500/month) for 3mb of service and pay 100% of costs above 3mb.
- Kan-ed provides a 24/7 Network Operation Center in conjunction with KanREN.
- Kan-ed currently pays telecom providers in Kansas to provide Kan-ed connectivity, and this is accomplished by partnering with over 20 private cable and telecom companies.
- Kan-ed has facilitated over 36,000 video sessions in 2010 and has over 10,000 video sessions completed from January 1 through March 14th, 2011. This has all been accomplished through the private Kan-ed network...not using the commercial internet.

Membership

- As of March 18, Kan-ed had connected 443 members (K-12 schools, libraries, hospitals, and higher education institutions) with daily internet access and access to a private advanced network for distance learning and telemedicine. Kan-ed has a total of 883 statutory members.
- Kan-ed provides the "ProQuest Nursing Journal" which meets required resource criteria for public and private higher education institutions that have accredited nursing programs.
- Kan-ed provides a website portal where Kan-ed members go for information and enhanced services. Kan-ed has 420,000 non-duplicated user accounts on the Kan-ed Empowered Desktop portal.
- Kan-ed also provides CIPA (Children's Internet Protection Act) filtering at the network level to further reduce K-12 and library filtering costs. Kan-ed also provides students, staff and faculty with an online "backpack" to store documents and files so they can access them anywhere they are.
- Kan-ed provides grant funding to the Kansas Hospital Association for the EMResource program, a real-time tracking database that resides in every hospital in Kansas. The program lets doctors, nurses, and hospital administrative staff know the availability in terms of specialty units (burn, ICU, etc.) should a mass casualty or disaster occur.
- Kan-ed provides a grant to the State Library of Kansas for \$869,000 per year to assist with the purchase of statewide databases. An additional \$600,000 is provided by Kansas libraries and Kan-ed member institutions for the purchase of these databases.



Tom Bell
President and CEO

To: Senate Utilities Committee
From: Chad Austin, Vice President, Government Relations
Date: May 3, 2011
Re: House Bill 2390

The Kansas Hospital Association appreciates the opportunity to provide comments on House Bill 2390. The Kan-ed program has benefited more than 150 Kansas hospitals and has resulted in better efficiencies and quality of services to Kansans and the communities they serve.

Kan-ed is a cost effective use of technology for hospitals and the patients and communities they serve. We are concerned about any changes to the current statute that would eliminate funding for Kan-ed and are opposed to HB 2390.

Currently, there are 73 hospital members directly connected to the Kan-ed network. Hospitals of all sizes have effectively utilized many benefits from their participation in Kan-ed. To date, hospitals have received more than \$3.9M in direct support from Kan-ed including:

- Financial and technical assistance in acquisition of broadband services which allows for increased employee and patient education;
- Grants to hospitals for upgrading video conferencing equipment to allow operation on the Kan-ed network which enables hospital employees to participate in education and other meetings without leaving the hospital;
- Educational and reference resources for hospital employees;
- Grants to hospital members to develop continuing education programs that will be provided over the Kan-ed network;
- Opportunities for collaboration among Kan-ed constituents which allows hospitals to share best practices with others; and
- Access to a state-wide hospital emergency communication system.

EMResource ®

The benefits provided to Kansas hospitals through the statewide license to EMResource have been tremendous. EMResource is a trauma diversion and resource tracking system that has been used in Kansas to address trauma care, emergency preparedness, and statewide communication. Hospitals can view in real-time information on hospital emergency department status, hospital patient capacity,

availability of staffed beds, and specialized treatment capabilities. EMResource has provided many benefits to hospitals and played a very pivotal role in disseminating information related to the record number of disasters affecting Kansas in 2007 and H1N1 response efforts in 2010. Information gathered by EMResource during these two events proved invaluable for state response efforts on the status of hospitals.

Telemedicine/Health Information Technology

The rural nature of our state coupled with the anticipated health care workforce shortages in future years makes expanding telemedicine programs in Kansas imperative. Telemedicine allows patients in rural communities to access specialized physicians without time consuming and costly travel. Kan-ed has jump started expansion of telemedicine by enabling many hospitals to take advantage of the benefits provided by using video conferencing equipment. Without the Kan-ed program, Kansas hospitals could expect to see increased line charges, decreased network security, decreased reliability/quality of service, and decreased collaboration among stakeholders.

Over the past several years, many forces have come together to promote the adoption of Health Information Technology and Electronic Health Records in particular. The vision, which KHA supports, continues to be a national system of exchangeable health information to improve patient care, develop health policy, improve public health and to base hospital and physician payment for services based on value and quality. Access to highly secure and reliable bandwidth will be an imperative for hospitals. Kan-ed has the potential to play a pivotal role in making health information exchange a reality in Kansas.

Thank you very much for your consideration of our comments. Rather than taking action on House Bill 2390, we urge the committee to consider recommending an interim study be conducted to review the Kan-ed program and its future.

PUBLIC POLICY STATEMENT

Senate Committee on Utilities

RE: HB 2390 – An Act concerning Kan-Ed.

May 3, 2011
Topeka, Kansas

Testimony provided by:
Brad Harrelson
State Policy Director
KFB Governmental Relations

Kansas Farm Bureau appreciates the opportunity to provide comments on House Bill 2390 relating to abolishing Kan-Ed. I am Brad Harrelson, State Policy Director-Governmental Relations for the Kansas Farm Bureau. KFB stands in opposition to HB 2390 as written.

We support the need of every home and business to have access to high-speed broadband service at a reasonable cost. We believe that this extends to other entities within rural communities, like hospitals, schools and libraries.

We represent 40,000 farmers and ranchers living in all 105 counties of Kansas. We believe our rural constituents deserve a strong healthcare system and that access to a fully operational telemedicine program is absolutely critical. We believe the rural K-12 educational system requires a distance learning system to deliver the full range of course work that is required for students to compete in a global economy. We believe broadband services through public libraries provide access to knowledge that helps create new jobs in rural communities.

Kansas Farm Bureau represents grass roots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing

Senate Utilities Committee
May 3, 2011
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As we look to the future for rural healthcare, expanding telemedicine programs will address one of our biggest concerns: the continued shortage of health care professionals in rural communities. Having access to telemedicine services will give highly specialized doctors the ability to connect with our membership and others in smaller communities to address their healthcare needs. Healthcare professionals use the Kan-ed network to obtain continuing education through distance learning without time-consuming and costly travel. Without the Kan-ed system, hospitals across the state will certainly see increased line costs, decreased reliability and concerns about decreased network security.

Schools use Kan-ed to work with other schools through Interactive Distance Learning. For example, the Southeast Kansas Educational Service Centers provide 47 school districts with 101 interactive video classrooms. Thousands of students across the state receive high school and college classes on a daily basis that rural districts simply cannot provide. Kan-ed gives rural students the ability to take classes urban students take for granted.

Kan-ed gives libraries a wealth of knowledge through databases they would not otherwise be able to afford. We believe that libraries, through their access to high speed internet service, give their patrons the ability to jumpstart new entrepreneurial opportunities and to expand small business development. Libraries provide access to broadband service to those in the community who cannot get internet on their farms/ranches and to citizens who simply cannot afford these services.

Kansas Farm Bureau believes the Kansas Legislature should continue to fund Kan-ed while creating an interim committee to study the benefits and services Kan-ed provides to rural Kansans. We believe that the ramifications of abolishing Kan-ed without a thorough review would be short-sighted and detrimental to the high speed broadband service that is essential to rural hospitals, schools and libraries.

Thank you for allowing us to testify today on this important service to rural Kansas. We look forward to working with you to promote essential services desperately needed to sustain rural Kansas communities.

Coffey Health System

May 2, 2011

Chairman Apple and Members of the Committee
Senate Utilities Committee

RE: HB 2390

I am writing in opposition to HB 2390 as a hospital administrator of a county hospital and an elected school board member.

Kan-ed is one program established by the State of Kansas that works. I have been on a journey with a goal utilizing technology to increase quality, reduce costs and increase job satisfaction for employees.

In the early 90's, the three county school districts, county libraries, the county and the hospital joined forces to develop CoffeyCAN. (County Area Network) We came together as a collaborative board to pool resources and meet our community needs. We are equal partners working for all of our county taxpayers. We have high speed connectivity to all of our hospital system location for patient records because of the network.

When we had our connection to the SBC point of presence in Dallas in the early days, it was difficult to connect to other facilities. When KU implemented their first dial up program, it was not reliable and very cost prohibitive. Kan-ed now provides the unified communication of information, video and education between facilities. I now can connect to other facilities as I wanted to do in 1995 and if we regress we will not be able to do it as easy as Kan-ed does it today!

We should look at the Federal universal service funds for hospitals to help with Kan-ed just as the Kansas Universal Fund can help with funding today. The hospital federal fund should help just like E-Rate funds schools and libraries on an annual basis. I have never been able to receive any of the grant money that was supposed to be available for local hospitals. With Electronic Health Records and Health Information Exchange, Kan-ed can be a vital part in this program with KHIN.

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CoffeyCAN will not be able to rebuild our network since we joined Kan-ed. Why do you want to shift costs to the local level like in the past? (Demand Transfer and Slider Payments)

As a school board member, Kan-ed is the key in helping educate all kids in Kansas. The ability to have interactive classes is incredible. It puts Kansas ahead of the other states. If we want to keep the Kansas kids in the top 10, then keep Kan-ed. When I watched Waiting for Superman, Kansas was not mentioned. Kansas should keep what works.

I know if each district, library or hospital had to negotiate on their own for the connection, content and interactive video we wouldn't have the technology. The Group Purchasing Power that Kan-ed deliver's, saves tax dollars.

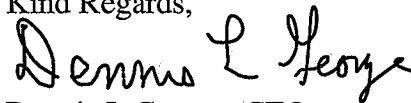
I ask you today. Is this a way to save tax dollars for the state or the individual taxpayer? If Kan-ed is able to get the best group price and this service is still going to be used, why kill Kan-ed and shift the cost to the local tax base which will increase cost and in turn will increase cost to the Kansas tax payer? If you do not like the Administration, change it but do not kill a program which works!

Coffey County Hospital is paid below costs for Medicaid clients. I do not have any additional money lying around to pay new costs. Why should hospitals be paid less than our direct costs? The KUSF allows everyone to have Skin In The Game.

Kan-ed works and works well!

I request you to oppose HB 2390 and keep Kan-ed funded through the KUSF.

Kind Regards,



Dennis L George, CEO

Coffey Health System

PO Box 189

Burlington, Kansas 66839

620-364-4599

May 3, 2011

Senate Utilities Committee

I speak in opposition to HB 2390, repealing Kan-ed.

My name is Carol Woolbright. I am the Director of the Greenbush Interactive Distance Learning Network at the Southeast Kansas Education Service Center. I have been involved in distance learning in Kansas for over 18 years. The Greenbush network is the largest video consortium in Kansas, serving schools and communities in the eastern half of the state. This year, over 66,000 students, staff, and other constituents participated in events on the Greenbush network. I also represent the Kansas Association for Interactive Distance Education (KAIDE), an association that promotes and supports distance learning in Kansas.

As I speak, right now, there are hundreds of Kansas students learning subjects like Advanced Calculus, Physics, Algebra, Chemistry, Chinese, French, Arabic and many other subject areas. They have the opportunities because we have a statewide educational backbone. These classes are not available in all Kansas schools, but by sharing rare teachers, students in rural school have access. Kan-ed is the only telecommunications resource in this state that is dedicated to ensuring high quality video and audio for distance learning and videoconferencing. In addition, Kan-ed provides access to Internet1 and Internet2 and a variety of other resources for members. Kan-ed enables distance learning classes to operate in an efficient and cost effective manner. Building the Kan-ed backbone in 2003 allowed the state to leap forward technically and create a robust and industrious interactive environment that enhances education and quality of life in the state. If, as HB 2390 proposes, the Kan-ed Act is repealed and we no longer have this backbone, we will regress significantly. We will be the only state in the union without an educational backbone. But, that is not the reason we want a statewide backbone. It is to educate our children and our communities to keep our state competitive in the 21st Century.

It has been proposed that HB 2390 should be passed because Kan-ed can easily be replaced using other technologies like video streaming, YouTube, and Skype. These statements are inaccurate and display a misunderstanding of how the technical functionalities of Kan-ed actually work. Video streaming technologies are not designed for daily interactive video sessions with students, ages 6 and above. The signals are not reliable and have degraded video quality that is not conducive to a good learning environment. Kan-ed is designed optimally for the constituencies that it serves, with features and functionality that have been developed and perfected for the needs of Kansans. With Kan-ed, we schedule events to come up and go down at specific times; we have important technical support at the Kan-ed Network Operation Control Center that ensures reliability of the network; and most importantly, we have a statewide backbone over which we can provide high quality video programs for Kansas.

Kan-ed is not the purview of one group. It is a resource for the entire citizenry of the state. Any person may go to a connected school, hospital, library, or university to take advantage of this resource. As such, it is appropriate to view Kan-ed as we view the highway system in the state. Instead of using cars, we send and receive video signals to transport digital information over a highway, or backbone. Since we do not ask Kansas Department of Transportation to find funding elsewhere to establish and maintain the state highway system, it is also appropriate that we do not ask Kan-ed to find funding elsewhere for a statewide digital highway. In addition, it is not sensible to abort Kan-ed, a backbone that works very well, in order to establish what will, most likely, be a far more expensive backbone with less technical functionality. We worked for a statewide backbone for ten years before the Kan-ed Act was passed. Please consider the negative impact of HB 2390 on thousands of Kansas citizens.

I respectfully ask you to please vote no on HB 2390 to ensure we keep moving forward in Kansas.

*Carol Woolbright
Director
Greenbush Interactive Distance Learning Network
Phone 620-724-6281*

Kan-Ed's value to schools and libraries

Janet Reynolds

Library District #2 of Linn County (33 yrs), Prairie View USD 362 (27 yrs)
and member of Southeast Kansas Regional Library System Board of
Directors (6 yrs),

- Provides rural schools and public libraries a chance to provide their students and patrons with high speed internet at a reasonable cost.
 - Local telephone or cable companies in small rural areas are not able to offer their customers the same advantages that cities like Wichita, Topeka, or Kansas City have. Our local telephone company can only provide high speed aDSL, which doesn't provide enough bandwidth to meet the standards of today's technological programs.
 - Our school district spans 2 counties and has 2 (used to be 3) local telephone/Internet companies that will not cross into each others territory. Needless to say Kan-Ed's ability to work with large service providers, to negotiate with the small telephone companies to cross into territory and provide the high speed service needed has been extremely valuable.
- Kan-Ed's ability to advocate for libraries, schools, and hospitals as a group with big service providers makes it possible to convince them that it is worthwhile to bring high speed internet to these rural communities.
 - By grouping schools, libraries, and hospitals together Kan-Ed was able to use their funding to bring one T-1 internet pipe to schools, libraries and hospitals across the state.
 - If the entity needed more bandwidth than a T-1 could provide, we were able to e-rate the additional T-1 lines at the same rate that Kan-Ed was getting. Prior to KanEd providing this service, none of the big providers would even talk to rural communities about it.
- Filing for e-Rate from Schools and Libraries (Universal Service monies) is a time consuming process for schools, hospitals, and libraries. Kan-Ed helps with that and when an entity decides they need more T-1's they have sample e-Rate applications with the numbers needed to help us apply for additional assistance above and

beyond what Kan-Ed can give us. If Kan-Ed is dissolved, that assistance will go away and add additional burden on school, library and hospital personnel that are already facing budget cuts and staff reduction.

- Bandwidth is essential to meet the demands of today's technology.
 - At school—ALL state testing has to be done on computers with Internet Access (it takes an act of God to get a paper and pencil test these days because of the extra time and work force that it takes to score paper and pencil assessments)
 - MAP testing, AimsWeb testing, Diebels testing as well as many others of the tests needed for documentation on MTSS (Multi-Tier System of Supports) require computers and bandwidth. Teachers also use online learning tools to work with large and small groups to provide the individualized work to help students move through the Tiers of Support to get help they need. This used to bog down our network and we would be at a standstill every afternoon. Now with Kan-Ed's 8 T-1's coming into our building we have adequate bandwidth to handle 5 schools and a central office.
 - You may hear that T-1's are an old technology, well yes it is, but the "pipe" that local telephone companies can provide will only handle T-1, so we have 8 of them running which is the maximum service they can handle in their "pipe".
 - Kansas Career Pipeline is a program that we use extensively in our middle and high school setting to help students explore careers and set goals. Again this takes bandwidth.
 - At our public library people are in there every Monday filing for unemployment because at \$90 a month for local DSL people out of work can't afford that and they use the library.
 - Kansas income tax has to be filed online and again our library was busy with people needing that service.
 - Email and Social networking are being used by the adults in our community to keep in touch with families, find job leads, networking with people to find jobs, answers to questions, etc.
 - The 1 T-1 coming into our library no longer meets the needs of the community. I have applied for an additional T-1 to be bundled with the existing one provided by Kan-Ed. Our library catalog and checkout is all computerized and folks can access the catalog from home, we are connected to the Kansas Library

catalog and share information and books constantly. This all takes bandwidth.

- In my local school district, we do not have and cannot afford to hire a Spanish teacher, thanks to grants and funding from the Kan-Ed network we have a FUNCTIONING IDL (interactive distance learning) room, where our students are able to take Spanish taught by a teacher who is in his classroom in Doniphan County miles away from Prairie View.
 - Prior to Kan-Ed providing the first T-1 to our school, we attempted to use a Wireless Wide area network to provide our IDL classes. This was expensive and not satisfactory. Signal drops and chatter because our bandwidth was not high enough to handle the video conferencing made for very poor classes. Now we can receive signal much better.
- Both my public library and school district benefit greatly from the databases that Kan-Ed provides for us. Neither entity could afford to provide the quality databases on the reduced budgets that we have. Again, because Kan-Ed can lobby to get price breaks with providing these services to the entire state they can get better pricing.
 - Kan-Ed Tutor.com program has been especially beneficial in our rural community where students may not have transportation to stay after school. They can get help online either at home or public library.
 - Kan-Ed provides a filtered email (Epals) that is safe and secure for student use.
 - Heritage Quest is popular with many of our library patrons as they can search genealogy and census records while doing their family history.
 - When our students leave our community to pursue their education they have been exposed to quality databases, similar to what our colleges and universities have available.
 - Kansas residents have access to these databases 24/7 through their Kansas Library card or IP authentication, which means they don't have to wait until the library or school is open to use them.

- Kansas libraries have made use of the Elmer digital videoconferencing sites to hold meetings, so librarians do not have to drive to Topeka, Wichita, or Hutchinson for conferences, they can go to the closest Elmer site and participate in the meetings. These rooms were set up with grants from Kan-Ed and with budget constraints on professional development and travel this has been extremely helpful.
- Kan Ed in the past has provided/coordinate a third party of engineers (who do not have any conflict of interest) to study geographic infrastructure shortfalls and makes recommendations on how such shortfalls could be changed in an effort to acquire or improve internet access at schools. Without the third party, advocacy and action to improve such conditions for Kansas public schools would rely on private companies who are looking to make a profit.

Thank you for your time and consideration of the merit of continuing the Kan-ed program for schools, libraries, and hospitals.

Testimony to the Senate Utilities Committee on HB 2390

Tuesday, May 3, 2011

Charlene A. McGuire

Technology Consultant, Southwest Kansas Library System

100 Military Ave, Suite 210, Dodge City, KS 67801

620-225-1231, cmcguire@swkls.org

Good morning, my name is Charlene McGuire. I am here today to put in my 25 cents worth and to tell you what the services funded through Kan-ed mean to southwest Kansas libraries. I take care of the technology needs for 38 public libraries in a 21 county area of southwest Kansas. Most of these libraries are in very rural areas and many of the libraries are small by urban city standards.

Where do people go when they need to know something? They go to the library or to the Internet. What if the library is their only source for accessing the Internet and that library is about to lose their funding for Internet? That is what will happen in southwest Kansas if funding for the services provided by Kan-ed is discontinued. Public libraries are the only place where rural Kansans have access to free Internet. 34 of the public libraries in southwest Kansas get their Internet through Kan-ed. If the services provided by Kan-ed are not funded, most of these libraries will lose their only source of T-1 type high speed Internet. That's right -- in southwest Kansas most of our libraries do not have an alternative source for the kind of high speed Internet that is necessary to run a library these days.

Right now our Kan-ed libraries receive a T-1 speed connection from Kan-ed at no cost to the library. Those who require a higher speed connection apply for federal e-rate funds to supplement the cost of their Internet. Any library can apply for federal e-rate funds for Internet but the amount they collect is based on their free and reduced lunch percentages. No library gets 100 % of their Internet bill paid, libraries in southwest Kansas get 70 – 80% paid (in other parts of the state this rate is lower). If we lose the Kan-ed Internet connection, we do not know at this time if the local providers in southwest Kansas could provide a T-1 type Internet connection with their current network, or if AT&T could or would continue to provide the connection, and most importantly what the cost would be if it were available. Currently Kan-ed pays about \$7,848 annually for each T-1 connection. If our libraries could get a T-1 connection, the price AFTER E-rate would be \$1,572 - \$2,352 annually and \$3,144 - \$4,704 annually for a higher speed connection. Only a handful of our libraries could work this into their constantly dwindling budgets. Without the Kan-ed network, our libraries will have to go back to the less reliable and most often slower speed Internet they had before Kan-ed. At least three libraries will lose their Internet entirely.

Public libraries in Kansas have had their budgets cut by a significant reduction in state aid and a reduction of local budgets while being asked by the state government and local agencies to provide more services to the

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population through e-government such as on-line Kansas tax filing, tax payments, unemployment applications, and job searching.

Starting in 2007 and continuing through 2010, 35 public libraries in southwest Kansas formed a consortium to bring information about library collections and state-wide databases to the patrons of southwest Kansas through an on-line, anytime, integrated library system. Our small libraries can never hope to have all the resources their patrons may want, but with our consortium we can get most anything a patron might need. Stable high speed Internet access through Kan-ed has been a key to making this system work in our libraries.

16 out of 21 counties in southwest Kansas lost population according to the 2010 census, 6 of these counties lost 10% or more of their population. While we as a state are encouraging our population to stay in Kansas, we are putting up roadblocks to people's ability to stay. Library patrons in rural Kansas especially are using the free high speed Internet in libraries to conduct their small business ventures. I know of several instances where patrons come into the library and work several hours a day conducting e-business. I have seen stay-at-home moms and disabled Kansans use the library Internet to help provide for their families. These patrons either physically cannot get an Internet connection at their homes or cannot afford to do so.

I have looked over HB 2390 and I have to wonder what can be gained by eliminating the services provided by Kan-ed. The money for funding Kan-ed comes from the Kansas Universal Service Fund or KUSF. The purpose of the KUSF is to assure quality services be made available to all Kansans. That is what the services provided by Kan-ed do. Kan-ed is not funded by the state general fund so abolishing Kan-ed will not help the budget crisis. If Kan-ed is abolished, all funds left in the Kan-ed fund would be transferred to the state general fund but as far as I know Kan-ed uses all of its funds each year so there would not be any funds to transfer so no help to the budget crisis there either. Fiscal Note for HB 2390 indicates that the fee necessary to finance Kan-ed from the KUSF would be abolished. To quote Steven J. Anderson, Director of the Budget, "Abolishing KAN-ED would reduce \$10.0 million in fees collected for KUSF annually, which would reduce phone customers' bills an average of 25 cents per month." It comes down to saving 25 cents-per-month per-customer rather than providing high speed Internet to Kansans through their public libraries. What is the greater value; a 25 cent-per-month per-customer savings rather than providing statewide network and video connections, statewide video licenses and services, live homework help through Tutor.com, state-wide databases, services to 420,000 Empowered Desktop users, Learning Station test builder and hospitals' major disaster emergency room tracking database, and state-wide E-rate support. I guess for my 25 cents worth, I would rather have all of the Kan-ed services instead of 25 more cents in my pocket. I tried to compare this 25 cents saving to some item like a cup of coffee, or a pack of gum, or even a postage stamp but I can't think of anything that costs so little. Kan-ed is working for Kansans. Why are we spending time and effort even thinking about cutting such crucial services as Kan-ed provides for so little in return?

**KANSAS
ASSOCIATION**



**OF
SCHOOL
BOARDS**



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

Testimony before the
Senate Utilities Committee
on

HB 2390 – Kan-ed

by

Tom Krebs, Governmental Relations Specialist
Kansas Association of School Boards

May 3, 2011

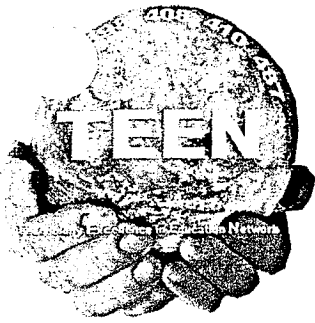
Mr. Chair, and members of the committee, thank you for this opportunity to testify on **HB 2390**. We are an opponent.

KASB has been a supporter of Kan-ed since its inception. Particularly in the early days of the Internet, rural school and libraries were not able to offer technological access that those in urban areas enjoyed. Through Kan-ed, all schools, but particularly rural schools, have been able to not only access hardware and Internet access; they have come to use it to become more efficient. By using Kan-ed, teachers have access to lesson plans and other good practices. But the most important use of Kan-ed has been the ability for schools to band together to bring classes to students in sparsely populated areas they could not enjoy using only their staff. It just doesn't make sense to us to dismantle a program that is making school districts more efficient when resources are being reduced.

The bill also is at odds with KASB's thinking on resources in general. The money being spent would not be directed to the SGF. Rather, the fees that currently are funding the program would simply not be collected, essentially a tax cut. It does not make sense to cut taxes when we are already cutting support to schools. Schools will either be forced to cut other programs or raise local taxes. Those appear to be unappealing alternatives compared to the small monthly fee currently being collected from, we suspect, hundreds of thousands of Kansans, all who benefit from an educated population whether schooled in Johnson County or Johnson City.

With the passage of legislation that has been signed by Governor Brownback that promotes rural Kansas as a promising place to relocate, it doesn't make any sense to turn around and cut a key opportunity that can make a sparsely populated, remote area attractive. It would be especially hard to justify in light of the legislation's attempt to attract recent college graduates by offering up to \$3,000 per year (\$15,000 maximum benefit) in student loan forgiveness for individuals who graduate from an accredited post-secondary institution and move to a Rural Opportunity Zone county. Well-developed internet access will be a core consideration for those people. Thank you for your consideration.

Senate Utilities Committee
May 3, 2011
Attachment 13-1



Technology Excellence in Education Network

Interlocal #632
701 E. Main Street
Marion, KS 66861

Brandi Hendrix, Executive Director Phone: (620) 877-0237 Fax: (620) 382-6120 brandi@usd408.com

Centre USD #397 - Herington USD #487 - Hillsboro USD #410 - Marion USD #408 - Peabody-Burns USD #398

My name is Brandi Hendrix and I am the Executive Director of the Technology Excellence in Education Network. My network is made up of five school districts all in rural areas serving about 2400 students. All of my schools utilize Kan-Ed services in way or another.

Our network relies on Kan-Ed for connectivity to the Internet. With their services we are able to afford the cost to supply high speed access to our students and teachers. Because of this, our students are able to utilize applications and resources that are available on the Internet, thus creating a 21st Century learning environment. This resource is used every day at all times and without it we would ask our teachers and students to go backwards in time.

Our distance learning classes such as Physics, Calculus, Art, Anatomy and Physiology and Spanish are all classes that in larger districts are offered every year by teachers at the school. Due to shrinking budgets and smaller enrollment, our schools are not able to hire teachers for these classes. The use of the video network through Kan-Ed allows us to offer classes to our students that would otherwise not be available. This is a vital part of our rural education that we can't lose.

Our elementary students are able to take virtual field trips to places we cannot afford to take them. We have special guest and book authors visiting with our children to enhance their learning and encourage more engagement. We have our students connect with other students in distant schools for collaborative projects and share Kansas living with people out of state and across the nation.

Kan-Ed was fought hard for in its infant years and has grown to become a resource taken for granted. Losing these services would be a severe hardship to everyone in education. It would mean we would have to say NO to our students when they ask for a needed class. We would say NO to our children who want to see a zoo. We would say NO to the students' needs, which is not what education is about.

We understand the frustration with Kan-Ed, but to eliminate a much needed resource is not the answer. Being a member of Kan-Ed, we know changes need to be made. We feel the disappointment in the management as you do; however, we know we need Kan-Ed. Please vote NO for HB2390 and YES to keeping Kan-Ed.

Thank you,

Brandi Hendrix

Brandi Hendrix
Executive Director
Technology Excellence in Education Network
620-877-0237

Senate Utilities Committee
May 3, 2011
Attachment 14-1

Kansas State Senate Senate Utilities Committee

Doug Vander Linden
Director of Educational Technology, Burlington USD #244
Project Manager, Coffey County Area Network
620-364-8478 ext. 3160
dvanderlinden@usd244ks.org

- 1) Summary of CoffeyCAN (back) and Community Networking
- 2) Direct Impact on the Elimination of Kan-ed Network
 - a. Loss of Connectivity to Distance Learning Networks which means loss of course offerings for students in small and rural schools. It also will mean a loss of resource sharing for small schools which in turn means less revenue and the potential loss of teaching jobs in these schools.
 - b. Loss of electronic field trip opportunities for students in K to 8 as well as enhancement/enrichment classes for these students. Many times these field trips help elementary teachers meet state standards in Science and Social Studies.
 - c. Increased travel time and costs for teachers and administrators in attending meetings and trainings that currently are held via interactive video.
 - d. Increased network costs in trying to rebuild network connections to regional service center networks or other network "islands" in the state. Quick estimates between \$7,000 and \$12,000 annually, for our network just to rebuild a connection to Southeast Kansas Service Center at a minimum.
 - e. Increased general fund costs in trying to replace "some" of the information resources and 21st Century Learning tools that are provided on a state-wide level in aggregate including netTrekker and many educational databases
 - f. Impact on Student Learning and performance on the Kansas State Assessments with the loss of LS Test Builder that is used by many teachers state-wide to help prepare students for these assessments.
 - g. Loss of access to Internet2 to K-12 schools via Kan-ed and MANY future advances in technology tools for regular and special education students including research in virtual reality, 3D Tools for Education and more.
 - h. Loss of 2 million dollars in federal funds that Kan-ed is able to acquire by coordinating the consortium of schools, libraries and hospitals.
- 3) Future Implications on Elimination of Kan-ed
 - a. Loss of vision and leadership as it relates to Community Networking within the state and nationally.
 - b. Loss future network connectivity at the regional and national levels including national broadband initiatives.
 - c. Loss of future state-wide technology opportunities like State Assessment servers on Kan-Ed and other advanced networking services that would benefit schools, libraries and hospitals alike.

Coffey County Fiber Optic Network Description

May 2011

The Coffey County Area Network (CoffeyCAN) consists of over 65 miles of fiber optic cable and communications electronics located in the 6 communities (Lebo, Waverly, New Strawn, Burlington, LeRoy, and Gridley) in our county. We use a combination of networking standards including Switched Gigabit, Fast-Ethernet, Ethernet, and Wireless to provide interactive distance education, data networking, and Internet services to 6 major players: USD #243, USD #244, USD #245, the 6-branch county library system, the county health care system, and the county courthouse and its agencies. There are a total of 27 individual buildings that are connected and part of our wide area network. The network is really an interesting mesh of networking standards with a consistent backbone standard that ties all the entities together.

In addition, there are two connect points that tie our network to the outside world. The first is the Internet itself. The second connect point is the Kan-Ed network offered through the Kansas Board of Regents. CoffeyCAN served from 2002 through 2009 as a Network Access Point (NAP) for the Kan-Ed state-wide network. Under the new Kan-Ed v2 Network Design, CoffeyCAN will server as a Kan-Ed Access Provider (KAP). This new KAP structure was put into place during the summer of 2009 and includes advanced video services and access to Internet 2.0. A significant provider of services via the Kan-Ed connection has been the Southeast Kansas Education Service Center at Greenbush. The county school districts are members of the SEK Distance Learning Network for IDL Classes and Electronic Field Trips.

A variety of programs and services have been made available to our students, teachers, library patrons, county employees, and community members over the past four years. These include:

- Interactive Distance Learning Classes between Lebo & Waverly and Burlington & SCC.
- Continuing Education classes for adult learners in the county and surrounding areas.
- College Courses for teacher training through Emporia State University.
- Electronic Field Trips for elementary age students during and after school hours.
- High Speed Internet Access (20 megabits) to all computers on the network. (over 1,700 computers county-wide)
- Filtered Web Access on an entity-by-entity basis based on IP addressing.
- Internet Web Servers for all county entities.
- Electronic Mail Servers for the county entities providing content-managed electronic mail accounts for employees, teachers and students.
- Physician Access System and Records Updating via VPN for the County Health System.
- Library Patron Web-based Card Catalog.
- County-wide dial-up and wireless Internet access in partnership with our ISP.
- More programs and services are being added on a monthly basis.

The network is overseen by the Coffey County Fiber Optic Board of Control. This board is recognized by the Kansas Attorney General's Office with an Intergovernmental Agreement and by-laws that are approved through 2021. This board of control is made up of a representative of each of the 6 entities as well as an at-large member. In addition, the entities contract with Integrated Technology Consultants to serve as consultants and front line technicians for system issues.

Stormont-Vail HealthCare

Senate Utilities Committee – HB 2390
May 3, 2011

Stormont-Vail HealthCare, Topeka, KS, has had a long-term relationship with Kan-ed. The first resources were library databases and EMResource used in our Emergency Department. In 2008 we received funding to purchase videoconferencing equipment to provide education and support for rural healthcare providers in northeast Kansas, as well as for our medical and healthcare staff members. The acceptance and usage by both Stormont-Vail staff and the rural hospitals has far exceeded our expectations. In addition to education and communication, we are moving to provide telemedicine services to aid rural healthcare providers, hospitals and patients. Partnering with Kan-ed we currently have videoconferencing available at:

HINK Hospitals (Health Innovations Network of Kansas)

Coffee County Hospital, Burlington
Community HealthCare System, Onaga
Horton Community Hospital, Horton
Morris County Hospital, Council Grove
Nemaha Valley Community Hospital, Seneca
Sabetha Community Hospital, Sabetha

Stormont-Vail HealthCare, Topeka

Stormont-Vail Regional Hospital
Stormont-Vail/Cotton-O'Neil Cancer Center
Stormont-Vail/Cotton-O'Neil Diabetes and Endocrinology Center
Stormont-Vail/Cotton-O'Neil Heart Center
Stormont-Vail/Cotton-O'Neil Carbondale Clinic
Stormont-Vail/Cotton-O'Neil Emporia Clinic
Stormont-Vail/Cotton-O'Neil Osage City Clinic
Stormont-Vail/Cotton-O'Neil Wamego Clinic

Proven Kan-ed Benefits

EMResource: This is a behind the scenes tool that is used daily by our Emergency Department staff and it truly saves lives. EMResource advises referring rural hospitals of our Emergency Room status, whether we are available to care for their patient, or we are operating at high capacity and it may be in the patient's best interest to divert them to another hospital. Likewise, we check KU-Med's Emergency Department's status before we transfer a patient to their hospital for specialized care we are not able to provide, such as burn care.

Rural healthcare education:

Stormont-Vail physicians, nurses, allied health and executive staff members provide educational programs for healthcare providers at the HINK hospitals that have

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videoconferencing access. These educational sessions have improved the skills and knowledge of the rural healthcare providers; in fact they are asking for programs in areas where they need more knowledge. Many of our programs are presented simultaneously at Stormont-Vail and outlying hospitals and clinics, which is an efficient use of instructor's time. Sample programs include:

- Neonatal and Pediatric Grand Rounds Series
- Trauma Grand Rounds Series
- Stroke Symposium and Stroke Updates
- Acute Detoxification
- National Patient Safety Goals
- Vascular Access Device Challenges
- Pediatric Skin Diseases

Stormont-Vail staff education: Healthcare providers at the main hospital and clinic locations are able to attend distance educational, training and certification programs.

- Oncologists attend KU-Med cancer case conferences.
- Oncology staff members are participating in the Midwest Cancer Alliance with other providers throughout Kansas.
- Staff members in rural setting needed "right now" training on the use of a Holter Monitor. Cardiac staff used videoconferencing to illustrate the correct use.
- Certification programs. Just last week, four oncology nurses completed a two-week Chemotherapy/Biotherapy Course presented by KU-Med Center.

Telemedicine opportunities: Stormont-Vail/Cotton-O'Neil is in the initial stages of providing telemedicine to rural Kansans.

- Cotton-O'Neil oncologists and endocrinologists are currently working with Horton Community Hospital providers to establish telemedicine services in Horton.
- Endocrinologists are discussing options with providers at Salina Regional Health Center to consult with diabetic patients in that area.
- We are exploring teledermatology and telepsychiatry.

"Windshield" time and fuel costs reduced with videoconferencing:

- Physicians and advanced practitioners are seeing patients in their home communities, at locations where the patients are comfortable.
- Physicians and advanced practitioners attend medical staff meetings at their home locations in Wamego, Emporia, etc., instead of driving to Topeka monthly or twice a month.
- Stroke and trauma certification requires Stormont-Vail to provide education throughout our area. Presenters reduce travel time and costs using videoconferencing. They do not physically need to go to each location.
- Stormont's CEO and executive team members attend organizational meetings onsite instead of traveling which reduces healthcare expenses.
- The Dean of Baker School of Nursing, videoconferences with faculty and staff on the Baker campus instead of driving to Baldwin City.

Enhance recruitment of physicians and other healthcare providers to rural locations such as Carbondale, Emporia, or Wamego, as videoconferencing reduces their sense of isolation.

Library Databases:

- ProQuest Nursing Database is critical to for staff members, as well as nursing education.
 - Stormont-Vail medical library uses ProQuest Nursing multiple times daily to provide information to staff members for patient care, policy and procedures, and/or educational preparation.
 - ProQuest Nursing has access to cultural/ethnicity information which Joint Commission, a hospital accrediting association, will be requiring at hospitals and healthcare institutions in the next two years.
 - ProQuest Nursing provides access to Joanna Briggs resources, which is one of the primary resources for nursing evidence-based information.
 - Baker School of Nursing students use ProQuest Nursing as one of their main resources. It provides many full-text articles, 24/7.

Future directions:

- Stormont-Vail HealthCare was recently asked by Kan-ed staff member to consider expanding our educational offerings statewide. Rural healthcare providers need access to CE/CME programs to maintain their skills and license.
- Would like to be able to provide videoconferencing access for all HINK locations.
- Additional telemedicine applications – teledermatology, telepsychiatry.

Thank you for your serious consideration of our request to continue the Kan-ed program and not support HB 2390. I would hate to see Kansas lose a proven, critical resource for schools, libraries and hospitals. Please contact me at anytime for additional information.



Lenora Kinzie, MLS
Kan-ed Site Administrator
Director, Library Services
Stormont-Vail HealthCare
1500 S.W. 10th Avenue
Topeka, KS 66604
(785) 354-5806
(785) 354-5059 (fax)
lkinzie@stormontvail.org

16-3

Cotton-O'Neil Clinic

901 SW Garfield
Topeka, KS 66606

May 2, 2011

Dear Senator,

I am writing to ask that you reconsider your support of HB 2390 that would dismantle the Kan-Ed program. At first blush Kan-Ed may seem superfluous, but after utilizing to program I am a firm believer that it has and will continue to positively impact the health of rural Kansans.

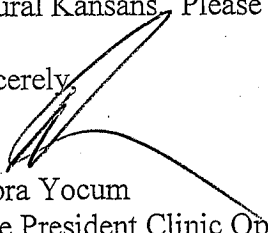
At Stormont-Vail HealthCare we have been able to obtain the equipment and connectivity required to provide telemedicine service. In this declining medical reimbursement environment we could not utilize our scarce funds to purchase this equipment ourselves. There is no business case for this expense for our facility. Thankfully Kan-Ed provided the necessary funds that are allowing us to provide telemedicine services.

It has quite a process to start the service and it has been well received. It would be a shame to discontinue it. We have been providing oncology services to patients in Horton via telemedicine. We are weeks away from starting to provide endocrinologist (diabetes) services to patients in Horton and Salina. Over 30% of our Medicare patient base has diabetes. These patients need frequent care but we all know distance precludes many elderly patients from going to the doctor when they should. Our next planned telemedicine services are dermatology. I would be happy to answer any questions you might have about telemedicine. (785) 354-9591 x205

We also frequently utilize our Kan-Ed connection to allow our Cancer Center staff to participate in educational offerings and meetings with the KU Cancer Center.

As I said, I do believe that Kan-Ed has and will continue to positively impact the health of rural Kansans. Please do not support HB 2390. Thank you for your consideration.

Sincerely,



Debra Yocum
Vice President Clinic Operations

16-4

South Central Kansas Distance Learning Network
202 E. Allen
Argonia, KS 67004
May 2, 2011

Dear Kansas Legislators,

I am writing to you in opposition of HB 2390. I work directly with 17 school districts, one service center, and one community college in South Central Kansas with their video conference needs. I have followed the course of this Bill and it is disheartening that legislators want to discontinue a vital program to our schools. I understand the need for change in management, but to dismantle the Kan-Ed program would be more devastating to our schools, libraries, and hospitals than good!

Many of my schools are rural and they heavily rely on these classes that they cannot offer within their district. These classes help students meet the KBOR requirements to move on to a state university. Some students can also take dual credit classes over video conference from community colleges and can graduate with much of their first year of college complete. Taking dual credit classes in this manner is cost efficient for schools and parents. Video conference classes offer a "live" teacher for the students to access on a daily basis much like the "normal" classroom.

A huge asset to schools is the Kan-Ed/KanRen Bridge and NOC (network operations center). All video classes run over this bridge to gain a multiple point connection. Video conference equipment in most schools currently does not have this feature available to them. When a class has multiple schools connected over the Bridge, the Bridge is the Hub for the bandwidth necessary to make this happen. If a school were to connect to multiple units (if they had equipment available to do this), they would become the Hub for this bandwidth and that would require great amounts of bandwidth.

If the Kan-Ed backbone is discontinued, schools would no longer have the bandwidth necessary to sustain the high school and college classes over video. The Kan-Ed line into their schools is dedicated solely to the video conference classes. The computers and other technology at the district level do not compete with the video traffic. This ensures quality of the class as well as not interfering with the regular Internet traffic. Many schools do not currently have the bandwidth required on their regular Internet network and cannot afford to increase their bandwidth to the level they would need to add video to the network.

Local internet providers would try to assume the responsibility of bridging services if the Kan-Ed Bridge was no longer available to schools. This would create a larger issue with schools because the smaller internet providers do not have adequate bandwidth or the infrastructure to support a bridge comparable to the Kan-Ed Bridge. The larger companies such as AT&T and COX could most likely replicate it, but why replicate something that currently exists?

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This brings to question how much will these companies charge schools to use their bridging services when they are profit-driven? Will the state legislators be willing to monitor these companies and ensure that they aren't price gouging schools? Without Kan-Ed, schools could connect to the bridges, but they would still have the issue of low bandwidth within their district with out the Kan-Ed dedicated backbone. If there were multiple Internet providers with bridges, then schools would most likely go with the cheaper provider therefore creating multiple bridges in the state. When video connections connect using multiple bridges, the Quality of Service diminishes with each "middle man" resulting in major technical issues and a low quality connection.

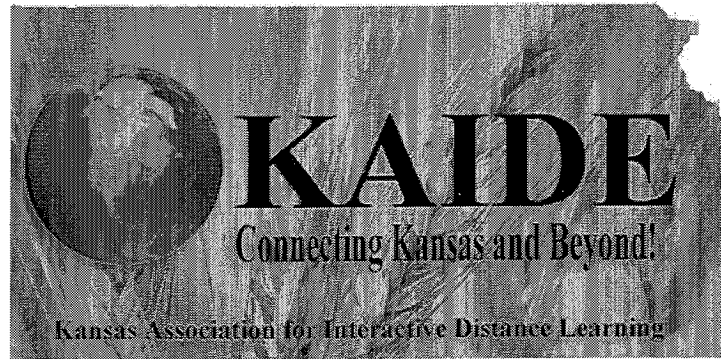
I have worked for seven years with video conferencing in Kansas schools. I use the Kan-Ed/KanRen Bridge and the NOC on a daily basis. I schedule the classes, troubleshoot technical issues, and create the video conference schedule of high school and college classes for my schools. Right now I am scheduling the classes for 2011-2012 school year. The number of classes over video is increasing year to year. With school budget cuts resulting in teacher cuts, schools are becoming more dependent on sharing these teachers and keeping a quality education for Kansas students. It scares me that an issue of management could result in devastating schools, libraries, and hospitals in such a major way! I urge you to look into the management without discontinuing Kan-Ed services.

Thank you for your commitment to work on this issue! Please oppose HB 2390.

Sincerely,

A handwritten signature in black ink, appearing to read "Audra May". The signature is fluid and cursive, with the first name "Audra" being more prominent than the last name "May".

Audra May, Distance Learning Coordinator
South Central Kansas Distance Learning Network



Senate Standing Committee on Utilities

May 3, 2011

Testimony in Opposition to House Bill 2390

Chairman Apple, Vice-Chairman Petersen, Ranking Member Kultala, Senators Emler, Merrick, Bruce, Taddiken, Masterson, Pyle, Francisco, and Love I am here on behalf of the Kansas Association for Interactive Distance Education to testify in opposition to HB 2390, a bill that would eliminate Kan-ed.

The high-speed, statewide connectivity that Kan-ed provides K-12 schools, public libraries, hospitals, and institutions of higher education is a critical resource for meeting the educational and health care needs of citizens in rural Kansas.

I am sure that your constituents involved in higher education, health care, and public libraries could tell you many examples of how Kan-ed has benefited them and their parts of the state. Today, I would like for you to focus not on energy, price regulation, and service agreements but rather on K-12 education and the personal benefits Kansas students receive from Kan-ed.

Every educational leader agrees that the most important factor in any student's success is having a highly qualified teacher in every classroom. Unfortunately, this is not always possible. In the mid-2000s, there was a shortage of teachers in the rural parts of this state. Recently school districts have had to adjust staffing because of financial reasons. As a result, the courses and teachers available to students have changed.

The next best solution to having a highly qualified teacher in every classroom is having one available through interactive distance learning (IDL). Distance learning delivered over the Kan-ed network is one way that school districts have continued to meet the educational needs of their students. HB 2390 eliminates this option.

If House Bill 2390 becomes law and Kan-ed is eliminated, Kansas will be the only state in the nation without a high-speed, statewide network for educational use. That is not a distinction that I would welcome. Nor will it be economically beneficial for the state. Rather than saving the state and school districts money, it will add to the problems public institutions are already facing because of the current economic situation. The cost of Kan-ed is roughly twenty-five cents per phone line per year, and that \$3 per year investment is well worth it for the opportunities it grants our students.

In the Summer 2007 issue of *Converge Magazine*, there was an article entitled Sweet Home Alabama: Alabama Students Have Open Access to a New World of Learning. The article lauded Alabama for creating ACCESS—Alabama's Connecting Classrooms, Educators and Students Statewide. The goal of the Alabama program was to provide all Alabama students with the same opportunities to excel and was launched with 24 pilot sites in 2006. As I read this article, I thought to myself, "What is so innovative about this program? Kansas has been doing this statewide with hundreds of locations and not just 24 pilot sites since 2004."

Last week, I gave a Kan-ed update to a group of technology directors in Hays. They were unanimous in their support of Kan-ed and the opportunities the Kan-ed network provides their schools. One member of the group shared that her son will graduate from high school this month with 29 hours of college credit.

One might assume that this student lived in Hays and spent a considerable part of his school day on the FHSU campus, but that would be incorrect. The student attends Logan High School—a school with an enrollment of 80 students in a town with a population of 603 but most importantly two Kan-ed supported interactive distance learning classrooms. That is how a student in one of the most rural areas of the state has acquired almost a full year of college credit before he has graduated from high school. He took dual credit, distance learning classes which were available over the Kan-ed network. Without the Kan-ed network and the distance learning courses that are available over it, our rural students are at a disadvantage compared to their peers in urban areas and other states.

Without the Kan-ed network, distance learning networks will return to the 1990s when they operated in virtual isolation. Twenty years ago at the beginning of distance learning, several schools might have been connected to share classes and teachers, but it was nearly impossible for them to share courses or instructors between networks. Today, the Kan-ed network allows for the sharing of classes from Seneca to Hugoton and from Girard to Oakley and all points in between.

This spring, I have given regular Kan-ed updates to school superintendents across the north central part of Kansas. They are very concerned about the effect the elimination of Kan-ed will have on their districts. One district leader made the comment that this was a terrible idea and that she did not know what her district would do without Kan-ed because the loss of Kan-ed would affect her students all the way down to the third grade level.

Could improvements be made to Kan-ed? The answer is yes, but that applies to most organizations. Eliminating Kan-ed at the expense of schools, hospitals, and libraries is not the way to make changes, however. The consequences are too great.

Schools in many of your senate districts utilize the Kan-ed network for distance learning, enrichment programs, and other educational resources. I encourage you to visit those schools and see for yourselves the tremendous learning opportunities available to your students. I am confident that you will be amazed at what the connectivity provided by Kan-ed allows your students to do.

18-2

In the meantime, I encourage you to vote against HB 2390 and to support Kan-ed and the advantages it gives our rural students and citizens.

I would be happy to answer any questions I can.

Thank you.

Chris Modellmog,

KAIDE President

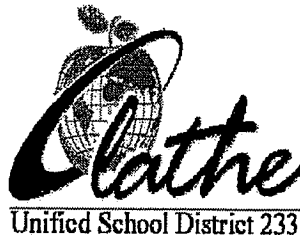
The Kansas Association for Interactive Distance Education (KAIDE) was formed in 1996 by the directors of Interactive Television (ITV) networks in Kansas, and it is a non-profit association of organizations that support Interactive Distance Education.

KAIDE is comprised of Interactive Distance Learning (IDL) networks, schools, education service centers, and state agencies across Kansas that participate in or support Interactive Distance Education.

KAIDE is a resource for information concerning existing and new technologies, activities and training opportunities, and new network formation. This information is available to policy makers on local, state, and national levels and to individuals and groups involved in two-way interactive distance education throughout Kansas.

KAIDE membership consists of individual consortiums or interlocals that support K-12 education, community colleges, universities, The Lee Richardson Zoo, libraries, the Kansas State Department of Education, and other organizations that support interactive distance education.

Membership in KAIDE provides opportunities to network with other individuals and organizations in Kansas developing and practicing interactive distance education. KAIDE advocates and promotes the use of interactive distance education, recognizes outstanding achievements in distance learning, and conducts conferences and forums on topics relating to distance education.



May 2, 2011

TO: Senator Pat Apple, Chair, and Members of the Senate Utilities Committee

FROM: Gary George, Ed.D., Assistant Superintendent of Schools
Olathe Public Schools

SUBJECT: House Bill 2390: KAN-ED Funds

I am submitting written testimony in opposition to House Bill 2390, which would transfer \$10M in KAN-ED funds to the state general fund and end KAN-ED by July 1, 2012.

The Olathe Public Schools use the services of KAN-ED to provide electronic data bases in all 47 of our schools. These data bases include such resources as the World Book Encyclopedia, documents of American and world history and many others. Further, KAN-ED offers a tutoring service that is available to our students. Our Library Media Instructional Coordinator indicates that replacing these materials could cost approximately \$100,000. We would be very hard pressed to find funds to replace these services if we lose them.

We know you have many difficult decisions to make as you craft a budget for the state and for school districts. However, we encourage you to maintain funding for KAN-ED and reject House Bill 2390.

Thank you.

Senate Utilities Committee

May 3, 2011

Attachment 19-1

Ann McMorris

From: Mary Adam [mary@phn.org]
Sent: Monday, May 02, 2011 11:33 AM
To: Ann McMorris
Subject: RE: HB2390 - KAN-ED act; repeal

TO: Kansas Senate Utilities Committee

My name is Mary Adam and I serve as Executive Director of the Pioneer Health Network (PHN), a network of 17 rural hospitals located in Western Kansas and based in Garden City, Kansas. PHN was formed in 1996 by its member hospitals to provide a means of sharing resources in rural Kansas, i.e. group purchasing contracts, educational opportunities, and other benefits not readily available to these hospitals on an individual basis. The majority of our hospitals are supported by local tax funds and consolidation of resources at the state level reduces their overall tax burden. This message is being written on behalf of the Network to express its strong opposition to House Bill 2390, which proposes to eliminate the KanEd program effective June 30, 2012.

As of 2006, all of our member hospitals have acquired ITV systems, telemedicine equipment, and the availability of ongoing connectivity and support, thanks to funding provided by Kan-Ed. Since that time, the Pioneer Health Network has blazed the trail in Kansas for hospitals using this technology, which led to its being highlighted in the Hospital section of Kan-Ed's 2006 Annual Report. Over the past four years, PHN has offered over 400 ITV programs/meetings to its member hospitals (and others across the state), with over 10,700 staff members, physicians and community members in attendance. Word of PHN's success with ITV educational programming is spreading across the state, and several non-PHN hospitals have begun to participate in our programs. In addition, other hospital networks are contacting PHN to discuss how their network can begin development of their own ITV systems and begin this type of programming. PHN has established a multitude of partnerships to bring a variety of training opportunities to its member communities, many historically offered only in the eastern half of the state. Examples of partnerships created to develop this programming include KDHE, KHA, BC/BS, KUMC, Wesley Medical Center, Account Recovery Specialists, Inc., K-State Extension, KDOA, SORH, and many others. Our hospitals have saved countless staff hours and travel dollars through the use of ITV, not to mention the education that has been imparted as a result of this type programming. ITV provides opportunities for coursework toward health care certifications and degrees offered through KUMC, community colleges, and others, which assists in promoting and developing health care careers in our member communities. Community members are also benefiting from the technology, with educational programs such as "Cookin' with Diabetes" for diabetes patients and their families and "ServeSafe" training (provided in both English and Spanish) for those employed in the food preparation industries.

In these troubling economic times, it is vital that rural health care providers remain current in their knowledge base and skills in order to provide the highest quality patient care; however, scheduling and cost constraints make this a difficult, if not impossible, goal to achieve. Some types of training are preferably provided in a face-to-face environment, yet ITV access provides telemedicine and educational opportunities that otherwise would not exist for our rural hospitals. It also offers enormous potential for other health care audiences in our member communities, i.e. nursing homes, assisted living facilities, physician clinics, county health offices, as well as the entire community. PHN has demonstrated that video conferencing/distance learning can be a cost-effective solution in the hospital setting. We would like to continue to build on that success using the latest tools and technologies available, thereby promoting the benefits of Kan-Ed membership to our hospitals and others interested in receiving and/or developing distance learning and telemedicine opportunities. For these reasons, we are requesting that you recommend continued full funding of the vital link that Kan-Ed has provided between our hospitals and others across the state of Kansas. Our future success and growth in this venture depends on continued availability and upgrades of the Kan-Ed backbone and local equipment.

Please do not hesitate to contact me at the number below if you would like to discuss or require additional information.

Mary Adam

Mary Adam, RHIA
Executive Director
Pioneer Health Network
310 E. Walnut, Ste. 210

P.O. Box 1787
Garden City, KS 67846
620-276-6100 (w)
620-805-1810 (c)
620-307-0394 (cfax)
mary@phn.org

Senate Utilities Committee
May 3, 2011
Attachment 20-1

802 Baum
P.O. Box 156
Natoma, KS 67651-0156
785-885-4860
Fax 785-885-4846
ican@ruraltel.net
www.ican-ks.org

I-CAN

Interactive Consortium Academic Network

May 3, 2011

Dear Senate Utilities Committee Members:

Please vote NO to HB 2390! Since the inception of Kan-ed they have worked very hard at helping K-12, higher-education, hospitals and libraries in the state of Kansas through the creation of the statewide backbone. This is funded through the Kansas Universal Service Fund (KUSF) at \$10,000,000 per year by assessing an "average" of .25 cents per phone line/per month on a monthly phone bill. All of the Kan-ed services are purchased or leased from private companies, therefore passing this considerable savings on to their constituents of K-12, higher-education, hospitals and libraries. With school budgets being cut and even looking worse in the coming year, it will be extremely difficult to continue utilizing these services if districts have to go out and purchase them individually. Without Kan-ed all network and video connections, Renovo Video Scheduler, licenses, servers, MCU, Kan-ed Live Tutor (homework Kansas), Empowered Desktop and LS test builder will be gone! Hopefully our local telephone company can keep us going within our own network, but this once again takes us back ten years by not being able to get connected statewide or worldwide.

The I-CAN Network is made up of ten small school districts in northwest and north central Kansas. As members of Kan-ed we utilize several of their services, one of the most important is the distance learning network. With school budgets extremely tight we rely heavily on distance learning. Without this statewide backbone it will be difficult, if not impossible, to continue sending and receiving the necessary classes our districts need to provide our students to prepare them for the Regents Universities requirements. Kan-ed connections and services will go away if Kan-ed is dismantled. A router is required for scheduling classes, which would be available at the cost of \$160,000 per consortium! Our consortium and school districts are not prepared to fund this kind of cost! Kan-ed already provides this service which we, along with many other districts in the state, utilize on a daily basis. Kan-ed over the years has provided grants to constituents to be able to afford upgrading their equipment which is required to continue distance learning.

We are NOT in support of the legislature eliminating Kan-ed or their funding! If there is a problem within Kan-ed, work to fix it, do not dismantle the Kan-ed statewide backbone. Kan-ed is absolutely necessary for our school districts in the state of Kansas!

Sincerely,

Cynthia L. Beisner
Director, I-CAN

Senate Utilities Committee
May 3, 2011
Attachment 21-1

Ann McMorris

From: KAY STITH [kays@manhattan.k12.ks.us]
Sent: Tuesday, May 03, 2011 10:08 AM
To: Ann McMorris
Subject: KanEd bill opponent

My frame of reference with the use of KanEd is for the K-12 Education community. I am the Director of Libraries at the Manhattan/Ogden USD 383 school district and I have encouraged the usage of on line data based research for our students and teachers.

As library teachers we have encouraged and trained the teachers in our school district to take advantage of this valuable resource. We provide logins to KanEd for all of our teachers and approximately 5900 students. The resources that KanEd contains provide twenty four hour usage for students and teachers. We would not be able to afford these valuable resources without the KanEd databases. We depend on KanEd to help educate our students and teachers. The KanEd backpack is used by many of our teachers and students to improve education.

I remember when KanEd and all of its resources was just a dream by some visionary professionals at the State department. It required a lot of hard work and cooperation to have this valuable resource available. It would be a step backwards with our vision of teaching all students and it would deprive teachers and students across the state access of reliable and credible resources.

Thank you,

Kay Stith
Director of Libraries
USD 383 Manhattan/Ogden
Manhattan, Kansas 66502

Senate Utilities Committee
May 3, 2011
Attachment 22-1

DM: JOAN K. WEAVER

EDWARDS COUNTY GOVERNOR'S APPOINTEE TO THE SOUTHWEST KANSAS LIBRARY SYSTEM
1588 P Rd., Lewis, KS 67552
620-659-3253 Work: 620-659-3341

As the Edwards County Governor's Appointee to the southwest Kansas Library System (SWKLS), I am urging you to vote NO on House Bill 2390 which would abolish Kan-ed. This bill would be no savings to the Kansas taxpayer.

I am sure many people are telling you how important Kan-ed is to the library, medical, and school communities. As the Governor's Appointee for Edwards County, I am very concerned over changing the funding for Kan-ed which currently is drawn from the Kansas Universal Service Fund (KUSF). There would be no savings to the state general fund if this were eliminated. Kan-ed's mission of providing high-speed Internet connectivity and resources to all citizens is exactly how the KUSF should be expended. It should also be noted that the ability of Kan-ed to purchase a statewide network, which was awarded to AT&T in a competitive bidding process, has made Kan-ed very cost effective.

Libraries receive discounts from e-rate. The deadline for applying for e-rate discounts for 2011-2012 is already passed. Many small, rural library budgets, like Kinsley's and Lewis', cannot afford high speed Internet even with e-rate. If Kan-ed is not funded and e-rate discounts are not possible next year, many citizens will not have Internet or on-line catalog access.

The SWKLS receives funding from Edwards County. As Governor's Appointee I have diligently worked to not increase the county tax burden to the SWKLS. Kan-ed is the main reason that SWKLS is able to sustain excellent service and resources without additional county and local tax funds. While costs rise in all other budget areas, Kan-ed has been able to create compensating savings.

Because our member libraries have high speed Internet provided by Kan-ed:

- ✓ SWKLS has been able to replace several face-to-face meetings each year with on-line meetings at a cost savings of \$1000 per meeting due to the long distances that are traveled in southwest Kansas.
- ✓ SWKLS has formed a consortium for the members' on-line catalogs which has saved the system thousands of dollars in cataloguing as well as saving local libraries thousands of dollars in fees.
- ✓ SWKLS high speed Internet is provided by Kan-ed. Additional county tax levy would be required if these funds were removed.
- ✓ SWKLS member libraries receive valuable databases which provide expensive periodical and newspaper subscriptions to citizens in rural areas. These are used daily to meet high school and college course requirements in research and to aid local entrepreneurs (Wall Street Journal and other business periodicals).
- ✓ ELMER provides content to students and CE courses to teachers through videoconferencing services to the communities which participate in the network. HD video conferencing which requires high speed internet is entirely dependent on Kan-ed
- ✓ For many citizens E-government services are only available to them because of the high-speed Internet at their libraries. Kansas now requires income tax and other personal and business taxes be reported on-line. Also access to Kansas Human Services, unemployment, and job databases are all on-line. People must have high speed access no matter what their financial or geographical status if they are to be effective citizens of Kansas.

Kan-ed is a bargain to the taxpayers of Kansas. Without it, many citizens will either be without adequate Internet connectivity or taxpayers will be paying a lot more to provide it. I again urge you to vote NO on House Bill 2390.

Sincerely,

Joan K. Weaver

Senate Utilities Committee
May 3, 2011
Attachment 23-1