

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 13, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Mark Tallman, Kansas Assoc. Of School Boards
John Federico, representing Kansas Cable

Others attending: See attached list.

Hearings on SB 614—Funding for KAN-ED.

Mark Tallman, Assistant Executive Director/Advocacy, Kansas Association of School Boards, testified in support of **SB 614** (Attachment 1). KASB has been supporters of the KAN-ED concepts since the idea was originated. KAN-ED would help districts better use the Internet and distance learning opportunities. KASB supports the use of funding KAN-ED from the Kansas Universal Service Fund (KUSF).

Mark Tallman responded to Senator Barone's question that if KAN-ED was funded from the General Fund would it be a priority. Mark Tallman stated the schools are potentially facing cuts in the base budget per pupil and funding KAN-ED would not be placed ahead of that. It's not that the KSAB objects funding KAN-ED from the General Fund, it's just apparent that there are not dollars to fund the project.

John Federico, on behalf of the Kansas Cable and Telecommunications Association, testified he submitted language for **SB 614** and would hope the committee would consider the amendment. The language speaks to the cable industry's concern of getting into a competitive bidding process where the competitor is potentially subsidized by KUSF funds. The Kansas Cable and Telecommunications customers do not pay into the KUSF fund, therefore, the companies are not eligible for any of the money.

Senator Barone asked John Federico if the cable industry would support a tax increase on customers to support KAN-ED. John Federico stated he would have to get a statement from the cable industry regarding their support of the KAN-ED via such a method.

There being no further conferees wishing to testify, the hearing on **SB 614** was closed.

Janet Buchanan, Kansas Corporation Commission, submitted information to committee members that Senator Barone had requested regarding how recipients of KUSF funds use that support (Attachment 2).

The substitute for **SB 614** requested by Chairperson Brownlee was not completed by the Revisors, therefore the meeting was adjourned at 9:05 a.m.

The next meeting is scheduled for Thursday, March 14, 2002 at 8:15 a.m.