Approved: March 10, 2004

Date

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 30, 2004 in Room 313-S of the Capitol.

All members were present.

Committee staff present: Kathie Sparks, Legislative Research Susan Kanarr, Legislative Research Helen Pedigo, Revisor of Statutes Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Hal Gradner, Director, KAN-ED Brad Williams, Operations Manager, KAN-ED

Others attending: See Attached List.

Chairperson Brownlee opened the joint committee meeting of Senate Commerce, House Utilities, and the Joint Committee on Information Technology.

Mr. Gardner thanked the committee members for allowing him to come before them. He stated that the three main legs of KAN-ED were technical infrastructure, content and services, and administering subsidies. He directed the committee to the organization's website <u>www.kan-ed.org</u> for additional information, and he provided members with his overview of broadband in Kansas (<u>Attachment 1</u>), a map entitled "KCC Estimates of Statewide LEC DSL Availability, as of December 2003" (<u>Attachment 2</u>), and another entitled "Schools and Libraries with Broadband Services Subsidized by Kan-Ed" (<u>Attachment 3</u>), as well as "KAN-ED Network Overview - PY '04" (<u>Attachment 4</u>) Committee members also received the 2003 Annual Report from KAN-ED.

Mr. Gardner discussed with the committee some of the ongoing projects and goals of KAN-ED, including increasing dial-up connectivity, differentiation in funding between schools that need funds to go toward bandwidth and others that may need equipment investments, and the evaluation component in their system to continue a longitudinal study over anecdotal evidence.

Mr. Williams discussed some of the more technical elements of the KAN-ED; he stated that through competitive bidding and special discounts though e-rates, the organization was able to save a great deal of money. He stated that placement on the KAN-ED network was based on need in areas and that 50-52 school districts were already on the network. He projected that the network, as seen on the KAN-ED Network Overview would be in place by July, over the next six months. He referred the committee members to the annual report for monthly updates that would be available online to ensure program accountability. Mr. Williams also emphasized the importance of the E-Rate to the committee as a discount provided by the FCC, using an example to illustrate the importance of the 65% discount Kansas receives.

In response to a question from Chairperson Brownlee, Mr. Williams stated that libraries like the hi-speed connectivity for databases, and hospital, although not currently on the network, are interested in telemedicine, tele-radiology, as well as medical databases.

Mr. Williams assured the committee that KAN-ED did not seek to become or to compete with internet service providers.

In response to discussion between Senator Huelskamp and Mr. Williams, Chairperson Brownlee suggested that a list of the databases and what is contained within them might be helpful for evaluation.

Janet Buchanan, KTEC, stated that the user advisory council puts forward the list of which databases are included.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on January 30, 2004 in Room 123-S of the Capitol.

Representative Huey asked if the connection had a specific date by which it had to be done. Mr. Gardner stated that there was a 75% connection requirement by the end of June 2004. He stated that although subsidies are given out for connectivity, this does not always refer specifically to physical connections, but encompasses equipment etc. He stated that by July, all access points would be in place.

Chairperson Brownlee adjourned the meeting at 9:35 a.m. The next meeting will be at 8:30 a.m. on February 3, 2004 in Room 123-S of the Capitol.