



KANSAS BOARD OF REGENTS

SENATE UTILITIES COMMITTEE May 3, 2011

Testimony in Opposition to House Bill 2390

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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.

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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.

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.