

February 13, 2012

The Honorable Pat Apple, Chairperson
Senate Committee on Utilities
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Apple:

SUBJECT: Fiscal Note for SB 398 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 398 is respectfully submitted to your committee.

SB 398 would eliminate the KAN-ED network and replace it with a program having a different mission. The new program would also be administered by the Board of Regents. The purpose of the program would be to assist schools, libraries and hospitals with connecting to a broadband, technology-based network. The Board would establish and administer a subsidy program to help with the costs associated with connections and internet and distance learning. A needs assessment would be done for those parties wishing to participate in the program to see if they were eligible. All users would be expected to bear a part of the cost. The Board would establish a mechanism to combine federal and state subsidies with contributions from participating schools, libraries and hospitals to enable the purchase of quality, affordable access to the internet, full-motion video and distance learning. The transition between the current system and the new system would be complete by the time the original law would be repealed on January 1, 2014.

SB 398 would have no fiscal effect in FY 2013. The extent to which the subsidy program would incur costs for the state in FY 2014 is not yet known.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kelly Oliver, Board of Regents