

SESSION OF 2002

**SUPPLEMENTAL NOTE ON  
SUBSTITUTE FOR SENATE BILL NO. 614**

As Amended by Senate Committee of the Whole

**Brief\***

Sub. for SB 614 would provide a funding mechanism for KAN-ED through the Kansas Universal Service Fund (KUSF). KAN-ED is a broadband, technology-based network for schools, libraries, and hospitals. Legislation creating KAN-ED was passed by the 2001 Legislature. In accordance with that legislation, a user advisory council subsequently produced a plan for creating the statewide communications network. The plan was endorsed by the Kansas Board of Regents and the Kansas Department of Education in January 2002. The plan included \$10,000,000 for annual KAN-ED operating expenses from the 2002 Kansas Legislature and up to \$2,745,321 from the KUSF.

Under SB 614, all state funding for KAN-ED would come from the KUSF and would begin in January 1, 2003. Under the bill, the Board of Regents would submit a proposed budget for KAN-ED to the Legislature through the appropriations process. The Board of Regents would then be required to certify to the KUSF administrator the amount provided by the Legislature through the appropriations process. Because rates for the KUSF are set in March of each year and this does not match up with the fiscal year for appropriations purposes, the Board of Regents would submit a proposed budget for FY 2003 to the 2002 Legislature. (Note: FY 2003 funding would be for a half year only, from January 1, 2003 until July 30, 2003.) The Board of Regents would then certify the appropriated amount for FY 2003 to the KUSF administrator before October 1, 2002. The Board of Regents would be required to certify to the KUSF administrator an amount which is double the amount appropriated for the first year by October 1, 2003. Under the bill, no more than \$10,000,000 could be paid from the KUSF to the State Treasurer in any one fiscal year.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

The Board of Regents would be required to request approval of funding for KAN-ED through the appropriations process each year and certify the amount appropriated to the KUSF administrator each year. Distributions from the KUSF would be in equal parts based on the amount certified to the KUSF administrator in October of each year. KUSF funding for KAN-ED would expire on June 30, 2005, after which time State General Fund moneys would be used to fund the KAN-ED network.

## **Background**

The Senate Committee held hearings on Sub. for SB 614, at which time representatives of the Kansas Association of School Boards, Schools for Quality Education, the Kansas Corporation Commission, the Kansas State Board of Education, and the Kansas Board of Regents offered testimony on the bill.

The Senate Committee adopted the substitute bill requiring the approval of the Legislature, through the appropriations process, of the KAN-ED budgets. The substitute bill also clarifies the procedure for certification and distribution of the KUSF moneys.

The Senate Committee of the Whole amended the substitute bill to provide that no more than \$10,000,000 could be paid from the KUSF to the State Treasurer in any one fiscal year and that KUSF funding for KAN-ED would expire on June 30, 2005, after which time State General Fund moneys would be used to fund the KAN-ED network.

A fiscal note was not available for the substitute bill upon publication of this Supplemental Note.