

Before the Senate Committee on Utilities

March 14, 2024

Neutral Testimony On Senate Bill 284

Submitted by Jeff McClanahan, Director, Utilities Division
On Behalf of
The Staff of the Kansas Corporation Commission

Chair Fagg, Vice Chair Petersen, Ranking Minority Member Francisco, and members of the Committee, thank you for the opportunity to provide testimony today on behalf of the Staff of the Kansas Corporation Commission (Commission).

The Staff of the Commission (Staff) is neutral with respect to Senate Bill 284 (SB 284). The bill requires the State Librarian to contract with an organization to deliver on-demand information access services to persons who are blind, visually impaired, deafblind, print disabled or who have another disability. The funds for the blind information access services will come from the Kansas Universal Service Fund (KUSF). While the Commission has overall responsibility for the KUSF, the Commission is authorized pursuant to K.S.A. 66-2010 to contract with a third-party to administer the KUSF.

Staff views SB 284 as a policy decision for the legislature. Under SB 284 Section 2(e), the Commission's third-party administrator is authorized to ensure it has the funds to pay all amounts owed to qualifying telecommunications companies and the blind information access services. Section (2)(e) also authorizes the KUSF third-party administrator to transfer monies from the KUSF fund to the state treasurer, who will deposit the funds and credit the blind information access fund. The State Library has estimated the total annual cost for the blind information access fund to be \$99,000. Staff has contacted its KUSF third-party administrator regarding any administrative costs it might incur related to SB 284, and the third-party administrator has indicated that it does not anticipate any additional costs.

Staff does have three suggested amendments to SB 284. They are as follows:

- Insert new Section 1(c) which states, "On or before November 1, 2024, and each year thereafter, the state librarian shall submit a report to the Kansas Corporation Commission that specifies the estimate of the cost to enter into a contract to provide such on-demand information access services". This amendment is necessary so that the cost associated with the on-demand access services can be included in the next year's KUSF assessment rate calculation testimony due in December of each year. Otherwise, the cost will have to be funded from the contingency amount included in the KUSF fund.

- The current Section 1(c) should have the year updated from 2024 to 2025.
- The current Section 1(d) should have the year updated from 2024 to 2025.

Thank you for the opportunity to appear before your Committee and offer Staff's perspective on the proposed bill.