

MINUTES
SENATE STATE AFFAIRS COMMITTEE

- DATE:** Friday, February 08, 2013
- TIME:** 8:00 A.M.
- PLACE:** Room WW55
- MEMBERS PRESENT:** Chairman McKenzie, Senators Fulcher, Hill, Winder, Lodge, Siddoway, Stennett and Werk
- ABSENT/ EXCUSED:** Senators Davis
- NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.
- CONVENED:** **Chairman McKenzie** called the Senate State Affairs Committee (Committee) meeting to order at 8:00 a.m. with a quorum present.
- MOTION:** **Senator Winder** moved to send the reappointment of Melville W. Fisher to the Idaho Lottery Commission to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Siddoway** moved to send the appointment of Mark W. Llitas to the Idaho Energy Resources Authority to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Hill** moved to send the reappointment of Gavin Gee to the Idaho Endowment Fund Investment Board to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Lodge** moved to send the appointment of Senator James Hammond to the Idaho State Racing Commission to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- RS 21854** **Chairman McKenzie** announced that **RS 21854** comes from the Caldwell Night Rodeo through Senator Lodge's office and will be presented by Dane Johnson, Intern for Senator Lodge.
- Mr. Johnson** stated that **RS 21854** makes minor changes for obtaining a liquor license for professionally sanctioned rodeos and equine facilities. Idaho Code 23-903 requires that a professional equine facility must be 40 acres and outside the city limits to acquire a liquor license. This bill changes that requirement to 25 acres in or out of the city limits to allow any professional equine facility to obtain a liquor license. **Mr. Johnson** deferred to Curt Ruehl, Chairman of Beverage Distribution for Caldwell Night Rodeo (CNR). **Mr. Ruehl** introduced Jim Bower, President of CNR and Facility Rental Manager.
- Mr. Ruehl** explained that they are not trying to change anything they are currently doing. Last year, it was brought to their attention that it was illegal to license two separate entities for an event. To continue to raise funds that go back to the community, the CNR needs to have a license as they have had in the past but make sure it is legal.

Senator Werk ask why and when the current provision was added into law. **Mr. Ruehl** investigated those questions in June, 2012. As a result, he worked with the chairman of Alcohol Beverage Control who thought the laws required an exempt permit for an equestrian professional event as well as with golf courses and ski resorts. The chairman did not say why the law was established, but it had been in effect for many years.

MOTION: **Senator Werk** moved to send **RS 21854** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

RS 21862 **Senator Winder** began with some background information. This legislation was brought to him by Ken Harworth from the Association of Idaho Cities (AIC). There are issues with the surrounding states of Oregon, Washington and Colorado where marijuana is legal. This was an effort of the AIC to make a statement. It is not a change in the law; the purpose of **RS 21862** is only to make a statement.

RS 21872 **RS 21872** is a joint memorial that will be sent on to the President and the Congressional Delegation to Congress asking them to enforce federal laws. Currently, there is some conflict across the country with states legalizing marijuana which is not allowed by federal law. This is an effort on behalf of the cities to ask for help by enforcing the federal law.

Chairman McKenzie asked that if the two RS' are printed, would it be requested to have these come back to the Committee or go directly to the floor. There are some requests to testify; both pro and con. If it isn't going to come back, he would allow that testimony. **Senator Winder** did not have an objection to have them come back.

Senator Hill suggested that they come back to Committee because if there are some here today to testify, then there are probably others who would want to testify as well.

Chairman McKenzie stated it might be the preference of the Committee to bring them back in order to take testimony.

MOTION: **Senator Fulcher** moved to send **RS 21862** and **RS 21872** to print then return them to the Committee for a full hearing. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman McKenzie passed the gavel to Chairman Lodge.

RS 21900C1 **Chairman McKenzie** said that **RS 21900C1** relates to an Article V Convention. It is not calling for a convention, this language puts a procedure in place to select delegates if one was called. This is a request to print, but the intent is not to bring it back before the Committee unless there is support on the Senate floor. Printing will start the discussions.

MOTION: **Senator Siddoway** moved to send **RS 21900C1** to print. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Lodge passed the gavel back to Chairman McKenzie.

PRESENTATION: **Chairman McKenzie** introduced Mike Field, the State Broadband Coordinator, to present the Broadband Initiatives.

LinkIdaho

Mr. Field stated that the Idaho Partnership was selected to coordinate this effort because they coordinate federal, state and local entities in rural Idaho and the lack of broadband service is in the rural areas of the state. All the projects that will be discussed today except for the Idaho Educational Network and the first responders have been funded by the National Telecommunications and Information Administration. **Mr. Field** outlined the strategy of the LinkIDAHO Project, gave an overview of the work completed and provided a profile of the future plans for the project.

Senator Werk referred to a map within the body of the presentation. It is disturbing in that there are broad spots without broadband where the Idaho Education Network (IEN) cannot cover schools in areas that need it most. **Brady Kraft**, Technical Director, IEN, stated that the map does not reflect the coverage of the IEN. He will go into more detail during his segment of the presentation.

Idaho Commission for Libraries (ICfL)

Gens Johnson, ICfL, explained that the ICfL and collaborating agencies have been working on a two year, \$2.8 million project to bring free public access broadband Internet services to the least connected residents of Idaho. Eighty percent of that funding came from the American Recovery and Reinvestment Act and twenty percent in matching funds came from the Bill and Melinda Gates Foundation and local in-kind contributions. When applying for funding, the objectives were to expand free access to broadband resources, engage in employment and education opportunities, target rural populations, connect Idahoans with purposeful Internet use and finish with sustainability.

Over the course of the project, Internet connectivity has increased by over 50 percent. \$800,000 in new revenues was spent on 18 service providers and telephone companies, of which 11 were local Idaho businesses, were involved in extending Internet access into rural communities. **Ms. Johnson** gave examples and data explaining the use of the services within the libraries across rural Idaho. Service announcements spread the word that Internet services were available at the library. People used online services at their local libraries to improve employment, education, civic engagement and health.

Healthcare

LaDonna Larson, Health Information Technology Coordinator, Idaho Health and Welfare, discussed the role of broadband in the healthcare arena and the strengths, opportunities and challenges in this area. In 2009 the Congress passed the American Recovery and Reinvestment Act which contains the Health Information Technology Act (HITECH). The goal of HITECH was to improve healthcare delivery and patient care through investment in health information technology by providing incentives for providers to adopt electronic health records and to use services to access them. It provided funding to train a health information technology workforce and the North Idaho College received some of that funding.

Electronic prescribing has grown with 97 percent of Idaho pharmacies receiving electronic prescriptions which is up from 82 percent in 2010. Medicare and Medicaid incentives encourage electronic health record adoption and all of Idaho hospitals plan to implement electronic health record systems. The Idaho Health Information Exchange received a \$5.9 million grant from HITECH to help develop capacity in Idaho. Real time data exchange at the point of care is critical to improving the quality and coordination of care. A new functionality, the image exchange, has been added. The image exchange allows users to log in and view the virtual health record, such as a radiology, report instantly.

Other opportunities will allow patients to access their own health information with services at Idaho libraries playing a key roll in providing access; will allow continued growth; and will allow more data to be available via the Idaho Health Data Exchange. There are still challenges to overcome such as reliability in some rural areas, the capacity to work remotely continues to be an issue, there is the lack of cell and cell data service, and affordability.

Senator Stennett asked if you and your partners are working with existing infrastructure, how does it affect the emergency 911 system? **Ms. Larson** responded that the Idaho Health System is working with existing systems like St. Lukes which is a founding member and other systems within the exchange. Everyone who has an electronic health system is connected to the exchange so information can flow freely back and forth. She will follow up on the 911 systems because those issues only apply to Clearwater and Orifino hospitals.

Broadband Opportunities, Strength and Challenges

Presented by Christine Frei, Executive Director, Clearwater Economic Development Association.

Ms. Frei explained that they are one of six economic development districts in Idaho. There are opportunities, strengths and challenges for broadband activity in the business and economic development sectors. In areas of business, such as remote access training, shipping, multi-site meetings, executing agreements and contracts, research, and marketing, broadband access contributes to business competitiveness.

Broadband grants help support broadband infrastructure development in areas where there is little service provider competition, where there is not a good return on investment and where initial investment is needed to encourage competitiveness between providers. **Ms. Frei** noted that their region in North Central Idaho does not have an interstate highway. A strong, robust broadband system can be another means of transportation. Challenging terrain makes it difficult and expensive to make broadband available for rural communities with fibre, using wireless with fibre is a way to strengthen the ability to meet small business needs. Improved broadband will support long term growth of the business community.

Ms. Frei said they completed a needs assessment and design scheme to address broadband needs to get a sense for future actions. First Step Internet and the Nez Perce Tribe, in separate broadband grant awards, have been able to secure funding for the broadband middle mile infrastructure in their region. The \$2.3 million Nez Perce Tribe project is addressing critical last mile needs; the \$3.0 million First Step Internet Middle Mile Project has increased the number of towers in their region. Other funding improved broadband access in specific communities.

Ms. Frei stated that they are not sure what gaps need to be filled in their region and have not seen how communities are using the infrastructure that has recently been put in place. Surveys are being used to determine existing usage and future demand. There is a new focus to look at mobility access as the use of phones and other devices are changing. Another area of concern is that there is no connection between northern and southern Idaho. Services are running outside the state to get from north to south which concerns central Idaho. It is exciting to work with partners and state legislators to find ways to more effectively use existing infrastructure and for expanding services to benefit all sectors within the state of Idaho.

Idaho Education Network

Presented by Brady Kraft, Technical Director, Idaho Education Network (IEN).

Mr. Kraft stated that the Idaho Education Network is three years old and was created by statute in 2009. The project was launched in July 2009 with the mission

to provide high band with connectivity to all the schools in Idaho and to have teleconferencing capability in each of the schools. Ninety-four percent of the initial schools that were connected were considered extremely rural by the United States Department of Agriculture. The original goal was to complete the project in three years but it was accomplished in two and one-half years. The IEN does not provide public Internet access to the schools, they are a virtual private network. They made a key decision to use the local exchange carriers as the primary connection point in each community. The IEN has a direct link into the Idaho State Network so the Idaho State Police, libraries, health and welfare, and others are connected. They also have connection to the higher education institutions as well as 215 rural high schools servicing a total of 86,101 students.

One of the strengths of the IEN is that they believe in public-private partnerships. Most of these are Idaho based teleconferencing companies and all of the schools and universities. The rurality of Idaho is a constant challenge. Idaho is the seventh most rural state in the nation; half the counties have less than ten people per square mile. Nine point two percent of the schools have less than 100 students and 64 percent have less than 400. A recent study said that 500 students was the minimum to have enough teachers to offer students access to all the courses. IEN and teleconferencing provides equalized access to those courses such as advanced calculus, French, Spanish, Japanese, world history and others with great teachers to make up for the deficits.

Over the last three years, they have grown to just under three and one-half gigs of usage and issued orders to increase broadband to accommodate the schools for the year. That will put them over four gigabits of band lift. Because of the infrastructure and the investments the partners have made, they currently have a 55 gigabit capacity. As more access is required, they will be able to buy more. Plans are in place to reach 91 gigabits capacity. The IEN will then have fibre in every community except nine and there is a plan for those nine. Because of the IEN there is more infrastructure capacity so local service providers will be able to distribute it to the communities. Post academies, police and fire fighting academies actually deliver training into the rural communities using the IEN.

National Public Safety Broadband Network

Presented by Robert Hugi, Idaho Bureau of Homeland Security, Public Safety Communications Branch, Technical Group Coordinator and State Interoperability Coordinator for Idaho.

Mr. Hugi spoke about the future National Public Safety Broadband Network and its 2008 vision to ensure operability, interoperability and continuity of communications to allow emergency responders to communicate as needed, on demand, and as authorized at all levels of government and across all disciplines. Public safety communications is in a state of evolution with the current typical voice system and the upcoming use of commercial and unlicensed broadband networks. Future technology will bring a convergence into a single, combined third network.

The Middle Class Tax Relief and Job Creation Act of 2012 set aside \$7.0 billion for a national public safety broadband network that would allow consultation with state, local, regional and tribal jurisdictions to determine the applications for use and the implementation of the network. This process begins in 2013. Until the decision is made whether or not to use the national network or an Idaho alternative, we will continue to use the current system and, in fact in the future, the systems will probably work side by side due to the rural nature of the state. There are still many questions to be answered.

Senator Winder asked if there was a parallel system available should a major tower quit operating. **Mr. Hugi** responded that they are currently working on that issue. There are 180 sites throughout Idaho and the networks have evolved and improved over the past five years so that any losses would not be apparent to the users. **Senator Winder** asked if we have made progress to make sure there is commonality of frequencies and, if so, how far along is that process. **Mr. Hugi** answered that commonality is currently a primary focus. They have obtained various grants to invest in a trunk radio system network and some counties have opted into that network and the state has a few sites within that network. They are currently assessing the progress.

Senator Fulcher asked Ms. Johnson to profile a typical library user now. Is it those who don't have access to the Internet; is it more students; or, is it for studies. **Ms. Johnson** reported that she has statistics on those who use computers in the libraries: Two-fifths of the people are women; one-quarter of the people are below the poverty level; and one-eighth of the people do not speak English as a first language. Obtaining information either on-line or through books, is still the primary reason people come to a library. Community hub activities and programs draw people to a library.

Senator Fulcher asked Mr. Kraft if usage for online correspondence has increased since the IEN was put in place, such as the number of courses or more access by rural schools. **Mr. Kraft** remarked that they have seen about a 200-400 percent increase in students accessing classes each semester over the last four years. There has also been an increase in the uses of virtual tours and collaborations where each is equal to a one hour enrichment course. This has led to a higher success rate among students. About 94 percent of the 1800 students that started class finished which compares to 40 percent with asynchronous systems. Blending choices has produces more utilization.

Mr. Kraft noted that the cost of the IEN is currently at 14 percent of the cost of Utah's network and four percent of the state network in Washington. Idaho has partners that invest in the infrastructure and we use a per student metric as a measurement while other states use a building metric. The student metric measures the number of kilobits per student instead of a base number of kilobits per building. The per student method provides a better measurement of usage so it is easier to purchase only the amount students are actually using.

ADJOURNED: **Chairman McKenzie** thanked each of the presenters for providing some very important information both to the Committee, to their constituents and to the state. Being no further business, the meeting adjourned at 9:45 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary