

**MINUTES**  
**(Subject to approval by the Committee)**  
**Broadband Access Study Committee**  
**Monday, December 21, 2015**  
**9:00 A.M.**  
**WW17**  
**Boise, Idaho**

Co-Chair Dean Mortimer called the meeting to order at 8:00 a.m. and requested an audible roll call. Members present were: Co-Chairs Senator Dean Mortimer, and Representative Luke Malek; Senators Shawn Keough, Bart Davis, and Dan Schmidt; Representatives Lance Clow, and Greg Chaney. Representative Youngblood was absent. Legislative Services Office (LSO) staff members present were: Brooke Brouman, Paul Headlee, and Shelley Sheridan. William Goodman, Past President, Idaho Education Technology Association, acting as facilitator.

Others in attendance: Ann Joslin, Idaho Commission for Libraries; Chris Campbell, Idaho State Department of Education; Greg Zickau, Department of Administration; Carlie Foster, Lobby Idaho; John Foster and Kate Haas, Kestrel West; Marilyn Whitney, Office of the Governor; Brody Aston, Idaho Association of Business; and Betsy Russell, The Spokesman Review.

NOTE: Copies of most presentations, handouts, reference materials, and public testimony can be found at: [Idaho State Legislature - 2015 Interim Committees - Broadband Access Study Committee](#) and are also on file at the Legislative Services Office.

Co-Chair Mortimer asked if there was a motion for approval of the November 20, 2015, committee minutes. Representative Clow motioned that the minutes of November 20, 2015, be approved as written. The motion was seconded by Senator Keough and passed by unanimous voice vote.

Co-Chair Mortimer deferred to the committee's facilitator, Will Goodman. Mr. Goodman stated that the committee had decided to focus solely on educational needs before focusing on state agencies and economic development and summarized [motions passed](#) by the committee to date.

Representative Rusche asked if the repeal of code sections would be sponsored during the next legislative session. Mr. Goodman responded that that was the intent and that it could come from the broadband committee. He noted that House Bill 315 (2015) included language to repeal the code sections, but did not pass.

Co-Chair Mortimer asked Mr. Goodman to explain the [Federal Communications Commission E-rate eligible categories](#). Representative Clow asked if there were many schools applying for Category Two. Mr. Goodman responded that this was the first budget year using the new funding mechanism of categories one and two. He stated that the categories were formerly Priority One and Priority Two, and that Priority Two funding was strictly based on percentage of free and reduced lunch, the most impoverished schools being funded first. He stated that the new funding mechanism guaranteed that all schools would have access. Mr. Goodman stated there is a low percentage now, but at the end of five years, there will be a high percentage.

Mr. Goodman stated that the committee needs to discuss remaining issues regarding education, a mechanism for distributing funding, and who is in charge. Co-Chair Mortimer clarified that the decisions made will be effective in 2017. Senator Schmidt asked if [House Bill 315 \(2015\)](#) had a funding mechanism. Co-Chair Malek confirmed it did. Senator Schmidt asked if there will be a standard of connectivity and will it be tied to funding. Mr. Goodman responded that House Bill 315 (2015) and the [Idaho Education Technology Association's \(IETA\) proposal](#) included a funding mechanism. He stated that the IETA proposal provided a defined mechanism with an acceptable minimum and maximum level of funding. Co-Chair Mortimer asked if the one megabit per-student standard was realistic and how long would it take to get there. Mr. Goodman responded that the

projection to meet the recommended one megabit per student is two years out and that Idaho might need to set a smaller minimum and work districts up. Senator Schmidt suggested setting a high percentage of what the state would pay. Co-Chair Mortimer asked Mr. Goodman what percentage the state would fund. Mr. Goodman responded that Idaho is currently paying 100 percent of the non-E-rate discount. Co-Chair Mortimer asked how to incentivize districts to make sure they are getting the most and best E-rate funding. Mr. Goodman responded that it depends on how E-rate is funded. He stated that E-rate is funded at percentage of cost, so the quality of Internet does not affect E-rate funding, but it does affect total and final costs. He stated that a committee formed to manage funding would need to be cognizant of that. Mr. Goodman stated that standards should not be just for minimum and maximum bandwidth, but also quality of service, which is just as important as speed. He recommended against putting that in a motion in technical terms because the legislation would need to be continually updated as new technologies were implemented. He stated that IETA recommends a committee to set yearly standards as technologies change.

Representative Clow noted that the committee's prior motion included the phrase "does not require additional money" and asked how much more money would it take to expand broadband to K-8. Paul Headlee responded that the current cost, excluding staffing, is approximately \$2 million to provide broadband service to high school plus approximately \$700k to expand to K-8. Representative Clow asked if non-K-8 districts would be allowed to participate. Mr. Headlee confirmed that the current funding was structured to allow that. Mr. Headlee added that the appropriation for FY16 is \$7 million and that \$5 million of that will be reverted.

Representative Clow asked if school districts could have contracts longer than 12 months. Mr. Goodman encouraged the committee to consider longer contracts to save costs.

Senator Schmidt stated that E-rate money has not been appropriated and would be difficult for the legislature to monitor because the amounts would vary if funded district by district. Mr. Goodman responded that all E-rate documentation is public, so costs of Internet could be estimated in advance based on prior-year costs. Representative Chaney stated that allowing a little "skin in the game" would uncouple local district's decision making from the state and that locking it in might give stability in budgeting. Mr. Goodman stated that the IETA proposal provides for a workgroup for state agencies and an oversight committee for public education, which would be responsible for setting the minimum and maximum levels, quality of service recommendations, and ensures accurate bidding and that E-rate is filed. Senator Schmidt asked if the Education Opportunity Network would be a department because there are already 20, which is the constitutional limit for departments. Co-Chair Malek replied that it would be a quasi-governmental agency, much like the Idaho Digital Learning Academy. He stated it would have the ability to receive funding from the state, but would not be a state agency. He added that an Attorney General's opinion was obtained.

Co-Chair Mortimer asked the committee if there was a comprehensive motion for a funding mechanism. Representative Chaney stated that administering funding would impact the funding itself. Mr. Goodman noted that Internet costs were typically higher in poorer districts when using a percentage-based reimbursement. Representative Rusche recommended the committee establish the what the Education Opportunity Network needs to accomplish and let its board decide how to get there. Senator Schmidt agreed with Representative Rusche and stated that the percentage of E-rate reimbursement is related to the district's free and reduced lunch percentage and that the state would pay a percentage of the difference. Representative Clow stated that the inequity might be in poor rural districts with a higher participation in E-rate, but the megabit per student could be dramatically higher. He suggested a simple approach by defining the state's reimbursement and that the district pays for anything used beyond that. Representative Chaney suggested allowing local control in negotiations. Senator Schmidt agreed and recommended incentivizing appropriate utilization. Representative Clow suggested defining limits. Representative Chaney agreed and suggested placing parameters and setting incentives to use it responsibly. Senator Davis stated his concerns, which include: tying to a methodology when the purchasing laws are unknown; his opposition to a

quasi-governmental agency; including plain language tying to the Administrative Procedures Act (APA) and having rules with oversight to standards; having mandatory standards; broadband committee having advisory and support role instead of a structured format and maintaining the committee's role as policy setters instead of policy implementers; having a funding format; and having a sunset clause.

Representative Rusche motioned that the committee recommends a state entity within the Department of Education as outlined in House Bill 315 (2015) charged with assistance and E-rate mechanism and distribution of appropriation and/or grants acquired to schools and other E-rate eligible entities, the goal of the entity is to provide appropriate telecommunications services that meet the needs of school districts and other E-rate entities. Senator Davis seconded the motion and passed by unanimous voice vote. Representative Rusche recommended that the entity be comprised of people outside of the Department of Education.

Mr. Goodman clarified that E-rate is structured with basic requirements in purchasing broadband and states that all state purchasing laws must be adhered to. Senator Davis clarified that the entity would be responsible for setting standards to ensure adequate K-12 broadband delivery, that the standards comply with the APA, setting eligible services, responsible for distribution of money, and offer E-rate, not legal, advice. Representative Rusche added that the entity would help with E-rate forms. Co-Chair Mortimer recommended a substitute motion to include additional items. Co-Chair Mortimer recommended Senator Davis work with Mr. Goodman to outline a motion.

The committee recessed at 10:20 a.m. and reconvened at 10:36 a.m.

Senator Davis reviewed an outline of his motion creating a commission to include a director, where it is housed is to be determined, a make-up similar to House Bill 315 (215), with a K-12 focus, responsible for the development of broadband parameters with periodic update and standards subject to the APA, responsible for administration of fiscal support to include submission of budget through agency in which it is housed, responsible for distribution of money, provide E-rate application assistance and support, would not provide legal advice, responsible to gather information from all school districts regardless of participation and report to the legislature, and collaborate with other relevant entities to ensure best practices. Representative Rusche suggested replacing "school districts" with "other eligible E-rate entities." Senator Davis suggested recommending to the purchasing laws committee that there be a methodology for purchasing unique to E-rate eligible entities. Senator Schmidt added that recommending a methodology to the purchasing laws committee may be a burden because of the large amount of requirements currently within E-rate eligibility.

Representative Chaney noted concern with creating a commission. He suggested focusing resources toward E-rate specialists instead of a commission and added that a commission would invite critique of contract negotiations, technology adoption rates, and curriculum development. Representative Rusche responded that the purpose of a commission was to include the involvement of outside people. He asked Representative Chaney to clarify his suggestion that having standards and assuring those standards are met would interfere with curriculum. Representative Chaney clarified that his concern was that the responsibility of the commission to justify usage would, by extension, question whether a teacher's use of technology was justified or not. Mr. Goodman responded that the IETA's proposal included a minimum and maximum allowable usage levels with a way to increase beyond that maximum. He asked if the committee wanted to cap the schools' purchase of broadband and who would set the minimum and maximum level. He added that the IETA proposes that the commission set those levels to encourage collaboration. Representative Chaney recommended that the state not commit to a 100 percent reimbursement to avoid having to set a maximum level.

Senator Davis recommended adding to the motion that the commission determine the method of reimbursement and that they comply with appropriate purchasing laws. Senator Schmidt recommended changing "level of" reimbursement to "methodology for" reimbursement.

Representative Rusche noted that equitable distribution is often in the eye of the beholder and suggested focusing on the need instead of distributing equitably.

Senator Davis motioned that the committee recommends creating a commission that has a director, location is to be determined, make-up similar to House Bill 315 (2015) subject to modification by the committee, with powers and duties to focus on K-12 as well as other E-rate eligible entities, list is non-exclusive, shall establish broadband parameters subject to the APA, which will periodically be updated, to set reimbursement methodology, administer fiscal support, submit budget requests, distribute money and percentage of distribution is not include, provide E-rate application assistance and support and not legal advice, gather and report information from all school districts regardless of participation through the commission, collaborate with other relevant governmental and non-governmental entities to ensure best practices, and comply with appropriate purchasing law. Senator Davis clarified that "other E-rate eligible entities" refers to the Idaho Digital Learning Academy, Department of Juvenile Corrections Educational Services, School for the Deaf and Blind, and public libraries. The motion was seconded by Representative Rusche and passed by majority voice vote with Representative Rusche voting Nay.

Senator Davis suggested that the committee take public comment to help decide where the commission should be housed. Co-Chair Mortimer asked if discussion is broadened to other educational entities, would it affect where the entity is housed. Senator Schmidt reminded the committee that IRON is currently operating.

Co-Chair Mortimer opened the discussion to public comments.

Chris Campbell, Chief Technology Officer, State Department of Education, testified that the current program is housed in the State Department of Education. He thanked the committee for including stakeholder input and stated that basic standards are set under the current program and that cost benefit analysis allows for making adjustments. He added that, as a practice, the Department of Education brings in stakeholders to assist in making decisions on those adjustments. Mr. Campbell noted that the motion includes items that the department is currently doing. Senator Schmidt stated there may be overlap between agency, IRON services, and municipal broadband needs and asked if Mr. Campbell felt the department had that authority. Mr. Campbell responded that it was under the department's purview to assist districts in connecting with other providers; however, current legislation may not provide the department with the authority to do that on their behalf. Co-Chair Mortimer asked if Mr. Campbell had concern with administering items listed in the motion. Mr. Campbell responded that most of the items were currently being done by the department and he saw no huge concerns.

Greg Zickau, Chief Technology Officer, Department of Administration, stated that he had no comment on the governance of telecommunication but would eventually like to comment on the Idaho Opportunity Network's impact on agencies. He added that it was a complicated endeavor, but felt it did not rise to the level of a commission.

Ann Joslin, State Librarian, Idaho Commission for Libraries, testified that she supported the inclusion of libraries for broadband. She requested to be on the board of the commission and suggested including someone with E-rate experience.

Representative Rusche motioned that this committee recommend that the commission be housed within the Department of Education. Representative Chaney seconded the motion and passed by unanimous voice vote. Co-Chair Mortimer confirmed that the motion relates to education and E-rate services only.

Senator Davis agreed that the commission be housed within the Department of Education since they do not implement policy. He recommended limiting the committee's focus and not expanding beyond eligible entities. Mr. Goodman asked who would report to whom and if funding requests flowed through the Superintendent of Public Instruction, would the superintendent have the ability to modify

the requests. Representative Rusche responded that it would flow through the superintendent and the budget would be a line item in the education budget. He noted the importance of having a group discuss the delivery and payment of telecommunications technologies for schools. Senator Keough responded that the superintendent could potentially make a different recommendation than the commission; however, the commission's request would still be a visible line item.

Senator Schmidt noted that the commission should focus on E-rate eligible, education associated, broadband needs, but also be aware of broader needs. Representative Clow noted that Syringa preferred that the commission be under the Department of Administration; however, he agreed with it being under the Department of Education. He recommended that the commission have a director who is an employee of the Superintendent of Public Instruction. He stated that the commission would not report to anyone, but would make recommendations, and asked who would appoint a director. Co-Chair Mortimer stated that the make-up of the commission is still to be determined.

Senator Schmidt asked if calling the entity a "program" would be better than a "commission." Senator Davis responded that "commission" could be a placeholder and that he was not married to the term. He stated, however, that there needed to be a process that complied with open meeting laws. Representative Chaney and Senator Nonini noted that they preferred "program." Senator Nonini noted that House Bill 315 (2015) stated that the board shall hire a chief executive officer and asked if that was necessary. He noted concern with four of the nine members being from the IETA and favored the make-up as outlined in House Bill 315 (2015). Representative Rusche agreed that the board consist of the controller or designee, someone from the state Board of Education, more than one (but less than five) school technologists, and the librarian and added that the entity was more than a "program." Representative Chaney asked what the scope of the entity would be. Co-Chair Mortimer asked Mr. Goodman to clarify who had the right to promulgate rules and how it would affect the program. Mr. Goodman suggested lowering the number of school technologists to two, adding a state board designee, and adding a local librarian, not the state librarian. Senator Davis stated that the broadband committee could state that the committee promulgate rules, but would prefer the committee make recommendations to the Department of Education for them to include in their rules. Senator Schmidt asked if outlining the committee was necessary and suggested the department choose their advisors. Senator Nonini suggested striking the language recommending hiring of a chief executive officer and agreed with outlining the make-up of the committee. Senator Keough agreed with Senator Nonini to list the participants in the commission to make sure those impacted have a seat at the table. Representative Clow asked if the board should include industry representatives. Representative Rusche responded that he did not feel industry needed to be on the board as they would likely be present at meetings and suggested the broadband committee name the members.

Co-Chair Mortimer recommended the term "committee," and reminded the committee to focus the broadband committee's recommendation to the legislature. Representative Rusche suggested that the broadband committee bring forward a recommendation and to re-draft legislation. Senator Schmidt reminded the committee that sections of Idaho Code still needed to be repealed.

Co-Chair Mortimer asked if the committee make-up should be outlined in legislation. Senator Davis agreed with designating the committee make-up. He disagreed with having a single person being the appointing authority. Representative Clow agreed with specifying committee make-up and recommended stating designees and limiting the IETA representation.

Senator Davis motioned that the committee make-up be comprised of the following seven members: The Superintendent of Public Instruction or designee; President of State Board of Education or designee; superintendent from large school district or designee; superintendent from small school district or designee; member of library association; and two school technologists. Senator Keough seconded the motion and passed by unanimous voice vote.

Senator Davis noted that a confirmation process would not be necessary because the committee would be an advisory group.

The committee recessed at 11:59 a.m. and reconvened at 1:18 p.m.

Co-Chair Mortimer called the meeting to order and suggested amending the motion to state that the State Board of Education would appoint a designee instead of naming the president. Representative Clow motioned that one member shall be appointed by the State Board of Education. Senator Keough seconded the motion and passed by unanimous voice vote.

Senator Davis asked if draft legislation would be presented to the legislature. Co-Chair Mortimer stated that the broadband committee should, at a minimum, set parameters, make recommendations, and provide a full report to the legislature of what the committee has done. He stated that draft legislation was up for the committee's discussion.

Senator Davis motioned that "commission" be replaced with "committee" or "advisory committee." Senator Nonini seconded the motion. Representative Clow preferred "advisory committee." Representative Rusche disapproved of "advisory." He stated that the players should be making the decisions. Representative Chaney noted that other agencies have advisory committees for feedback and that it would not diminish the role of the committee. The motion carried by unanimous voice vote.

Senator Davis recommended drafting legislation. Co-Chair Mortimer and Co-Chair Malek will work with LSO staff to draft legislation and advance the progress of the broadband committee's efforts. He stated that draft legislation would be circulated electronically prior to start of the next legislative session.

Representative Rusche stated that the broadband committee had an opportunity to help citizens with telecommunications development and suggested extending service and increasing speed used in economic development, government services, public safety, health care, and items important for small cities and economies in Idaho. He added that small, rural cities without telecommunications would dry up and blow away. Representative Rusche stated that he was surprised to hear that Idaho Transportation Department was not laying conduit when repairing roads. He recommended that the Department of Commerce or Idaho Rural Partnership lead advocacy for broadband telecommunications expansion and work with local communities and industries, facilitate the development of memoranda of understanding for anchor tenants to help draw out the infrastructure, report to the legislature on the extent, adequacy, and cost of the broadband telecommunications in Idaho, and report to the germane committee's annually. Representative Rusche motioned that this committee recommend the development of broadband advocacy capacity within the Department of Commerce and that the department report progress to the germane committees during the 2016 legislature. Senator Nonini seconded the motion, and passed by unanimous voice vote. Representative Rusche emphasized that the Department of Commerce was where the advocacy should be placed and that Idaho was behind in access to current telecommunications and was a detractor on business development. Senator Schmidt agreed that the Department of Commerce was the best. Co-Chair Mortimer suggested adding more definition to the recommendation. Representative Rusche suggested it be left up to the director of the Department of Commerce to pull together a plan then advise the legislature what was needed to implement the plan. Senator Nonini noted that Director Sayer had some ideas and also recommended getting direction from the director.

Representative Clow recommended simplifying the committee make-up by stating that school districts simply appoint two members. Senator Keough suggested that the school board association appoint their members and delineate that those members represent small and large schools to add diversity. Mr. Goodman stated that IETA's proposal included number of students to meet the different needs of school districts. Co-Chair Mortimer agreed with stating large and small districts and clarified the distinction between school board associations and office of the superintendent. Senator Schmidt asked Mr. Goodman at what level does IETA place technology support in schools.

Mr. Goodman responded that there was no funding mechanism in Idaho for technology directors and that there was no level at which a school was assigned a technology support position; however, the IETA approximates at 1,000. Representative Clow noted concern about varying designees attending meetings and recommended designating a consistent person. Co-Chair Mortimer suggested clarifying the superintendent's designee. Representative Chaney stated that an administrator needed to attend. Representative Chaney motioned that the only the superintendent attend and to not allow a designee. Representative Clow seconded the motion. Senator Davis clarified that the motion was to remove the power of the superintendent to have a designee. Representative Chaney confirmed and added that it would prevent someone other than an administrator from attending. Co-Chair Mortimer clarified that it would ensure that some with administrative experience would be in attendance. He asked Mr. Goodman if there would then be enough technology people in attendance. Mr. Goodman recommended more than two technology people. Representative Rusche agreed and recommended three technology people.

Senator Schmidt opposed Representative Chaney's motion disallow superintendent designee because the superintendent would nominate an appropriate person anyway, that there would be a responsible process, and that a designee might be needed. Co-Chair Mortimer requested a roll-call vote. The motion failed having three voting aye, six nay, and one absent.

Representative Rusche withdrew his recommendation for three technology people.

Senator Schmidt recommended specifying the number of students in large versus small schools. Mr. Headlee stated that the majority of schools have under 500 students and approximately a handful are over 5,000. Senator Schmidt motioned that the district size be 5,000 students for the first member and less than 1,000 for the second member. Senator Keough seconded the motion and passed by unanimous voice vote.

Senator Davis suggested adding a middle range and motioned to amend Senator Schmidt's motion by adding a member to represent 1001-4999 students. Senator Nonini recommended keeping seven members total on the committee. Representative Chaney seconded the amended motion and passed by majority voice vote, with Senator Nonini voting nay.

Co-Chair Mortimer recommended a motion enabling the co-chairs to draft legislation. Senator Schmidt motioned that the committee encourage, facilitate support, foster, and instruct the co-chairs to draft legislation for the coming legislative session along the lines directed by the committee. Representative Rusche seconded the motion and passed by unanimous voice vote.

Representative Clow asked if the committee wanted to recommend longer term contracts. Representative Rusche asked if the committee preferred that the advocacy role within the Department of Commerce be in a resolution. Co-Chair Mortimer responded that a letter of recommendation would suffice due to time. Senator Schmidt agreed with Co-Chair Mortimer and added that the timing would not allow addressing longer contracts and that there was not a clear starting point or funding process. Mr. Goodman stated there was five months from when the window closes for filing for E-rate and the contracts can start. Senator Davis suggested adding contract terms to the committee's make-up under powers and duties. Representative Clow motioned that the committee recommend terms of contracts. Senator Schmidt seconded the motion. Representative Clow noted that contracts need the flexibility to adapt to state and federal laws. The motion passed by unanimous voice vote.

Senator Schmidt asked the co-chairs to consider the ongoing oversight of the committee. Senator Davis asked if an oversight committee was necessary and suggested that the House and Senate education committees have oversight and receive reports. Mr. Goodman recommended that the co-chairs also consider how funding could be distributed fairly and referenced the IETA's proposed legislation. Mr. Goodman also noted there was confusion about the ownership of equipment from the IEN. He stated that the Department of Administration currently owned the equipment and that it was housed within the state and local school districts. Mr. Goodman referenced the IETA's proposal

dealing with the equipment. Senator Davis motioned that the state of Idaho reimburse 90 percent of the non-E-rateable portion of the expenses or cost. Senator Schmidt seconded the motion. Mr. Goodman noted that there could be a higher impact on budgets of smaller rural districts. Senator Schmidt stated that the goal of public policy was to improve service and minimize cost to the taxpayer. He stated that no one wants to write a blank check for broadband services and that the state should incentivize what is needed. Senator Schmidt noted concern that the committee might be micromanaging by setting a set reimbursement amount. Senator Davis withdrew his motion.

Senator Davis motioned that the committee's make-up include the IETA's proposed language in Idaho Code Section 67-9204(4)-(6) and an incentive process. Senator Schmidt seconded the motion and passed by unanimous voice vote.

Senator Schmidt recommended that the committee address video conferencing equipment. Co-Chair Mortimer recognized the importance and asked if it needed to be in separate legislation. Co-Chair Mortimer referred to Mr. Zickau regarding the process of moving the equipment and related costs. Mr. Zickau responded that the equipment was currently under the control of the state Department of Education, although physically owned by the Department of Administration. He stated that a memo of agreement was signed by the Department of Administration giving control to the Department of Education, but the direction of state policy was unclear. Mr. Zickau recommended that the Department of Education handle the transfer. Co-Chair Mortimer asked if the state owned the equipment regardless its location. Mr. Zickau confirmed the state's ownership. Co-Chair Mortimer clarified that the issue was cost of transferring the equipment, not ownership. Mr. Zickau suggested that the cost of maintaining the equipment also be considered. Mr. Goodman stated that a deputy attorney general's unofficial opinion was that ownership could not be simply transferred through a memorandum without being signed over and that paperwork would be involved. Co-Chair Mortimer asked Mr. Headlee and LSO to research the process of transferring equipment.

Mr. Headlee stated that the Department of Administration had language in their appropriation bill limiting the state agency contracts to one year. He stated that the committee and JFAC would benefit from exploring the one-year limit and asked Mr. Zickau to comment. Mr. Zickau replied that there were several technology contracts administered by the Department of Administration; Internet access, wide-area network services, and broadband services within Ada and Canyon counties. He stated that voiding the IEN contracts impacted telecommunication services to state agencies outside of Ada and Canyon Counties and that approximately 180 circuits and 121 agencies were involved. Mr. Zickau stated that an emergency contract was put in place with the intent to have a properly competed open contract, which the department was currently in the transition process. He stated that a contract was established with Syringa for 100 of the 180 circuits because there were substantial cost savings to the agencies. For the remaining 80, there would be price increases, so the department re-bid. Mr. Zickau stated that it would take until March 2016 to transition those 100 contracts. Mr. Zickau stated that there was a substantial amount of work involved in transitioning from one telecommunications provider to another when dealing with 180 different circuits. He stated that the man hours alone exceeded 3,000-4,000 and added one-time costs of \$100,000 to \$200,000. He stated that it would be advantageous to the department if the committee would allow more flexibility in the contract process and suggested, at a minimum, a series of one-year extensions. Senator Schmidt asked if the department would fall under state purchasing laws if nothing was done. Mr. Headlee confirmed; however, the re-bid contract would still be limited to a one-year contract because it was entered into in the current fiscal year. Senator Schmidt recommended that the committee communicate to the legislature that longer term contracts were in the best interest of the state. Mr. Headlee added that in the absence of language in FY17 appropriations, the default would be to purchasing laws and that the committee could add extensions.

Senator Davis asked if there was an outlier date if someone wanted a 10-year contract. He stated that open-end agreements were proven to cause concern. Mr. Zickau responded that the typical telecommunications terms were three to five years. He stated that beyond three years, a provision

for technology refresh needed to be in place, which was included in the IEN and was why the department was able transition from old to modern technology and copper to fiber within the contract. Mr. Goodman discouraged going beyond five years. Senator Davis stated that the issue may be better suited for the purchasing laws committee. He asked, however, if the broadband committee should specify that the term not exceed a certain number of years or it be left up to the committee to establish by administrative rule. Senator Schmidt noted that every contract was subject to appropriation. Senator Davis replied that there was substantial legal exposure if that was the basis of getting out of a contract and that a non-appropriation would not solve the problem and recommended legislative sideboards.

Co-Chair Mortimer stated that a lot of work still needed to be done. He thanked the committee, LSO staff, and audience members. Co-Chair Mortimer wished everyone a very Merry Christmas and a happy new year and the meeting was adjourned at 3:07 p.m.

An outline reflecting the motions passed by the broadband committee on December 21, 2015, creating the oversight committee can be found at:

[http://legislature.idaho.gov/sessioninfo/2015/interim/151221\\_basc\\_04\\_Motion\\_from\\_12212015\\_Meeting.pdf](http://legislature.idaho.gov/sessioninfo/2015/interim/151221_basc_04_Motion_from_12212015_Meeting.pdf)