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SENATOR FISCHER: Thank you. Senator Raikes, can you explain part of this, the financing for it? On the sheet here it says a new allowance in the state aid formula...

SENATOR RAIKES: Right.

SENATOR FISCHER: ...is...would individualize the telecommunications and data transmission costs for school systems. What does that mean?

SENATOR RAIKES: Basically, that's addressing the issue of the costs incurred in transmission or participating in a technology system like this, for a school district that's located a long ways from the trunk line or base point, if you will, as compared to one that's very close. So that by doing the analysis, you're actually paying or calculating needs, technically, for school districts, according to what they actually spend, rather than what the average district spends.

SENATOR FISCHER: So currently now, if school districts received a grant for their equipment that they put in to begin with, and then they have a yearly...my understanding is there's a yearly contract fee then that they pay to their provider.

SENATOR RAIKES: Telecom provider, yes.

SENATOR FISCHER: Okay. Under this, then, basically that yearly fee that districts pay to their provider will be an allowance in the...

SENATOR RAIKES: Would be the subject of a calculated allowance, you're right. And it would be net of E-rate, too. E-rate is another federal program, actually, that reduces the cost of these sorts of services for school districts.

SENATOR FISCHER: Okay. Lottery funds are going to help update equipment; is that correct?

SENATOR RAIKES: Both update equipment, Senator, and also pay for the incentives, incentive monies that schools get by sharing