

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1613 CS Providing Discounted Computers to Low-Income Students
SPONSOR(S): Jennings and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 1724

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>PreK-12 Committee</u>	<u>8 Y, 0 N, w/CS</u>	<u>Howlette</u>	<u>Mizereck</u>
2) <u>Education Appropriations Committee</u>	<u>15 Y, 0 N</u>	<u>Hammock</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The bill requires the Department of Education (DOE) to negotiate with computer manufacturers and internet access providers to offer computers and internet access services to students enrolled in grades 5 through 12 at discounted prices. There is currently no statewide program to provide computers to students at discounted prices or to provide computers directly to low-income students.

The bill directs the Digital Divide Council to implement a pilot project to assist low-income students to purchase discounted computers and internet access services as negotiated by DOE.

The bill has an effective date of July 1, 2005.

Specific Appropriation 99 in HB 1885 (House Appropriations Bill for Fiscal Year 2005-2006) provides \$50,000 for the Digital Divide Computer Assistance Pilot Program. Any other potential fiscal impact on state and local government is indeterminate. See FISCAL COMMENTS for details.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill establishes a new program within the Department of Education, and requires rule-making to implement the program. The program involves a contract with private industry, however.

Empower families- The bill provides support for families to acquire computers for their students.

B. EFFECT OF PROPOSED CHANGES:

The 2004-2005 fiscal year budget provided \$49.9 million for public school technology, which is allocated to districts on a per-student basis. Districts use these funds for a number of different technology needs and initiatives. There is currently no statewide program to provide students with discounted computers or to provide computers directly to low-income students.

The bill requires the Department of Education (DOE) to negotiate with computer manufacturers to offer computers to students at discounted prices. The contract may also include discounted computer accessories. The discounted computers must include a hardware and software package with at least a word processor, software and hardware to enable broadband internet access, and an operating system. The contract must also address the type of warranty to be provided to the students and whether or not an extended warranty will be made available. The bill also requires DOE to negotiate with broadband internet access providers for discounted broadband internet access. In areas where broadband internet access is not currently available, DOE must negotiate with non-broadband providers. Students would be eligible for the discounted prices on computers and broadband internet services if they are enrolled in grades 5 through 12 in a public school in the state.

The bill requires DOE to adopt rules regarding the integration of the program into computer training provided at the district level. The department must also develop rules regarding how parents and students will be notified of the discounted choices available, the distribution of eligibility certificates to students and how and where computers and internet access service will be available for purchase.

The bill also establishes a pilot project to assist low-income students to purchase the discounted computers and internet access services as negotiated by DOE. The project will be implemented by the Digital Divide Council, which will identify the counties, grade levels, and low-income eligibility criteria for participation in the project. The bill provides that the project is funded in an amount to be determined in the General Appropriations Act (See FISCAL COMMENTS); the Council is authorized to accept grants from additional public and private sources for the project.

The bill would enable students to purchase computers who may not have otherwise been able to purchase them, which would increase opportunities for students' technological education.

C. SECTION DIRECTORY:

Section 1. Creates an unnumbered section of law to establish a program to offer computers and internet access to students at a discounted price.

Section 2. Creates an unnumbered section of law to establish a pilot project to provide computers and internet access to low-income students at a discounted price. References funding provided in the General Appropriations Act.

Section 3. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a fiscal impact on local government revenues.

2. Expenditures:

See FISCAL COMMENTS.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may enable students, including low-income students, to purchase computers who would be otherwise unable to purchase them at full-price. Though the manufacturers and providers with whom DOE negotiates contracts would be offering the computers and internet services at a reduced price, the manufacturers and providers will still be selling computers and internet access to a population who might not otherwise purchase them.

D. FISCAL COMMENTS:

Specific Appropriation 99 in HB 1885 (House Appropriations Bill for Fiscal Year 2005-2006) provides \$50,000 for the Digital Divide Computer Assistance Pilot Program. Any other potential fiscal impact on state and local government is indeterminate.

The administrative cost to DOE to negotiate with computer manufacturers and internet access providers and adopt rules for the program is indeterminate. The State Technology Office may already have such negotiation information available minimizing the administrative cost to the department.

The fiscal impact on local school districts due to integrating computer and technical training to students is indeterminable.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to spend funds or to take any action requiring the expenditure of funds.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

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C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

At its March 29, 2005, meeting the PreK-12 Committee adopted a strike-all amendment. This bill analysis reflects the bill as amended.