

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 765  
**SPONSOR(S):** Jennings  
**TIED BILLS:**

Discounted Computers and Internet Access for Students

**IDEN./SIM. BILLS:** SB 502

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Choice & Innovation Committee	7 Y, 0 N	Hunker	Kooi
2) Education Appropriations Committee	17 Y, 0 N	Eggers	Hamon
3) Education Council		Hunker	Cobb
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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### SUMMARY ANALYSIS

This bill creates a program to offer computers and broadband Internet access at a discounted price to students enrolled in grades 5 through 12. The program requires the Department of Education (DOE) to negotiate with computer manufacturers and nonprofit corporations that obtain reconditioned computer hardware over the prices, hardware and software packages, warranties, and internet access packages. The bill directs the State Board of Education to make rules regarding implementation of the program.

The bill also creates a pilot project to be implemented by the Digital Divide Council in consultation with DOE to assist low-income students in purchasing discounted computers and Internet access services as negotiated by the DOE. The pilot project is to be funded in an amount determined by the General Appropriations Act, and the Digital Divide Council may accept additional grants from public and private sources to implement the project.

The fiscal impact of the bill would be determined in the General Appropriations Act. See the FISCAL COMMENTS section of the analysis.

The bill states that it shall take effect July 1, 2006.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

*Provide Limited Government* – This bill grants rulemaking authority to the State Board of Education to implement the discounted computers and internet program.

*Empower Families* – This bill benefits parents of public school students in grades 5 through 12 by providing them with an option to purchase discounted computers and internet packages negotiated by the Department of Education (DOE).

#### B. EFFECT OF PROPOSED CHANGES:

The 2005-2006 fiscal year budget provided \$49.9 million for public school technology, which is allocated to districts on a per-student basis. Districts use the funds for a number of technology needs and initiatives. Currently, there is no statewide program that provides students with discounted computers and internet access or that provides assistance to low-income students for the purchase of a computer and internet access.

This bill requires DOE to negotiate with computer manufacturers and with nonprofit corporations that obtain reconditioned computer hardware concerning prices of discounted computers and accessories, specialized software and hardware packages, and warranties. Also, the DOE is required to negotiate with broadband Internet access providers the prices of broadband Internet access packages and with non-broadband internet access providers in areas where broadband internet access is unavailable.

The bill requires the State Board of Education to adopt rules that provide for the integration of computer or technical training to students, the notification to parents of the discounted computer and Internet access choices available, the distribution of eligibility certificates, the locations where the discounted computers and Internet services are available, and how students may obtain and pay for the equipment and services.

The bill also creates a pilot project to be implemented by the Digital Divide Council in consultation with the DOE.<sup>1</sup> The bill creates this program to assist low-income students to purchase the discounted computers and Internet access services as negotiated by the DOE. The Digital Divide Council is required to identify the counties, grade levels, and low-income eligibility criteria for participation in the pilot project. The bill provides that the pilot project shall be funded through the General Appropriations Act and that the Digital Divide Council may accept grants from additional public and private sources to implement the project.

#### 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.

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<sup>1</sup> The Digital Divide Council was established by the 2001 Legislature and was created within the State Technology Office (STO). The STO was abolished in the 2005 Legislature Session; however, the Council is presently reorganizing under new council membership and will focus much of its future work on the coordination of multiple initiatives and funding streams from local and state organizations to impact technology literacy, accessibility, and learning for struggling and low income students and their families.

*Senate Staff Analysis and Economic Impact Statement: SB 502, prepared by the Education Committee, 2006.*

Section 3: Provides an effective date of July 1, 2006.

## 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:

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

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill may create an opportunity for parent-consumers to purchase computers and Internet services that would not otherwise exist. The manufacturers and non-profit organizations providing the computers may make sales to parent-consumers that would not otherwise have taken place.

### D. FISCAL COMMENTS:

There will be an increase in state government expenditures to the extent the program and pilot project are funded by the General Appropriations Act (GAA). The House proposed General Appropriations Act (House Bill 5001, Specific Appropriation 138) contains \$1.7 million for Santa Fe Community College to implement a Rural and Urban Technology Initiative in a manner similar to the provisions of this bill.

There may be an indeterminate cost to the Department of Education for the costs associated with organizing the program, negotiating prices with computer manufacturers and internet service providers, and providing computer and technical training to students.

## 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.

This bill does not reduce the authority of counties or municipalities to raise revenues.

This bill does not reduce the percentage of a state tax shared with cities and counties.

#### 2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

The bill requires the State Board of Education to adopt rules regarding integration of the pilot program into training students at the district level. It also directs the State Board of Education to make rules on notifying parents of the discounted computer and Internet access choices available, the distribution of eligibility certificates to students, and how and where computers and internet access service will be made available for purchase.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**