

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6640
BILL NUMBER: SB 619

DATE PREPARED: Dec 10, 1998
BILL AMENDED:

SUBJECT: School Corporation Technology Fund

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill would require that school corporations establish a School Technology Fund beginning January 1, 2000.

It would require that monies appropriated from a school corporation's General Fund for technology purposes, plus grants, donations, and other funds received for technology purposes, be transferred to the School Technology Fund. It would require that any savings realized by a school corporation (as a result of federal legislation calling for Universal Service Discounts) be used for technology purposes.

This bill would permit money in the school corporation technology fund to be used for certain technology purposes. It would restrict use of money in the school corporation technology fund for administrative software.

It would not allow property taxes levied by a school corporation for a Capital Projects Fund to be transferred to the School Technology Fund. However, school corporations would be allowed to use monies from the School Technology Fund to pay for technology related items from the Capital Projects Fund in accordance with current law, and for wiring; computer networks; and telephone access systems used to connect with computer networks or electronic gateways. It would not allow school corporations to levy taxes for the School Technology Fund.

It would require that each school corporation file an annual report concerning technology expenditures with the Superintendent of Public Instruction's, Educational Technology Council, Special Assistant for Technology.

Effective Date: January 1, 2000.

Explanation of State Expenditures: Under current law, the Educational Technology Council exists to

advise the Superintendent of Public Instruction and the Governor on education related technology initiatives.

This bill would require the Superintendent of Public Instruction's Special Assistant for Technology to compile expenditure reports, and then annually distribute them to the Educational Technology Council. Since the Special Assistant and the Educational Technology Council already exist, and are performing duties in accordance with current law, this portion of the bill would likely result in minimal administrative costs to the Department of Education.

Explanation of State Revenues:

Explanation of Local Expenditures: In accordance with this bill, school corporations would be required to transfer the following monies for technology related items to its School Technology Fund: 1) monies appropriated from a school corporation's General Fund for technology purposes; 2) grants, donations, and other funds received for technology purposes; and 3) savings realized as a result of federal legislation calling for Universal Service Discounts.

However, school corporations would not be allowed to transfer property taxes levied for a Capital Projects Fund to the School Technology Fund. School corporations, nonetheless, would be allowed to use monies from the School Technology Fund to pay for technology related items from the Capital Projects Fund in accordance with current law, and for wiring; computer networks; and telephone access systems used to connect with computer networks or electronic gateways..

SCHOOL CORPORATION TECHNOLOGY REVENUES

TECHNOLOGY GRANTS, GIFTS, & ENDOWMENTS

Under current law, school corporations are allowed to receive the following technology grants from the State: 1) the 4R's Technology grant; and 2) the Technology Plan grant. This bill would require that school corporations deposit these grants into the School Technology Fund.

Also under current law, school corporations are allowed to deposit monies received for specific purposes by gift or endowment into separate funds other than the school corporation's General Fund. This bill would require that a school corporation deposit these funds (if the funds relate to certain technology expenses provided for by the Capital Projects Fund, or by other certain technology programs) into the School Technology Fund.

This bill would also require a school corporation to deposit technology monies already appropriated from its General Fund for technology purposes to the School Technology Fund.

UNIVERSAL SERVICE DISCOUNTS

Under current law, a school corporation is allowed to receive universal service discounts (provided under the federal Telecommunications Act of 1996) on all telecom services and Internet access. This bill would require that a school corporation deposit these savings into the School Technology Fund.

CAPITAL PROJECTS FUND

Under current law, monies from a school corporation's Capital Projects Fund may be used for the following technology purposes: 1) to purchase, lease, upgrade, maintain, or repair computer hardware and/or software; 2) to pay for the services of full-time or part-time computer maintenance employees; 3) to conduct nonrecurring in service technology training of school employees; 4) to fund the payment of advances from the Common School Fund for educational technology programs; 5) to fund the acquisition of any equipment or services necessary to implement a technology preparation curriculum; and 6) to provide educational technologies under various initiatives such as the Buddy System project and the 4R's program.

Also under current law, monies from a school corporation's Capital Projects Fund may be used to fund the following: 1) planned construction, repair, replacement, or remodeling; 2) site acquisition and development; 3) repair and replacement due to emergencies; and 4) equipment maintenance as well as other capital expenses such as the purchase of building sites and materials.

For CY 1998, 293 out of 294 school corporations levied a Capital Projects Fund property tax.

USES OF THE SCHOOL TECHNOLOGY FUND

In addition to Capital Projects Fund technology costs associated with telephone access systems (used to connect computer networks or electronic gateways), school corporations could use monies from the School Technology Fund for the following: 1) video distance learning; and 2) for components of the Educational Technology Program.

However, it would prohibit funding, from the School Technology Fund, of computer software solely for administrative purposes such as payroll and attendance records.

REPORTING PROCEDURES

This bill would require (before February 15th of each year) that school corporations file a technology expenditure report with the Superintendent of Public Instruction. This portion of the bill would likely result in a minimal increase in administrative costs and time to school corporations. The specific effects of this portion of the bill would vary from school corporation to school corporation.

The overall effects of this bill would vary from school corporation to school corporation, and would depend upon the total amount of technology related monies transferred the School Technology Fund.

Explanation of Local Revenues: See Explanation of Local Expenditures.

State Agencies Affected: Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: SAS Data Base, Department of Education.