

STORAGE NAME: h1045.it.doc
DATE: April 2, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
INFORMATION TECHNOLOGY
ANALYSIS**

BILL #: HB 1045
RELATING TO: Workforce Improvement/Technology
SPONSOR(S): Representative Jennings
TIED BILL(S): HB 1109

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) INFORMATION TECHNOLOGY
 - (2) EDUCATION APPROPRIATIONS
 - (3) COUNCIL FOR READY INFRASTRUCTURE
 - (4)
 - (5)
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I. SUMMARY:

HB 1045, the counterpart to HB 1109, establishes guidelines for the administration of the Digital Divide Trust Fund created in HB 1109. HB 1045 provides the purposes and goals for the administration of the fund. The Office of Information Technology in the Executive Office of the Governor (i.e., the State Technology Office) would administer the fund. Trust funds would be provided by appropriation and by contributions from private entities that seek to establish public-private partnerships with the state to accomplish the fund's goals. HB 1045 also provides that a steering committee shall provide direction to the Office. The steering committee would be comprised of the heads of government entities related to workforce development, information technology, and education.

HB 1045 would provide that the goals for the fund's administration would be related to increasing the role of information technology in the educational environment. Moneys from the fund would be available to upgrade software in schools, purchase technology devices for children in schools, and train education professionals on the use of technology in their classrooms.

If enacted, HB 1045 would take effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- 1. Less Government Yes No N/A
- 2. Lower Taxes Yes No N/A
- 3. Individual Freedom Yes No N/A
- 4. Personal Responsibility Yes No N/A
- 5. Family Empowerment Yes No N/A

For any principle that received a “no” above, please explain:

The bill would require that the trust fund be administered by government entities related to information technology, workforce development and education.

B. PRESENT SITUATION:

The Internet is becoming an increasingly vital tool in our information-based society. The development of technology is increasingly offering options to citizens to conduct their activities online, and Americans are responding. More Americans are going online to conduct day-to-day activities such as business transactions, personal correspondence, research, information gathering, and shopping. Each year, being digitally connected becomes more critical to economic, educational, and social advancement.¹ Because a larger percentage of Americans regularly use the Internet to conduct daily activities, people who lack access to those tools are at a growing disadvantage. A report published by the U.S. Department of Commerce entitled *Falling Through the Net: Toward Digital Inclusion* (hereinafter “*Falling Through the Net*”) stated that increasing the number of Americans using technology tools was a vitally important national goal.

The *Falling Through the Net* report measured the extent of digital inclusion by looking at households and individuals that have a computer and an Internet connection. The “digital divide” was measured by the differences in the shares of each group that is digitally connected. The report compared data from a recent survey in August 2000 with an earlier survey conducted in December 1998. The data indicated that the overall level of digital inclusion in the United States was rapidly increasing. Specifically, the report made the following findings:

Criteria Measured	December 1998	August 2000	Difference
Households with Internet Access	26.5%	41.5%	15.3% (a 58% increase)
Households with computers	42.1%	51.0%	8.9%
Americans online some time during the month	31.9 million	116.5 million	84.6 million
Share of individuals using the Internet	32.7%	44.4%	11.7% (a 35.8% increase)

¹ See U.S. Dep’t of Commerce, *Falling Through the Net: Toward Digital Inclusion* at xv (October 2000), available at <http://www.ntia.doc.gov/ntiahome/digitaldivide/execsumfttn00.htm> (last visited April 2, 2001).

Of the 6,235 persons the Census Bureau surveyed in Florida, 50.1% owned a computer; 43.2% had Internet access.

The report also indicated that the increasing use of technology was occurring among most groups of Americans, regardless of income, education, race or ethnicity, location, age or gender. The report indicated that groups that have traditionally been digital “have nots” are now making dramatic gains:

- The gap between rural households and households nationwide that access the Internet narrowed from 4.0% in 1998 to 2.6% in 2000.
- Americans at every income level are connecting at higher rates from their homes, particularly at middle income levels.
- Access to the Internet is expanding across every educational level, particularly for those with some high school or college education.
- African Americans and Hispanics, while they still lag behind other groups, are increasingly gaining Internet access. African American households were twice as likely to have home Internet access than they were 20 months prior, rising from 11.2% to 23.5%. Hispanic households have also experienced a similar increase, rising from 12.6% to 23.6%.
- The statistical difference in Internet usage between men and women has disappeared.
- Individuals 50 years of age and older – while less likely than younger Americans to use the Internet – *experienced the highest rates of growth in Internet usage groups.*

Despite these impressive gains, the *Falling Through the Net* report found that a digital divide remains, and has expanded slightly in some cases. Noticeable divides still existed between those with different levels of income and education, different racial and ethnic groups, old and young, single and dual-parent families, and those with and without disabilities. The following illustrations are copied from the *Falling Through the Net* report’s website at <http://www.ntia.doc.gov/ntiahome/ftn00/charts00.html#f16> (last visited April 2, 2001) (Staff apologizes for the image quality of the graphs).

**Figure II-4
Internet Use by Race/Ethnicity**

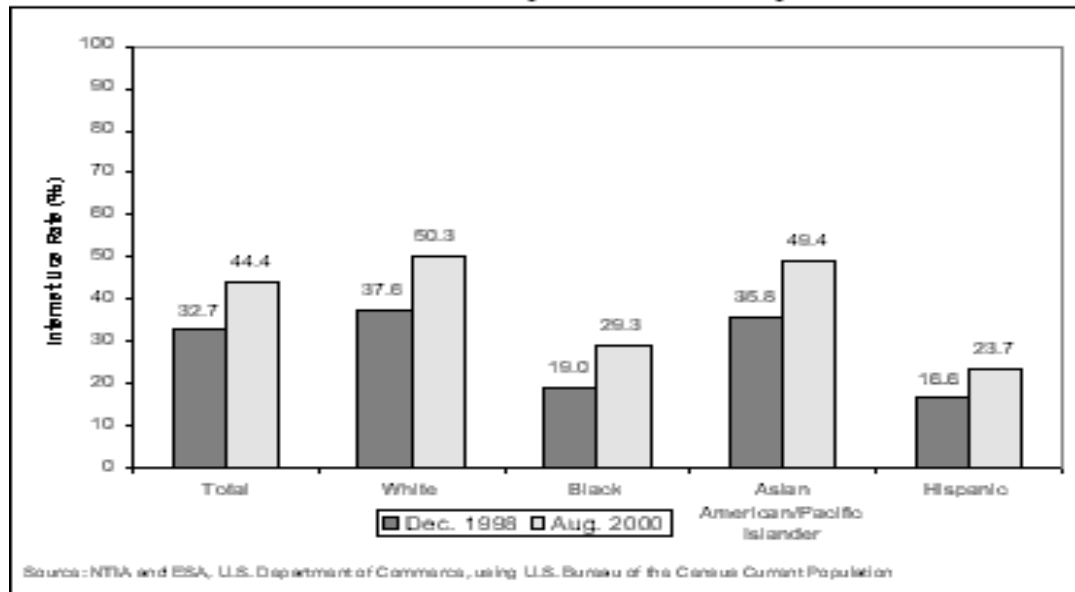


Figure II-3
Internet Use by Income (\$000)

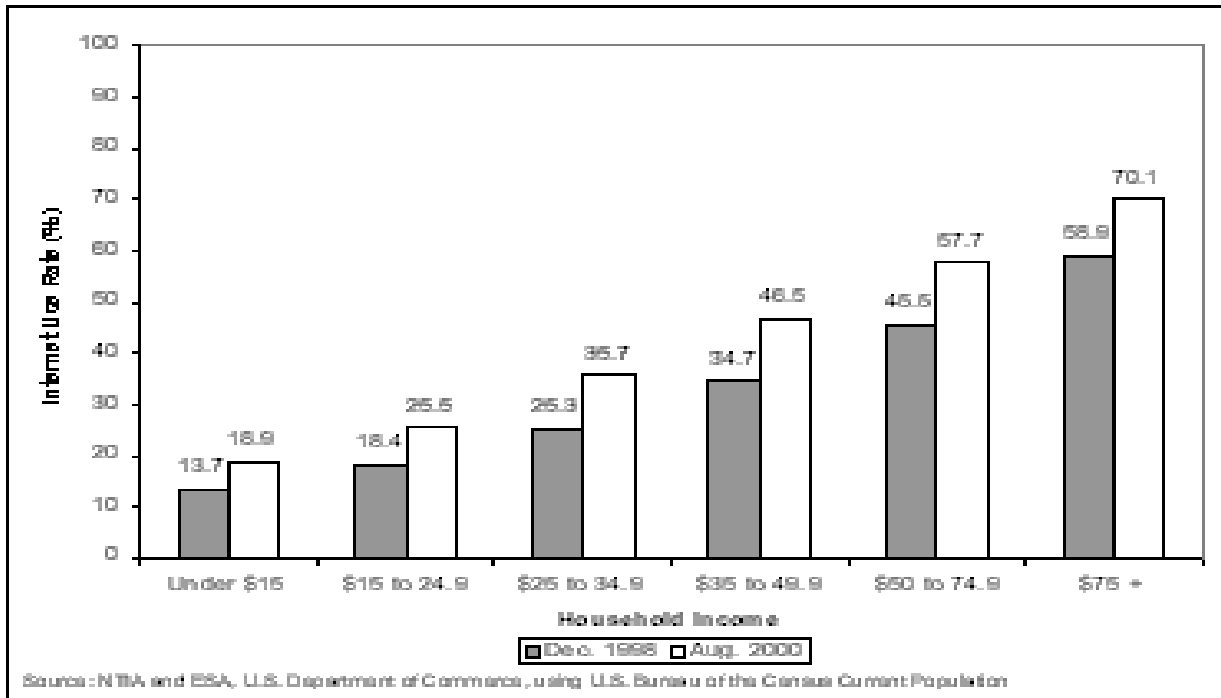
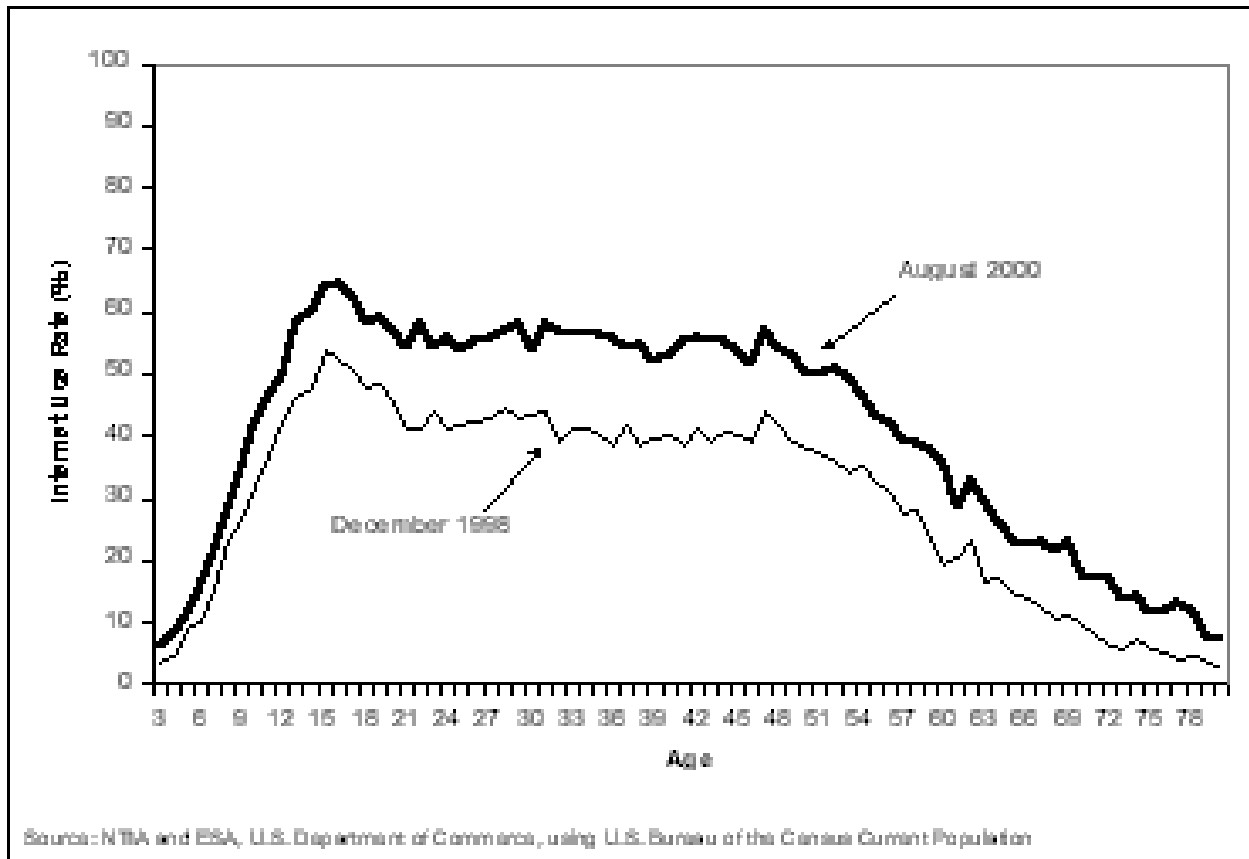


Figure II-2
Broad Increases in Internet Use Since 1998



Notable statistics from the report include:

- Persons with a disability were only half as likely to have access to the Internet as those without a disability.
- African American and Hispanic households experienced the lowest rate of Internet usage at 23.5% and 23.6%, respectively. The national average was 41.5%. The gap for these minority households was approximately 18%. The gap for African American households has widened by 3% since 1998. The gap for Hispanic households widened by 4.3% during the same period. A similar gap existed for computer usage at home for both groups and had not statistically changed since 1998.
- While about a third of the U.S. population uses the Internet at home, only 16.1% of Hispanics and 18.9% of African Americans used the Internet at home.
- Differences in income and education only accounted for about half of the difference in the current divide.
- A gap exists between the old and the young. At 29.6%, individuals 50 years of age and older were the least likely Internet users. Of those individuals over the age of 50, retired or unemployed were the least likely Internet users, at only 16.6%.

C. EFFECT OF PROPOSED CHANGES:

HB 1045, and its counterpart HB 1109, would create The Digital Divide Trust Fund to be administered by the Office of Information Technology within the Executive Office of the Governor (i.e., the State Technology Office). The bill would provide the purpose of the trust fund, examples of efforts for which the trust fund money could be spent, and the manner in which the trust fund is to be administered.

HB 1045 states that the purpose of the bill is:

- To make Florida a more e-commerce, e-friendly state;
- To provide access to technology to create more well-rounded students and citizens;
- To enhance the lives of students and citizens through access to technology;
- To improve Florida's workforce by providing an opportunity for students in high-poverty areas and low performing schools to have access to technological resources; and
- To enhance the ability of teachers to integrate technology into their curriculum.

To accomplish these goals, HB 1045 would require that the trust fund be administered to include certain efforts relating to improving the educational environment by incorporating technology into the curriculum.

HB 1045 would provide that the Digital Divide Trust Fund, if created by law, be administered by the Office of Information Technology within the Executive Office of the Governor. A steering committee would provide direction for the administration of the fund. The steering committee would be comprised of the heads of:

- The State Technology Office;

- Workforce Florida, Inc.;
- itflorida.com, Inc.;
- The Department of Education; and
- The Agency for Workforce Innovation.

The Digital Divide Trust Fund would be funded by state appropriations and by private entities seeking to participate in public-private partnerships to enhance student academic achievement and workforce readiness. The bill appears to require that private entities seeking to contribute to the fund participate in such a partnership in order to be eligible to contribute.

HB 1045 also specifies a wide variety of uses geared towards enhancing the role of technology in all facets of the education process. Trust fund moneys would be available to:

- “Adapt or expand existing and new applications to meet the goals of this section.” This language would apparently include using trust funds to upgrade software in schools to provide students with modern software designed to increase student achievement and improve students’ ability to participate in the workforce.
- “Develop programs to integrate advanced technologies into the curriculum and use of those technologies to create new learning environments, including training in the use of advanced technology to access data and resources to develop curricula and instructional materials...” This language would apparently permit trust funds to be used for training educational personnel to utilize information technology resources to enhance their ability to integrate technology into their teaching process.
- “Develop opportunities for teachers, students, and parents to retrieve web-based learning resources.”
- “Acquire wireless telecommunications, hand-held devices, modeling or simulation tools, distance learning networks, and other advanced technologies with classroom applications.”
- “Acquire proven and effective technology-based curricula programs that will help students achieve high standards and enable parental and family access to advanced telecommunications, and support communication between family and school.”
- “Acquire wiring and access to advanced technologies and telecommunications.”
- “Use web-based learning resources, including those that provide access to challenging academic courses as well as workforce readiness skill courses.”
- “Assist in the use of technology to promote parent and family involvement and in support of communications between student, teacher, family, and school.”

HB 1045 appears to contemplate a discretionary or competitive grant process for distribution of the trust funds but does not specify how projects will be selected for funding. The bill does not specify whether the Office of Information Technology (i.e., the State Technology Office) or the steering committee, or both, will be directly involved in decisions relating to the distribution of the fund. Additionally, although the bill would require that the steering committee provide “direction” to the Office of Information Technology, the bill does not describe what policy guidelines the committee is to use in making recommendations.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

HB 1045 does not appear to impact the state's ability to raise revenues.

2. Expenditures:

Although HB 1045 contemplates the distribution of funds into the Digital Divide Trust Fund, the bill does not provide for an appropriation.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

HB 1045 does not appear to impact the ability of local governments to raise revenues.

2. Expenditures:

HB 1045 does not require that local governments expend any funds.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

HB 1045 does not impose any additional costs on the private sector and the bill appears to encourage partnerships between private entities and the state to accomplish the bill's goals. The private sector appears to be the source for the development of much of the technology that HB 1045 contemplates purchasing. Thus, the information technology industry may benefit from participation

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not alter the revenue raising authority of local governments.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not alter the proportion of state tax shared with counties or municipalities.

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

HB 1045 does not appear to present any constitutional issues.

B. RULE-MAKING AUTHORITY:

HB 1045 does not appear to delegate or modify the rulemaking authority of any agency.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON INFORMATION TECHNOLOGY:

Prepared by:

Staff Director:

Richard Martin

Charles Davidson