

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1462

SPONSOR: Senator Klein

SUBJECT: Workforce Improvement; Access to Technology

DATE: April 19, 2001

REVISED: 04/23/01 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>AGG</u>	_____
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill establishes legislative intent to make the state more e-commerce and e-friendly. It provides for administration of the Digital Divide Trust Fund by the Office of Information Technology within the Executive Office of the Governor. It provides for a steering council and establishes uses for the trust fund.

This bill creates an undesignated section of law.

II. 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. 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)

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

The report also indicated that increased use of technology is 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 percent in 1998 to 2.6 percent 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 percent to 23.5 percent. Hispanic households have also experienced a similar increase, rising from 12.6 percent to 23.6 percent.
- 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.

Notable statistics from the report include:

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

III. Effect of Proposed Changes:

The bill provides a statement of legislative intent that it is the purpose of the act to make Florida a more e-commerce and e-friendly state. The intent of the bill is to provide access to technology to create a more well-rounded student and citizen, to enhance students' and citizens' lives through access to technology, and to increase the capacity of state and local educational and workforce readiness agencies to improve access to technology.

These efforts include, but are not limited to:

- < Use of technology to position Florida as an e-commerce leader and to provide for a more e-friendly state environment.
- < Promote access to technology to create a more well-rounded student and citizen by gaining academic, life, and employment skills to provide opportunities for productive lives.
- < Make effective use of new technologies and technology applications, networks, and electronic learning resources.
- < Use research-based teaching practices that are linked to advance technologies.
- < Promote creative learning environments that enable students to achieve higher standards and assessments in core academic subjects and workforce-ready skills through greater access to technology and the integration of education technology into instruction.

The bill is connected to Senate Bill 1460, which provides for the creation of the Digital Divide Trust Fund. If created, the trust fund is to be administered by the Office of Information

Technology within the Executive Office of the Governor, under the direction of a steering council. The council is to consist of the heads of the State Technology Office; Workforce Florida, Inc.; ITFlorida.com; the Department of Education; and the Agency for Workforce Innovation.

Funding is to be provided by state appropriation, as well as from private entities wishing to participate in public and private information technology partnerships to enhance student academic achievement and workforce readiness.

The bill establishes the purposes for which moneys may be made available from the fund. Purposes include:

- < To adapt or expand existing and new applications of technology.
- < To develop programs to integrate advance technologies into curriculum.
- < To develop opportunities for teachers, students, and parents to retrieve web-based learning resources.
- < To acquire wireless telecommunications, hand-held devices, modeling or simulations tools, distance learning networks, and other advanced technologies with classroom applications.
- < To acquire proven technology-based curricula programs.
- < To acquire wiring and access to advanced telecommunications and technologies.
- < To use web-based learning resources.
- < To assist in the use of technology to promote parent and family involvement.

The bill is effective July 1, 2001.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

The bill is connected to Senate Bill 1460, which provides for the establishment of the Digital Divide Trust Fund within the Executive Office of the Governor.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill 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 bill contemplates donations from private information technology partnerships. The private sector appears to be the source for the development of much of the technology that is expected to be purchased. Thus, the information technology industry may benefit from participation.

C. Government Sector Impact:

The bill contemplates funding through the Digital Divide Trust Fund which is established by Senate Bill 1460. No appropriation is specified for funding amounts under the bill.

VI. Technical Deficiencies:

The bill 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.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Governmental Oversight & Productivity:

Creates the Digital Divide Council. Provides terms and for appointment of members. Provides that the State Technology Office provides administrative and technical support. Authorizes the Council to design and implement six pilot programs in different areas of the state. Establishes program goals and objectives, including recruiting at-risk family members to ensure that they have reasonable opportunities to obtain access to frequent use of information technology and the education and training to compete for high skill and high wage employment. Requires an annual report. Appropriates \$3 million from the Digital Divide Trust Fund; \$1 million of the appropriation is to be released on July 1, 2001, and the remainder is to be released upon the deposit of matching funds in the trust fund. (WITH TITLE AMENDMENT)