

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 837 (as reported without amendment)

Sponsor: Senator William Sederburg

Committee: Education and Mental Health

Date Completed: 4-3-90

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**RATIONALE**

Educators throughout the State historically have recognized the use of technology to meet various educational needs. Elementary and secondary schools as well as colleges and universities have been working in concert with each other to develop telecommunications systems and services that have educational applications. In some cases, there has been collaboration among educational entities, such as local and intermediate school districts (ISDs) to form telecommunications technology delivery systems. The School Code currently permits an ISD to borrow money, subject to the Municipal Finance Act, for the purpose of equipping certain ISD buildings, such as general administrative, vocational, or special education buildings and facilities. This provision, however, reportedly has been interpreted by some bonding attorneys to mean that an ISD cannot bond for equipment that would be placed off ISD property. Some people feel that this could limit an ISD's ability to conduct cooperative programs for interactive audiovisual and telecommunications systems.

**CONTENT**

The bill would amend the School Code to require an intermediate school board to conduct cooperative programs for interactive audiovisual and telecommunications systems; contract with educational institutions, government agencies, or public broadcasting stations or systems in conducting the programs; and acquire and install the antennas, transmitters, receivers, and other equipment necessary for the programs in the manner and at the places the board considered appropriate. An intermediate school district would be required to obtain the

approval of a majority of the constituent districts before entering into a contract for equipment or services for conducting a program, under the bill, or issuing any obligations to fund such a contract.

The bill also would permit an intermediate school board to borrow money, subject to the Municipal Finance Act, on terms the board considered necessary in order to purchase and install interactive audiovisual and telecommunications systems together with antennas, transmitters, receivers, and other related equipment.

MCL 380.627 and 380.629

**FISCAL IMPACT**

There would be no costs to the State. There would be indeterminate costs to intermediate school districts for conducting cooperative programs for telecommunications systems. It is not known how many local school districts (LSDs) would require such telecommunications systems, how much equipment would be needed, or to what extent programming would be desired for each ISD. An ISD could seek reimbursement for its constituent LSDs for the approved services.

**ARGUMENTS****Supporting Argument**

Under the bill, intermediate school districts would be able to purchase telecommunications equipment that would be placed at locations, such as local school districts, as part cooperative programs for interactive

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telecommunications systems. Many ISDs are at the forefront in the design and implementation of telecommunications systems in the State to provide increased opportunities for student learning. Such systems also are being developed to address problems of declining enrollments, decreasing funding levels, teacher shortages, and rising transportation costs, as well as to improve administrative efficiencies. The bill would facilitate regional coordination of planned and existing instructional telecommunications systems, which could avoid duplication of products and services.

#### Opposing Argument

Intermediate school districts that chose to participate in cooperative programs for interactive audiovisual and telecommunications systems could increase their bonded indebtedness, as a result of the bill. Rather than relying on the sale of bonds to generate revenue for establishment of these systems, the implementation of telecommunications systems should be the responsibility of the private sector, such as cable franchises, telephone companies, and technology vendors.

Response: In 1984-85, the State Board of Education began encouraging school districts, through competitive and discretionary grants, to explore the use of instructional technology in the classroom. Since then, \$1.9 million in grants has been awarded to schools, as well as to higher educational institutions, for the development and implementation of model telecommunication systems. In addition, some partnerships between school districts and private cable companies have been formed--but not enough to equip all schools across the State. Consequently, some school districts have had to resort to fund-raising campaigns, such as collecting soup can labels and supermarket cash register receipts, in order to acquire technological equipment, such as computers. This piecemeal approach is not an appropriate way to set up a technologically sophisticated telecommunications system.

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