



## **SIGNIFICANT ISSUES**

Senate Bill 63 (SB-63) will increase the types of allowable technology expenditures for Public School Capital Improvements Act revenues, and the Public School Buildings Act revenues. The proposed definition includes “equipment and tools used in the educational process that constitute learning and administrative resources...”

It is important to note that these revenues sources are bond generated, meaning that bonds are sold for a specific period of time. In many cases, some of the items purchased as allowable expenditures provided for in this bill will be obsolete well before bonds mature. It is generally considered a less than prudent expenditure of funds to purchase items whose lifespan does not equal or exceed that of the bonds. Since all of these bonds are sold for differing terms, care should be taken to ensure this rule-of-thumb is adhered to.

Currently, the language under the Public School Improvements Act and the General Obligation Bonds Act allows for the purchasing of “computer software and hardware for student use in public schools”. The Public Schools Buildings Act does not contain any language that allows for the purchase of computer software or hardware for students. SB-63 adds the following language to all both Acts:

- satellite, copper wire and fiber-optic transmission;
- transmission; computer and network connection devices;
- digital communication equipment, including voice, video and data equipment;
- servers; switches;
- portable media devices, such as discs and drives to contain data for electronic storage and playback;
- and the purchase or lease of software licenses or other technologies and services, maintenance, equipment and computer infrastructure information, techniques and tools used to implement technology in schools and related facilities; and,
- improvements, alterations and modifications to, or expansions of, existing buildings or personal property necessary or advisable to house or otherwise accommodate any of the tools listed above.

Concerns are raised with this list as a number of these items are for consumable use, such as portable media and software and vague references to “computer infrastructure information, techniques and tools. A second concern is raised regarding the use of bond proceeds for maintenance. These do not appear to be considered to have a life that meets or exceeds the life of the bonds. Further, the reference to “personal property” is concerning in that personal property infers property that is not government owned and payment for modifications may implicate the anti-donation provisions of the constitution.

## **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

It is not known if the proposed changes will be applied to existing or planned tax elections prior to the effective date of this legislation for general obligation bonds, SB-9, and HB-33 as the tax election question in the resolution and proclamation, which will be proposed to the voters, would not include the proposed changes in this bill.