

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6705**

**BILL NUMBER: HB 1391**

**DATE PREPARED:** Dec 12, 2001

**BILL AMENDED:**

**SUBJECT:** Public Computer Access by Minors.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a school corporation or a public library that provides Internet or similar computer access to minors to use software to limit the ability of minors to gain access to inappropriate materials or to purchase Internet service that filters access to these materials. The bill also requires school corporations and public libraries to hold an annual public meeting to determine: (1) how to comply with these requirements; and (2) what materials are considered inappropriate for minors. The bill provides for grants from the Indiana Technology Fund to pay for the costs of purchasing software or Internet connectivity to comply with the statute.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill would require that school corporations and public libraries that apply for grants from the Indiana Technology Fund (via the Department of Education and the Indiana Library and Historical Board) be awarded those grants.

Grants would come from appropriations used to fund school corporations and public libraries for computer improvements. For the 2001-2003 biennium, P.L. 291-2001 appropriated a total of \$52.5 M to the Indiana Technology Fund from the Build Indiana Fund. Of that amount, \$2.5 M was allocated to Scientific Instruments; \$6 M was allocated to the Library and Historical Board for the INSPIRE project; \$4 M was allocated to the Intelenet Commission; and \$40 M was allocated for the Technology Plan Grant program.

The language of the bill (that requires grant requests be approved and paid) implies that grant requests for the purposes provided in this bill will take priority over other competing uses for the funds. Funding for this provision of the bill would be dependant upon future actions of the Indiana General Assembly.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *School Corporations-* Many school corporations already employ Internet filtering devices on computers that are Internet accessible and used by students. Several school corporations also report that Internet filtering has been a topic of discussion at school board meetings. There are 294 school corporations comprised of approximately 1,960 schools in the State of Indiana.

*Public Libraries-* Many public libraries also employ Internet filtering devices on computers that are Internet accessible and are used by the public. As of CY 2000, 65 out of 239 reporting public libraries employed an Internet filtering device on public access computers.

*Internet Filtering Costs-* The effects of this bill would vary by unit and would depend upon the number and types of computers already equipped with either Internet filtering software or connectivity that provides filter services, as well as the configuration of each unit's computer network system. Filtering software ranges from \$40 to \$50 per computer. Costs would vary depending upon local action.

**State Agencies Affected:** State Budget Agency.

**Local Agencies Affected:** School Corporations and Public Libraries.

**Information Sources:** PC Magazine Online, *2001 Utility Guide*; School corporations responding to LSA request for information on Internet filtering; 2000 Indiana public library survey conducted by the Indiana State Library.