



**House
Legislative
Analysis
Section**

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**SURPLUS COMPUTERS: DONATE TO
ISDs**

**House Bill 5747 as introduced
First Analysis (3-19-02)**

**Sponsor: Rep. Paul N. DeWeese
Committee: Regulatory Reform**

THE APPARENT PROBLEM:

Under provisions of the Management and Budget Act, the Department of Management and Budget (DMB) is required to issue directives providing for the disclosure, transfer, and disposal of surplus, salvage, and scrap material of state agencies. The act permits the department to dispose of surplus and of salvage or scrap by donating or selling the property to a local unit of government. If no municipality is interested in the materials, the surplus, scrap, or salvage can be sold at auction.

Reportedly, a significant number of computers in state offices are replaced each year. These computers are functional and often are just a few years old. Some feel that rather than limiting the DMB to offering these used computers, monitors, software, etc. to local municipalities or selling them at auction, that the DMB should be allowed to offer the computer equipment to intermediate school districts for distribution to low income students.

THE CONTENT OF THE BILL:

House Bill 5747 would amend the Management and Budget Act to allow the Department of Management and Budget to dispose of surplus computers, software, and computer accessories by donating them to intermediate school districts (ISDs) for distribution to individuals who are financially unable to purchase a computer. An ISD would be responsible for determining who was eligible to receive a donated surplus computer or other computer accessories.

Further, the act allows the department to assess a handling fee for property or equipment being donated to help cover the costs incurred in the transfer or auction of that surplus state property or equipment. The bill would specify that the fee would have to be a minimal handling fee, and that the handling fee could not exceed the actual costs of handling the property or equipment.

MCL 18.1267

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

Due to the high volume of work by state employees that must be done on computers, the state often replaces computer equipment every few years to take advantage of computer improvements and thereby increase workers' productivity. As a result, the state often has a significant number of computers, monitors, keyboards, and other hardware that is only a few years old. Currently, surplus state equipment must be donated or sold to county, city, township, or village governments. If no municipalities are interested, the equipment can be sold at auction. Some believe that the law should be amended to allow the state to donate used, surplus computers and related equipment to intermediate school districts (ISDs) for distribution to low income students.

Research indicates that students who have regular access to computers can achieve higher grades and increase their research skills, and they may be more motivated to learn. Further, they develop important computer skills which will become necessary as they graduate and seek employment. However, though the costs of computers have decreased in recent years, a "digital divide" still exists between upper and lower income families. Donating unused state surplus computers to ISDs for distribution to low income families could help close this "divide".

Response:

This sounds like a noble idea, but the bill does not define a process by which an ISD would determine eligibility. In fact, the bill as a whole is rather vague and lacking details.

Rebuttal:

All that the bill would do would be to allow the DMB to donate surplus computers and equipment to ISDs and to charge a minimal handling fee to cover actual costs. An ISD would not be forced to apply for any of the surplus computers. The lack of specifics in the

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bill actually would allow an ISD freedom to develop a program to distribute computers within its district, or even to create multi-jurisdictional programs with other ISDs. For instance, children of migrant workers often lose many days of instruction due to their families having to move within the state as various crops become ready to harvest. Not only are precious instructional days lost, but the children are often faced with curricula that differ from school district to school district. In turn, the lapses in subject matter continuity can result in gaps in a child's education.

Under the bill, ISDs would retain the flexibility to create educational programs to reach such students. For example, one or more ISDs in agricultural areas of the state could join forces to create an online educational program to reach these children so that they could follow a single curriculum regardless of where in the state their parents were working at any given time. The computers could either be given to these children, or could be retained by an ISD and used by these children when they are within its jurisdictional borders. The children could then use the computers and the Internet to access their originating ISD and thus would have continuity with their teacher for the entire school year.

This is just one possibility of how these computers could be put to good use by an imaginative ISD. Other programs could also be developed to put these computers in the hands of students who otherwise would not have access to a home computer.

Against:

The bill could prove problematic for the DMB, as the agency must adhere to strict guidelines regarding the disposal of surplus state property. After all, the property was originally purchased with taxpayer dollars. While state law and policy allows for state property to be sold or donated to local governmental units, current practice does not allow this property to be disbursed to non-public entities unless it is paid for. For example, the state often conveys surplus state lands to counties, townships, villages, and cities for public use purposes. If at any time the municipality uses the property for other than a public use, the land automatically reverts to state ownership. If a municipality wishes to acquire surplus state land for a commercial use, it must pay fair market value. In the case of surplus equipment, it can be donated or sold to local governmental units; if none are interested, the equipment can be sold to the public at auction. It is one thing to consider donating surplus computer equipment to an ISD, which is a public entity; it is another matter entirely to permit an ISD

to give that equipment to a private citizen, and for the ISD, rather than the state, to have the authority to decide who would be eligible to receive it.

POSITIONS:

The Department of Management and Budget has no position on the bill at this time. (3-18-02)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.