

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

Senate Bill 151 (Senator Dvson)

Finance

Department of Aging - Senior Citizen Activities Centers - Access to Internet and Other Technology

This bill requires senior citizen activities centers to provide access to the Internet, a toll-free help line to answer questions about the Internet, and computer training for senior citizens and staff at senior citizen activities centers.

Fiscal Summary

State Effect: General fund expenditures increase by up to \$1.1 million in FY 2000, which includes one-time computer equipment and software purchase. Future year expenditures remain stable until FY 2004 when new computer equipment will be purchased. Revenues would not be affected.

(\$ in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	1.1	0.4	0.4	0.4	1.0
Net Effect	(\$1.1)	(\$0.4)	(\$0.4)	(\$0.4)	(\$1.0)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect

Local Effect: Potential increase in expenditures if local jurisdictions choose to assume any of the costs of providing access to computer technology in senior citizen activity centers. Revenues would not be affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Fiscal Analysis

State Expenditures: Senior citizen activities centers are operated by local jurisdictions and nonprofit organizations. Operating costs are shared by local jurisdictions and the federal government. Assuming that the bill's intent is for the State to fund access to the Internet for senior centers, general fund expenditures could increase by up to an estimated \$1.1 million in fiscal 2000, which accounts for the bill's October 1, 1999 effective date. The actual cost could be less, depending upon the extent to which (1) local jurisdictions assume any of the costs; (2) senior centers already own computer equipment; and (3) the Department of Aging is successful in its program to solicit donation of used computers to senior centers. The \$1.1 million estimate reflects the cost of computer hardware, software, communications, training, and 2 positions (manager, help desk specialist) to provide access to computers and the Internet at senior citizen activities centers. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 110 senior citizen activity centers;
- 1 personal computer (PC) dedicated to Internet use, 2 PCs not dedicated to the Internet, 1 printer, 2 phone lines (1 for modem connection, 1 for help line), and 1 training CD at each senior center;
- prices charged by vendors under State contracts; and
- professional trainers to visit each jurisdiction twice a year.

Salaries and Fringe Benefits	\$59,709
Personal Computers	405,790
Computer Software	76,098
Computer Furniture	107,250
Printers and Supplies	148,089
Telephone Lines	112,200
Professional Trainers	48,000
Training CDs	35,750
Other Operating Expenses	<u>65,411</u>
Total FY 2000 State Expenditures	\$1,058,297

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3%

employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) replacement equipment.

Local Expenditures: Senior citizen activities centers are operated by local jurisdictions and private nonprofit organizations. Operating costs are currently shared by local jurisdictions and the federal government. Local expenditures could increase to the extent that a jurisdiction chooses to assume any of the costs of providing access to computer technology in senior citizen activity centers.

Small Business Effect: Small businesses that sell computer equipment or software or conduct computer training could be favorably affected by the bill's provisions to provide access to computers and the Internet at senior citizen activity centers.

Information Source(s): Department of Aging, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 8, 1999

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