



John Rau

## *Bill Analysis*

*Legislative Service Commission*

### **S.B. 116**

123rd General Assembly  
(As Introduced)

**Sen. Armbruster**

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#### **BILL SUMMARY**

- Requires the Department of Development to establish criteria for and to administer a program to provide grants to assist local governments in addressing their Year-2000 computer problems.
- Makes an appropriation.

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#### **CONTENT AND OPERATION**

##### **Year-2000 problem generally**

The Year-2000 (Y2K) issue is a computer problem that originates from computer programming practices. Especially with older computer systems relying on date-computation, computer programs provide a two-digit year dating system that assumes the first digits prior to the two digits that are changeable are "1" and "9." As a result, "00" would be recognized by these computer systems as the year 1900 rather than the year 2000. Apparently, two-digit dating systems were adopted when computer storage space was at a premium and the need for longevity was discounted, especially in the 1960s and 1970s. The computer systems also were not updated because of the cost and difficulty of doing so. The Y2K problem may affect computations that determine age, sort by date, compare dates, or a combination of these operations. This computer misinterpretation could cause computers to malfunction or shut down.

Progress is ongoing in avoiding potential Y2K problems caused by computers misprocessing dates dealing with the year 2000. Federal and state governments, including Ohio agencies, have and continue to address this issue and are making efforts to encourage the sharing of Y2K information by industries and state agencies, fund Y2K research efforts, or minimize potential Y2K liability to state and local governments. In addition, various private industries reportedly have

taken substantial steps intended to ensure that their operations do not suffer disruptions from Y2K malfunctions.

**Local Government Y2K Grant Program**

(Section 1)

The bill establishes and appropriates funding for a grant program to help local governments address their Y2K needs. Under the bill, \$20 million of General Revenue Fund moneys are appropriated in Fiscal Year 1999 to fund such grants to counties, municipal corporations, and townships to assist them in paying for upgrades and new purchases of computer hardware and software and for corrections to "any other problems associated with . . . Y2K compliance." The program is to be administered by the Department of Development. No more than 1% of the appropriation is to be used to pay administration and implementation costs.

The Director of Development in conjunction with the Y2K Competency Center within the Department of Administrative Services is required to establish criteria for evaluation of grant applications. Grants may not exceed the lesser of \$100,000 or 50% of the total cost of a project. Funding must be available until October 1, 1999.<sup>1</sup> Each grant request must be submitted to the President of the Controlling Board for distribution to the other Board members. Unless any member of the Board requests that a grant request be placed on the next agenda of the Board, the President must approve the request and notify the Department of Development of the approval. The Department then must process the grant award. See COMMENT.

**Report by the Director of Development**

(Section 1)

Within 30 days after the last grant has been awarded under the program, the Director of Development must submit a report to the Governor, the Auditor of State, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate. The report must list the name of each recipient, award date, award amount, and identity of the project toward which the grant money is applied.

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<sup>1</sup> The bill states that "[g]rant funding shall be available until October 1, 1999" (Section 1(C)). Presumably, this provision is intended to mean that the grant funds may be awarded under the program from the date of enactment up through but not after October 1, 1999.

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## COMMENT

The bill appears to permit the funding of grants for local Y2K projects under the program until October 1, 1999. However, the bill makes no appropriation for the program beyond the end of Fiscal Year 1999 on June 30, 1999.

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-23-99	p. 231

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