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FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/13
 LAST UPDATED 03/04/13 HB _____

SPONSOR Sapient

SHORT TITLE School District Telecommunication Access SB 569/aSEC

ANALYST Roberts

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)
 Public Education Department (PED)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 569 includes adding the Department of Information Technology (DoIT) to the list of departments in which the Public Education Department (PED) will work with in studying the educational opportunity for economic development potential of telecommunication access and to maximize federal, private, and state funding sources. Other amendments include cleaning up bill language.

Synopsis of Bill

Senate Bill (SB 569) creates a new section of the Public School Finance Act which would require the PED to provide telecommunications access to each school district and charter school to facilitate administration of state-standards assessments, for distance learning, teacher training and other educational purposes. The bill specifies elements of Requests for Proposals (RFP) for these installations and requires the PED to coordinate with other state entities and provide annual reports. Further provisions are as follows:

- Directs the PED to contract with competent, reliable and experienced service providers that use primarily fiber optics and high bandwidth transmission media and that will include design, implementation an administrative oversight services for the telecommunications access;

- Mandates the PED to coordinate with the School Capital Outlay Oversight Task Force, the Legislative Finance Committee (LFC) and the Legislative Education Study Committee (LESC) to study educational opportunity for and economic development potential of this access and to maximize federal, private, and state funding sources; and
- Directs the PED to report to the LFC and the LESC regarding the provision of these services by July 31 of each year.

FISCAL IMPLICATIONS

The DoIT reports:

There is no fiscal implication for the Department. However it should be noted that the DoIT statutorily provides similar communications to the three branches of state government. Under those duties, similar to those proposed in the bill, a considerable amount of annual DoIT resource (budget/FTE's) are utilized in the maintenance and operations of the system to include negotiations and implementations with telecommunications companies, coordination of services, helpdesk and trouble shooting of said services, and billings and collections from service providers and clients.

Presumably, if SB 569 is enacted, the PED would either duplicate infrastructure similar to the DoIT, or work directly with the DoIT to provide the services on behalf of the PED. Under the latter circumstance, the DoIT would need time for resource planning to ensure smooth transition from any disparate that may currently be in place systems currently in place.

SIGNIFICANT ISSUES

The DoIT reports:

Telecommunications access is not equitable and available statewide. While it may be technically possible to reach every school it may not be prudent or realistic. (The PED reports there are over 800 separate schools in NM.)

- A. The definition of telecommunications services in section 1.A is very broad and encompasses several technologies. Components of those services vary depending on end user requirements. As written, SB 569 implies a “managed solution.” The infrastructure should be separated from the finished service to allow for flexibility in implementation of the most cost effective solution. Those solutions could range from a carrier provided circuit to one of our State owned assets.
- B. Equitability will be very hard to accomplish considering the variable technologies and capabilities statewide. Availability and cost of services in Santa Fe differ greatly from the service available in Estancia or Carlsbad.
- C. The DoIT provides “managed service” solution for State agencies.
- D. Investments into the infrastructure in rural areas often benefit the telecommunications carrier as they expect the first requestor (in this case PED) to bear the cost of extending fiber etc. The original investor is frequently not reimbursed for the initial investment.

The PED notes:

An important point to consider is that if a school district or charter school is lacking the level of access specified in the bill then most likely local government entities, county government and state facilities in the area are lacking as well. The problem of providing this type of access is greater than just the public schools and should be considered a statewide concern.

Currently, each school district and charter school is responsible for selecting a competent, reliable and experienced service provider to provide high bandwidth internet service which may or may not be available in their area.

IDEAL-NM provides eLearning services to PreK-12 schools and government agencies across the state. In New Mexico 52 public school districts, 20 charter schools, 1 stated supported school, 4 RECs and 35 state agencies have developed portals through IDEAL-NM and are offering online learning and training programs. IDEAL-NM commercial off the shelf (COTS) software is provided by a third party vendor and supported by the PED. In order to expand this program, to provide e-learning and training opportunities, additional funding would be necessary to provide maintenance and support services, as well as support personnel to oversee and assist districts and charter schools statewide.

OTHER SUBSTANTIVE ISSUES

The DoIT reports that the study, planning, and implementation of broadband at the PED aligns with the New Mexico Broadband Program at the Department. The program has two major objectives: 1) to define broadband availability and 2) to enhance its adoption. The Department is accomplishing these goals through several statewide projects. The PED is partnering on these goals through several statewide projects. These projects include:

IDEAL-NM: eLearning Management System (eLMS)

- The eLearning Management System reduces geographic and other barriers to educational opportunity. The eLMS web portal allows students and teachers access to middle and high school online courses in fully online or blended learning formats and professional development courses to state agencies.

Education Technology Plans (ETP)

- The PED IT staff review and approve district and charter school Educational Technology Plans (ETP). ETPs are approved for a 3 year period however districts and schools are encouraged to revisit their ETP on a yearly basis in conjunction with changing and emerging technologies.

E-rate Funding

- The E-rate program has played, and continues to play, a major role in the development and support of telecommunications, Internet access, and other technology services for the K-12 educational community in New Mexico. The PED considers E-rate funding a valuable and mission critical source of technology funding and the PED encourages districts and charter schools to apply for E-rate funding, not only for new projects, but for the maintenance and support of ongoing programs, maximizing funding available to strengthen infrastructure. This could be the single most important source of funding for districts and charter schools to meet the provisions of this bill.

Technology Readiness Tool (TRT)

- The TRT provides minimum and recommended specifications for computer hardware, input devices, and security requirements; and suggests recommended levels of bandwidth that will support schools instructional and assessment needs.

Multi-Agency Capacity Building

- Continuous participation with the DoIT's Collaborative Committee, together with Working Groups that represent various "use sectors" (Business, Education, TeleHealth, Native Nations, etc.). These groups form a core component to identifying gaps, clarify issues, and provide "action" items toward solutions (legislation, funding, construction, regulation, etc.).
- The DoIT has created a Municipal/Tribal Broadband Master Planning Guide to assist tribal and local governments in the planning and implementation of broadband within their communities. The PED is hopeful this initiative may lead to possible collaboration amongst district, charter, and Native American supported schools to increase broadband access
- Continuous participation with the Public School Facilities Authority's (PSFA) Information Technology Advisory Group, a forum to address education instruction, building infrastructure, hardware, and bandwidth issues, gaps, implementations, and accessibility.

ALTERNATIVES

The DoIT reports:

The Department's broadband program is currently working with education providers on the development of the New Mexico Broadband Strategic Master Plan. A critical component of the plan is education. Alternative to SB 569, the PED and PSFA should continue to work with the DoIT in the development of the broadband plan.

An alternative approach may be to complete a study of the intent of the bill during FY14. The study should be inclusive of not only the DoIT from a technical perspective, but also the PSFA and individual school districts to determine a practical phased approach to complete unified and consolidated broadband beginning in FY15.

MIR/svb