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## FISCAL IMPACT REPORT

**SPONSOR** Martinez/Papen      **ORIGINAL DATE** 02/11/15  
**LAST UPDATED** \_\_\_\_\_      **HB** 304

**SHORT TITLE** Statewide Broadband System Implementation      **SB** \_\_\_\_\_

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>			\$300.0	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relationship - SB 34 creates the broadband infrastructure fund and appropriates \$10 million from the general fund with the requirement of federal matching grant funds.

Duplicates - SB 165 (Papen)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)

### SUMMARY

#### Synopsis of Bill

Statewide Broadband System Implementation appropriates \$300 thousand from the general fund to the Department of Information Technology to support implementation of a statewide broadband system through technical assistance, outreach, education and training. HB 304 is an economic development initiative endorsed by the Interim Jobs Council.

### FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

DoIT administers the New Mexico Broadband Program which was funded by a federal grant that expired on January 31, 2015. The program's two major objectives were to define broadband availability and enhance its adoption. DoIT has been accomplishing these goals through several statewide projects including mapping, planning, capacity building, and technical assistance. This appropriation would allow DoIT to maintain and build on the investments made in broadband infrastructure.

## **SIGNIFICANT ISSUES**

The U.S. Commerce Department's National Telecommunications and Information Administration (NTIA) administered the Broadband Technology Opportunities Program (BTOP) as part of the \$4.7 billion BTOP funded through the Recovery Act. NTIA administered broadband expansion projects within three project categories:

### **• Comprehensive Community Infrastructure:**

*Projects to deploy new or improved broadband Internet facilities (e.g., laying new fiber-optic cables or upgrading wireless towers) and to connect "community anchor institutions" such as schools, libraries, hospitals, and public safety facilities. These networks help ensure sustainable community growth and provide the foundation for enhanced household and business broadband Internet services.*

### **• Public Computer Centers:**

*Projects to establish new public computer facilities or upgrade existing ones that provide broadband access to the general public or to specific vulnerable populations, such as low-income individuals, the unemployed, seniors, children, minorities, and people with disabilities.*

### **• Sustainable Broadband Adoption:**

*Projects that focus on increasing broadband Internet usage and adoption, including among vulnerable populations where broadband technology traditionally has been underutilized. Many projects include digital literacy training and outreach campaigns to increase the relevance of broadband in people's everyday lives.*

In the long term, NTIA expects these investments together to help bridge the digital divide, improve access to education and healthcare services, and boost economic development for communities held back by limited or no access to broadband – communities that would otherwise be left behind.

As an example, NTIA noted investments made in broadband infrastructure, public computer centers, and sustainable adoption would:

- provide job training to the unemployed or under-employed,
- help school children access the materials they need to learn,

- allow rural doctors to connect to more specialized medical centers, and
- allow small businesses to offer their services to national and international markets.

### **PERFORMANCE IMPLICATIONS**

Given the broad nature of the phrase, “broadband infrastructure,” bill drafters might consider additional language more clearly identifying legislative intent for the type of broadband infrastructure the bill supports.

DoIT notes also that the word “system” in the title and body of the bill is misleading because broadband infrastructure in NM is comprised of different technologies and infrastructure. Using “statewide broadband” is a better descriptor.

### **ADMINISTRATIVE IMPLICATIONS**

DoIT administers the New Mexico Broadband Program which was funded by a federal grant that expired on January 31, 2015. Through this grant, the department has developed policies and procedures, grown a network of people, and supported the adoption of broadband across the state. In its FY16 budget request, DoIT requested an expansion of \$400 thousand dollars and 2 additional FTE for support of broadband; both the executive and LFC budget recommendations contained partial increased support for the program.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Agencies will continue to apply for grants, leverage existing operating budget, one time appropriations, and multi-entity contributions for technical assistance, outreach, education and training. DoIT will continue to support the expansion and investment in broadband.

CEB/bb