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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
57th Legislature, 1st Session, 2025

Bill Number	<u>SB401</u>	Sponsor	<u>Padilla/Sariñana</u>
Tracking Number	<u>.230058.2</u>	Committee Referrals	<u>STBTC/SFC</u>
Short Title	<u>Broadband for Education</u>		
Analyst	<u>Montoya</u>	Original Date	<u>3/3/2025</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 401 (SB401) would make multiple amendments to the Severance Tax Bonding Act (Section 7-27-12 NMSA 1978), the Public School Capital Outlay Act (Section 22-24 NMSA 1978), and the Broadband Access and Expansion Act (Section 63-9J NMSA 1978) to transfer the Broadband Deployment and Connectivity Program (BDCP) from the oversight of the Public School Capital Outlay Council (PSCOC) to the Office of Broadband and Expansion (OBAE). The transfer would include all related functions, personnel, funds, appropriations, records, furniture, equipment, supplies, contractual obligations, references in rules and laws, orders, official acts, and any other property associated with the BDCP.

SB401 would also create new sections of the Broadband Access and Expansion Act to create the education technology infrastructure fund and add education technology infrastructure as an allowable use of supplemental severance tax bond (SSTB) proceeds. SB401 would require OBAE, in collaboration with PSCOC, to develop education technology infrastructure standards aligned with the Broadband Access and Expansion Act to be incorporated into statewide adequacy standards. SB401 would establish guidelines for a statewide education technology network and provide grant assistance to school districts, including charter and constitutional schools, in partnership with PSCOC.

SB401 would authorize the director of OBAE to certify the sale of up to \$10 million in SSTBs per fiscal year, to be issued by the State Board of Finance. Bond proceeds would be for expenditures relating to education technology infrastructure.

SB401 contains an effective date of July 1, 2025.

FISCAL IMPACT

SB401 does not contain an appropriation.

SB401 would shift the BDCP program from PSCOC to OBAE. This change would result in the PSCOC no longer allocating \$10 million annually from the public school capital outlay fund (PSCOF) for education technology. Instead, OBAE would be authorized to issue up to \$10 million in SSTBs per year for this purpose. These changes appear to be fiscally neutral and would likely not affect PSCOC’s ability to fund public school construction projects.

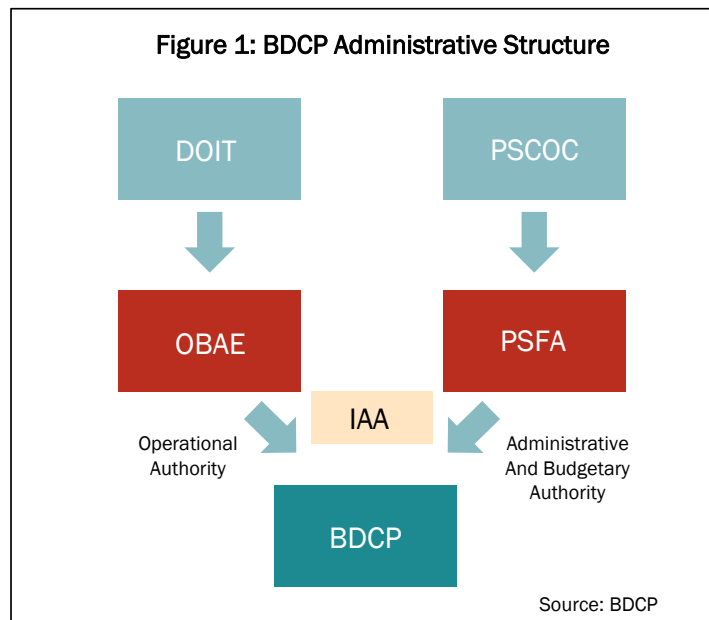
SB401 proposes the creation of the education technology infrastructure fund, which may be financed by supplemental severance tax bonds, grants, and donations to support infrastructure projects and school district grants.

SUBSTANTIVE ISSUES

Statewide Education Network. New Mexico’s Statewide Education Network (SEN) connects kindergarten through 12th grade (K-12) schools to secure, high-capacity internet through existing infrastructure provided by Internet Service Providers (ISPs). This network allows schools to benefit from reliable, high-speed internet, cybersecurity monitoring, distributed denial-of-service mitigation, and technical support—helping districts with limited resources maintain secure communication networks. BDCP staff has emphasized the need for additional administrative and technical support to fully realize the potential of the SEN, including the allocation of the necessary staff to meet the goals of its initiatives.

During the 2024 interim, LESC staff presented a [brief](#) on New Mexico's SEN and the broadband landscape for education in the state.

Broadband Development and Connectivity Program Structure. BDCP is responsible for supporting the implementation and ongoing maintenance of the SEN. The program currently operates under the Department of Information Technology’s OBAE. An Interagency Agreement (IAA) places BDCP and its staff under OBAE’s operational authority, while the program remains administratively and budgetarily connected to the Public School Facility Authority (PSFA)—staff to PSCOC—which funds BDCP through the PSCOF. For more details on BDCP’s administrative structure, refer to **Figure 1: BDCP Administrative Structure**.



SB401 proposes transferring broadband deployment responsibilities from the PSFA to OBAE, potentially consolidating resources and improving efficiency. The bill also allows for the issuance of up to \$10 million in SSTBs annually for education technology, which would shift oversight from the PSCOC. While PSFA staff supports BDCP with administrative tasks such as negotiating contracts, the technical complexities of broadband network infrastructure often fall outside PSFA’s focus and expertise.

ADMINISTRATIVE IMPLICATIONS

BDCP staff are currently working under OBAE’s oversight through an active IAA, which may help minimize the transition of operational responsibilities. However, BDCP will need to establish policies and procedures to certify and track SSTB issuance, manage the proposed education technology infrastructure fund, and implement the grant assistance application process. This will require collaboration with SBOF and potentially PSFA staff. Additionally, SB401 would require OBAE, in collaboration with PSCOC, to develop education technology infrastructure standards aligned with the Broadband Access and Expansion Act.

OTHER SIGNIFICANT ISSUES

Interagency Agreement According to analysis provided by PSFA, on March 1, 2023, PSCOC, PSFA, the Department of Information Technology (DoIT), and OBAE signed an IAA. The IAA assigns OBAE to manage the PSCOC’s education technology correction program. For FY24, \$650 thousand was allocated to OBAE for personnel services from the Public School Capital Outlay Fund by the PSCOC. Three BDCP staff positions were transferred from PSFA to OBAE.

Transfer of Broadband Roles. PSFA staff notes they are in support of transferring BDCP functions to OBAE, aiming to expand broadband access in underserved school districts. PSFA staff considers OBAE better suited to manage the SEN and PSFA’s broadband projects.

RELATED BILLS

Relates to Senate Bill 254 (SB254), Cybersecurity Act & Office Changes, which would amend the Cybersecurity Act by revising the structure of the cyber security advisory board and clarifying the role Cybersecurity Office, which would be called the “Office of Cybersecurity.”

SOURCES OF INFORMATION

- LESC Files
- Office of Broadband Access and Expansion (OBAE-DOIT)
- Public School Facilities Authority (PSFA)
- State Board of Finance (SBOF-DFA)

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