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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/07

SPONSOR Lovejoy LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Internet to the Hogan Initiative SB 1139

ANALYST Weber

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$3,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Indian Affairs Department (IAD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 1139 appropriates \$3 million from the general fund to the Indian Affairs Department for New Mexico's portion of the internet to the hogans initiative, a statewide intergovernmental collaborative designed to ensure that no New Mexico hogan is left behind in the evolving digital world. The funds shall be used for operations infrastructure for telecommunications and telehealth for the state's fifty-two Navajo chapter houses, schools, libraries and rural hospitals.

### FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

It is difficult to ascertain if this is a recurring or non-recurring appropriation because of recurring nature of it has the appropriation requests for the project. It has therefore, been classified as recurring.

## SIGNIFICANT ISSUES

IAD notes the appropriation is intended to further efforts to develop internet infrastructure on the Navajo Nation, thereby providing internet access to one of New Mexico's most remote and economically disadvantaged populations. The funding would be directed to the Internet to the Hogans Initiative, a collaborative project undertaken beginning in 2005. Participants in collaborative meetings have included many agencies of the Navajo Nation government, Navajo Chapter governments, private sector technology specialists, and relevant offices within the University of New Mexico.

The program is currently underway pursuant to \$1,800,000 provided in a capital outlay appropriation to the Indian Affairs Department beginning in fiscal year 2007. Money will be allocated to the Navajo Technical College ("the College") in Crownpoint to implement the initial stages of the program. According to officials at the College, the money will be spent to construct wireless transmitting towers between the Albuquerque area and Crownpoint, establishing a high-speed wireless connection between the two points. Groundbreaking for this phase took place on January 29, 2007 and it is anticipated that it will be complete by July.<sup>1</sup>

Once Crownpoint has been connected via this network of new towers, wireless internet will be extended to schools, medical clinics, hospitals, police departments, fire houses and homes within a 15 to 30 mile radius of each Navajo Chapter House. In addition, a second wireless pipeline between Albuquerque and Crownpoint will be constructed to serve as a backup to the tower network currently being constructed, thereby achieving redundancy.

The three-million dollar recurring appropriation set forth in SB 1139 would fund the construction of the redundancy network, the extension of wireless into communities from Crownpoint, ongoing operational expenses, and the hiring of additional FTEs at the College. Todd Romero from the College reports that personnel resources there have already been strained by the Internet to Hogans project. He anticipates even more demands on the College as the project ramps up.<sup>2</sup>

## POSSIBLE QUESTIONS

Should this be a capital outlay appropriation?

MW/csd

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<sup>1</sup> From Navajo Technical College's Todd Romero 786-4197: <http://www.navajotech.edu/docs/releases/release.html>

<sup>2</sup> Ibid.