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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR Adair LAST UPDATED _____ HB _____

SHORT TITLE Television Transmission Site Conversion SB 406

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$270.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Eastern New Mexico University (ENMU)

Department of Information Technology (DoIT)

SUMMARY

Synopsis of Bill

Senate Bill 406 appropriates \$270.0 from the general fund to the Board of Regents of Eastern New Mexico University to facilitate the compliance of television transmission sites with federal digital-conversion requirements through electrical service rate assistance and digital software licensing fees.

FISCAL IMPLICATIONS

The appropriation of \$270.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

This request was not submitted by ENMU to the New Mexico Higher Education Department for review. The Department's FY09 funding recommendation for ENMU's education television (KENW) is a continuance of FY08 recurring funding in the amount of \$1,139,400.

SIGNIFICANT ISSUES

ENMU states that increases in energy bills at the numerous KENW-TV/DT transmitting sites have severely impacted the station's operating budget. These translators are necessary so that citizens in these mostly rural communities will be able to receive digital TV over the air in their own communities, in particular. Portales/Clovis, Hobbs/Lovington, Roswell, Ft. Sumner, and Tucumcari. Additional translators that will soon be operational will be located in Ruidoso, Artesia, and Carlsbad. All of these new translators require electric power. This dramatic increase in electrical usage, coupled with steep increases in the cost of electricity, is seriously impacting the KENW annual operational budget. In addition, the new digital television technology relies heavily upon large computers and computer software. This software comes with hefty annual licensing fees that KENW has never had to pay under the old analog television system. We estimate the electrical usage and software will cost approximately \$270,000 per year.

According to the HED, KENW is close to completing the equipment transition required for the federally-mandated digital conversion. KENW provides public telecommunications to residents of eastern New Mexico and a training center for college students interested in a career in telecommunications. It also contributes to ENMU's commitment to Extended Learning and Distance Education by maintaining technical facilities required for this effort.

The HED also notes that the switch from analog to digital broadcast television is referred to as the digital TV (DTV) transition. In 1996, the U.S. Congress authorized the distribution of an additional broadcast channel to each broadcast TV station so that they could start a digital broadcast channel while simultaneously continuing their analog broadcast channel. Later, Congress mandated that February 17, 2009 would be the last day for full-power television stations to broadcast in analog. Broadcast stations in all U.S. markets are currently broadcasting in both analog and digital. After February 17, 2009, full-power television stations will broadcast in digital only.

GH/bb