

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: January *Check all that apply:*
Bill Number: SB126 Original Correction
Amendment Substitute

Sponsor: Michael Padilla **Agency Name and Code Number:** Office of Broadband Access and Expansion - 36100
Increase Funds for Broadband Program **Person Writing:** Cass Brulotte
Short Title: _____ **Email:** cassandra.brulotte@connect.nm.gov
Phone: 505-699-5260 :

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Surcharge set by PRC	Surcharge set by PRC	Surcharge set by PRC	Recurring	State Rural Universal Service Fund

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	N/A	N/A	N/A			
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill amends the State Rural Universal Service Fund by:

- 1) Increasing the funding allocated to the broadband program from the RUSF from \$30 million to \$40 million; and
- 2) Increases the cap on obligations of the RUSF for the broadband program to \$40 million.

FISCAL IMPLICATIONS

The Public Regulation Commission (PRC) establishes the surcharges that finance the State Rural Universal Service Fund, and implements a broadband program to fund infrastructure with a portion of these funds.

As the administration supporting this program already exists, alterations to the distribution of the fund would create no fiscal impact on the State.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None. The amendment does not increase the performance obligations of the PRC.

ADMINISTRATIVE IMPLICATIONS

None. The amendment does not increase the administrative obligations of the PRC.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Office of Broadband Office and Expansion estimated in 2024 that New Mexico requires between \$3.16 billion and \$4.12 billion of capital investment to provide broadband connectivity to all unserved and underserved locations, with a current funding gap of between \$320 to \$687 million.

If the bill is not passed, the funding gap for broadband will remain unchanged.

More details regarding the State's broadband funding needs can be found in the OBAE three year plan at: https://connect.nm.gov/uploads/1/4/1/9/141989814/state_of_new_mexico_three-year_broadband_plan_year_2025_v1_12-31-24.pdf.

AMENDMENTS