

LFC Requester:	Liu
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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: February 18, 2025 *Check all that apply:*
Bill Number: SB401 Original Correction
Amendment Substitute

Sponsor: Padilla **Agency Name and Code** New Mexico Public School Facilities Authority 940
Short Title: BROADBAND FOR EDUCATION **Number:** _____
Person Writing Mona Martinez
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SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: **NA**
Duplicates/Relates to Appropriation in the General Appropriation Act **NA**

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB401 proposes to amend or to add new sections to the Severance Tax Bonding Act, to include the use of the proceeds from supplemental severance tax bonds (SSTBs) for the use education technology infrastructure projects pursuant to the Broadband Access and Expansion Act and to allow the State Board of Finance to issue and sell STTBs by certification of the Director of OBAAE for up to \$10M.

SB401 makes further changes to the Public School Capital Outlay Act as it relates to the Broadband Deficiencies Correction Program by transferring all functions of the broadband program to the Office of Broadband Access and Expansion (OBAAE) and repealing the education technology deficiencies correction program within the act.

The Broadband Access and Expansion Act would be subject to change to include defined terms and to develop adequacy standards for an education technology infrastructure deficiency corrections initiative, guidelines for a statewide education technology network and to provide grant assistance based on guidelines to school districts to include charter and constitutional schools in collaboration with the PSCOC.

FISCAL IMPLICATIONS

If enacted, SB401 would transfer the education technology deficiencies correction program from PSCOC to OBAE. The PSCOC would no longer be authorized to set aside \$10 million annually from the public school capital outlay fund (PSCOF) for education technology infrastructure. Instead, OBAE would be given the authority to sell up to \$10 million in supplemental severance tax bonds per year (SSTBs) to fund education technology infrastructure. The changes in SB45/aSTBTC are net neutral and would not impact PSCOC's ability to fund public school construction projects.

SIGNIFICANT ISSUES

The PSCOC, the Public School Facilities Authority (PSFA), the New Mexico Department of Information Technology (DoIT), and OBAE executed a Inter Agency Agreement on March 1, 2023, that continues to be in effect. The Inter Agency Agreement provides for the OBAE to manage the PSCOC's education technology deficiencies correction program.

In FY24, HB2, appropriated \$650,000 to the OBAE for personnel services and employee benefits from the Public School Capital Outlay Fund and the Department of Finance. In addition, the Department of Finance and Administration together with the Legislative Finance Committee transferred three (3) of the Broadband Deficiencies Correction Program (BDCP) staff positions from the PSFA to the OBAE through a S-8 OPBUD by Fund Level transfer.

The PSFA and the PSCOC support the transfer of the functions of the PSFA, BDCP to the OBAE and in effect, the Inter Agency Agreement has made the temporary transfer of the management and of the BDCP to the OBAE.

The purpose of the Inter Agency Agreement was to allow collaboration between the parties to leverage the resources of both agencies in an effort to expand broadband connectivity statewide for those school districts that did not have adequate connectivity. To that end, it was the expectation that the expertise of the OBAE and the PSFA BDCP along with the PSCOC funding resources would allow both agencies to cooperatively provide services or share responsibilities outside each agency's normal authority in the development and management of broadband initiatives. The parties agree that OBAE is in a better position to implement and manage the Statewide Education Network (SEN) and all of PSFA's broadband projects and the BDCP staff.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Severance Tax Bonding Act, the Public School Capital Outlay Act, and the Broadband Access and Expansion Act would not be amended.

AMENDMENTS

N/A