

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **SB 80** SLS 26RS 265
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 17, 2026 7:04 PM	Author: MIZELL
Dept./Agy.: Department of Administration	
Subject: Broadband Services	Analyst: Richie Anderson

COMMERCIAL REGULATIONS OR SEE FISC NOTE GF EX Page 1 of 2
 Provides for the regulation of certain broadband services. (8/1/26)

Proposed law provides that the Office of Broadband Development and Connectivity (OBDC) shall provide oversight and enforcement authority for all broadband programs that are initiated after August 1, 2026 and are not funded in whole or in part under GUMBO 2.0/3.0/4.0. Proposed law increases the allowable administrative cost cap for the federal grant awarded to OBDC through the U.S. Department of the Treasury's Capital Projects Fund (CPF). Proposed law increases the administration costs that OBDC can charge to the grant from 1% to 2.5%. Additionally, proposed law allows OBDC to hire third party contractors as deemed necessary for the further administration of the GUMBO program from 1% to 2.5% of the granted funds. Proposed law allows OBDC to promulgate rules to specify thresholds of completion, and when to collect payments. Proposed law retains that final payment shall not be due until an approved completion report is received. Current law creates GUMBO 3.0 and GUMBO 4.0 and provides that remaining funds can be used to fund these programs. Finally, proposed law provides for grant solicitation and awards for GUMBO 3.0 and GUMBO 4.0.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	INCREASE	INCREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may increase SGF expenditures in future years (beginning FY 30) if the Federal grants do not continue to cover administrative costs. Proposed law increases the allowable administrative cost cap for the federal grant awarded to the Office of Broadband Development and Connectivity (OBDC) through the U.S. Department of the Treasury's Capital Projects Fund (CPF). Currently, administration costs for the GUMBO programs are allowed to be charged to CPF but are limited to 2% total, approximately \$3.5 M. Proposed law increases this to 5%, approximately \$8.9 M, that would be eligible to be charged to the CPF. The additional funding will be utilized in FY 27 to fund expenses to perform sub-grantee monitoring and compliance prior to the grant's expiration on 12/31/26.

In FY 27, OBDC plans to fund the GUMBO programs through another Federal Grant through the National Telecommunications and Information Agency's Broadband Equity Access and Deployment Program (BEAD) for the remainder of FY 27 through FY 29. However, if the BEAD program is unfunded by the Federal Government, the GUMBO programs would require SGF sooner than FY 30. The annual administrative costs that could potentially be unfunded if they are not covered by a grant are outlined below. These expenditures include: salaries and related benefits (see page two for breakdown) for four (4) full-time employees, office operating costs, and contractor expenses. The LFO assumes that unfunded costs may require an SGF appropriation to maintain operations starting once Federal funding becomes unavailable. OBDC indicates that the exact cost of continuing oversight and enforcement after the four-year grant period is indeterminable. To the extent the workload associated with oversight and enforcement differs once the federal grants expire, expenditures may increase or decrease accordingly.

Administrative costs per year (covered until FY 27):

Office Operating Costs:	\$1,250,000
Contractor Expenses:	\$15,500
Salaries and Related Benefits:	<u>\$652,050</u>
Total:	\$1,917,550

Expenditure Section Continued on Page 2:

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
 Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

Page 2 of 2

Expenditure Section Continued:

	Salary	Related Benefits	
Executive Director:	\$168,000	\$58,800	
Program Manager:	\$105,000	\$36,750	
Program Manager:	\$105,000	\$36,750	
Program Manager:	<u>\$105,000</u>	<u>\$36,750</u>	
Total Salaries and RB:	\$483,000	\$169,050	Total: \$652,050

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer