

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 74** HLS 202ES 103
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: October 6, 2020 7:29 AM	Author: DESHOTEL
Dept./Agy.: Executive Office	
Subject: Creates the state office of broadband	Analyst: Alan M. Boxberger

TELECOMMUNICATIONS EG INCREASE GF EX See Note Page 1 of 1
 Creates the state office of broadband (Item #39)

Proposed law creates the office of broadband and connectivity (office), places it within the office of the governor, and requires the office to report to the governor and various committees; establishes appointment and termination procedures for the executive director, and allows the executive director to carry out prescribed duties; requires the executive director to submit an annual report to the legislature and provides for contents of the report; requires the governor to direct other state agencies to assist the office; provides for the functions, powers, and duties of the office, which serve to advance the expansion and accessibility of broadband and other connectivity services in the state; and provides the office with the authority to contract with persons and government agencies in order to carry out those duties.

EXPENDITURES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in increased SGF expenditures by a significant but indeterminable amount. Proposed law requires the appointment of an executive director of the newly created Office of Broadband and Connectivity within the Office of the Governor. Proposed law creates the position of executive director and provides for an array of powers and duties, primarily focusing on bridging public, private and individual resources together to facilitate the expansion of broadband and connectivity infrastructure statewide. The agency has not had sufficient time to provide a formal response to the LFO's fiscal note request, but preliminary information is provided below. The LFO will update this fiscal note as additional information becomes available.

OTS reports that initial discussion regarding the staffing requirements necessary to operate an effective Office of Broadband and Connectivity would likely incorporate 3 to 5 new T.O. positions, an executive director, 1 or 2 grant reviewers/managers and 1 or 2 technical specialists focusing on the state mapping of broadband and connectivity. Additional technical support would be provided by existing employees within OTS on an as-needed basis, whose costs would be prorated to appropriate state or local governmental agencies as available. Proposed law authorizes the office to enter into any agreement or contract with any person or government agency as necessary or convenient to carry out its functions.

Initiating the Office of Broadband and Connectivity would likely require normal and customary expenditures for operating services (office space - if unavailable, utilities, risk management), travel, and office supplies, as well as one-time expenditures for acquisitions (office furniture, data equipment, automobile - if necessary).

REVENUE EXPLANATION

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

Senate <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	House <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	 Christopher A. Keaton Legislative Fiscal Officer
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