



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 603** HLS 23RS 874  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 17, 2023	1:25 PM	<b>Author:</b> DESHOTEL
<b>Dept./Agy.:</b> Office of Broadband Development & Connectivity		
<b>Subject:</b> Granting Unserved Municipalities Broadband Opportunities		<b>Analyst:</b> Garrett Ordner

UTILITIES OR SEE FISC NOTE FF EX Page 1 of 1  
 Provides relative to Granting Unserved Municipalities Broadband Opportunities (GUMBO)

Present law provides for the Granting Unserved Municipalities Broadband Opportunities (GUMBO) program. Present law requires the Office of Broadband Development & Connectivity ("the office") to develop a broadband map of LA using information secured from entities providing internet service to determine served, underserved, and unserved areas to aid in administration of the program. Present law allows local governments, nonprofit organizations, and internet service providers to challenge any area deemed eligible for the program that overlaps with the entity's service territory. Proposed law requires the office to start the challenge process at least 90 days before any grant round is launched and provides directions for the challenge process. Proposed law requires the office to run each grant round for a 30 day period from the date the round is opened until the application deadline. Proposed law allows local governments, nonprofit organizations, and internet service providers to challenge the award up to 7 days after the announcement of said award. Proposed law clarifies that each grant round may incorporate federal funding programs.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will enable the Office of Broadband Development & Connectivity to provide federal grants to internet service providers for the development of broadband access in unserved areas, underserved areas, and Community Anchor Institutions (e.g. schools, libraries, health clinics, etc.) through the Broadband Equity, Access, and Deployment (BEAD) program established by the Infrastructure Investment and Jobs Act (IIJA). The amount of LA's BEAD allocation will be announced June 30, 2023, but the IIJA guarantees a minimum allocation of \$100 M, and the Office of Broadband Development & Connectivity indicates the allocation may be as high as \$1 B. The funds are expected to be available for at least five years. There will be increased local funds expenditures to the extent that local governments elect to provide matching funds to support grant projects either as municipal internet service providers or on behalf of private internet service providers, as subgrantees are required to provide matching funds totaling at least 25% of all project costs.

Proposed law is intended to bring the GUMBO program into compliance with federal requirements of the BEAD program. This program provides \$42.5 B nationwide to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs.

Proposed law will allow the GUMBO program to expend federal BEAD funds through grants to internet service providers in order to provide broadband access in unserved areas, underserved areas, and Community Anchor Institutions according to the Federal Communications Commission's broadband data map. The number of grant rounds to be conducted is currently unknown. The GUMBO program rules provide for a scoring system used to determine priority for recipients of grants.

Up to two percent of BEAD funds may also be used for administrative costs; however, the Office of Broadband Development & Connectivity does not currently anticipate a change to its administrative costs as a result of this program.

**REVENUE EXPLANATION**

Proposed law will allow for the incorporation of BEAD funds into GUMBO program grants. The amount of LA's BEAD allocation will be announced June 30, 2023, but the IIJA guarantees a minimum allocation of \$100 M, and the Office of Broadband Development & Connectivity indicates the allocation may be as high as \$1 B.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer