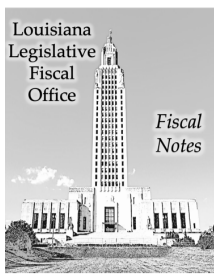


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 648** HLS 21RS 878

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2021	2:29 PM	Author: DESHOTEL
Dept./Agy.: Office of Broadband Development and Connectivity		Analyst: Monique Appeaning
Subject: Granting Unserved Municipalities Broadband Opportunities" Grant Program		

TELECOMMUNICATIONS

OR SEE FISC NOTE SD EX

Establishes a grant program to be administered by the office of broadband development and connectivity in the division of administration

Proposed law creates the "Granting Unserved Municipalities Broadband Opportunities" (GUMBO) grant program. Proposed law provides: definitions; establishes a special fund in the state treasury known as the GUMBO fund; directs the state treasurer to deposit \$180 million received by the state from the Federal Coronavirus State Fiscal Recovery Fund established in the American Rescue Plan Act of 2021; specific directives on monies in the fund; specific project areas comprised of census blocks, or portions thereof that receive matching funds to deploy broadband service within the next 18 months are not eligible for the GUMBO program; specific private providers that receive specific funds to deploy broadband service may qualify that area for protection by submitting, within 60 days of the application period; guidelines for applications, burden of proof, comments and protests; permits the broadband office to consult with the LA Department of Economic Development on broadband projects; for the scoring of applications; for matching fund guidelines upon rules that will be promulgated by the broadband office; a maximum of 50% of matching funds may be comprised of 3rd party funding or other grant programs; for compliance during the agreement, failure to perform, receipt and disbursement of federal grant funds, reporting requirements, and administrative fees; for a detailed plan for specific processes and procedures be submitted to the Legislative Auditor and upon the approval the broadband office shall initiate the administration of the GUMBO program; directs the broadband office to promulgate rules necessary to carry out the

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	UNKNOWN	
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>	\$0
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	UNKNOWN	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	UNKNOWN	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an increase in statutory dedication expenditures in the Office of Broadband Development and Connectivity to administer the Granting Unserved Municipalities Broadband Opportunities (GUMBO) grant program. The bill authorizes 1% (or \$1.8 M) of the \$180 M to be used for administrative costs. The Broadband Office allocates the \$1.8 M as \$450,000 annually in FYs 22 through 25 to administer the program. The number of positions and salary information are not yet determined as reported by the agency. The Broadband Office will administer distribution of grants totaling approximately \$178.2 M solely for providing grants to help fund broadband access in rural and disadvantaged areas over FYs 22 through 25.

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates that it will be required to add one T.O. position at a total personnel services cost of approximately \$71,000 plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

REVENUE EXPLANATION

Proposed law will create no net change to revenue receipts for state or local governing entities. Proposed law creates the the Granting Unserved Municipalities Broadband Opportunities (GUMBO) Fund and directs the treasurer to deposit \$180 M received by the state from the Federal Coronavirus State Fiscal Recovery Fund established in the American Rescue Plan Act of 2021 into the GUMBO Fund. Absent proposed law these monies may have been appropriated as a Federal (Direct) revenue source. The monies will now be appropriated as a Statutorily Dedicated source.

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}

Alan M. Boxberger

Alan M. Boxberger
Staff Director