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FISCAL IMPACT REPORT

SPONSOR <u>Padilla</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/13/24</u>
	BILL <u>Senate Memorial</u>
SHORT TITLE <u>Broadband Work Group</u>	NUMBER <u>15</u>
	ANALYST <u>Hilla</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		Indeterminate but minimal			Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 45 and an appropriation in the General Appropriation Act.

Sources of Information

LFC Files
 Office of Broadband Access and Expansion

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of Senate Memorial 15

Senate Memorial 15 creates the Office of Broadband Access and Expansion to convene a work group during the 2024 interim session to consider both legislative and non-legislative options to study ways to facilitate and streamline the deployment of broadband to all residents of New Mexico.

The work group is requested to focus on strategies to serve unserved, underserved, low-income and rural communities, and student populations and provide a report of recommendations to the legislative interim committee and to the governor on or before November 30, 2024.

FISCAL IMPLICATIONS

Memorials do not contain appropriations and do not carry the weight of law. The creation of any work group involves agency staff and resources to develop the workplan, convene the members, and produce a report. In many cases, the agency can absorb these costs; however, work groups

and study divert agency staff from other, perhaps equally important, responsibilities. It is unclear if the members of the work group would be paid per diem for their service.

SIGNIFICANT ISSUES

New Mexico was allocated \$675 million through the federal broadband equity, access, and deployment program (BEAD) to be administered through the Office of Broadband Access and Expansion. BEAD is a federal grant program that is focused to get Americans online by prioritizing unserved locations that have no internet access or only have access of 25/3 Mbps (download /upload of megabits per second) and underserved locations that only have access under 100/20 Mbps. In New Mexico, 84 percent of people have access to 100Mbps broadband, ranking 43rd among all states in terms of overall access to high-speed internet. Currently, 8 percent of New Mexican households have no internet access at all and 8 percent of New Mexicans are underserved. Though New Mexico is to receive \$675 million in federal funding for broadband expansion, OBAE estimates a total cost of \$2.81 to \$4.12 billion to extend universal internet access to New Mexico's unserved and underserved locations, with most of the current BEAD funding in New Mexico expected to cover only unserved locations. The creation of a broadband working group to discuss recommendations both legislative and non-legislative of how to reach full connectivity in the state of New Mexico with consideration of how much money OBAE currently has for broadband deployment could allow for identification of gaps across the state.

ADMINISTRATIVE IMPLICATIONS

DoIT/OBAE would have additional administrative responsibilities for a work group.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 45 which includes the deployment of the Statewide Education Network (SEN) for connectivity of all public school districts and charter schools across New Mexico. Relates to a special appropriation to the Department of Information Technology for \$25 million for the deployment of broadband in New Mexico.

ALTERNATIVES

There is currently the Connect New Mexico Council that is comprised of several appointees and designees from different tribal governments, different agencies, as well as senate and house appointees. The Council may establish one or more advisory working groups to support any function, or inform any action, of the Council and report back to the Council. While SM15 creates a new working group separate from the Council, an alternative to a new group could be action that encourages collaboration with the Council and its working groups to provide reports to the legislative interim committee and to the governor.

EH/rl/ne