

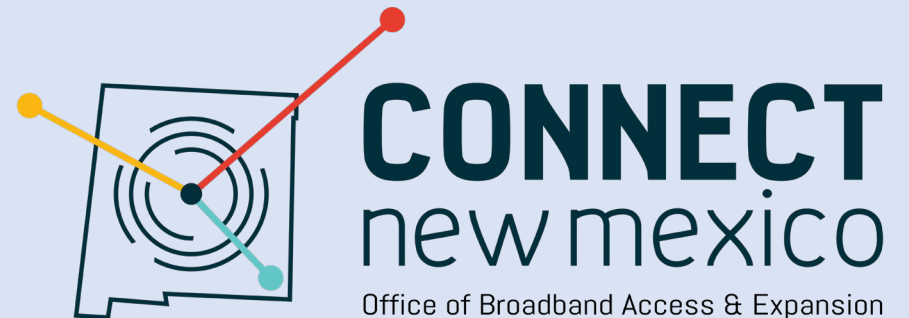
# FY26 Budget Request LFC Hearing

Office of Broadband Access & Expansion

Drew Lovelace, Acting Broadband Director

(505) 795-1672

[Drew.Lovelace@connect.nm.gov](mailto:Drew.Lovelace@connect.nm.gov)

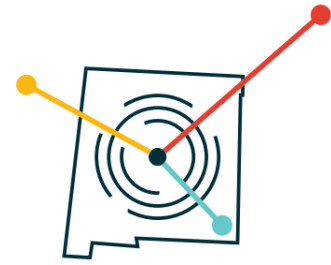


# Discussion Points

- BLUF
- Successes
- Request
- Broadband Landscape
- Additional Resources



# BLUF – Bottom Line Up Front



## **Operating Budget:**

- \$650K General Fund
  - Increase to the other category for DoIT fees and administrative support
  - Remaining to Personnel
  - Two new FTE for vacant positions that did not transfer from PSFA in FY25

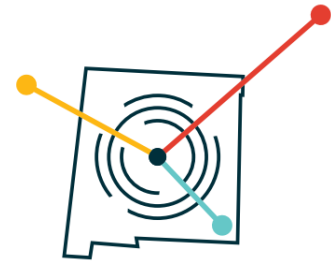
## **Specials:**

- 70M – Accelerate Connect NM – 2 years
- 35M – ACP – 2 years
- \$80M – Broadband Plan Support – 5 years

## **Extensions:**

- Broadband is infrastructure – short appropriations do not allow for infrastructure grants

# BLUF – Bottom Line Up Front

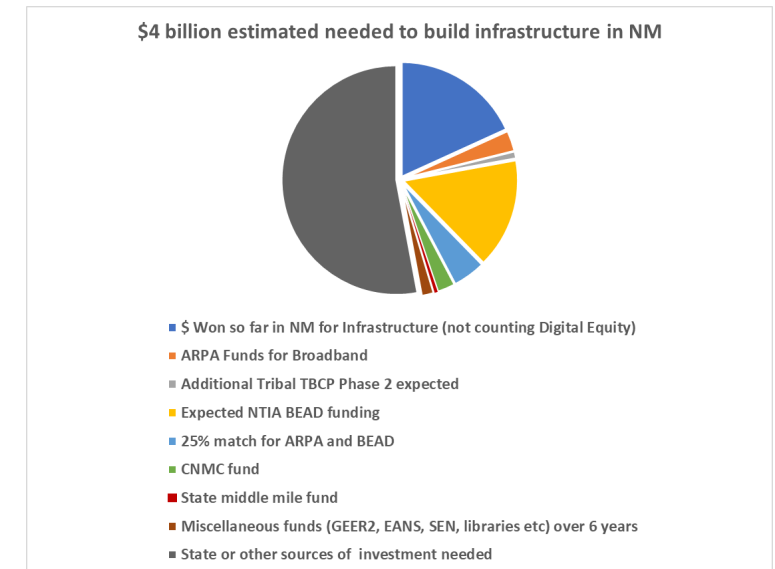


## Gaps:

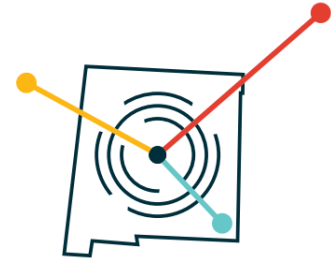
- \$2B
  - Middle Mile
  - Last Mile
    - Community Anchor institutions – government buildings
    - Low Income Multi Dwelling Units
    - Some Underserved
    - 5G deployment

## Broadband is Infrastructure:

- Short appropriations impairs the mission
- Broadband Plan Support leverages efficiencies during large federal investment

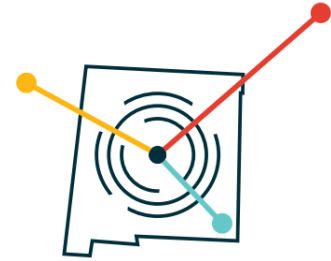


# Successes 2024



- |                              |   |   |
|------------------------------|---|---|
| 1. BEAD Allocation           | ➔ | NTIA approvals to run grant program   |
| 2. DE Allocation             | ➔ | NTIA approvals to run grant program   |
| 3. ARPA CPF Awards           | ➔ | First Projects completing in Q1 2025  |
| 4. MOU with PSFA for SEN     | ➔ | Launched SEN July 1, 2024   |
| 5. CNM Expenditure Authority | ➔ | Procured Grant Software<br>Launched 3 grant programs<br>Awarded Approximately \$45M<br>6k locations |

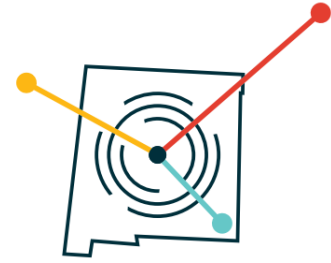
# Request: FY26 Operating Budget



	FY25 Op Bud	FY26 Request	Difference
<b>Revenue</b>			
General Fund	1,738.7	2,388.7	650.0
Transfers	-	650.0	650.0
Federal	-		-
Other	650.0		(650.0)
<b>Total Revenue</b>	<b>2,388.7</b>	<b>3,038.7</b>	<b>650.0</b>
<b>Expenses</b>	<b>FY25 Op Bud</b>	<b>FY26 Request</b>	<b>Difference</b>
200- PSEB	1,844.7	1,956.7	112.0
300- Contracts	125.0	125.0	-
400- Other	419.0	475.0	56.0
500- Other Financing	-	482.0	482.0
<b>Total</b>	<b>2,388.7</b>	<b>3,038.7</b>	<b>650.0</b>
<b>FTEs</b>	<b>FY25 Op Bud</b>	<b>FY26 Request</b>	<b>Difference</b>
PERM	14.0	16.0	2.0
TERM	0.0	0.0	0.0
<b>Total</b>	<b>14.0</b>	<b>16.0</b>	<b>2.0</b>
<i>* In thousandths</i>			

- \$538K for DoIT Fair Share
- \$112k for Personnel
- 2 FTE

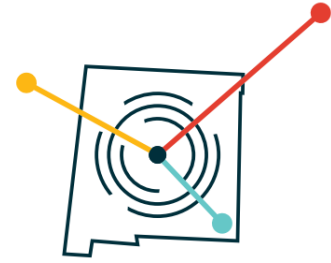
# Request: Accelerate CNM



## **Accelerate Connect New Mexico – 2 Years**

- \$70M total accelerate the Connect New Mexico Fund.
  - Up to 95,000 household vouchers for necessary hardware
  - Monthly subsidy for low-income households on internet bill
- Terrestrial builds can take up to 5 years to build
- Accelerate gives connectivity now without denying potential of gold standard to New Mexicans

# Request: ACP

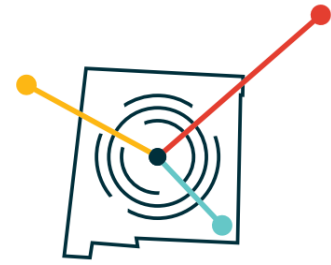


## **Affordable Connectivity Program Bridge Funding – 2 years**

- \$35M of general fund to be used over two years to administer the affordable connectivity replacement program



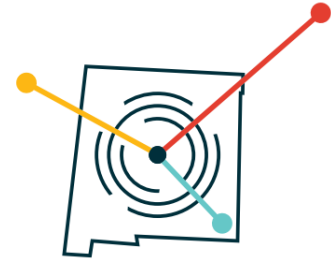
# Request: Broadband Plan Support



## **Broadband Plan Support – 5 years**

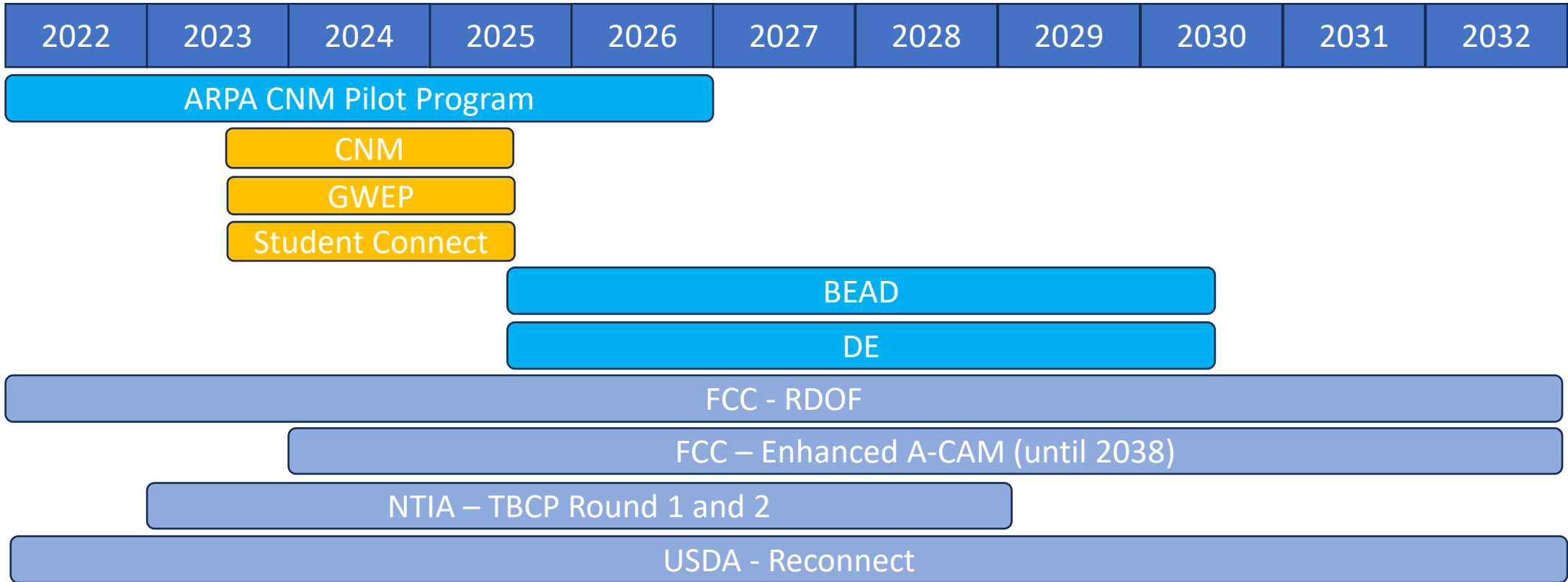
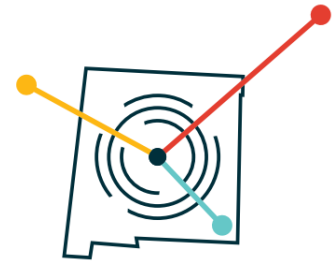
- OBAE requests a special appropriation for a total of \$80M of general fund to be used over five years to support the Broadband Plan.
- There is still a \$2B gap in broadband infrastructure funding statewide.
- Broadband Plan focuses on critical infrastructure and programs for:
  - Middle Mile
  - Last Mile
  - Digital Equity
  - 5G
  - Match funding not met by applications for BEAD.

# Request: Extensions

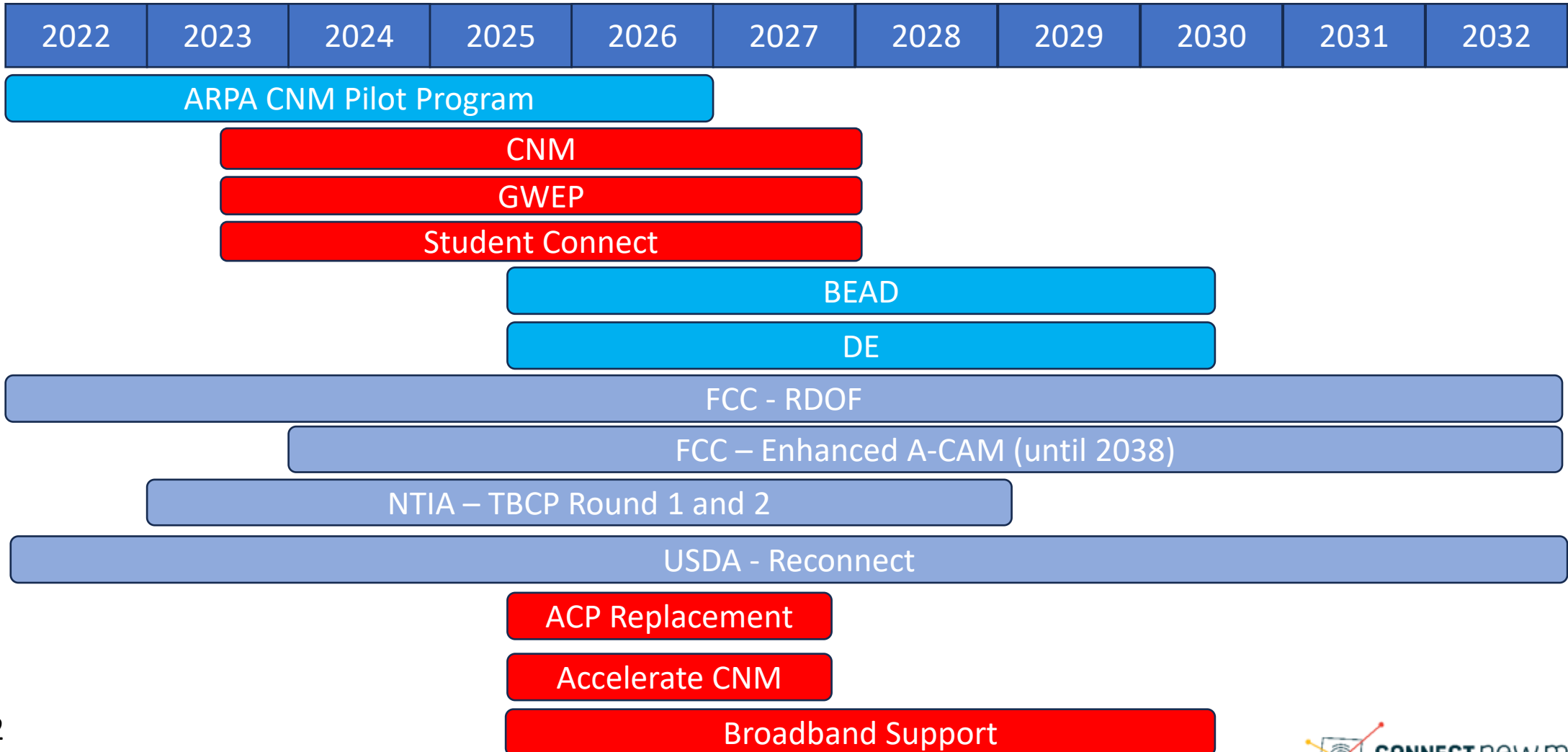
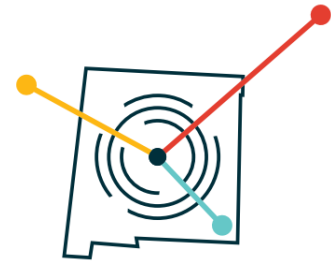


- Connect New Mexico
  - \$99M and \$25M support FY24
  - Extension reduces risks that rights of way, permitting, or supply chain delays will jeopardize ability OBAE to reimburse on projects that are delayed
  - Short expenditure authority prevented some applicants from applying
  - Short expenditure favored shovel ready and wireless projects to meet timeline
- \$25M – FY25 appropriated for 1 year, cannot build infrastructure in 1 year
  - Needed for middle mile
  - ROW and permitting can take up to 2 years
- \$7.4M – STB
  - SEN nodes costs went down after first few
  - Just completed engineering for Dig once project with NM gas

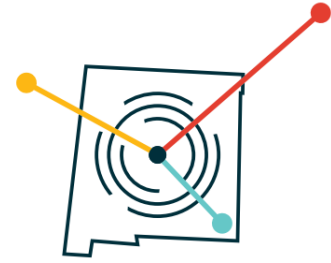
# Broadband Landscape



# Broadband Landscape: Requests



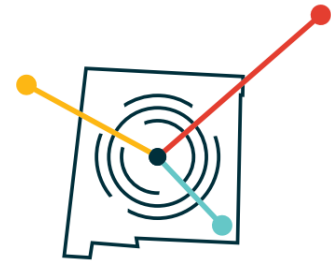
# Questions?



Drew Lovelace is the Acting Director for the Office of Broadband Access and Expansion (OBAE). He is guiding the OBAE team in orchestrating statewide initiatives to proactively secure and allocate over \$675 million in federal broadband funding. Additionally, he is championing efforts to bolster New Mexico's connectivity on a statewide scale.



# Additional Resources Websites



## **OBAE**

<https://connect.nm.gov/>

## **Mapping**

<https://connect.nm.gov/nm-broadband-mapping.html>

## **Tribal Dashboard**

<https://connect.nm.gov/tribal-broadband-resource-library.html>

## **Broadband Project Video**

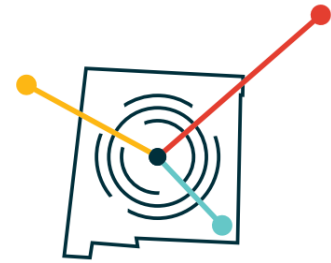
[https://youtu.be/Altg8BOP-Ww?si=v5v\\_nMbZDfGwAJwm](https://youtu.be/Altg8BOP-Ww?si=v5v_nMbZDfGwAJwm)



# Additional Resources

# Broadband 101: Why Broadband

Broadband touches every part of our lives.



## Health

- **Telehealth visit**
  - From home
  - From clinic
  - Specialists
  - Reduced Wait times
  - Reduced wait times

## Education

- **State Education Network**
  - Connect schools with one another
  - Connect children to resources
  - Online education Opportunities
  - Flexibility
- **Tutoring**
- **Language services**
- **Digital Equity**

## Entertainment

- **Streaming**
- **Gaming**
- **Music**
- **Books**

## Business

- **Credit Cards**
- **Support Services**
- **Sales**
- **Remote/Hybrid Work**

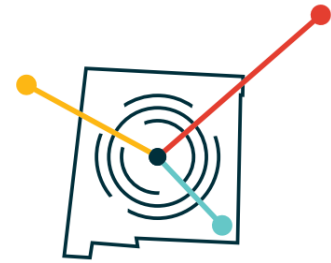
## Other: Quality of Life

- **Government Services:** E-Government, taxes, etc
- **Real Time Communications**
- **Internet of Things**
- **Security systems**
- **Shopping**
- **Commerce**

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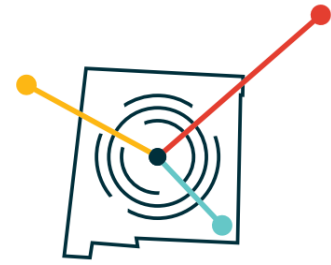
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# Additional Resources

## Broadband 101: Technology Types



### **Wireless:**

- Data transmitted through airwaves.
- Slower speeds (typically in Mbps).
- Shared bandwidth, can be affected by network traffic.
- Prone to interference (e.g., weather, physical obstacles).
- Higher latency (delay in data transfer).

### **Fiber:**

- Data transmitted via optical cables.
- Only truly symmetrical tech type (e.g., 100/100 Mbps)
- Faster speeds (often in Gbps).
- Dedicated bandwidth, consistent performance.
- Highly reliable, immune to most interference.
- Low latency, ideal for real-time applications.

### **Satellite:**

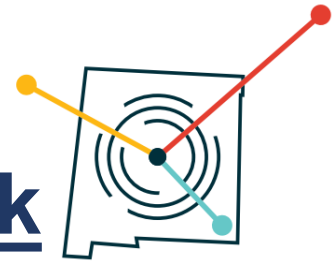
- Data transmitted via orbiting satellites.
- Slower speeds (typically in Mbps).
- Shared bandwidth, affected by network congestion
- Prone to interference (e.g., weather conditions).
- High latency due to the distance to orbiting satellites.

### **DSL:**

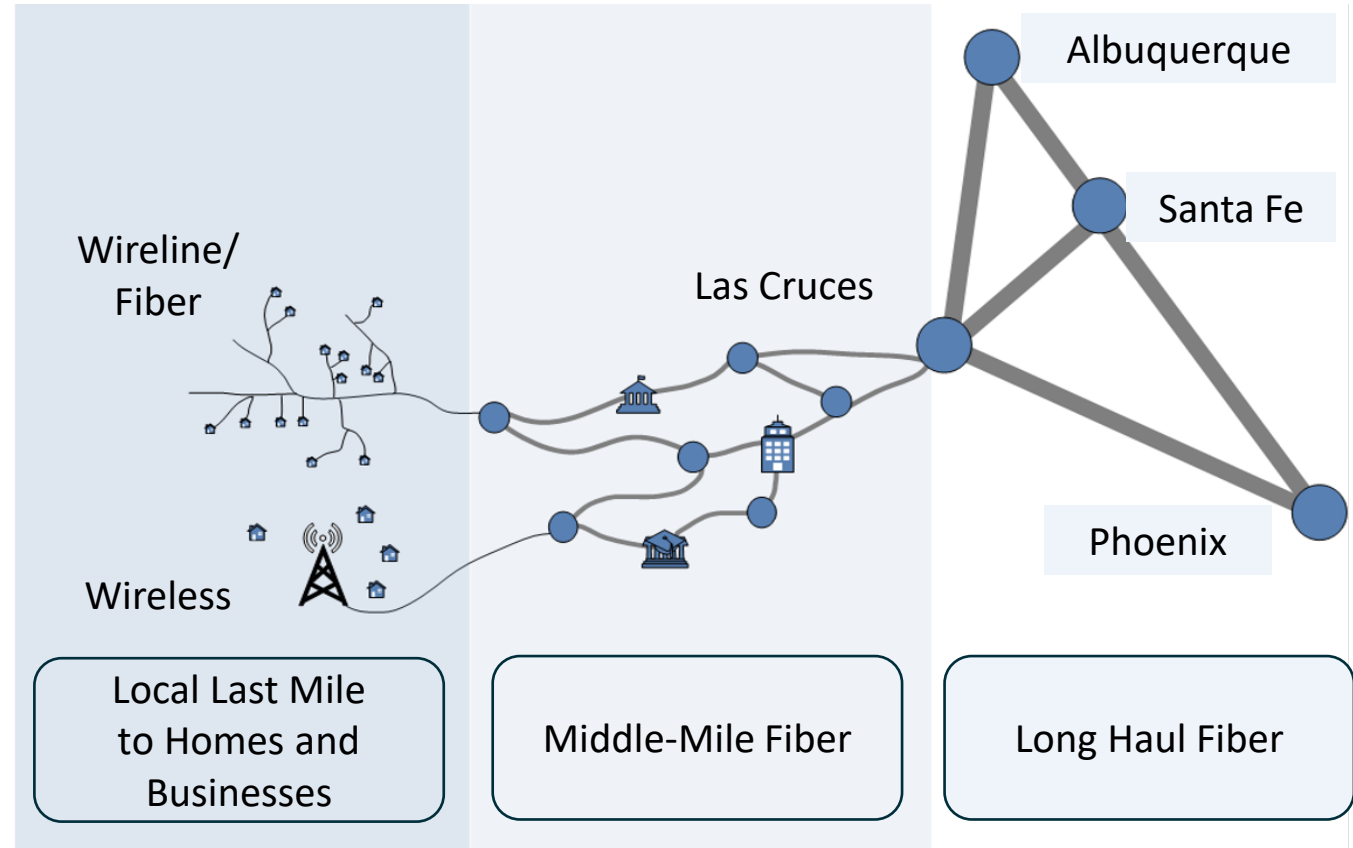
- Data transmitted via signals carried over traditional copper phone lines.
- Shares bandwidth with other users in the same neighborhood.
- Slower speeds (typically in Mbps).
- Prone to slowdowns during peak usage times.
- Susceptible to interference, especially over long distances.
- High latency, usually due to network congestion

# Additional Resources

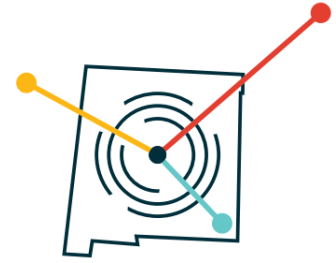
## Broadband 101: Elements of a Broadband Network



- Long haul fiber
- Middle mile fiber
- Last mile (wireline or wireless)



# Additional Resources Mapping: Changes



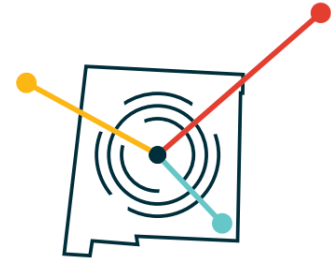
2023

- Approximately 140k locations unserved and underserved

2024

- Approximately 72k BEAD eligible locations\* (expected to change - final BEAD numbers pending NTIA approvals)
- Currently anticipate approximately 45K to 55k to be approved by NTIA

# Additional Resources Mapping: Changes



Locations removed and added:

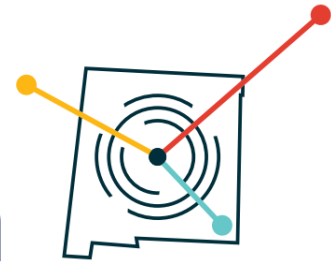
- Grants
- Internet Service Provider Corrections
- Service challenges
- Enforceable Commitments

What this can mean:

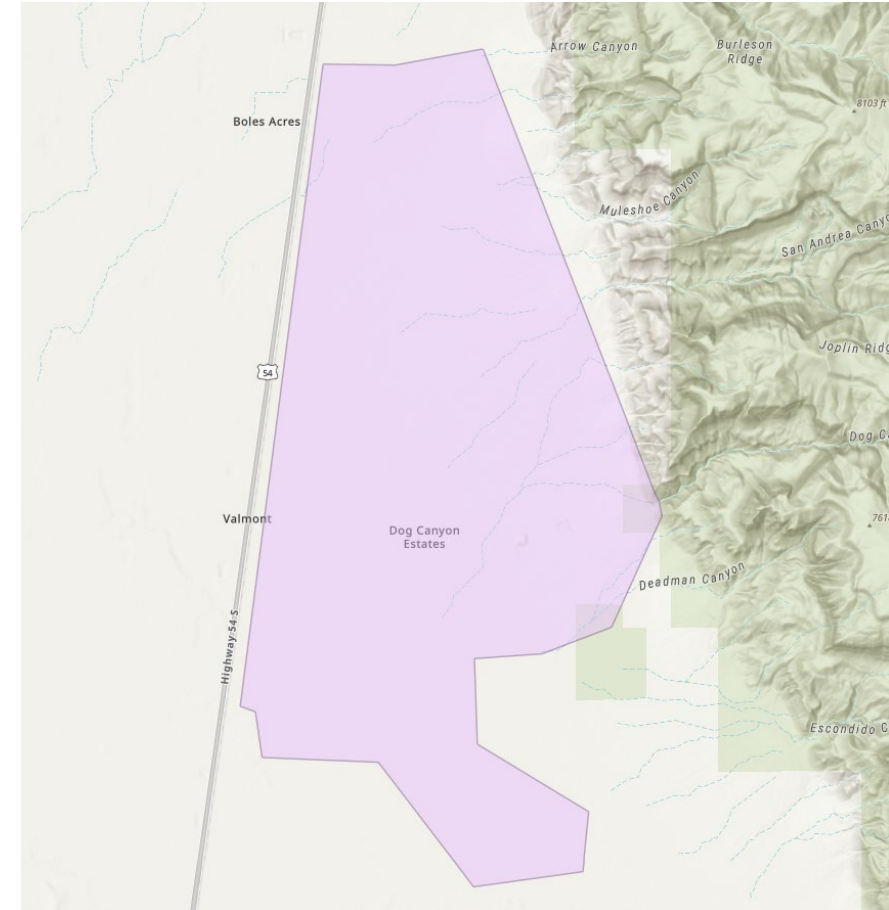
- A home does not have internet today
- Will get service from now until 2035 funded by State and Federal funding

# Additional Resources

## Mapping: Examples of Deconfliction

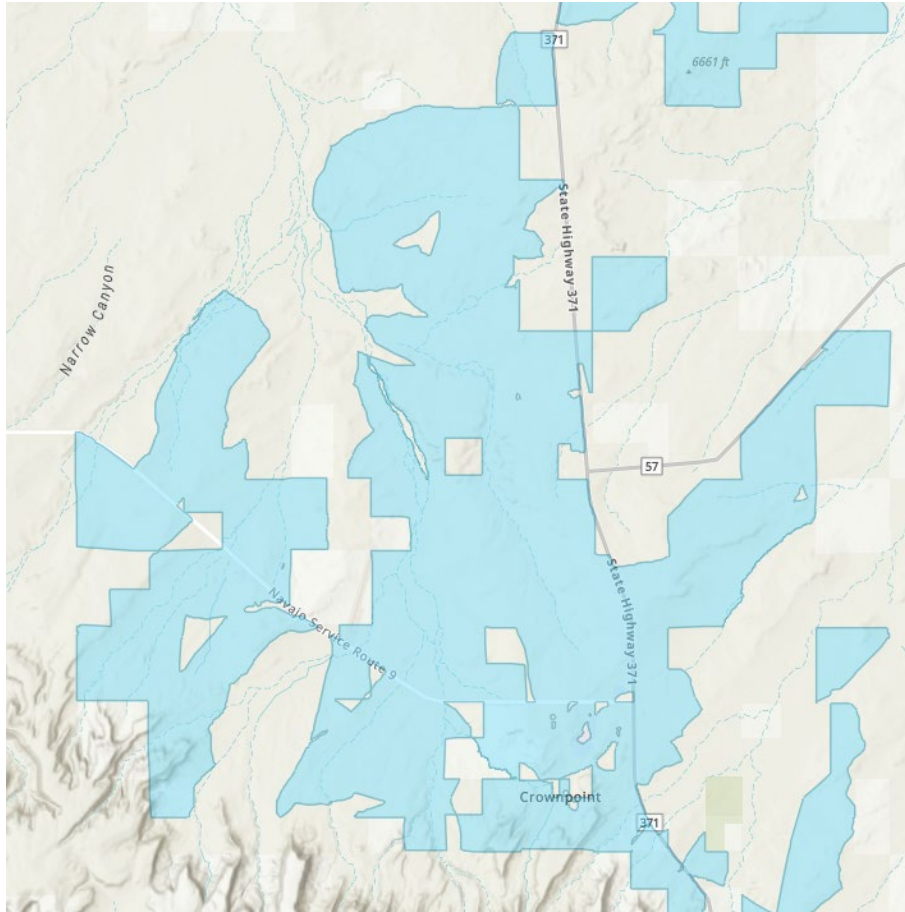
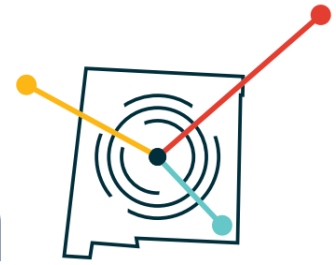


- 630 locations
- APRA CPF (CNM Pilot)
- Currently not connected
- Build expected to be complete Q1 2025



# Additional Resources

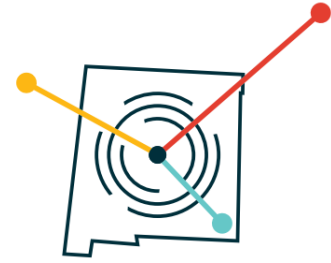
## Mapping: Examples of Deconfliction



- Federal Program awarded
- No ROW or Permitting allowed by Tribal Entity
- Locations are off the map, but will not be built to
- Pending FCC and NTIA decisions +/- 10k locations

# Additional Resources

## Acronyms:



- ARPA – American Rescue Plan Act
- CPF - Capital Projects Fund
- BEAD – Broadband Equity Access Deployment
- DE – Digital Equity
- DoIT – Department of Information Technology
- FCC – Federal Communication Commission
- MOU – Memorandum of Understanding
- NTIA – National Telecommunications and Information Administration
- OBAE – Office of Broadband Access and Expansion
- PSFA – Public School Facilities Authority
- ROW – Rights of Way
- SEN – State Education Network
- USDA – United State Department of Agriculture