# LFC Hearing Brief

NEW MEXICO
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## Broadband Funding Update

The purpose of this brief is to update the status of funding sources and uses for broadband in New Mexico and to review leadership, coordination, and current implementation efforts by state entities. In New Mexico, $352.6 million is already allocated and $2.8 billion is potentially available to state agencies, tribal and local governments, and education institutions for broadband. Of the total funds, $141.4 million is newly allocated in FY22 for use through FY23. Further, just under $47 million is estimated as available to spend, with the remainder of funds either expended, encumbered, or to be released once the Department of Information Technology (DoIT) submits an expenditure plan to the LFC.

Coordination between entities could be improved and work by existing agencies may duplicate responsibilities outlined for the new Office of Broadband Access and Expansion. Planning and coordination efforts across entities are needed to prevent duplication of work and to ensure appropriate investments are being made to support connectivity statewide.

## Funding Sources & Uses

***New Mexico has over $352.6 million already allocated for broadband infrastructure and other services from state and federal sources.*** Allocated funding includes $158.3 million from state and local sources since 2018 and $194.3 million from federal sources. State funding comes from the general fund ($102.1 million), severance tax bonds ($8.4 million) and general obligation bonds ($28.3 million). The Public Regulation Commission can also allocate funds from the State Rural Universal Services fund to broadband, at a minimum of $8 million per year as of 2021, and the Remote Education Technology Infrastructure Act (Senate Bill 144) expands the authority of the Public School Capital Outlay Council (PSCOC) to spend up to $10 million on broadband infrastructure for schools as a local match for federal E-rate funding.

Federal funding that New Mexico has already received for broadband includes funds from the Federal CARES Act ($1.5 million), Coronavirus Response and Relief Supplemental Appropriations Act ($16 million), the Federal Communications Commission ($165 million), and the Federal ReConnect program distributed by the United States Department of Agriculture ($11.8 million). (See Appendix A for a full table of sources and uses).

**Table 1. Total Funding Allocations by Use, State & Federal**

| Purpose/Use | State | Federal | Total Sources |
|---|---|---|---|
| General Infrastructure | $96.3 million | $176.8 million | $273.1 million |
| Libraries | $5 million | $0 | $5 million |
| Schools & Students | $35.1 million | $16 million | $51.1 million |
| Tribal Broadband | $6.8 million | $0 | $6.8 million |
| Planning & Technical Assistance | $5 million | $1.5 million | $6.5 million |
| LEDA | $10 million | $0 | $10 million |
| **Total Appropriated:** | **$158.3 million** | **$194.3 million** | **$352.6 million** |

Source: LFC Files

**The Brief:** Recommendations from the *2019 LFC program evaluation Funding, Oversight, and Coordination of Broadband Programs* recommended the Legislature designate a single entity to be the state's broadband leader and point of contact. Legislation passed during the 2021 legislative session established the Office of Broadband Access and Expansion (OBAE), the Connect New Mexico Fund and the Connect New Mexico Council, which should improve oversight and coordination efforts. DoIT should continue to report on progress with broadband deployment and assist the new OBAE in developing a plan for state broadband implementation.

## Allocated Sources and Uses, State & Federal



- General Infrastructure
- Libraries
- Schools & Students
- Tribes
- Planning/Technical Assistance
- Economic Development
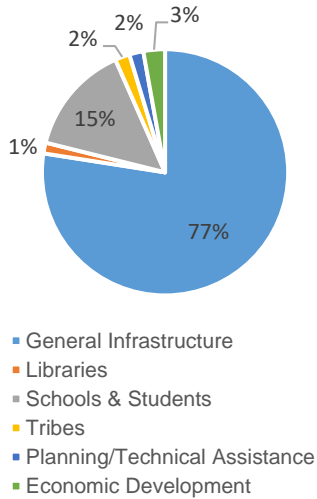
*Uses of broadband-related funding include 77 percent ($273.1 million) for general infrastructure, 15 percent ($51.1 million) for schools and students, and 3 percent ($10 million) for local economic development for broadband businesses (LEDA).* Funding for planning and technical assistance and tribal broadband each total 2 percent of funding ($5 million each) and 1 percent is currently dedicated for libraries ($6.5 million), not including potential E-Rate funding for FY22.

During the 2021 legislative session, the Connect New Mexico Fund was created through the Connect New Mexico Act (House Bill 10) and received appropriations totaling $100 million. DoIT's portion of broadband funding totals $28.3 million, of which $19.1 million is unspent (See Appendix B for DoIT's appropriations and available funding). Education technology investments include roughly $46 million budgeted from Federal CARES Act funds to provide students access to education technology in response to school closures in FY20 and FY21, according to the Public Education Department, as well as Federal CRRSA funds to subsidize internet subscriptions for low-income families.

*New Mexico could receive an additional $2.8 billion from the American Rescue Plan Act and other Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funds.* From the U.S. Treasury's American Rescue Plan Act (ARPA) of 2021, $704.7 million is potentially available for broadband in New Mexico for counties and municipalities. An estimated $1.9 to $2.1 billion could also be available for tribal fiscal relief from the ARPA and CRRSA, for which broadband is an eligible use. ARPA funds have not yet been received by the state but are anticipated, and roughly $85 million in ARPA funds for state fiscal relief were initially intended by the legislature to replace general fund appropriations from the 2021 legislative session. However, these funds were vetoed by the governor.

## Leadership & Coordination

**In 2021, the legislature established more formal coordination between state broadband entities after a 2019 LFC evaluation also recommended improved coordination within the state broadband system.**

No fewer than seven state agencies are tasked with implementing parts of the state's broadband system, including the Department of Information Technology, the Public Regulation Commission, the Department of Transportation, the Public School Facilities Authority, and others. Each entity is responsible for different parts of the statewide network and focuses on the needs of different constituencies.

*To better coordinate efforts among the different entities, Legislation passed during the 2021 Legislative Session establishes the Office of Broadband Access and Expansion, the Connect New Mexico Fund, and the Connect New Mexico Council.* The Broadband Access and Expansion Act (Senate Bill 93) creates the Office of Broadband Access and Expansion (OBAE), administratively attached to DoIT. Though DoIT has an existing office of broadband, two major reports in recent years have recommended the establishment of a centralized office of broadband in statute. First, a November 2019 LFC program evaluation recommended the Legislature designate a single entity to be the state's broadband lead and central point of contact, with a director appointed by the governor, and defined accountability reporting to the Legislature. A second, June 2020, Statewide Broadband Strategic Plan commissioned by DoIT recommended a similar centralized office of broadband with "resources of at least $1 million per year to

**During the 2021 legislative session, House Bill 10 created the Connect New Mexico Council, which will include members from the state Economic Development, Cultural Affairs, Information Technology, and Higher Education Departments, the Mortgage Finance Authority, Public School Facilities Authority, four legislatively appointed members, and six public members, including tribal representatives.**

Source: The Connect New Mexico Act (HB10)

support appropriate staffing and programs."[i] As a result, during the 2021 Legislative session, the division was funded with $500 thousand to DoIT and $100 thousand for a broadband position at the governor's office.

***Funding for the OBAE will cover salaries for three existing authorized FTE as well as two additional authorized FTE,*** which were funded through the Supplemental Appropriations Act (Chapter 14, Senate Bill 377) as non-recurring funding, which the agency will need to request in future years for ongoing operations of the office. DoIT will administratively support the office and reports that staffing for the governor-appointed director position is in progress. The Office of the Governor advertised for the newly created Broadband Director position starting in March 2021 and received six applicants, of which two were interviewed. The governor opened the search nationwide to expand the applicant pool, with appointment expected no later than August 2021.

DoIT recently filled two project manager positions, but lost one of the new hires to another state agency, and reports that these positions are currently funded out of overhead included in rates DoIT charges to state agencies. DoIT notes if these positions were to be instead funded from the general fund, DoIT would reduce the overhead rates they charge to agencies accordingly. In effect, the Legislature would still fund these positions from the general fund, but through direct appropriations to DoIT, rather than indirect appropriations to state agencies for DoIT service fees. Further, the status of the $500 thousand appropriation specifically allocated to DoIT for these broadband staffing positions is unclear.

## Activities by the Public Schools Facilities Authority's Broadband Advisory Committee may duplicate planning and expansion efforts by the Office of Broadband Access and Expansion.

PSFA 's Broadband Advisory Committee started meeting in April 2021 to develop a statewide broadband plan in order to meet requirements of the Remote Education Technology Infrastructure Act (Senate Bill 144). Membership on the committee included representation from the Higher Education Department, the Public Education Department, the Department of Information Technology, the Department of Transportation, higher education institutions and public schools, E-Rate Central (PSFA's consultant), and the PSFA (See Appendix C for full list of members). Goals of the advisory committee include defining a "statewide network," evaluating options for procuring infrastructure, developing timelines for implementation, and aligning funding sources to coordinate and streamline education technology procurements.

***The PSFA Broadband Advisory Committee is operating within a limited window of opportunity to utilize E-Rate funding.*** Federal E-Rate funding serves schools and libraries, and in New Mexico the PSFA Broadband Deficiencies Correction program has supported broadband connections in all 89 school districts and 65 charter schools using these funds, according to a 2019 LFC broadband evaluation. The window to secure E-Rate funds is limited, as the E-Rate cycle may require recipients to complete forms certifying federal reimbursement for costs incurred the previous year while simultaneously preparing to submit forms applying for the next year. The Broadband Advisory Committee noted during their first meeting that recommendations for guidelines and frameworks for broadband roll-out need to be completed by August, because by July or August PSFA expects

**The FCC's E-Rate funding expansion will allow E-Rate funding to be used for unserved and underserved home connectivity for public school students and school staff that qualify based on need due to the Covid-19 pandemic, not just connecting school buildings and libraries.**

Source: LFC Files

ISP Service Provider and Expiration Year

ISP Expiration Year
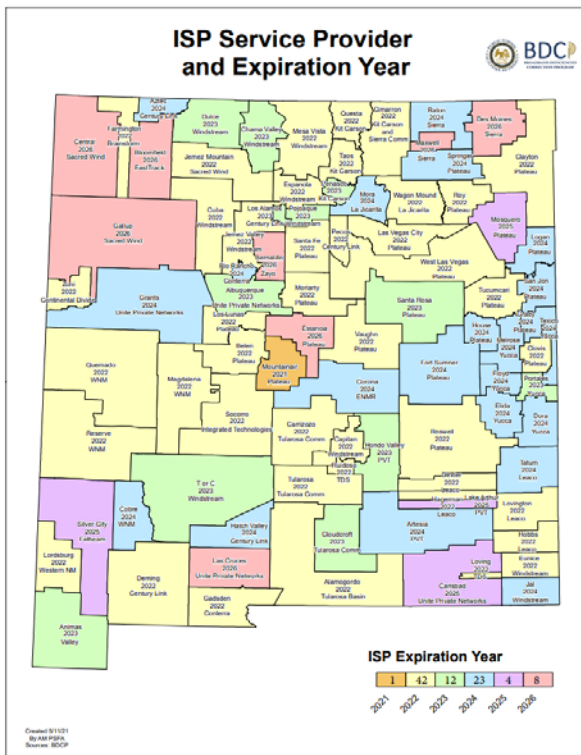
Source: PSFA

E-Rate to issue new rules for a $7.2 billion E-Rate expansion, eligible to connect student households, and possibly open a second E-Rate window this year. Because procurements are often complex and are estimated by PSFA to take about 9 months, the committee has to start working on implementation now or else schools may lose E-Rate funding for the year.

*The Broadband Advisory Committee is set to determine locations for regional Internet access points, or regional hubs, to serve the most customers and promote low cost data transmission.* A map provided by the PSFA's Broadband Deficiencies Correction Program (BDCP) shows the number of New Mexico school districts with Internet service provider (ISP) contracts that are set to expire through 2026. According to PSFA, the typical contract term with an ISP is 3 years. The advisory committee noted during their May 27, 2021 meeting that ISP contracts for a majority of individual school districts in New Mexico will expire by 2024. Out of 90 contracts listed, 78 will expire by 2024, constituting 86 percent of all districts. The advisory committee will use this map to indicate potential aggregation points. Areas where several districts will experience expiration of ISP contracts within the same few years are areas that are best suited to locate a regional hub. In these areas, Internet access can be provided regionally to several counties through one provider, which can lower the cost of data transmission services across that area. However, if regional hubs are not chosen and implemented soon, and if school districts are forced into individual contracts once current ones expire, then the districts and the committee may lock themselves in to long-term contracts that may be duplicative of efforts at DoIT later on.

*Though DoIT has membership on the PSFA Broadband Advisory Committee, coordination between the committee and DoIT can be improved.* Though funding to create the OBAE will not be available until July 2021, PSFA must pursue planning efforts immediately if they are to take advantage of the current federal E-Rate funding cycle. Efforts by the committee may duplicate efforts by DoIT if planning and implementation is not adequately coordinated between all entities involved, including PSFA, DOT, IAD, and others. As a result of the limited window to utilize E-Rate funds and the pending creation of the Office of Broadband Access and Expansion, the PSFA committee is currently leading these broadband planning efforts across the state. However, the committee is intended to focus on education-specific technology, not necessarily to plan for other last-mile and larger infrastructure projects, which should be pursued by the OBAE more generally.

## Technological Changes, Appropriate Investments, & Regulatory Constraints

**Broadband expansion projects are developed based on federal minimum Internet speed requirements, which are not consistent across federal agencies or states.**

As of 2015, the FCC defines broadband minimum speeds at 25 megabits per second (Mbps) for downloads and three Mbps for uploads (25/3 Mbps).

Alternatively, the U.S. Department of Agriculture (USDA) defines it as just 10/1 Mbps. Multiple definitions across federal agencies can result in a patchwork of services, where the unserved areas are inaccurately mapped and services are being expanded inconsistently. The PSFA Broadband Deficiencies Correction Program, a program developed out of 2014 legislation (Senate Bill 159) to correct deficiencies in broadband infrastructure affecting public schools, defines minimum speed standards for the program at 100 kbps per student and staff through 2018, which, at the time, aligned with recommended standards by the FCC. According to documentation from the Broadband Advisory Committee, the committee noted the need for meeting regulatory demands through the year 2050 to best utilize existing funding and avoid stranding rural residents. The committee will likely design infrastructure that will boost broadband speeds to about 1000 Mbps.

***Funding received from the U.S. Treasury's American Rescue Plan Act of 2021 requires eligible broadband projects to reliably deliver a minimum of 100 Mbps for download and upload speeds***. Projects using these funds must also be designed to serve unserved or underserved households and businesses. Speeds of 100 Mbps currently surpass the minimum recommended speeds for high-speed Internet as defined by the FCC. However, in March 2021, four U.S. Senators urged the FCC to change the definition of high-speed Internet to 100 Mbps,[ii] suggesting that efforts to connect rural and underserved areas should support speeds used by households in typical well-served urban and suburban areas. According to Speedtest Intelligence[iii], in April 2021 the national average download speed was 191 Mbps and an average upload speed of 67 Mbps.

***A speed requirement of 100 Mbps may negatively impact those state governments and other entities who receive federal funding for broadband but do not meet the higher regulatory speed requirement.*** The 100 Mbps regulatory speed requirement surpasses median download speeds seen in New Mexico for April 2021 (63.65 Mbps download speed)[iv], meaning state broadband projects that utilize non-fiber and other mobile or aerial technologies to connect households might be unable to expand their services using ARPA funds. The higher speed requirement also means the state would be ineligible from pursuing new projects outside of this higher speed requirement or supplanting already allocated general funds to existing state projects. However, supporting projects at 100 Mbps speeds may help ensure that investments can support emerging technologies and will be adequate in the long-term.

***Federal relief funding for broadband also tends to place an emphasis on funding projects for last-mile infrastructure coverage, which is difficult in New Mexico.*** Last-mile infrastructure is the infrastructure that connects individual homes and businesses to the Internet. As noted in the 2019 LFC program evaluation on broadband, for smaller, more rural areas of service, the geographic isolation of these communities makes it difficult to incentivize ISPs to connect homes. Covering last-mile connectivity is also often prohibitively expensive compared to other network buildouts. According to maps published by DoIT's Broadband Project,[v] New Mexico's mobile wireless networks, including 3G, 4G, and LTE services, cover roughly 95 percent of the state's total land area compared to only 27 percent coverage for broadband services. When these means are combined, New Mexico is left with only roughly 3 percent of its land area without connectivity of some form. However, regulatory pushes to cover last-mile infrastructure using federal relief funding may limit the ability to expand coverages to more geographically isolated areas and may unduly prohibit the expansion of other non-fiber technologies to support connectivity statewide.

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**According to Speedtest Intelligence®, a global performance metric reporting service, New Mexico was ranked 38th among states with the fastest mobile Internet download speeds in the first quarter of FY21, and was ranked 49th among states with the fastest fixed broadband Internet download speeds for that same time period.**

Source: SpeedTest Intelligence

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**New Mexico recently finalized a $3.2 million contract with dirigible manufacturer Sceye to launch stratospheric balloons that can produce wireless signals across a wide area, similar to a cellphone tower. Sceye plans to pilot a high-altitude platform station (HAPS) across 6,000 square miles to demonstrate 100 Mbps download speeds to homes, school, and clinics, in order to meet a higher speed requirement.**

Source: BusinessWire

# Potential Questions for DoIT

- A federal E-Rate expansion is expected in August that will allow E-Rate funds for connecting student households. What are DoIT's plans to coordinate with PSFA/PED to utilize these funds?

- What will be the recurring cost to DoIT for supporting the Connect New Mexico Council and the OBAE with administrative services?

- What is the status of the $500 thousand appropriation to DoIT included in House Bill 10 for staffing?

- Will DoIT continue to staff a Broadband Division? If so, how will DoIT ensure that the work will not be duplicative of efforts within the OBAE?

- DoIT will assist the OBAE with hiring and administrative services, but will DoIT be transferring its currently filled broadband staff to the new OBAE?

- The OBAE is administratively attached to DoIT within statute. Why wasn't the OBAE established as its own program under the purview of DoIT?

- Under development of the Broadband Operational Plan, will education technology projects be included in the prioritization process?

- When is Deloitte expected to present the Broadband Operational Plan?

- DoIT reports coordinating with PED for supporting education technology expansions, but PSFA continues to meet with their Broadband Advisory Committee to establish a statewide education technology network. How are these entities collaborating, if at all?

- What is the status of establishing the Connect New Mexico Council?

# Cybersecurity Funding Update

During the COVID-19 pandemic, cyber-crimes targeting oil pipelines, agricultural supply chains, government networks, and other critical infrastructure systems have increased in prevalence, in part due to the influx of individuals working remotely, accessing telehealth, and transitioning to online education. In addition, according to a 2020 LFC cybersecurity memo, New Mexico state and local governments, hospitals, public school districts, and higher education institutions have been victim to at least 28 cybersecurity and ransomware attacks since 2018. To address the prevalence of cyber-crimes in New Mexico, the 2020 LFC report recommended the Department of Information Technology (DoIT) develop a state cybersecurity plan that outlines the state's disaster management plan and cybersecurity posture.

## Cyber Crime Trends

***According to the FBI's Internet crime report, New Mexico reported 3,427 cyber-attack victims in 2020.[vi]*** Total losses related to cyber-attacks in New Mexico for 2020 totaled $23.9 million, or about 0.5 percent of national losses, and total earnings that attackers 'swindled' from the state – either in the form of extortion or ransomware attacks – totaled $5.7 million. Reported cyber victims in New Mexico only constituted 0.2 percent of the total state population, but losses totaled over $6,974 per victim. The top crimes reported in New Mexico in 2020 were extortion (651 victims) non-payment/non-delivery schemes (529 victims), personal data breaches (274 victims), and identity theft (109 victims), according to the 2020 Internet crimes report.

Cyber-attacks also occur within state agencies and government entities, and these types of attacks are becoming increasingly common. For instance, a 2020 LFC memo on cybersecurity found that, in 2019, the Gasden Independent School District in Dona Anna County experienced a ransomware attack that cost $1.9 million in restoration costs. Reports of these attacks and other cyber-crimes sometimes do not include information about losses paid to perpetrators or costs incurred for recovering data, which leads to an understating of total losses to government entities in New Mexico.

***Seniors in New Mexico stand to lose more as a portion of total monetary losses than in the U.S. as a whole.*** In the U.S., the highest monetary losses related to cyber-crimes occurred among the elderly population. Those 60 years of age or older constituted over 105 thousand victims and $966 million in losses in 2020, making up about 29.3 percent of total losses in the U.S for crimes with age data available.[vii] Trends in New Mexico by age mostly align with national trends, with the least reported victims from the "under 20" age group (100 victims) and the most reported victims from the elderly or "over 60" age group (837 victims). However, losses among the elderly in New Mexico totaled over $7.1 million in 2020, making up over 45 percent of the total losses reported by the state, meaning that New Mexico's seniors stand to lose more as a portion of total losses than in the U.S. more generally.

## Cyber Funding

***From FY18 to FY20, the legislature has appropriated a total of $7 million to support cybersecurity efforts.*** DoIT received an initial appropriation for the enterprise cybersecurity upgrade project for $1 million in 2018 to perform a statewide cybersecurity assessment to identify and implement security tools for

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**Overview of Common Cyber Crimes**

- **Identity Theft** refers to the theft of personal information, like a social security number, which is then typically used to commit fraud
- **Non-Payment** refers to situations where goods and services are shipped but payment is never received. Similarly, **Non-Delivery** includes situations in which payments were sent but goods or services were never received
- **Ransomware** is a malicious software that is designed to block access to IT systems and data until money is paid to retrieve it
- **Extortion** is the unlawful extraction of money or property through intimidation, threats, etc.
- **Personal Data Breaches** occur when personal data is released to, copied, or viewed by an untrusted or unauthorized source

Source: Federal Bureau of Investigation

## Table 3. Cybersecurity Appropriations

| Fiscal Year | Amount | Funding Source |
|---|---|---|
| FY19 | $1,000,000 | 2018 GAA |
| FY20 | $6,000,000 | 2019 GAA |
| FY22 | $1,000,000 | 2021 GAA |
| Total: | $8,000,000 | |

Source: LFC Files, 2021

**After the 2021 legislative session the governor vetoed language requiring DoIT to submit a cybersecurity plan to LFC.**

compliance monitoring and risk management, of which a majority was spent on pilot-type activities and $48.9 thousand was not spent and was reverted to the general fund. According to DoIT, with part of the $1 million appropriation, they engaged RiskSense Inc., with its product suite, and identified and implemented security related tools for compliance monitoring and cybersecurity risk management. An additional $6 million was appropriated in 2019 to cover planning, design, construction, and implementation of a statewide enterprise cybersecurity operation center system. In addition, DoIT had planned $350 thousand in equipment replacement funds (ERF) for FY20, but reported no actual ERF expenditures for the project in FY20. To date, available funding (unspent and unencumbered) from these appropriations totals just under $3 million.

***During the 2021 legislative session, DoIT received an additional $1 million in recurring revenue to support cybersecurity services.*** The agency reported that some of the expenses would be used to fund initiatives through FY22, including staff operations related to cybersecurity remediation. However, the governor vetoed language requiring DoIT to submit a cybersecurity plan to the LFC. DoIT's Cybersecurity bureau within Compliance and Project Management program has one filled and two vacant FTE. Vacant cyber positions include an IT Security & Compliance Administrative position and an IT Project Manager I. It is unclear, however, how much of the $1 million appropriation is intended to support staffing and what portion is committed to supporting deliverables within the enterprise cybersecurity project. According to the most recent project documentation, DoIT notes that current project phase activities should total $4.2 million, while future activities (FY22 and beyond) will cost approximately $900 thousand to $1 million.

***The state may be duplicating contractual services for vulnerability assessments and remediation services for state agencies.*** State agencies sometimes acquire IT services on the private market instead of going through DoIT, which can contribute to increased service rates. Under a statewide price agreement, DoIT contracted with RiskSense Inc. in April 2021 for $991.6 thousand, spanning three years for identifying vulnerabilities in the state network. Past contracts with the company have totaled $1.5 million for vulnerability platform software for the project and $490 thousand for penetration testing within DoIT's PeopleSoft applications. As noted in previous LFC IT status report cards for the enterprise cybersecurity project (See Appendix D), RiskSense Inc. has been completing vulnerability tests for over 40 on-boarded agencies each month, but outcomes of those scans are often not reported to LFC or other entities due to security concerns, and agencies procure these services independently in some cases.

DoIT administrative rule requires penetration and intrusion testing to be conducted for all state computing infrastructures by an independent third-party contractor approved by DoIT (NMAC 1.12.20.23). State agencies acquire their own penetration testing services (NMAC 1.12.20.24). For example, Workforce Solutions Department contracted with RiskSense, Inc. in March 2021 for a network penetration test to identify security vulnerabilities and safeguard data for a total amount of $53.7 thousand. Instead of potentially duplicating contractual services across agencies, DoIT could centralize cybersecurity testing for state agencies, which would provide an opportunity for additional cost savings to the state.

# APPENDIX A: Broadband Sources and Uses

**State & Local Sources**

| Location | Sources | Related Agency | Amount (thousands) | Purpose/Uses | Time | Amount Available | Comments |
|---|---|---|---|---|---|---|---|
| FY 20 SB280 | General Fund | DoIT | $259.7 | Broadband Infrastructure | FY19 - FY23 | $0.0 | For the north central New Mexico economic development district in Rio Arriba and Santa Fe counties |
| SB377 | General Fund | Connect NM Fund | $70,000.0 | Broadband Infrastructure | New | $7,000.0 | A total of $7M available until DoIT submits expenditure plan to LFC. $100K for a broadband position at the governor's office, $500k to create a broadband division at DoIT. |
| HB285 | Severance Tax Bonds | DoIT | $7,048.0 | Broadband Infrastructure | New | $500.00 | $500K available until DoIT submits expenditure plan to LFC |
| HB285 | Severance Tax Bonds | DFA (Local Govt.) | $24.9 | Broadband Infrastructure | New | $24.9 | To plan, design and construct REDINet repeater fiber optic expansions, including 911 security improvements, for governmental business operations in Embudo in Rio Arriba county. |
| HB285 | Severance Tax Bonds | DFA (Local Govt.) | $28.4 | Broadband Infrastructure | New | $28.4 | To plan, design, construct and install communications equipment and infrastructure, including four-strand fiber terminations on existing lateral service off of the REDINet backbone, at the Rio Arriba empowerment center in Espanola in Rio Arriba county. |
| HB285 | Severance Tax Bonds | DFA (Local Govt.) | $93.8 | Broadband Infrastructure | New | $93.8 | To plan, design and construct a micro fiber installation for five sites on the campus of a residential recovery facility in Velarde in Rio Arriba county. |
| HB285 | Severance Tax Bonds | DFA (Local Govt.) | $20.0 | Broadband Infrastructure | New | $20.0 | For for La Bajada community ditch and mutual domestic water association in Santa Fe county. |
| HB285 | Severance Tax Bonds | DOT | $828.0 | Broadband Infrastructure | New | $828.0 | To plan, design, construct, furnish and equip a citywide fiber and wireless network, including infrastructure, in Hobbs in Lea county |
| FY 20 SB280 | General Fund | DoIT | $10,000.00 | Broadband Infrastructure | FY20 - FY23 | $2,095.90 | "For broadband expansion, including assessments and contracts, in rural areas statewide" for use through FY23. |
| HB10 | SRUSF | PRC | $8,000.0 | Broadband Infrastructure | New | $8,000.0 | Historically, PRC will provide $17 million towards broadband annually, minimum was increased during 2021 session from $5M to $8M |
| SB377 | General Fund | Connect NM Fund | $5,000.0 | Planning | New | $500.0 | Grants for planning and grant writing support. $500K available until DoIT submits expenditure plan to LFC. |
| SB377 | General Fund | EDD | $10,000.0 | LEDA for Broadband Businesses | New | $10,000.0 | For projects that support emerging broadband technology |
| FY 20 SB280 | General Fund | DoIT | $1,000.0 | Libraries | FY19 - FY23 | $0.0 | To the library broadband infrastructure fund. for library broadband expansion and improvement statewide, including assessments and contracts, contingent upon the execution of a memorandum of understanding for use of the funds with the cultural affairs department |
| FY19 SB094 | GO Bonds | DCA | $4,000.0 | Libraries | FY19 - FY23 | $12.5 | For IT projects, equipment, furniture, resource acquisitions, SHARE shows encumberances of $2.6M and spending of $1.4M for grant services |
| FY19 SB094 | GO Bonds | DCA | $750.0 | Tribal (Libraries) | FY19 - FY23 | $2.0 | For IT projects, equipment, furniture, resource acquisitions (tribes). SHARE shows encumberances of $728K and spending of $19.2K for grant services |
| FY 20 SB280 | General Fund | IAD | $845.0 | Tribal | FY19 - FY23 | $8.2 | For the Jicarilla Apache Nation in Rio Arriba. SHARE reports encumberance of $289.6K and spending of $554.5K |
| HB285 | Severance Tax Bonds | IAD | $218.0 | Tribal | New | $218.0 | Total of $15K for Acoma in Cibola county, $50K for Navajo Nation in McKinley county, $120K for Nambe in SF county, $20K for Pojoaque in SF County, $13K for San Ildefonso in SF county. |
| HB285 | General Fund | IAD | $5,000.0 | Tribal Schools - Broadband Infrastructure | New | $5,000.0 | For construction of a regional middle-mile education network that connects entities and tribes through a wide area network at the Santa Fe Indian School |
| SB377 | PERF | Connect NM Fund | $25,000.0 | Schools - Broadband Infrastructure | New | $2,500.0 | Total of $2.5M available until DoIT submits expenditure plan to LFC |
| SB144 | PSCOC Fund | PSCOC | $10,000.0 | Schools - Broadband Infrastructure | New | $10,000.0 | E-Rate match |
| HB285 | Severance Tax Bonds | ENMU | $135.0 | Schools - Broadband Infrastructure | New | $135.0 | To plan, design, construct and upgrade backbone fiber optic cables at the Roswell campus of eastern New Mexico university in Chaves county |
| | | **Total State:** | **$158,250.7** | | | **$46,966.7** | |

**Federal Sources**

| Location | Sources | Related Agency | Amount (thousands) | Purpose/Uses |
|---|---|---|---|---|
| CARES ACT | Federal Grant (EDA) | DoIT | $1,500.0 | Technical Assistance/Planning |
| ReConnect (Oct 2020) | Federal (USDA) | No related Agency | $11,846.9 | Broadband Infrastructure |
| FCC (Dec 2020) | Federal (FCC) | No related Agency | $165,000.0 | Broadband Infrastructure |
| Consolidated Appropriations | Emergency Broadband Benefit | No related Agency | $16,000.0 | Subsidies for student households |
| | | **Total Federal:** | **$194,346.9** | |

| | | |
|---|---|---|
| **Total State:** | $158,250.7 | 45% |
| **Total Federal:** | $194,346.9 | 55% |
| **Total Sources:** | **$352,597.6** | |

**Potential Sources**

| Location | Sources | Related Agency | Amount (thousands) | Purpose/Uses |
|---|---|---|---|---|
| American Rescue Plan (ARPA)* | Federal (US Treasury) | Capital | $134,000.0 | Broadband Infrastructure |
| American Rescue Plan (ARPA)* | Federal (US Treasury) | Tribal Fiscal Relief (IAD) | $1,901,766.8 | Tribal (estimated) |
| American Rescue Plan (ARPA)* | Federal (US Treasury) | Counties | $407,284.5 | Local Fiscal Recovery |
| American Rescue Plan (ARPA)* | Federal (US Treasury) | Large Municipalities | $171,356.4 | Local Fiscal Recovery |
| American Rescue Plan (ARPA)* | Federal (US Treasury) | Small Municipalities | $126,089.1 | Local Fiscal Recovery |
| Consolidated Appropriations | Federal (grants, estimated) | Tribal (IAD) | $100,000.0 | Tribal (estimated) |
| | | **Potential Federal:** | **$2,840,496.8** | |
| | | **All Funds** | **$3,193,094.4** | |

*Eligible uses include but are not limited to broadband infrastructure & services

# APPENDIX B: State Broadband Appropriations Breakdown by Agency

**State Funding Allocations to DoIT**

| Location | Source | Amount (thousands) | Remaining (thousands) | Purpose |
|---|---|---|---|---|
| FY22 HB285 | Severance Tax Bonds | $7,048.0 | $7,048.0 | For broadband infrastructure, of which $500 thousand is available until DoIT submits expenditure plan to LFC. |
| FY22 SB377 | General Fund | $259.7 | $0.0 | For the north central New Mexico economic development district in Rio Arriba and Santa Fe counties. |
| FY20 SB280 | General Fund (Capital Outlay) | $10,000.0 | $2,095.9 | For broadband expansion, including assessments and contracts, in rural areas statewide for use through FY23. |
| FY20 SB280 | General Fund | $1,000.0 | $0.0 | To the library broadband infrastructure fund, for library broadband expansion and improvement statewide, including assessments and contracts, contingent upon the execution of a memorandum of understanding for use of the funds with the cultural affairs department |
| | | **$18,307.7** | **$9,143.9** | |
| FY22 SB377 | General Fund | $7,000.0 | $7,000.0 | To the Connect New Mexico Fund, of which $7 million is allocated to DoIT, not to be expended until DoIT submits expenditure plan to the LFC. |
| FY22 SB377 | General Fund | $500.0 | $500.0 | To the Connect New Mexico Fund, of which $500 thousand is allocated to DoIT, not to be expended until DoIT submits expenditure plan to the LFC. |
| FY22 SB377 | Public Education Reform Fund | $2,500.0 | $2,500.0 | To the Connect New Mexico Fund, of which $2.5 million is allocated to DoIT, not to be expended until DoIT submits expenditure plan to the LFC. |
| | | **$10,000.0** | **$10,000.0** | |
| | **DoIT Total:** | **$28,307.7** | **$19,143.9** | |

**State Funding Allocations by Agency**

| Recipient | Amount (thousands) |
|---|---|
| DoIT | $28,307.68 |
| Connect NM Fund | $100,000.0 |
| DFA (Local Govt.) | $167.1 |
| DOT | $828.0 |
| EDD | $10,000.0 |
| DCA | $4,750.0 |
| IAD | $6,063.0 |
| PSCOC | $10,000.0 |
| ENMU | $135.0 |
| PRC | $8,000.0 |

Source: GAA

# APPENDIX C: PSFA Broadband Advisory Committee Membership & Goals

**PSFA Broadband Advisory Committee Membership**

| Agency | Member Name |
|---|---|
| **PSFA** | Jerry Smith<br>Ovidiu Viorica<br>Ruth Bingham (Project coordinator)<br>Chris Martinez (Project manager)<br>Richard Govea |
| **E-Rate Central** | Andy Eisley<br>Caroline Wolf<br>Brandi Crubaugh<br>Charles Thacker<br>Jessica Olsen |
| **PED** | Mary Montoya (CIO)<br>John Chadwick |
| **DoIT** | Rand Tilton<br>Gar Clarke |
| **DOT** | Jeremy Lovato (CIO)<br>Gavin Lujan |
| **HED** | Duane Arruti (UNM) |
| **Institutions** | Mark Hamilton (Ruidoso)<br>Lee Reynolds (Rio Rancho Public Schools)<br>Mark Carrera (Amy Beihl)<br>John Kingslover (APS)<br>Eric Wimbish (Clovis)<br>Tim Walsh (Southwest Secondary Learning)<br>Bob Simpson (Reserve ISD)<br>Mike Good (Los Lunas)<br>Matt Dawkins (Las Cruces)<br>Bart Owen (Dulce)<br>Prestine Parten (SW REC & Animus)<br>Lorenzo Ibarraza (Bernalillo PS)<br>Patricia Nordby (SFPS)<br>Ben Glickler (Deming)<br>Salvador Zapien (Los Alamos)<br>Dan Jaramillo (Public Consolidated Schools) |
| **Volunteers** | Dianne Lindstrom (AARP)<br>Gil Gonzales (Gonzales Group LLC)<br>Representative Joy Garratt |

**Goals of the Advisory Committee:**
- How to define the "statewide network"
- Are we ready to build fiber, or will this cover only education entities?
- Buying versus leasing, scalability
- Timelines for implementation
    - *Recommendations for guidelines and frameworks by July/August*
- Naming/Branding of the network services
- How to align funding sources
- How to streamline procurements among players, contractual frameworks, right-of-way

# APPENDIX D: LFC IT Status Report Cards, FY21 Third Quarter

**Third Quarter**
**Fiscal Year 21**

**Legislative Finance Committee**
**Information Technology Status Report**

| Agency | 361 | Department of Information Technology (DoIT) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Project Name | Enterprise Cybersecurity Upgrade (ECU) | | | | | | | |
| Project Description | To establish framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center system. | | | | | | | |
| Project Phase | Initiation | | Estimated Implementation Date: | | | 6/30/2024 | | |
| | | | Estimated Total Cost (in thousands): | | | $8,000.0 | | |

| | State | Federal | Total Available Funding[1] | Spent to Date | Balance | % of Budget Expended | | |
|---|---|---|---|---|---|---|---|---|
| In thousands | $7,000.0 | $0.0 | $7,000.0 | $3,462.9 | $3,537.1 | 49.5% | | |

| FY21 Rating | Q1 | Q2 | Q3 | Q4 | Status |
|---|---|---|---|---|---|
| Budget | yellow | yellow | yellow | | In January 2021, DoIT was certified for release of just under $6 million by the PCC, of which $2.4 million has already been utilized by the agency. The agency received a $1 million appropriation in General Fund revenues for cybersecurity services for FY22. |
| Schedule | yellow | yellow | yellow | | The project was re-scoped and streamlined to align with funding requirements, which led to an expanded project timeline with final implementation planned for June 2024. The re-scope includes the implementation of a state-wide security operations center (SOC) to detect and monitor cybersecurity incidents. |
| Risk | red | red | red | | The re-scope of the project poses risk to the project timeline as new deliverables are added and priorities are realigned. Language requiring the agency to submit a plan to LFC was vetoed by the governor, but DoIT is scheduled to present a cybersecurity plan at the June 2021 LFC meeting. Planning is necessary to ensure adequate risk mitigation and remediation services for state agencies, and risk should decline once a plan is presented. |
| Overall | red | red | red | | Risk remains high due to chanes to project scope and timeline, and the project should be monitored closely to limit additional delays. The functionality of the project is yet to be determined but involves operational tools, scanning, and implmenetation of vulnerability assessments to address cyber risks. |

[1]Total available funding includes an additional $6 million general fund appropriated through capital outlay in Laws 2019.

| Agency | 361 | Department of Information Technology (DoIT) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Project Name | New Mexico Rural Broadband | | | | | | | |
| Project Description | Maximize availability of broadband connectivity across the state's rural areas. | | | | | | | |
| Project Phase | Initiation | | Estimated Implementation Date: | | | 6/30/2023 | | |
| | | | Estimated Total Cost (in thousands): | | | $10,000.0 | | |

| | State[1] | Federal | Total Available Funding | Spent to Date | Balance | % of Budget Expended | | |
|---|---|---|---|---|---|---|---|---|
| In thousands | $10,000.0 | $0.0 | $10,000.0 | $2,976.9 | $7,023.1 | 29.8% | | |

| FY21 Rating | Q1 | Q2 | Q3 | Q4 | Status |
|---|---|---|---|---|---|
| Budget | yellow | yellow | green | | DoIT reports spending 29.8 percent the total budget available, and has encumbered $5 million for established projects. For FY22, the Legislature appropriated $131 million to support broadband access and expansion statewide. This includes $100 million general funding, of which $10 million is allocated to DoIT (SB377). In addition DoIT received $7 million in capital funding. Higher available funding for FY22 led to improvements to budget risk status this quarter. |
| Schedule | yellow | yellow | yellow | | A request for proposal is scheduled for release in March for a statewide price agreement to assist with planning, grant writing, and infrastructure deployment. Pilot planning activities for FY22 include potential fixed wireless and low-earth orbit satellite projects. However currently the agency reports that there are no existing plans to fund emergency fiber construction projects. |
| Risk | yellow | yellow | yellow | | Planning is needed for further expansion of broadband projects. With the funding secured through FY22, budget status is improving and should decrease the overall project risk. |
| Overall | yellow | yellow | yellow | | The project will focus on addressing urgent connectivity needs and will rely on continued appropriations to support the scope of the project, posing additional risk. However, funding secured for FY22 should adequately support the project moving forward. |

[1]Laws 2018 appropriated $10 million general fund through the capital outlay process.

Sources

[i] June 2020 DoIT Broadband Strategic Plan

[ii] United States Senate (2021). Letter to Secretary Vilsack, Secretary Raimondo, Commissioner Rosenworcel, and Director Deese.

[iii] SpeedTest (2021). United States Mobile and Fixed Broadband Internet Speeds. Retrieved from https://www.speedtest.net/global-index/united-states#fixed

[iv] SpeedTest (2021). United States Mobile and Fixed Broadband Internet Speeds. Retrieved from https://www.speedtest.net/global-index/united-states#fixed

[v] DoIT Broadband Project, March 2020 PSFA survey of districts and U.S. Census Bureau American Community Survey 2018

[vi] FBI 2020 Internet Crime Report.

[vii] FBI 2020 Internet Crime Report.