LFC Requester:	Emily Hilla

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION
{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original __X__ **Amendment** _____
Correction _____ **Substitute** _____

Date Feb. 5, 2024
Bill No: HM 46

Sponsor: Rep. Sarinana

Short Title: Request NM Fed Delegation to Support Affordable Connectivity Program

Agency Name and Code Number: 361 OBAE

Person Writing Erin Thompson
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	**FY25**		
0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	**FY25**	**FY26**		
0	0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Memorial 46 is a declaration by New Mexico House members to urge New Mexico's federal delegation to support the continuation of the federal Affordable Connectivity Program (ACP). ACP was established in 2021 as part of the Bipartisan Infrastructure Law and included a $14.2 billion appropriation. The intent of the program is to help ensure that low-income households can afford the broadband they need for work, school, healthcare and more. The Federal Communications Commission was tasked with implementation of the ACP with states taking an active role in promotion and outreach. It is estimated that approximately 180,000 New Mexico households benefit from and rely on the ACP discount in order to be able to afford home Internet.

ACP provides a discount of:
- Up to $30 per month toward broadband service for eligible households
- Up to $75 per month for eligible households located on Tribal lands.
- Up to $100 (one-time) to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than $10 and less than $50 toward the purchase price.

Internet providers file claims for reimbursements associated with the discount through a program claims process managed by the Universal Service Administrative Company. Because Congress has not taken action to extend ACP, it is projected that funding will run out in late April, therefore applications and enrollments will not be processed after February 7, 2024 at 11:59 PM ET.

FISCAL IMPLICATIONS
At minimum $5.2 million per month will not come into New Mexico via the subsidies. Currently there is no state funding or appropriation that can be used by OBAE to stand up a similar program.

SIGNIFICANT ISSUES
180,000 households will lose the ACP subsidy. This may cause households to stop internet services. Low-income households and tribal communities will be most impacted by the end of ACP. Telehealth, schooling, access to government services, and other online services will be unavailable to those households unable to afford the increased cost of services.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS
N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP
N/A

TECHNICAL ISSUES
N/A

OTHER SUBSTANTIVE ISSUES
The end of ACP is a large financial impact to New Mexicans. OBAE will face a larger gap for affordable connectivity should the program not be continued by Congress.

ALTERNATIVES
Should the legislature want to cover the cost of the subsidy, OBAE would need State appropriations to stand up a program to cover the gap created by the end of ACP.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
Status quo

AMENDMENTS
N/A