

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*(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}*

Date Prepared: 2.5.26 *Check all that apply:*
Bill Number: HB323 Original Correction
 Amendment Substitute

Sponsor: Pamelya Herndon **Agency Name and Code Number:** Office of Broadband Access and Expansion - 36100
Funds for Low Income and Rural Residents for Affordable Broadband **Person Writing:** Cass Brulotte
Short Title: Broadband **Email:** cassandra.brulotte@connect.nm.gov
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	5000.00	Nonrecurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
0	0	0		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A
Duplicates/Relates to Appropriation in the General Appropriation Act: No

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The bill provides a one-time non-reverting appropriation of \$5,000,000 to the Office of Broadband Access and Expansion to provide broadband affordability assistance to low-income persons who reside on sovereign land, or in low population areas.

FISCAL IMPLICATIONS

There will be minimal impact on the general fund, as this is a one-time special appropriation to assist our most vulnerable families.

SIGNIFICANT ISSUES

Affordability is one of the six (6) strategic priorities in the three-year Statewide Broadband Plan, which is available online at: https://connect.nm.gov/uploads/1/4/1/9/141989814/obae-2026-28-three-year-broadband-plan-final_draft-compressed.pdf.

The appropriation for broadband affordability through this bill will assist the state in lowering broadband costs for New Mexicans, and fostering socioeconomic progress for eligible households by enabling meaningful access to the internet.

PERFORMANCE IMPLICATIONS

The Office of Broadband Access and Expansion will assign a project manager to this program, to ensure that the appropriation is properly expanded to support low-income eligible families.

ADMINISTRATIVE IMPLICATIONS

The bill will have minimal administrative impact on the Office of Broadband.

The Office of Broadband has an existing grant program, Student Connect, providing three years of free broadband access to eligible students, as identified by the Public Education Department in accordance with the *Martinez-Yazzie* litigation. As such, OBAE has existing processes and administration in place to partner with state agencies to identify eligible households for affordability programs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

This appropriation is intended to create a one-time state-funded alternative for the federal Affordable Connectivity Program, which Congress defunded in 2024.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

In 2026, a family of four making \$44,550 or less (135 percent of federal poverty guidelines) would be financially eligible for support under this program. In New Mexico, approximately 330,000 households fall below this financial threshold, with greater concentration of need in rural and tribal communities. Nationwide, an estimated 40 percent of households making \$50,000 or less cannot afford to pay anything for home broadband. Without this bill, low-income households in rural and tribal communities will be unable to meaningfully access the internet. This lack of meaningful access will limit employment, educational, and health care opportunities.

Through the PRC's broadband program, the Connect New Mexico Fund, and federal funding, New Mexico will have enforceable commitments to serve virtually every broadband serviceable location in New Mexico by the end of 2026. However, affordability - not access - is the single largest barrier to New Mexico families subscribing to broadband service.

AMENDMENTS

N/A.