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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/09

SPONSOR Martinez, R **LAST UPDATED** _____ **HB** _____

SHORT TITLE Dept of Info Tech Broadband Service **SB** 674

ANALYST Archuleta

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	Indeterminate	Indeterminate	Recurring	Telecommunications

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non- Rec	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	Telecommunications

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)

Economic Development Department (EDD)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 674 authorizes the Department of Information Technology to lease broadband capacity and provide advanced computing services to a nonprofit corporation connected with the University of New Mexico's Research and Development Park. The bill also specifies that the price charged by the state for use of the state owned advanced computing capacity be no less than the value of the services to the state. Lastly, it allows DoIT to lease the excess capacity to private entities to do research and development in collaboration with the state owned advanced computing capacity.

FISCAL IMPLICATIONS

None of the responding agencies identified a fiscal impact associated with this bill.

SIGNIFICANT ISSUES

According to the fiscal impact report prepared by HED, DoIT indicates that this bill will enable DoIT to provide network access into the New Mexico Computing Applications Center (NMCAC). The bill's intention is to develop pilots for broadband, lease the high speed connection, and to provide a section of the broadband for the NMCAC services. If excess capacity is available, the customer would pay the prorated share of the circuit cost. This aggregation lowers the unit cost per megabyte for all parties.

COMPANIONSHIP

Companion to Senate Bill 205 and may conflict with House Bill 729, Information Technology Commission and Duties.

TECHNICAL ISSUES

House Bill 729, amending the DoIT Act, recompiles sections relating to the Communications Division Section 15-2-1 which is the same section that this bill proposes to amend.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to DoIT, broadband capacity would not be readily available to non-profit/UNM research and development.

DA/mt