



N/A	\$10,000.00	\$10,000.00	Education Technology Infrastructure Fund	Education Technology Infrastructure Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	N/A	N/A	N/A	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**

SB45 makes several changes to existing statutes surrounding expanding broadband access in New Mexico, including in the area of education technology infrastructure. The bill consolidates control of several broadband access and expansion programs into the purview of the Office of Broadband Access and Expansion (OBAE), establishes an Education Technology Infrastructure Fund (ETIF), and sets guidelines for OBAE to develop requirements for awarding grants from the ETIF.

**FISCAL IMPLICATIONS**

SB45 does not include an appropriation. The State Board of Finance will oversee the issuance and sale of supplemental severance tax bonds. Issuance and sale of these bonds can reach proceeds of up to ten million dollars (\$10,000,000) per year as certified by the Director of the Office of Broadband Access and Expansion (OBAE). These funds will be placed into the Education Technology Infrastructure Fund (ETIF) in the state treasury. Balances in the fund at the end of a fiscal year do not revert.

**SIGNIFICANT ISSUES**

SB45 makes several changes to existing statutes surrounding expanding broadband access in New Mexico, including in the area of education technology infrastructure. The bill consolidates control of several broadband access and expansion programs into the purview of the Office of Broadband Access and Expansion (OBAE), establishes an Education Technology Infrastructure Fund (ETIF), and sets guidelines for OBAE to develop requirements for awarding grants from the ETIF.

The amendments to existing statute relevant to the scope of the New Mexico Higher Education Department (NMHED) are as follows:

- Section 1 amends existing statute to allow for supplemental severance tax bond revenue to support education technology infrastructure projects.
- Section 2 directs the State Board of Finance to oversee the issuance and sale of supplemental severance tax bonds which will fund the ETIF, created in Sections 11 through 13. Issuance and sale of these bonds can reach proceeds of up to ten million dollars (\$10,000,000) per year as certified by the Director of OBAE.
- Sections 4 through 6 remove the authority of the Public School Capital Outlay Council to spend up to ten million dollars (\$10,000,000) from the Public School Capital Outlay Fund on education technology infrastructure.
- Sections 11 through 13 create the ETIF and give OBAE guidelines for setting requirements for potential grants from the fund.
- Section 14 replaces the Director of the Public School Facilities Authority (or the director's designee) with the Secretary of the New Mexico Public Education Department (NMPED) (or the Secretary's designee) on the Connect New Mexico Council (CNMC) to provide advice to OBAE.
- Section 16 transfers administration of the Broadband Grant Program, funded by the Connect New Mexico Fund, to the Director of OBAE from CNMC.
- Section 17 transfers all personnel, funds, and resources currently held by the Public School Facilities Authority for its Broadband Deployment and Connectivity Program to OBAE.
- Section 18 transfers all broadband infrastructure owned, leased, or operated by the Department of Information Technology (DoIT) to OBAE.
- Section 19 repeals the Education Technology Deficiencies Correction program in the Public School Capital Outlay Act.

The consolidation of control over various broadband access expansion programs under one division's purview will likely facilitate better interconnectivity between initiatives. It may also reduce the possibility of duplicative efforts by K12 systems, higher education institutions (HEIs), and local governments.

The ETIF will only offer grants to school districts. However, dual credit courses are offered at K12 facilities. Improvements in broadband access in those facilities would, therefore, impact students enrolled at HEIs as well. If districts apply for grant funds in order to supply students with the necessary hardware to access broadband resources, students who are dual-enrolled will be able to use those resources in both their K12 coursework and higher education coursework.

Broadband connectivity is essential to the operations of New Mexico HEIs. Broadband connectivity reaches across every corner of HEIs' work, including online/remote learning, campus communication, digital resource access, and student internet access in residence halls. Additionally, HEI campuses can serve as important third places (locations away from work and home but essential to an individual's well-being) for students and the greater community. Having reliable access to broadband in these locations can be very important to their utility. This is particularly true for students from low-income backgrounds and/or students living in rural regions of the state due to limited home broadband and mobile data access.

According to BroadbandNow, New Mexico ranks thirty-ninth among states in terms of internet coverage, speed, and availability. Ten percent of New Mexicans are not able to purchase an internet plan of at least 25 megabits per second (Mbps) download and 3 Mbps upload. About 85% of New Mexicans are not able to purchase broadband at a price of sixty dollars (\$60) per month or less. One in five households in the state are without any type of internet access. About 40% of households earning twenty thousand dollars (\$20,000) or less have no internet access. Nearly a quarter of American Indians in New Mexico lack broadband access. (<https://broadbandnow.com/New-Mexico>).

#### PERFORMANCE IMPLICATIONS

N/A

#### ADMINISTRATIVE IMPLICATIONS

The Department of Information Technology (DoIT) houses the Office of Broadband Access Expansion (OBAE) and will administer the amended programs. The State Board of Finance will administer the issuing and sale of bonds.

#### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

#### TECHNICAL ISSUES

N/A

#### OTHER SUBSTANTIVE ISSUES

N/A

#### ALTERNATIVES

N/A

#### WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A