

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 254 (SB 254) appropriates \$2.8 million to the Department of Information Technology to pay for subscriber fees related to the state's digital trunked radio communications system (DTRS). The money would be appropriated for expenditure in fiscal year 2027 and unspent amounts would extend into subsequent fiscal years to fund the payment of subscriber fees for the DTRS to municipal, county and tribal public safety agencies that provide law enforcement, fire, medical or other emergency services. The funds would be non-reverting.

FISCAL IMPLICATIONS

DoIT estimates, and the executive recommended, that the DTRS subscriber fees for FY27 will be \$5 million. LFC has recommended \$2.5 million in one-time, special appropriations for FY27, to cover DTRS subscriber fees. HB 2 currently has \$2.5 million appropriated in the draft, for this purpose. This leaves DoIT short the additional \$2.5 million necessary to cover the DTRS subscriber fees in FY27. The appropriation of \$2.8 million in HB 254 coupled with the draft amount on \$2.5 million in HB 2 would exceed the amount that DoIT needs to cover DTRS subscriber fees in FY27.

SIGNIFICANT ISSUES

The base appropriation of \$2,800,000, alone, will likely not be enough to cover annual radio subscriptions for DTRS service in FY27. However, if this amount is coupled with the LFC recommendation of \$2,500,000 in HB 2, it will exceed the amount needed to cover the fees in FY27. There is no language in the proposed bill to ensure that additional appropriations will be received each year based on the projected usage.

Under the proposed language, DoIT's federal agency subscribers would not be entitled to a subsidy under this appropriation. Also, non-public safety branches of local agencies (such as public works and transportation) may not be subsidized. That is a departure from past appropriations, under which all DoIT customers were entitled to a subsidy. DoIT operates under a cost recovery model. DoIT's charges for services are calculated to recover DoIT's costs, without profit. This "no profit" cost recovery model ensures compliance with federal procurement regulations that have been construed to prohibit states from charging federal agencies more than actual cost. If federal and other state entities/agencies are excluded from subsidies, the rates that DoIT charges those agencies may exceed DoIT's cost for the service. Because DoIT must treat/charge all external agencies the same, limiting the subsidies to only certain customers may be legally unsound.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

There are also requests for special funding in the DoIT general appropriation to cover these fees for FY27.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Funds could be appropriated directly to the potential participating municipal, county, tribal and public safety entities to fund their DTRS subscriber fees. Another possibility could be to make the appropriation to the Department of Finance and Administration Local Government Division for distribution to potential participating municipal, county, tribal and public safety entities to fund their DTRS subscriber fees.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Many subscriber agencies currently participate in the Digital Trunked Radio System based on the established non-recurring subsidy. If such subsidies are not continued, they may reconsider their participation in this service. If these agencies decide to withdraw from DTRS service, this could have a negative impact on first responder interoperability and communications in New Mexico

AMENDMENTS