

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2511/1	Introduction Number AB-0303	
Description the broadband expansion grant program		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.155(1)(g)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
PSC/ Jenna Schmidt (608) 267-7709	Jenna Schmidt (608) 267-7709	6/12/2023

Fiscal Estimate Narratives

PSC 6/12/2023

LRB Number	23-2511/1	Introduction Number	AB-0303	Estimate Type	Original
Description the broadband expansion grant program					

Assumptions Used in Arriving at Fiscal Estimate

2023 AB 303 makes several changes to the broadband expansion grant program, which is administered by the Public Service Commission (Commission). The bill eliminates the term “underserved”, which is currently defined as an area served by less than two broadband providers, from statutes. 2023 AB 303 amends the definition of “unserved” to no provider offering service of 100 Mbps download and 20 Mbps upload. The service must be available and reliable. 2023 AB 303 gives the Commission the ability every two years, via the rulemaking process, to adjust the speed thresholds in the unserved definition to align with changes in technology and actual market conditions.

2023 AB 303 requires grant program applicants to participate in the FCC’s Affordable Connectivity Program or any federally mandated successor program. The bill also modifies the statutory priority factors related to matching funds and geographic area and adds a priority factor for projects that meet certain speed thresholds. In addition, the bill expands the list of items that the Commission shall consider when evaluating applications to include whether an applicant offers a low-cost broadband service option to be eligible for funding under the federal Broadband Equity, Access, and Deployment program or participates in the FCC’s Affordable Connectivity Program or any federally mandated successor program.

2023 AB 303 creates statutory provisions outlining a challenge process for grant applications. The provision requires the Commission to publish the proposed geographic broadband service area and speeds for each application submitted within ten days of the close of the application period. Internet service providers (ISP) in or proximate to a proposed project area may, within 30 days of the publication of this information, challenge an application by demonstrating that the ISP currently provides available and reliable fixed wireless or wired broadband service with speeds of 100 Mbps download and 20 Mbps upload. The ISP may also challenge on the grounds that they commit to complete construction to provide available and reliable fixed wireless or wired broadband service with speeds of 100 Mbps download and 20 Mbps upload within 24 months after the grants are made. If the Commission determines that the challenge is credible, the Commission is prohibited from funding the successfully challenged locations. If the ISP does not fulfill its commitment to provide broadband service within 24 months after the grants are made, the bill prohibits the Commission from awarding grants to the ISP for the following two grant cycles and the ISP is prohibited from participating in the challenge process for the following two grant cycles. The Commission will need 1.0 FTE to manage this challenge process. The annual salary, fringe and associated supplies and services costs for this position is \$111,200.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2511/1	Introduction Number AB-0303	
Description the broadband expansion grant program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$98,200	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	13,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$111,200	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS (General Fund)	111,200	
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$111,200	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
PSC/ Jenna Schmidt (608) 267-7709		6/12/2023
Jenna Schmidt (608) 267-7709		