

### Fiscal Estimate - 2021 Session

Original       Updated       Corrected       Supplemental

LRB Number <b>21-1842/1</b>		Introduction Number <b>SB-365</b>
<b>Description</b> the broadband expansion grant program		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5.Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<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
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>
<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)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
PSC/ Jenna Schmidt (608) 267-7709	Jenna Schmidt (608) 267-7709	6/9/2021

## Fiscal Estimate Narratives

PSC 6/9/2021

LRB Number	21-1842/1	Introduction Number	SB-365	Estimate Type	Original
<b>Description</b> the broadband expansion grant program					

### Assumptions Used in Arriving at Fiscal Estimate

2021 SB 365 makes several changes to the broadband expansion grant program, which is administered by the Public Service Commission (Commission). The bill removes the term "underserved" from statutes.

"Underserved" is currently defined as an area served by less than two broadband providers. Removing this term limits grant program eligibility to "unserved" areas of the state. 2021 SB 365 also amends the definition of "unserved" to no provider offering service of 100 Mbps download and 20 Mbps upload. The current statutory definition of "unserved" is tied to the Federal Communications Commission (FCC) definition.

2021 SB 365 modifies the statutory priority factors to specify the minimum level of matching funds that should receive priority and adds a priority factor for projects that meet certain speed thresholds. The bill also expands the list of items that the Commission shall consider when evaluating applications to include federal broadband grant program project areas. 2021 SB 365 prohibits the Commission from awarding grants to projects that do not have matching funds of at least 40 percent of the project cost and are not capable of providing service with speeds of 100 Mbps download and 20 Mbps upload.

2021 SB 365 also requires the grantee to submit a project completion final report before the Commission disburses any withheld funds. The bill specifies that the following information must be included in the report – number of locations passed, upgraded or within range; number of customers who ordered broadband service as result of the project at the time the report is submitted; and an official certification of speeds. The bill also requires the Commission to disburse withheld funds no later than 30 days from the submission of a complete project completion final report. The bill also requires the Commission to send the reports to the joint committee on finance and the appropriate standing committees of the legislature. The Commission will need 2.0 FTE positions to ensure that these statutory timelines are met, report data is tracked and analyzed properly, and all reporting is completed in a timely manner. The salary, fringe and associated supplies and services costs for these 2.0 FTE positions is \$166,200.

2021 SB 365 creates statutory provisions that outline the Commission's administrative responsibilities for the grant program. This includes providing technical assistance and facilitating the development of rural broadband expansion grants as well as developing and providing educational tools for project creation, grant application process and project completion reporting. The Commission currently provides some limited technical assistance as well as educational tools. Limited staff resources prevent the Commission from providing the level of assistance and tools outlined in this statutory requirement. The Commission will need 2.0 FTE positions to ensure necessary outreach and education. The salary, fringe and associated supplies and services costs for these 2.0 FTE positions is \$183,100.

2021 SB 365 also creates a requirement that internet service provider (ISP) grant recipients disclose to the Commission annually the broadband availability data in the same manner as which it is required by the FCC. The Commission would be allowed to use this information to develop and maintain coverage maps. Once the FCC Broadband Data Collection project is developed and maps are released, the bill requires the Commission to review the maps to determine if there is a continued need to separately report data to the Commission. The Commission will need 1.0 FTE to process the additional broadband availability data and create useful maps. The salary, fringe and associated supplies and services costs for this position is \$97,100.

2021 SB 365 creates a statutory provision outlining a challenge process for broadband expansion grant applications. The provision requires the Commission to publish the proposed geographic broadband service area and speeds for each application submitted within three days of the close of the application period. ISPs 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 or will complete construction to provide 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 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 proposed project. If an ISP does not fulfill its commitment, the

statutory provision prohibits the Commission from considering a challenge by the ISP in the following 2 grant cycles. The Commission will need 1.0 FTE to manage this challenge process and track throughout the life cycle of the awards. The salary, fringe and associated supplies and services costs for this position is \$91,500.

In total, 2021 SB 365 would require 6.0 additional FTE positions. The total cost is included below:

Salary: \$341,000

Fringe: \$118,900

Supplies and Services: \$78,000

Total: \$537,900

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

LRB Number <b>21-1842/1</b>	Introduction Number <b>SB-365</b>	
<b>Description</b> the broadband expansion grant program		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
<b>Annualized Fiscal Impact on funds from:</b>		
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$459,900	\$
(FTE Position Changes)	(6.0 FTE)	
State Operations - Other Costs	78,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$537,900</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS (General Fund)	537,900	
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$537,900	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
PSC/ Jenna Schmidt (608) 267-7709		Jenna Schmidt (608) 267-7709 6/9/2021