



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0542

Title: Eliminate any state support for radio stations

Primary Sponsor: Skees, Derek

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	(\$364,128)	(\$369,590)	(\$375,134)	(\$380,761)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$364,128</u>	<u>\$369,590</u>	<u>\$375,134</u>	<u>\$380,761</u>

Description of fiscal impact: HB 542 would prohibit appropriations of state funds to support nonprofit or for-profit radio stations. HB 542 prohibits the university system from entering into licensing agreements with and providing financial or in-kind support to nonprofit or for-profit radio stations.

FISCAL ANALYSIS

Assumptions:

1. HB 542 places a prohibition on using state funds to support a radio station directly or indirectly.

Montana University System

2. Within the MUS there are eight radio stations.
3. Five of the radio stations are considered student radio and run by students at the university and licensed for non-commercial, educational broadcasting that is not affiliated with national public radio (NPR). The funds to support student radio stations are from student fees and donations.
4. Three of the radio stations are considered public radio.
5. The total budget for the eight radio stations is \$4.2 million annually. Of this amount 9% (approximately \$360,000) would be considered current unrestricted state funds that is primarily for the support of staff.
6. This could impact program opportunities for student internships.

Department of Commerce

7. The bill would prevent the awarding of grants or sponsorships to nonprofit and for-profit radio stations. Any Department of Commerce grants or sponsorships that would have otherwise been awarded to radio stations would be awarded to other qualified applicants.

Montana University System

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	(\$364,128)	(\$369,590)	(\$375,134)	(\$380,761)
TOTAL Expenditures	<u>(\$364,128)</u>	<u>(\$369,590)</u>	<u>(\$375,134)</u>	<u>(\$380,761)</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$364,128	\$369,590	\$375,134	\$380,761
TOTAL Funding of Exp.	<u>\$364,128</u>	<u>\$369,590</u>	<u>\$375,134</u>	<u>\$380,761</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$364,128)	(\$369,590)	(\$375,134)	(\$380,761)

Technical Notes:

1. The Board of Regents maintain existing licenses for public radio stations and this bill does not address any existing licenses currently held.
2. The bill is not clear regarding whether the definition of “support” includes radio advertising. If so, the majority of state agencies will need to shift advertising dollars from radio to other forms of advertising. This would affect agencies including (but not limited to) the Montana State Lottery, the General Services Division of the Department of Administration regarding state surplus auctions, and the Montana Department of Transportation regarding highway traffic safety campaigns as well as notifications regarding highway construction.

NOT SIGNED BY SPONSOR

_____ 3/2/21 AS for KA 2/28/21
 Sponsor's Initials Date Budget Director's Initials Date