



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0181

Title: Reauthorizing the e-rate broadband program

Primary Sponsor: Zolnikov, Katie

Status: As Amended in House Committee

- 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</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> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: HB 181 temporarily redirects \$250,000 in each year of the 2023 biennium from the state special revenue school facility and technology account, currently statutorily appropriated for distribution to all school districts' technology funds, now to be used by the Office of Public Instruction as e-rate matching funds. There is no state fiscal impact.

FISCAL ANALYSIS

Assumptions:

Office of Public Instruction

1. HB 181, as amended, directs \$250,000 each year of the biennium from the school facility and technology state special revenue account to the Office of Public Instruction for providing funds for schools to use as a match for e-rate broadband matching funds.
2. Current law statutorily appropriates \$1.0 million each year from the school facility and technology state special revenue fund to be distributed to the technology fund of each school district in the state.

3. This bill, as amended, would reduce the \$1.0 million to \$750,000 to be distributed to schools each year for technology.
4. Any unspent portion of the \$250,000 on June 1 of each fiscal year is to be added to the \$750,000 for distribution to schools through the technology fund distribution to school districts in the ensuing year.
5. This bill is effective July 1, 2021, and the temporary redirection of the existing statutory appropriation to the Office of Public Instruction terminates on June 30, 2023.

| | <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> | | | | |
| Local Assistance (Technology) | (\$250,000) | (\$250,000) | \$0 | \$0 |
| Local Assistance (Grants) | \$250,000 | \$250,000 | \$0 | \$0 |
| TOTAL Expenditures | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| TOTAL Funding of Exp. | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| TOTAL Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | | | | |
|----------------------------|-----|-----|-----|-----|
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |

Effect on County or Other Local Revenues or Expenditures:

1. The ability for the state to leverage additional E-rate funding is dependent on meeting the requirements established by the Federal Communications Commission and approval from the Universal Service Administrative Company (USAC).
2. The district technology fund is a budgeted fund therefore, reducing this state funding could increase property taxes for that fund at the local level.



 Sponsor's Initials

3/22/21

 Date



 Budget Director's Initials

3-22-21

 Date