

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** HB1583

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Byron

**3. Committee:** Appropriations

**4. Title:** Commonwealth Broadband Chief Advisor.

**5. Summary:** This bill establishes the position of Commonwealth Broadband Chief Advisor (Chief Advisor) within the Office of the Secretary of Commerce and Trade to serve as Virginia's single point of contact and integration for broadband issues, efforts, and initiatives and to increase the availability and affordability of broadband throughout all regions of the Commonwealth. The bill creates the 15-member Advisory Board for the purpose of providing direction for the Chief Advisor and policy guidance to the General Assembly and the Commonwealth's localities.

**6. Budget Amendment Necessary:** Yes to Items 1 and 102 of HB30/SB30.

**7. Fiscal Impact Estimates:** Preliminary. See item 8.

**7a1. Expenditure Impact:** Item 1 – General Assembly of Virginia

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	n/a	n/a	n/a
2019	\$11,160	n/a	GF
2020	\$11,160	n/a	GF
2021	\$11,160	n/a	GF
2022	\$11,160	n/a	GF
2023	\$11,160	n/a	GF
2024	\$11,160	n/a	GF

**7a2. Expenditure Impact:** Item 102 – Secretary of Commerce and Trade

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	n/a	n/a	n/a
2019	\$140,000	1	GF
2020	\$140,000	1	GF
2021	\$140,000	1	GF
2022	\$140,000	1	GF
2023	\$140,000	1	GF
2024	\$140,000	1	GF

- 8. Fiscal Implications:** This bill creates Commonwealth Broadband Advisory Board to advise the Commonwealth Broadband Chief Advisor, also established in this bill. The Board shall be composed of 15 members, with four members from the Virginia House of Delegates and two members from the Virginia Senate. The bill provides that legislative members of the Board shall receive such compensation as provided in § 30-19.12, Code of Virginia, to be paid out of the budgets of the Clerk of the House of Delegates and the Clerk of the Senate. The Clerk of the House of Delegates will require a general fund budget amendment of \$7,440, and the Clerk of the Senate will require a general fund budget amendment of \$3,720. Thus, a total general fund amendment of \$11,160 is required to Item 1 of HB30/SB30.

The bill establishes the Commonwealth Broadband Chief Advisor, a position to be appointed by the Secretary of Commerce and Trade. Assuming a similar salary structure to a Deputy Secretary position, it is anticipated that the cost associated with this position will be \$140,000, including salary and benefits. Item 102 for the Office of the Secretary of Commerce and Trade will require a general fund budget amendment for this position. It is anticipated that office space and supplies are currently available to support this position, and such costs are included in the base budget of the Secretariat. Additionally, the bill provides that the costs of expenses of the nonlegislative citizen members of the Board and all other expenses of the Board shall be provided by the Office of the Secretary of Commerce and Trade. At this time, it is anticipated that these costs can be absorbed in current resources.

Lastly, the bill provides that staff for the Commonwealth Broadband Chief Advisor shall be provided by the Center of Innovative Technology (CIT) and the Department of Housing and Community Development (DHCD). The scope of staffing resources required is unknown. It is anticipated that diversion of staff resources from CIT and DHCD for this purpose may impact other programs administered by these entities.

- 9. Specific Agency or Political Subdivisions Affected:** Clerk of the House of Delegates; Clerk of the Senate; Office of the Secretary of Commerce and Trade; Secretary of Administration; Center of Innovative Technology; Department of Housing and Community Development; state agencies.
- 10. Technical Amendment Necessary:** Yes, on line 48, the word “Council” should be changed to “Advisory Board.”
- 11. Other Comments:** There is currently a Broadband Advisory Council established within the executive branch pursuant to Title 2.2, Chapter 26, Article 34, Code of Virginia. This Council is set to expire on July 1, 2018; however, SB991 and HB999 both propose to extend the Council’s authorization. The current Council advises the Governor on policy and funding priorities to expedite deployment and reduce the cost of broadband access in the Commonwealth and is staffed by the Office of Telework Promotion and Broadband Assistance and CIT.