

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB991

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

2. Patron: Edwards

3. Committee: Appropriations

4. Title: Appointments to Broadband Advisory Council; expiration.

5. Summary: Increases from 14 to 16 the total membership of the Broadband Advisory Council by adding two additional non-legislative members, who shall be representatives of the Virginia, Maryland, and Delaware Association of Electric Cooperatives and of a municipal broadband authority. The bill also extends the expiration of the Council from July 1, 2018, to July 1, 2021, and replaces the Secretary of Technology with the Secretary of Administration as an ex officio member of the Council. This legislation also shifts the responsibility for the Council's expenses from the Secretary of Technology to the Secretary of Administration, and shifts the responsibility for the Council's support staff from the Office of Telework Promotion and Broadband Assistance to the Secretary of Administration.

6. Budget Amendment Necessary: Yes, see Items 7 and 8 below.

7. Fiscal Impact Estimates:

7a. Expenditure Impact: Item 65.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	\$0	-
2019	\$11,440 to \$16,440	General
2020	\$11,440 to \$16,440	General
2021	\$11,440 to \$16,440	General

7b. Expenditure Impact: Item 102.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	\$0	-
2019	(\$1,440)	General
2020	(\$1,440)	General
2021	(\$1,440)	General

7c. Expenditure Impact: Item 425.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	\$0	-
2019	(\$10,000 to \$15,000)	General
2020	(\$10,000 to \$15,000)	General
2021	(\$10,000 to \$15,000)	General

- 8. Fiscal Implications:** This legislation would require the Office of the Secretary of Administration to fund the costs of expenses for the Broadband Advisory Council, as well as provide staff support. The Secretary's Office indicates that additional funding is needed to support these duties. Staff support for the Council is currently provided by the Office of Telework Promotion and Broadband Assistance, which is funded through the Innovation and Entrepreneurship Investment Authority/Center for Innovative Technology (IEIA/CIT). CIT reports spending approximately \$10,000 to \$15,000 per year to support the Council from its funding allocated for broadband. The Secretary's Office indicates a similar amount would be needed for a part-time staff person to support the Council. Additionally, the expenses for members of the Council averaged \$1,440 over the last five years and have been historically paid by the Office of the Secretary of Technology. The House amendments to HB/SB30 transferred the Secretary of Technology's responsibilities and funding for broadband-related matters to the Secretary of Commerce and Trade. A portion of this funding would need to be reallocated to the Secretary of Administration to support the Council members' expenses.

This legislation would also add two additional non-legislative members to the Broadband Advisory Council. Consistent with the existing statute, non-legislative members of the Council serve without compensation but are eligible for reimbursement of reasonable and necessary expenses incurred in the performance of their duties. As discussed above, such costs would be paid from the budget of the Secretary of Administration. The addition of two non-legislative members to the Council is not expected to create a state fiscal impact.

This legislation would also extend the expiration of the Council from July 1, 2018 to July 1, 2021. Existing funding for the Council is included in HB/SB30, as introduced, through the Office of the Secretary of Technology. This provision of the legislation does not generate new costs, however, funding will need to be reallocated to the Secretary of Administration as described above.

Replacing the Secretary of Technology with the Secretary of Administration as an ex officio member does not generate a state fiscal impact.

- 9. Specific Agency or Political Subdivisions Affected:** Secretary of Administration, Secretary of Technology, Broadband Advisory Council
- 10. Technical Amendment Necessary:** Yes. The bill assigns responsibility for the Council members' expenses and staff support to the Secretary of Administration, however, the House amendments to HB/SB30 transfer broadband-related funding and responsibilities from the Secretary of Technology to the Secretary of Commerce and Trade. Recommend that the bill be amended to assign these responsibilities to the Secretary of Commerce and Trade.
- 11. Other Comments:** HB999-S3, as passed by the Senate, assigns responsibility for the Council members' expenses and staff support to the Secretary of Commerce and Trade. That bill also adds three members to the Council: two Senators and a nonlegislative member who is a representative of a municipal broadband authority.