

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2214

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

2. Patron: O'Quinn

3. Committee: Appropriations

4. Title: Commonwealth Broadband Chief Advisor; broadband service territory maps.

5. Summary: Requires the Commonwealth Broadband Chief Advisor to develop and maintain a map of private broadband provider service territories, including accurate average broadband speeds in such territories. The map shall be updated yearly and be made available to the public.

6. Budget Amendment Necessary: Yes, to Item of 114 of HB1800/SB1100.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$424,000	n/a	GF
2023	\$224,000	n/a	GF
2024	\$224,000	n/a	GF
2025	\$224,000	n/a	GF
2026	\$224,000	n/a	GF
2027	\$224,000	n/a	GF

8. Fiscal Implications: It is anticipated that this bill will have an expenditure impact on the Department of Housing and Community Development (DHCD). Presently, DHCD contracts with Virginia Tech's Center for Geospatial Information Technology and VGIN Geospatial Services to create the current map. The current broadband availability map relies on Federal Communication's Commission (FCC) data on broadband availability at the census block level. The FCC considers a census block served if one household in the block has the ability to be served by an internet service provider. This process does not account for actual broadband speeds delivered to households, and instead relies on a provider's self-reported service speeds. The FCC does not audit self-reported speed and coverage data for accuracy.

According to DHCD, to implement the provisions of this bill, the contract with Virginia Tech would either need to be substantially changed or awarded to a new vendor. The current contract is \$76,000. The development of this new mapping tool is estimated at approximately \$500,000 in FY 2022. This estimate includes the cost of contracting with agents to overhaul

the existing statewide broadband mapping efforts, purchase broadband data sets, and host the statewide broadband map online. It is estimated that the ongoing data collection and maintenance efforts to keep the map updated will cost up to \$300,000 annually. As such, it is anticipated that a general fund appropriation of \$424,000 in FY 2022 and \$224,000 in FY 2023 and beyond is required.

The Virginia Innovation Partnership Authority does not anticipate an impact from this bill, as broadband activities were transferred to DHCD in 2020.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: None.