

February 13, 2020

The Honorable Joe Seiwert, Chairperson
House Committee on Energy, Utilities and Telecommunications
Statehouse, Room 481B-W
Topeka, Kansas 66612

Dear Representative Seiwert:

SUBJECT: Fiscal Note for HB 2618 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2618 is respectfully submitted to your committee.

HB 2618 would establish the State Broadband Deployment Grant Program to be administered by the Office of Broadband Development within the Department of Commerce. The program's purpose would be to establish a competitive grant program to award grants to applicants that seek to expand access to broadband internet service in Kansas. Funding for the program would be subject to appropriation.

The Office of Broadband Development within the Department of Commerce would serve as the central office to lead a statewide effort to expand broadband coverage and capacity in Kansas. The Office would be required to work with cities and counties to promote the Program and would serve as the central point of contact for cities and counties regarding the program.

Applicants would submit an application for grant funding to the Office of Broadband Development in a procedure that would be established by the Office. A grant application would include, but not be limited to, the following information:

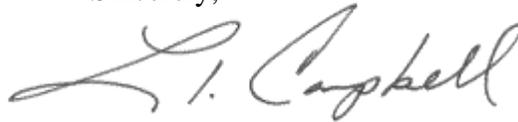
1. A description of the project area;
2. A description of the broadband internet infrastructure that is proposed to be deployed;
3. The number of locations that would obtain access to broadband internet service or have broadband internet service upgraded; and
4. The total cost of the project and the time frame in which the proposed project would be completed.

The bill outlines the other criteria and requirements for the program.

The Department of Commerce estimates additional expenditures of \$225,100 in FY 2020 and \$220,100 in FY 2021 from the State General Fund, along with an additional 2.00 FTE positions resulting from the enactment of HB 2618. Of the FY 2020 amount, \$193,000 would be for salaries and wages for the additional positions, \$12,100 for would be other operating expenditures, and \$20,000 would be for travel expenditures to visit cities and counties in order to educate local governments on the State Broadband Deployment Grant Program. Travel expenditures would decline to \$15,000 in FY 2021 and future fiscal years. Any fiscal effect associated with HB 2618 is not reflected in *The FY 2021 Governor's Budget Report*.

The Division of the Budget notes that the bill is effective upon its publication in the statute book and the Department of Commerce would probably not need the full \$225,100 in FY 2020. Expenditures for the grants were not estimated by the agency; however, the Division would assume appropriations from the State General Fund would be utilized for these grants.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and "C".

Larry L. Campbell
Director of the Budget

cc: Sherry Rentfro, Department of Commerce
Trey Cocking, League of Municipalities
Jay Hall, Association of Counties