

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 363(FIN)
Fiscal Note Number:	2
(H) Publish Date:	4/20/2022

Identifier: HB363-DCCED-CO-04-05-22
Title: BROADBAND: OFFICE, GRANTS, PARITY
Sponsor: EDGMON
Requester: (H) Finance

Department: Department of Commerce, Community and
Economic Development
Appropriation: Executive Administration
Allocation: Office of Broadband
OMB Component Number: 3379

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services	467.7		703.9	703.9	703.9	703.9	703.9
Travel	15.0		15.0	15.0	15.0	15.0	15.0
Services	393.0		423.0	291.0	291.0	291.0	291.0
Commodities	37.0		27.0	7.0	7.0	7.0	7.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	912.7	0.0	1,168.9	1,016.9	1,016.9	1,016.9	1,016.9

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	912.7		1,168.9	1,016.9	1,016.9	1,016.9	1,016.9
Total	912.7	0.0	1,168.9	1,016.9	1,016.9	1,016.9	1,016.9

Positions

Full-time							
Part-time							
Temporary	3.0		5.0	5.0	5.0	5.0	5.0

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? Yes

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes

If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

Why this fiscal note differs from previous version/comments:

Updated allocation and component number. Original fiscal note reflected only salary costs. Original note included temporary positions without benefits. Updated to reflect the addition of benefits and commodity startup costs for new positions.

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Phone: (907)465-2506
Date: 03/05/2022 01:00 PM
Date: 03/05/22

REPORTED OUT OF
HFC 04/18/2022

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

HB 363 establishes the Office of Broadband within the Department of Commerce, Community, and Economic Development (DCCED) along with the Broadband Parity Adjustment Fund and the Statewide Broadband Advisory Board; all three of which would be repealed on June 30, 2030.

The Office of Broadband will be established as a new component in the Executive Administration and Development Results Delivery Unit. Three positions would be needed to establish the office, with two additional positions added in FY2024. Depending on grant activity and regulatory requirements that are to-be-developed, additional grant staff and additional staff with technical expertise may be needed.

Regulations will be needed to define grant processes and set the broadband cost offset rate, proceeds of which will be deposited into the Broadband Parity Adjustment Fund. Legal support services for the board and for regulations development will be needed. Contractual support services for initial and on-going rate setting will be needed, as well as contractual support in support of board initiatives. The Board does not receive travel or per diem reimbursements; however, some services costs will be needed to support the board with room rental, materials preparation, and other incidental costs.

Personal Services:	\$467.7	Three temporary exempt positions in FY23 (Director of Broadband - R26, Broadband Technician - R22, Project Administrator - R18)
	\$703.9	Five temporary exempt positions in FY24-FY28 (Director of Broadband - R26, Broadband Technician - R22, Project Administrator - R18, Grants Administrator 3 - R19, Grants Administrator 2 - R17)

Travel:	\$ 15.0	Travel for staff to attend Board meetings and conduct outreach activities
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Services:	\$175.0	Legal support services for rate setting and regulations in FY23-FY24
	\$100.0	Legal support services in FY25-FY28
	\$ 7.0	Printing and public notice costs for regulations development in FY23-FY24
	\$100.0	Contractual support for initial rate setting and review in FY23-FY24
	\$ 50.0	Contractual support for on-going rate setting in FY25-FY28
	\$ 50.0	Contractual support to support planning and grant making, which may include mapping, gap analysis, or other activities
	\$ 16.0	Board meeting support costs
	\$ 45.0	Statewide and department core service costs in FY23 (\$15.0/PCN/year)
	\$ 75.0	Statewide and department core services costs in FY24-FY28 (\$15.0/PCN/year)

Commodities:	\$ 7.0	Business supplies and other commodity costs
	\$ 30.0	New position startup costs in FY23 only
	\$ 20.0	New position startup costs in FY24 only

Grants:	Indeterminate. The amount of grants to be made in each fiscal year is not known.
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Initial costs for the office will be funded from federal revenue from the Broadband Equity, Access, and Deployment Program (BEAD) program, which is expected to begin being received in FY2023.