

# Fiscal Note

State of Alaska  
2022 Legislative Session

Bill Version:	SCS CSHB 363(FIN)
Fiscal Note Number:	3
(S) Publish Date:	5/16/2022

Identifier: HB363SCS(FIN)-DCCED-ABO-05-15-22  
Title: BROADBAND: OFFICE, GRANTS, PARITY  
Sponsor: EDGMON  
Requester: (S) 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					
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>OPERATING EXPENDITURES</b>								
Personal Services	467.7		703.9	703.9	703.9	703.9	703.9	703.9
Travel	15.0		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	291.0
Commodities	37.0		27.0	7.0	7.0	7.0	7.0	7.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>912.7</b>	<b>0.0</b>	<b>1,168.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>

## 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	1,016.9
<b>Total</b>	<b>912.7</b>	<b>0.0</b>	<b>1,168.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>	<b>1,016.9</b>

## Positions

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

## Change in Revenues

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23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 to reflect the Senate Finance version. Per diem and additional salary costs are removed in this version of the legislation.

Prepared By: Micaela Fowler, Administrative Services Director  
Division: Department of Commerce, Community, and Economic Development  
Approved By: Micaela Fowler, Administrative Services Director  
Agency: Department of Commerce, Community, and Economic Development

Phone: (907)465-2506  
Date: 05/15/2022 01:00 PM  
Date: 05/15/22

REPORTED OUT OF  
SFC 05/16/2022  
REPORTED OUT OF  
HFC 04/18/2022

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

## Analysis

HB 363 provides for legislative findings related to broadband and establishes the Office of Broadband, the Broadband Parity Adjustment Fund, and the Statewide Broadband Advisory Board within the Department of Commerce, Community, and Economic Development (DCCED). The Office, Fund, and Advisory Board 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

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.

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.