

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

TO: Honorable Jim Keffer, Chair, House Committee on Economic Development

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB3325** by Keffer, Jim (relating to the creation and administration of the community telecommunications alliance program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Office of Rural Community Affairs (ORCA) and the Telecommunications Infrastructure Board (Board) to adopt a memorandum of understanding establishing the new community telecommunications alliance program. This analysis assumes ORCA would be responsible for implementing the program. In addition, ORCA would have to submit a report to the Legislature detailing the grant activities of the program grant recipients. The Board estimates it would require two full-time equivalent positions that would include a Manager and a Research Specialist for ORCA to manage this new program. Based on the analysis of the Board and ORCA, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

In addition to other qualified grant recipients, the Board has up to approximately \$22 million available in grants for this new program based on fiscal year 2003 funds. The Board indicates the Telecommunications Infrastructure Fund will cease to exist after August 31, 2005, and a new funding source would need to be acquired if the program is to continue.

The bill takes effect September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 357 Office of Rural Community Affairs, 367 Telecommunications Infrastructure Fund Board

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