

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 14, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB669** by King, Ken (relating to the use of the universal service fund for the provision of broadband service in underserved rural areas.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The Public Utility Commission (PUC) estimates that implementing the provisions of the bill would require two additional full-time equivalents: an Engineer VI, at \$95,000, to aid in the establishment of standards for networks built or maintained, and a Financial Analyst III, at \$75,000, to oversee the financial aspects of the program. Training costs for these employees would be \$2,000 per year. Therefore, the total personnel cost associated with implementing the provisions of this bill would be \$172,000.

The associated costs would be funded by the Texas Universal Service Fund (TUSF), a fund held outside the treasury. Therefore, the bill would have no significant fiscal impact to the state. The PUC is not able to determine the cost to the TUSF to finance the program because there are too many variables to make that prospective calculation at this time. Broadband providers that elect to participate would pay into the TUSF, which would increase revenue, but PUC is unable to determine the amount of revenue that would be generated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 304 Comptroller of Public Accounts

LBB Staff: WP, CMa, SGr, MB