

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 14, 2019

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

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

IN RE: SB1104 by Perry (Relating to the coordination of certain broadband projects by the Public Utility Commission of Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1104, As Introduced: a negative impact of (\$671,657) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$287,853)
2021	(\$383,804)
2022	(\$383,804)
2023	(\$383,804)
2024	(\$383,804)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2019
2020	(\$287,853)	3.0
2021	(\$383,804)	3.0
2022	(\$383,804)	3.0
2023	(\$383,804)	3.0
2024	(\$383,804)	3.0

Fiscal Analysis

The bill would require the Public Utility Commission (PUC), in collaboration with the Department of Transportation (TxDOT) and private entities, to encourage and coordinate efforts to plan, relocate, install, or improve broadband service in certain highway rights-of-way. In this

collaboration, the PUC would be required to evaluate engineering and design standards, procedures and criteria for contracts or lease agreements and provide for allocation of risk, costs, and any revenue generated. Additionally, the PUC would develop a strategy to facilitate the timely and efficient deployment of broadband facilities on state-owned land and in state-owned buildings. The PUC would assist political subdivisions in adopting and implementing broadband projects. Finally, the PUC would submit a report on the number of projects receiving assistance from the PUC.

The PUC estimates the agency would need 3.0 additional FTEs to implement the provisions of the bill, due to the technical nature of the requirements. The agency does not currently have staff with this expertise. TxDOT indicates that while it is unable to determine an exact cost, it could accomplish its duties within existing resources. TxDOT also notes that based on research it conducted in 2017, the cost of installing broadband conduit in highway rights of way would be \$1.7 million to \$3.4 million per mile.

Methodology

PUC would require 2.0 Engineer VI (\$95,000 each) and 1.0 Program Specialist VII (\$90,000). The total salaries would be \$280,000, the total travel and other operating expense would be \$6,000, and total insurance and retirement benefits would be \$97,804. It is assumed that this cost would be reduced by 25 percent in the first year due to time required to hire these new positions.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 601 Department of Transportation, 303 Facilities Commission, 313 Department of Information Resources

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