

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 1, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3853 by Anderson (Relating to middle mile broadband service provided by an electric utility.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3853, As Introduced : a negative impact of (\$2,139,752) through the biennium ending August 31, 2023.

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

The bill relates to middle mile broadband service provided by an electric utility.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$1,069,876)
2023	(\$1,069,876)
2024	(\$1,069,876)
2025	(\$1,069,876)
2026	(\$1,069,876)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$1,069,876)	8.0
2023	(\$1,069,876)	8.0
2024	(\$1,069,876)	8.0
2025	(\$1,069,876)	8.0
2026	(\$1,069,876)	8.0

Fiscal Analysis

The bill would require the Public Utility Commission (PUC) to develop oversight over the deployment of broadband services. The PUC would be required to approve plans for middle mile broadband installation and implementation.

Methodology

The PUC notes that currently, they do not have any oversight or involvement in the deployment of broadband services. In order to implement the provisions of the bill, the PUC anticipates it would need to hire additional engineering, legal, and accounting staff to review utility broadband plans for approval, conduct and participate in hearings, brief commissioners, and conduct rate cases. The PUC estimates that 2 engineers, 3 attorneys (2 in the Legal Division and 1 in the Office of Policy and Docket Management), 1 administrative law judge, and 2 financial examiners, would be needed to fulfill the requirements of the bill. Total annual costs of salaries for these eight full-time equivalents would be \$778,000, and other operating, equipment, retirement, and benefits costs would be \$291,876.

Technology

The PUC notes that it cannot absorb the technology costs associated with hiring 8 additional FTEs. Each employee would require a laptop computer, which would add \$1,900 per employee to the PUC lease, creating a total annual cost for technology of \$15,200.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SMAT, MB, RRE