

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4242H.02C  
 Bill No.: HCS for HB 1813  
 Subject: Boards, Commissions, Committees, and Councils; Internet and E-Mail  
 Type: Original  
 Date: March 11, 2024

Bill Summary: This proposal modifies provisions for broadband development.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund*	Could exceed (\$606,655)	Could exceed (\$617,186)	Could exceed (\$619,218)
<b>Total Estimated Net Effect on General Revenue</b>	<b>Could exceed (\$606,655)</b>	<b>Could exceed (\$617,186)</b>	<b>Could exceed (\$619,218)</b>

\*Oversight notes the estimated impact includes 1 FTE for DED and an estimated \$500,000 annual cost associated with subsection 1.512.6 (Council shall establish a university-based research organization, or contract with an organization, that shall conduct an annual survey of Missouri counties and school district to assess available internet speed and challenges to high speed internet access).

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
General Revenue Fund – DED	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 1.512 "Broadband Development Council"

Officials from the **Department of Economic Development (DED)** assume this proposal creates a new Broadband Development Council. Section 1.512.2 delegates to the Department of Economic Development's Office of Broadband Development the responsibility to provide administrative, personnel and technical support to the council. DED anticipates the need for 1.0 additional FTE to assist with research, and is requesting \$500,000 annually to establish a university-based research organization, or contract with an organization that shall annually survey each county and school district in the state to assess available internet speed and identify areas with challenges to high-speed internet access.

ITSD - There is a potential impact on ITSD; however, an exact impact is difficult to determine. Section 1.512.6 requires the Office of Broadband Development to map broadband services in the state and publish a yearly assessment and map. If additional ITSD funds are needed, funds will be requested during the normal budget process.

**Oversight** notes the subsection 1.512.6 of the proposal, states “the council **shall** establish a university-based research organization, or contract with an organization, that shall annually survey each county and school district in the state to assess available internet speed and identify areas with challenges to high-speed internet access.”

**Oversight** will show a range of impact for DED-ITSD costs from \$0 (can be absorbed or part of the contract agreement) to an unknown costs.

**Oversight** notes the DED assumes there would be a \$500,000 annual cost associated with the survey provided by chosen university or a contracted organization. Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect DED’s estimated cost for the contract agreement in the fiscal note up to and including the necessary 1 FTE Research/Data Analyst at \$69,312 annually.

Officials from the **Missouri Senate** assume the proposal will have a negative fiscal impact to the senate contingent appropriation to reimburse 3 senators for travel to meetings of the Broadband Development council meetings. In summary, it will cost approximately \$503.04 per meeting.

**Oversight** notes the Missouri Senate assumes no fiscal responsibility for the other committee members.

Section 67.5122 "Uniform Small Wireless Facility Deployment Act"

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the MoDOT.

In response to the similar proposal, HB 1995- 2024, officials from the **City of Kansas City** assume a negative fiscal impact of an indeterminate amount for this proposal.

**Oversight** assumes this proposal removes the expiration date (January 1, 2025) of the Uniform Small Wireless Facility Deployment Act, and allows the continuation of the act, which is intended to encourage and streamline the deployment of small wireless facilities. Oversight will reflect a potential negative unknown fiscal impact to local political subdivisions for this proposal based on the response from the City of Kansas City.

Overall Bill:

Officials from the **Department of Higher Education and Workforce Development**, the **Department of Elementary and Secondary Education**, the **Missouri House of Representatives**, the **Office of Administration**, and the **Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **City of O'Fallon** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE FUND</b>			
<u>Costs – DED/ITSD Section 1.512.5 – other duties of the new council – (p.3)</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – DED – Section 1.512.2 - FTE needed to support Broadband Development Office (p.3)</u>			
Salaries	(\$57,760)	(\$70,698)	(\$72,112)
Fringe Benefits	(\$34,596)	(\$42,034)	(\$42,563)
Equipment & Expense	(\$14,299)	(\$4,454)	(\$4,543)
<b>Total Cost – DED</b>	<b>(\$106,655)</b>	<b>(\$117,186)</b>	<b>(\$119,218)</b>
<b>FTE Change – DED</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>
<u>Costs - DED – Section 1.512.6 Contract to obtain survey (p. 3)</u>	<u>Up to (\$500,000)</u>	<u>Up to (\$500,000)</u>	<u>Up to (\$500,000)</u>
<b>NET ESTIMATED EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>Could exceed (\$606,655)</u></b>	<b><u>Could exceed (\$617,186)</u></b>	<b><u>Could exceed (\$619,218)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost – repeals sunset date on small wireless facilities §67.5122</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

This bill establishes the "Broadband Development Council" consisting of 21 members including members from certain state agencies, members of the general public representing certain classifications of broadband users, and three members each from the Senate and the House of Representatives, with two from each chamber appointed by the President Pro Tem and the Speaker and one appointed by the Minority Floor Leader of each chamber. The public members of the Council will be appointed by the Speaker of the House of Representatives and serve terms as specified in the bill.

The responsibilities of the Council are specified in the bill and include exploring ways to expand access to broadband services; the potential for increased use of broadband for education, career readiness, workforce preparation, and alternative career training; ways to encourage state and municipal agencies to expand service to better serve the public through the use of streaming, voice over Internet protocol, teleconferencing, and wireless networking. The Council shall make recommendations to the General Assembly regarding strategies to make broadband available to certain communities and statutory changes needed to enhance broadband access in the state. The Council must submit a report to the General Assembly and the Governor on or before January 1 of each year summarizing the actions of the Council the previous year. The bill specifies the powers of the Council.

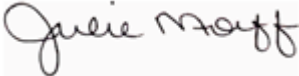
The Council must also establish a university-based research organization, or contract with an organization, that will annually survey each county and school district in the state to assess available Internet speed and identify areas with challenges to high-speed Internet access. (1.512, RSMo)

Currently the Small Wireless Facility Deployment Act expires on January, 1, 2025. This bill repeals the expiration date for the Act. (67.5122).

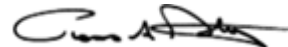
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development  
Department of Higher Education and Workforce Development  
Office of Administration  
Missouri House of Representative  
Missouri Senate  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
City of O'Fallon  
City of Kansas City



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March 11, 2024



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March 11, 2024