

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2173 - A5**

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Kim To  
Reviewed by: Amanda Beitel, Gregory Jolivette  
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**Measure Description:**

Creates the Oregon Broadband Office within the Oregon Business Development Department.

**Government Unit(s) Affected:**

Oregon Business Development Department (OBDD), Oregon Department of Transportation (ODOT)

**Summary of Fiscal Impact:**

Costs related to the measure will require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	2019-21 Biennium	2021-23 Biennium
<b>Lottery Funds - OBDD</b>		
Personal Services	104,805	
Services and Supplies	73,375	
<b>Total Lottery Funds</b>	<b>\$178,180</b>	
<b>Other Funds - OBDD</b>		
Personal Services	544,813	787,859
Services and Supplies	220,125	293,500
Special Payments*	1	*
<b>Total Other Funds</b>	<b>\$764,939</b>	<b>\$1,081,359</b>
<b>TOTAL FUNDS</b>	<b>\$943,119</b>	<b>\$1,081,359</b>

**Analysis:**

HB 2173 A-Engrossed repeals the sunset date on the Oregon Broadband Advisory Council and creates the Oregon Broadband Office within the Oregon Business Development Department (OBDD) charged with supporting broadband infrastructure deployment, including awarding and managing funds allocated to OBDD for use by the office to support broadband projects. A representative of the Department of Transportation is added to Council membership.

The -A5 amendment includes: (1) language to specify that moneys in the Connecting Oregon Schools Funds can be used to provide matching funds for education service districts, public charter schools, or a consortium that is any combination of school districts, education service districts and public charter school for the purpose of providing broadband access to eligible education facilities in Oregon; and (2) an expenditure limitation for the Oregon Business Development Department.

Oregon Business Development Department (OBDD)

OBDD estimates the fiscal impact of this bill to be \$943,119 Total Funds [\$178,180 Lottery Funds and \$764,939 Other Funds] and 4 positions (3.25 FTE) for the 2019-21 biennium; and \$1,081,359 Other Funds and 4 positions (4.00 FTE) for the 2021-23 biennium. Administrative costs include salary and related expenses for one Principal Executive Manager E position (1.00 FTE), two Operations and Policy Analyst 4 positions (1.63 FTE) and one Procurement Specialist 2 (0.63 FTE) position to administer the broadband service infrastructure grants and loans program. Services and Supplies include \$60,000 for Attorney General fees and \$200,000 for Professional Services

to cover contracted services to evaluate and assess the evolving broadband needs throughout Oregon. Lottery Funds allocated from the Administrative Services Economic Development Funds will support the first six months of the Broadband Office costs, with Other Funds available from transfers to the Broadband Fund, established in HB 2184, are anticipated to support costs for the remainder of the biennium.

Special Payments for the 2019-21 biennium includes a \$1 Other Funds place marker for broadband service infrastructure loans and grants. After submission of the broadband plan in the February 2020 session, the Legislature may increase expenditure limitation.

Oregon Department of Transportation (ODOT)

Passage of this bill is anticipated to have minimal impact on ODOT.