



[HF 586](#) – Broadband Access, Certifications (LSB1134HV)

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Fiscal Note Version – New

### **Description**

[House File 586](#) relates to the development and utilization of high-speed electronic transmission mediums. The Bill:

- Transfers the administration of the Fiberoptic Network Conduit Installation Program from the Office of the Chief Information Officer (OCIO) to the Department of Transportation (DOT).
- Establishes the Broadband Forward Certification Program in the Iowa Economic Development Authority (IEDA), with the objective of encouraging political subdivisions to further develop broadband infrastructure and access to broadband.
- Establishes the Telecommuter Forward Certification Program in the IEDA, with the objective of encouraging political subdivisions to further develop and promote availability of telecommuting. A political subdivision is required to apply to the IEDA for these certifications.
- Allows the DOT to contract with private entities to run programs for broadband projects, and requires the DOT to keep an up-to-date list of construction projects utilizing public funding that involve the opening of the ground alongside highways.

### **Background**

The OCIO is attached to the Department of Administrative Services for accounting and fiscal services and was created for the purpose of leading, directing, managing, coordinating, and providing accountability for the information technology resources of State government and for coordinating statewide broadband availability and access. The OCIO coordinates numerous programs related to broadband within the State. 2015 Iowa Acts, [HF 655](#), chapter [120](#), created the Fiberoptic Network Conduit Installation Program within the OCIO. To date, the OCIO has not implemented the Fiberoptic Network Conduit Installation Program under Iowa Code section [8B.25](#). Currently, the OCIO administers the Empower Rural Iowa [Broadband Grant Program](#), which has awarded \$44.3 million in rural broadband grants since 2018. A map of past awards can be found [here](#).

### **Assumptions**

- The OCIO will not reduce expenditures due to the initiation of the Broadband Forward Certification Program and Telecommuter Forward Certification Program within the IEDA and the transfer of the Fiberoptic Network Conduit Installation Program to the DOT, as these programs were not yet funded and implemented by the OCIO.
- The DOT would need to create a comprehensive inventory of fiberoptic network conduit alongside primary roads where such inventory does not currently exist. This would require the establishment of a database to house the findings and the integration with current Geographic Information Systems (GIS), Electronic Content Management Systems, and Project Management Systems. Information gathering would be required to populate the database, and ongoing maintenance of the system would be required and would be minimal

beginning in FY 2023 and beyond.

- The Bill does not mandate DOT expenditures to install conduit on projects, and only specifies coordinating with stakeholders to provide an “opportunity” to lay or install conduit if the ground is to be opened alongside a primary road. Any expenditures to provide conduit to projects are uncertain and may come from funding sources other than the State and local governments. However, estimates of potential conduit installation costs range from \$242,000 to \$850,000 annually for 23 miles of installation at \$2 to \$7 per foot.
- The Bill does not mandate DOT expenditures to investigate, survey, or open up existing rights-of-way to determine the status of conduit, and only mandates a list of projects utilizing public funding that involve opening up the ground. No costs associated with investigation and/or surveying of existing rights-of-way for conduit is included, outside of costs for full-time equivalent (FTE) positions.
- Removal of the requirement to enact the Fiberoptic Network Conduit Installation Program will reduce future demands on the Connecting Iowa Farms, Schools, and Communities Broadband Grant Fund established in Iowa Code section [8B.11](#)(2), which would have been used by the OCIO to support the Program if it had been funded. The Bill would create minimal savings in future years for the OCIO, but may create duplication in overall State responsibilities and purview.
- The IEDA would need to hire a 0.5 FTE position at the Economic Development Specialist 2 classification level with a start date of October 1, 2021. Estimated salary and benefits for the 0.5 FTE position would cost \$28,000 in FY 2022. Information technology and other programming costs to the IEDA are uncertain.
- The DOT would need to hire 3.0 FTE positions:
  - Executive Officer 2                    1.0 FTE
  - Engineering Technician Senior      1.0 FTE
  - Transportation Planner 1          1.0 FTE

The DOT positions will support: 1) The creation and maintenance of a database of fiberoptic network conduit; 2) Program administration for consulting and collaborating with other agencies and entities; 3) Information publishing and sharing; and 4) Fiber installation inspection, location data entry, data validation, and error corrections. The average start date for the three positions is assumed to be October 1, 2021. Pay and benefits for the three positions at the beginning salary would be \$166,000 total in FY 2022. Travel costs associated with stakeholder outreach would total \$1,000 per fiscal year.

- A database within the DOT to collect conduit information and data for the Fiberoptic Network Conduit Installation Program would have a one-time cost of \$175,000. Maintenance and other technical costs are estimated to be \$10,000 annually beginning in FY 2023.

## **Fiscal Impact**

The table below shows the estimated costs of HF 586.

**Estimated Costs, House File 586**

<b>Agency</b>	<b>Category</b>	<b>FTE</b>	<b>Est. Cost</b>	
			<b>FY 2022</b>	<b>FY 2023</b>
IEDA	<b>Salary and Benefits</b>	0.5	\$ 28,000	\$ 38,000
	<b>Salary and Benefits</b>	3.0	\$ 166,000	\$ 225,000
	<b>Database Costs</b>		175,000	10,000
DOT	<b>Travel Costs</b>		1,000	1,000
		<b>Total</b>	<b>3.5</b>	<b>\$ 370,000</b>
				<b>\$274,000</b>

**IEDA:** Funding for the 0.5 FTE position and related costs to administer the Broadband Forward Certification and Broadband Telecommuter Certifications Programs would likely be appropriated from the General Fund.

**DOT:** Funding for the 3.0 FTE positions and related costs for the establishment and implementation of the Fiberoptic Network Conduit Installation Program would likely be appropriated from the Primary Road Fund.

## **Sources**

Legislative Services Agency

Iowa Office of Chief Information Officer

Iowa Economic Development Authority

Iowa Department of Transportation

Iowa Department of Administrative Services

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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