



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 689** HLS 25RS 2595

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 305**

Date: May 21, 2025	3:09 PM	Author: DESHOTEL
Dept./Agy.: Department of Administration		
Subject: Broadband Services		Analyst: Richie Anderson

UTILITIES

RE NO IMPACT See Note

Provides for the regulation of certain broadband services

Page 1 of 1

Proposed law increases the allowable administrative cost cap for the federal grant awarded to the Office of Broadband Development and Connectivity (OBDC) through the U.S. Department of the Treasury’s Capital Projects Fund (CPF). Proposed law increases the administration costs that OBDC can charge to the grant from 1% to 2.5%. Additionally, proposed law allows OBDC to hire third party contractors as deemed necessary for the further administration of the GUMBO program from 1% to 2.5% of the granted funds. Proposed law allows OBDC to promulgate rules to specify thresholds of completion, and when to collect payments. Proposed law retains that final payment shall not be due until an approved completion report is received. Finally, proposed law provides that the OBDC shall provide oversight and enforcement authority over the GUMBO programs.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0


EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides that the Office of Broadband Development and Connectivity (OBDC) shall provide enforcement and oversight for the GUMBO programs and any future broadband initiatives. Proposed law outlines that OBDC shall develop rules and standards, investigate any alleged non-compliance, and enforce compliance through penalties or program exclusion. Proposed law provides that oversight and enforcement authority only applies to GUMBO 2.0, GUMBO 3.0, and GUMBO 4.0. OBDC reports they will be able to implement the proposed law using their existing operating budget, and will not require an expenditure increase to perform these functions.

Proposed law increases the allowable administrative cost cap for the federal grant awarded to the OBDC through the U.S. Department of the Treasury’s Capital Projects Fund (CPF). Currently, administration costs for the GUMBO programs are allowed to be charged to CPF but are limited to 2% total, approximately \$3.5 M. Proposed law increases this to 5%, approximately \$8.9 M, that would be eligible to be charged to the CPF. The additional funding will be utilized over FY 26 and FY 27 to fund expenses to perform sub-grantee monitoring and compliance prior to the grant’s expiration on 12/31/26.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Patrice Thomas
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Deputy Fiscal Officer