

FISCAL IMPACT OF PROPOSED LEGISLATION80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office**Measure: HB 2184 - A11*****Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
Reviewed by: Amanda Beitel, Gregory Jolivette
Date: May 13, 2019**Measure Description:**

Expands definition of "retail telecommunications service" for purposes of universal service surcharge.

Government Unit(s) Affected:

Oregon Business Development Department (OBDD), Public Utility Commission (PUC)

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
Lottery Funds - OBDD		
Personal Services	590,898	787,859
Services and Supplies	293,500	293,500
Total Lottery Funds	\$884,398	\$1,081,359
Other Funds - OBDD		
Special Payments	10,000,000	10,000,000
Total Other Funds	\$10,000,000	\$10,000,000
TOTAL FUNDS	\$10,884,398	\$11,081,359
Positions	4	4
FTE	3.00	4.00

Analysis:

HB 2184 with the A11 amendment transfers the lesser of \$5 million or remaining unobligated moneys deposited in the universal service fund, after designation of up to \$28 million to ensure basic telephone service, from the Public Utility Commission's universal service fund to the Oregon Business Development Department (OBDD) for deposit in the Broadband Fund. OBDD is directed establish a program using amounts deposited in the Broadband Fund to provide grants or loans for projects that develop broadband service infrastructure. The bill expands the definition of "retail telecommunications service" for purposes of universal service surcharge and authorizes the Public Utility Commission (PUC) to subject sale of communications and broadband services other than retail telecommunication services to universal service surcharge. The bill directs PUC to transfer moneys deposited in universal service fund that are to be used for encouraging broadband service availability to Broadband Fund. This act sunsets on January 2, 2030 and moneys in the Broadband fund will be reverted back to the universal service fund.

Oregon Business Development Department (OBDD)

OBDD estimates the fiscal impact of this bill to be \$10,884,398 Total Funds and 4 positions (3.00 FTE) for the 2019-21 biennium; and \$11,081,359 Other Funds and 4 positions (4.00 FTE) for the 2021-23 biennium. Because the bill stipulates that moneys from the universal service fund can only be used for grants and loans, this fiscal

analysis assumes administrative costs for the program will come from Lottery Funds allocated to the Department. Administrative costs include salary and related expenses for one Principal Executive Manager E position, two Operations and Policy Analyst 4 positions and one Procurement Specialist 2 position to administering 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.

Public Utility Commission (PUC)

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