

HB 2173 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Oregon Business Development Department
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
Lottery Funds	\$ -	\$ -	\$ 178,180	\$ 178,180	100.0%
Other Funds Limited	\$ -	\$ -	\$ 764,939	\$ 764,939	100.0%
Total	\$ -	\$ -	\$ 943,119	\$ 943,119	100.0%

Position Summary

Authorized Positions	0	0	4	4
Full-time Equivalent (FTE) positions	0.00	0.00	3.25	3.25

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 2173 increases Lottery Funds expenditure limitation by \$178,180 allocated from the Administrative Services Economic Development Fund and Other Funds from the Oregon Universal Broadband Fund by \$764,939 for the Oregon Business Development Department (OBDD) for the creation of the Oregon Broadband Office.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2173 repeals the sunset date on the Oregon Broadband Advisory Council and creates the Oregon Broadband Office within OBDD. The Office is charged with supporting broadband infrastructure deployment, including awarding and managing funds allocated to OBDD for use by the office to support broadband projects.

For the administration of the Oregon Broadband Advisory Council, House Bill 2173 increases Lottery Funds expenditure limitation by \$178,180 and Other Funds expenditure limitation by \$764,939 and adds four permanent positions (3.25 FTE) for the 2019-21 biennium. 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 House Bill 2184 (2019), are anticipated to support costs for the remainder of the biennium.

House Bill 2173 allows for moneys in the Connecting Oregon Schools Fund to 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.

The Subcommittee approved the following Budget Note:

Budget Note:

The Oregon Business Development Department, in coordination with the Oregon Broadband Advisory Council, is directed to submit a plan for the broadband program to the Joint Committee on Ways and Means during the February 2020 legislative session.

The plan should include:

- Detailed information on areas in Oregon lacking broadband infrastructure, including identified gaps, barriers, and solutions to broadband deployment in underserved and unserved areas;
- Best practices to promote and coordinate public-private partnerships;
- Identified federal and private broadband funding opportunities; and
- Criteria developed to prioritize and maximize the state's investment in broadband service infrastructure.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Business Development Department
 Linnea Wittekind -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATIONS</u>									
SCR 300 - Innovation									
House Bill 2173									
Personal Services	\$ -	\$ 104,805	\$ 544,813	\$ -	\$ -	\$ -	649,618	4	3.25
Services and Supplies (Instate Travel)	\$ -	\$ 73,375	\$ 220,125	\$ -	\$ -	\$ -	293,500		
Special Payments	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	1		
TOTAL ADJUSTMENTS	\$ -	\$ 178,180	\$ 764,939	\$ -	\$ -	\$ -	943,119	4	3.25
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ 178,180	\$ 764,939	\$ -	\$ -	\$ -	943,119	4	3.25

PRELIMINARY