

Theresa Utton-Jerman

Subject: Draft committee budget priorities - House Energy & Technology

From: Tim Briglin <TBriglin@leg.state.vt.us>

Sent: Wednesday, September 2, 2020 4:23 PM

To: Kitty Toll <KToll@leg.state.vt.us>; Martha Feltus <MFeltus@leg.state.vt.us>

Subject: Re: Draft committee budget priorities email

Chair Toll and Representative Feltus,

Thank you for reaching out to our committee for recommendations regarding FY'21 budget priorities. You highlighted for us a handful of spending initiatives that overlapped with the policy purview of the House Energy & Technology Committee. Below are our recommendations on those proposals:

- Sec.B.1100(a)(4): \$100,000 to ACCD to hire a consultant for a Public Access Television funding study, pursuant to Act 137 of 2020. **Our committee supports this one-time general fund appropriation** recognizing the importance of public access televisions as a community communications tool, and the tenuous outlook for the funding streams that support these local stations. We also recognize that without appropriating funds for this work, these funds would come directly from ACCD's operational budget.
- Sec.B.1104(a)(2): \$125,000 to DPS for the purpose of installing wi-fi hotspots throughout Vermont. **Instead of the Governor's recommendation of using \$125,000 of newly appropriated one-time CRF money, our committee recommends amending Section 13(e) of Act 137 of 2020** to increase the amount of CRF dollars DPS can draw upon from \$50,000 to \$175,000 for reimbursement for this work. Here is recommended language to make that change:

2020 Acts and Resolves No. 137, Sec. 13, subsection (e) is amended to read:

(e) Up to ~~\$50,000.00~~ \$175,000.00 of funds appropriated under this section may be used to reimburse the Department of Public Service and the Agency of Digital Services for any costs associated with the deployment of Wi-Fi hotspots not covered by the Federal Emergency Management Agency.

- Sec.B.1100(a)(9): FY'2021 one-time General Fund appropriation to DPS of "\$2,000,000 for grants to Communications Union Districts for broadband." The House Energy & Technology Committee strongly supports the work of CUDs as the best path to provide universal access to broadband internet service in the state. We know, ultimately, far more than \$2 million will be necessary to reach the 70,000 Vermont addresses that lack sufficient internet service. Our understanding is that this \$2 million is intended to support CUDs and their required equity matching funds as they access the \$10.8 million of VEDA loans made under Act 79 of 2019. Understanding the short supply of one-time General Fund dollars in your budget writing process, and our belief that because only a small number of CUDs will have business models evolved enough to

utilize these VEDA loan matching fund dollars for project costs through 2021, **our committee instead makes the following recommendations:**

- Sec.B.1100(9): **FY'2021 one-time General Fund appropriation of \$1,500,000 to DPS for grants to Communications Union Districts** for the purpose of providing matching fund dollars in drawing down VEDA loans as described in 10 V.S.A. chapter 12, subchapter 14 § 280ee (Section 15 of Act 79 of 2019). Here is recommended language reflecting the focus our committee would like to put on this funding:

In Sec. B.1100, strike subdivision (9) and insert in lieu thereof a new subdivision (9) to read as follows:

(9) To the Department of Public Service: \$1,500,000 to be awarded as grants to communications union districts. These grants shall be used to provide cash equity to secure loans to finance broadband projects, including the 10 percent of project costs required to secure financing through the Broadband Expansion Loan Program administered by the Vermont Economic Development Authority. A communications union district may not receive more than \$400,000 in awards under this appropriation.

- Sec.B.1104(a)(X): **FY'2021 CRF appropriation to DPS of \$1,500,000 for grants to Communications Union Districts** to support pole data collection surveys and pre-construction work to accelerate the construction of broadband networks.
- \$300,000 for preparing the State Telecommunications Plan. In our committee's February 21, 2020 memo to House Appropriations we recommended \$300,000 of funding to support this work, as was recommended in the Governor's January 2020 FY'21 budget proposal. Subsequently, in Act 137 of 2020, we appropriated \$500,000 of CRF money to DPS to retain a consultant to assist in the preparation of a COVID-Response Telecommunications Recovery Plan. While this planning work is COVID-related and CRF-funded, we view this work as a precursor to and a foundation for the new state Telecommunications Plan to be completed by June 30, 2021. In light of our committee's \$300,000 recommendation for telecom planning earlier this year, the \$500,000 we have already dedicated to telecom planning through Act 137, and the lack of this prospective appropriation's inclusion in the Governor's Restated FY'21 Budget, **this is not a priority appropriation for our committee.** We acknowledge that if additional
- funding is available in the FY'21 budget, additional funds could support DPS' work on the Telecommunications Plan.
- Sec.B.1100(a)(8): FY'2021 one-time General Fund appropriation for DMV of \$1,200,000 for information technology modernization. Our committee took testimony from ADS regarding the administrative and enforcement efficiencies that would derive from this IT modernization effort. Committee discussion included questions as to whether the modernized vehicle inspection sticker system envisioned in this request is the most cost-effective technology today and over the new

system's lifespan. As the subject matter experts on DMV systems, **we defer to the recommendation of the House Transportation Committee on this funding request.**

Maria Royle in the Office of Legislative Counsel supported our committee with the proposed language offered in these recommendations.

Thank you for the opportunity to provide input on these important issues.

Tim