



**State Fiscal Note for Bill
Number: 2021-H-5934**

Date of State Budget Office Approval: Thursday, March 25, 2021

Date Requested: Tuesday, March 9, 2021

Date Due: Friday, March 19, 2021

Impact on Expenditures

FY 2021	\$0
FY 2022	\$41,640,000
FY 2023	\$20,640,000

Impact on Revenues

FY 2021	N/A
FY 2022	N/A
FY 2023	N/A

Explanation by State Budget Office:

This bill establishes RIGL Section 16-21.6-2, entitled “Student Access to Internet.” It asserts that all K-12 students shall have access to “high-speed Internet,” and establishes an “Internet Reimbursement Fund” for the purpose of reimbursing districts for costs associated with furnishing high-speed Internet for attending students. The General Assembly shall make a specific appropriation for the reimbursement fund.

This act shall take effect on July 1, 2021.

Comments on Sources of Funds:

As proposed, the “Internet Reimbursement Fund” is financed using general revenues, likely allocated to the Education Aid program of the Department of Elementary and Secondary Education. With an effective date of July 1, 2021, there is no estimated fiscal impact until FY 2022.

Summary of Facts and Assumptions:

Currently, Local Education Agencies (LEAs) provide high-speed internet access for students on their relative campuses. LEAs maintain safe internet access on these campuses as required by the federal Child Internet Protection Act (CIPA). LEA personnel maintain all network services relating to on campus technology.

The Budget Office assumes that the provisions of this bill stipulating that LEAs shall ensure that all students "have access to high-speed internet" to mean that LEAs shall be required to provide an internet solution which shall make internet available to students at home and outside of school hours. LEAs have no current infrastructure built beyond their campuses which would allow student access to high-speed internet while meeting CIPA requirements. LEAs would be required to develop technology solutions to meet this legislative mandate and comply with CIPA at reasonable costs.

Recently, the Department of Elementary and Secondary Education partnered with OSHEAN on a proof of concept (POC) for three months to give access to students in Providence and Central Falls who had limited to no internet access in their households. Total hardware costs for each district was \$350,000 and consisted of eight Citizens Broadband Radio Service units and sixteen antennas located at two schools in each district. The POC budget also included a service fee with an annual cost of \$344,000 per district. The annual service fee included third party project management and maintenance.

The Budget Office in consultation with the Department of Elementary and Secondary Education has determined that constructing an estimate using financial experience of

Prepared by: Patrick Crawley / 4012226418 / patrick.j.crawley@budget.ri.gov

the POC to be reasonable for financial modeling purposes. However, there are practical concerns with this technology including that it may not be cost effective in areas with low student count, so alternative approaches may be necessary in some cases. Additionally, due to rapidly changing technology, newer, more cost effective approaches may soon become available.

The reported fiscal impact takes the per district cost of the POC and applies it to all 60 Local Education Authorities (LEAs) in Rhode Island.

Hardware Costs (one time cost):
60 LEAs X \$350,000 = \$21,000,000

Each district would be provided with eight Citizens Broadband Radio Service (CBRS) units and sixteen antennas which would be located at two schools in the district.

Annual Service fee which includes third party project management and maintenance:
60 LEAs X \$344,000 = \$20,640,000

This estimate assumes, as stated in the legislation, that it applies to all students in RI K-12 public schools, including charter schools. If it only applies to the 36 school districts then the costs would be reduced accordingly.

The bill would impose a mandate on LEAs, but would defray LEA costs by establishing the "Internet Reimbursement Fund" for which the General Assembly shall make a specific appropriation. The fiscal impact assumes that the General Assembly would appropriate the full amount necessary to finance required expenditures. To the extent that the General Assembly may not appropriate the full amount, some portion of the expenditure burden would fall on LEAs.

Summary of Fiscal Impact:

FY 2021:
As stated above, this bill will impact school years beginning after July 1, 2021, thus FY 2021 will not be affected.

FY 2022:
Hardware Costs: \$21,000,000
Annual Service Fee: \$20,640,000
Total FY 2022: \$41,640,000

FY 2023:
Annual Service Fee: \$20,640,000

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Fiscal Advisor Signature: _____

