

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Scott Thompson, JBC Staff (303-866-4957)
DATE Tuesday, March 5, 2024
SUBJECT Additional Information on OIT R1 Middle Mile Request

During yesterday's Joint Budget Committee meeting reviewing recommendations for the Governor's Office and the Office of Information Technology, the Committee requested more information about why broadband funds the Department of Transportation (CDOT) is collecting cannot be the source of the appropriation and why it is being requested as General Fund.

As for the CDOT fees, the forecast expects annual collections to reach around \$30,000. CDOT primarily will be expending these funds on right-of-way fees to utilize existing utility easements and some to fund partial FTE supporting that permitting.

Further, the federal funds that Colorado has access to that can be used for last mile broadband has a specific limitation on it not funding FTE costs related to middle mile projects. The Colorado Broadband Office is supporting other FTE with federal funds where it is permitted and maximizing the federal drawdown allowed for these costs.

As a last note, the other agencies that have participated in middle mile broadband efforts, the Departments of Local Affairs and Transportation have always had a tenable connection to middle mile projects. Neither has had a dedicated FTE focused on middle mile. In both cases, funding for middle mile projects was included in other infrastructure projects either being directed by the Transportation Commission or through one of Local Affairs's grant programs. Thus, redirecting either of those sources of funds would reduce the volume or scope of projects and grants that also qualify for this funding.

The Office requests General Fund so that it can maximize the impact of federal funds that can be used for the last mile connections when the major impediment to last mile is the lack of middle mile to complete the connection.