



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/18 /25

Bill No: SB401

Agency Name and Code: PED - 924

Sponsor: Padilla/Sariñana

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: House Bill 2 (HB2), appropriates approximately \$2.4 million to the Broadband Access and Expansion Program of the Department of Information Technology, \$650,000 of which is from the public school capital outlay fund.

HB2 also includes an extension on the prior \$25 million appropriation from the general fund and \$99 million from the connect New Mexico fund to support implementation of the statewide broadband plan for public school projects, tribal projects, and administrative and operational expenses for the Office of Broadband Access and Expansion through 2026.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 401 (SB401) would amend the [Broadband Access and Expansion Act](#), the Public School Capital Outlay Act, and the [Severance Tax Bonding Act](#) to create the education technology infrastructure fund, which would allow the Office of Broadband Access and Expansion (OBAE) to provide grants for education technology projects, including expenses for managing such projects, pursuant to the Broadband Access and Expansion Act. SB401 would also permit the director of OBAE to certify the sale of proceeds from supplemental severance tax bonds (SSTBs). Proceeds from the bonds would support education technology infrastructure expenditures. OBAE, the Public School Capital Outlay Council (PSCOC), and the Public Schools Facilities Authority, would be required to collaborate on education technology infrastructure standards. SB401 would also repeal Section 22-24-4.5 NMSA 1978 of the [Public School Capital Outlay Act](#) regarding the Broadband Deployment and Connectivity Program (BDCP) and transfer those responsibilities to OBAE from the PSCOC.

This bill has an effective date of July 01, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

The public school capital outlay fund allows up to \$10 million annually to be set aside from the fund for reasonable costs in correcting education technology infrastructure in school districts pursuant to the Public School Capital Outlay Act. SB401 would repeal this provision in the PSCOA and transfer the responsibilities of improving education technology infrastructure to the Office of Broadband Access and Expansion, allowing instead for up to \$10 million of the proceeds of supplemental severance tax bonds per fiscal year to be certified for expenditures related to infrastructure under the Broadband Access and Expansion Act.

SIGNIFICANT ISSUES

OBAE prefaced its [2024 Broadband Plan](#) by stating that the costs to build an equitable broadband network, including its recurring operating expenses, are spread over a small base of potential customers in a large geographic area and cannot be fulfilled without government support.

Broadband affordability impacts 10 percent of households in New Mexico and contributes to the largest adoption gap for broadband in low-income households. Additionally, New Mexico falls behind the national average in desktop and laptop ownership, including digital literacy skills. OBAE has initiated the Broadband Equity, Access, and Deployment ([BEAD](#)) program to make broadband more affordable in the state and to hone the skills in digital literacy. The [BEAD five-year action plan](#) includes a Statewide Education Network (SEN) that connects all interested public schools and public libraries together, offers reasonably priced high-speed internet, universal mobile 5G coverage across rural communities, and infrastructure that offers network security. The provisions in SB401, specifically Section 8 and Section 9, enable OBAE to maintain the progress in addressing broadband availability and deploy a broadband infrastructure with significant economic development benefits. Of note, SEN would also connect the Pueblo Education Network, which focuses on tribal schools and libraries; in response to a statewide

survey, 29 percent of Native American respondents indicated they lacked internet access at home or work, compared with 13 percent of Hispanic respondents, and 10 percent of non-Hispanic white respondents.

PERFORMANCE IMPLICATIONS

Broadband infrastructure will improve the provision of education, healthcare, and other essential services. Students benefit from broadband access by using this technology to access educational materials, including instructional materials. A [recent report](#) from the Benton Institute for Broadband and Society revealed that, in North Carolina, access to broadband increases standardized math and reading scores for grades 3-8. A [study from Michigan State University](#) indicates that, even controlling for socioeconomic differences, students who cannot access the internet from home or are dependent upon cell phones for access perform worse in school and are less likely to attend postsecondary educational institutions, resulting in lower student interest in careers related to science, technology, engineering, and math.

ADMINISTRATIVE IMPLICATIONS

None for PED.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- HB60, Artificial Intelligence Act
- HB307, Internet Privacy and Safety Act
- HM2, LESC Artificial Intelligence Work Group
- SB82, Capital Outlay Local Match and Waivers
- SB160, Student Use of Wireless Communications Plans
- SB254, Cybersecurity Act & Office Changes

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.