

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6987

BILL NUMBER: HB 1201

NOTE PREPARED: Feb 20, 2012

BILL AMENDED: Feb 20, 2012

SUBJECT: State Provision and Use of Communications Service.

FIRST AUTHOR: Rep. Dermody

FIRST SPONSOR: Sen. Holdman

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that after March 31, 2012, the I-Light communications network may not be used to offer or provide, directly or indirectly, communications service to the public or to any private or governmental entity. It provides exceptions to this prohibition to allow for the following:

- (1) The provision of communications service for 911 services or emergency or law enforcement purposes.
- (2) The provision of communications service to institutions of higher education in furtherance of education or research for the direct benefit of students, faculty, or staff, and, under certain conditions, to other persons with a research and development relationship with the institution.
- (3) The provision of communications service for the direct benefit of public broadcasting.

This bill provides that after March 31, 2012, a person that is not: (1) a state educational institution; or (2) a private postsecondary educational institution; may not become a member of the I-Light network or otherwise connect to or use the I-Light network or any services made available through I-Light.

Effective Date: Upon passage.

Explanation of State Revenues: (Revised) *I-Light Network:* This bill provides that after March 31, 2012, a person that is not a state educational institution or a private postsecondary educational institution may not become a member of the I-Light network or otherwise connect to or use the I-Light network or any services made available through I-Light. (Note: The bill allows noneducational institutions that are members of the I-Light network *prior* to April 1, 2012, to still connect or use the I-Light network.) The bill provides for certain exceptions outlined in the digest above.

The I-Light network is funded through appropriations from the General Assembly as well as connection fees

paid by members to connect to the network. Under a current memorandum of understanding that exists between the state and the universities, some Indiana non-higher education institutions may be eligible for connections to the I-Light network where they have research and developmental relationships with one or more Indiana universities. To the extent that this bill limits the use of the I-Light network only to postsecondary institutions, revenue from connection fees could decrease.

Background Information: The I-Light network is a high-speed communications network that connects state educational institutions and private postsecondary educational institutions throughout Indiana. PL 229-2011 appropriated a total of \$2.94 M for FY 2012 and FY 2013 for I-Light network operations.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: I-Light Network; Indiana University; Purdue University.

Local Agencies Affected:

Information Sources: Marianne Chitwood, I-Light Network, 812-855-0164.

Fiscal Analyst: Diana Agidi, 317-232-9867.