

**FB04A**  
**Department of Information Technology**

***High Speed Data Network (Statewide)***

---

**GO Bonds**      **\$950,000**      **Recommendation:**    **Approve with language**

**Bill Text:** Provide funds to upgrade the telecommunications system on the Eastern Shore from a microwave network to a fiber optic network.

**Project Description:** This funding is intended to:

- install fiber optic spurs to connect existing Points of Presence to the fiber backbone newly installed by the Maryland Broadband Cooperative (to which networkMaryland has dedicated fiber capacity); and
- install equipment to light the fiber optic strands being utilized and equipment to effectively utilize the network.

***Prior Authorization and Capital Improvement Program***

---

**Authorization Request**  
**(\$ in Millions)**

<i>Fund Source</i>	<i>2008 Approp.</i>	<i>2009 Approp.</i>	<i>2010 Allowance</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
GO Bonds	\$0.000	\$0.000	\$0.950	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.950</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

Note: networkMaryland previously received \$26.4 million in prior general fund appropriations as well as benefiting from resource-sharing agreements.

## ***Project Analysis***

---

Public users on the Eastern Shore currently participate in networkMaryland (the State's high-speed network for public sector use) via the Eastern Shore Microwave Network. This microwave network will be out of capacity by fiscal 2011 and, absent this proposed utilization of the available fiber, accommodating growing demand on the network would require leasing of private vendor bandwidth. This proposed upgrade will effectively replace the need to use the Eastern Shore Microwave Network. That network will continue to be used as a back-up for networkMaryland and also by public safety agencies that are allocated one-third of that network's current capacity.

The obvious question to ask about this project is why it cannot be funded with part of the \$7.2 billion in federal stimulus funding that is targeted to the expansion of broadband, portions of which are targeted exclusively for rural broadband. Unfortunately, federal agencies responsible for awarding funding (the U.S. Department of Commerce and Agriculture) are still in the process of developing grant application guidelines. At this time, it is unclear what those guidelines will be and whether funding will be available.

**The Department of Legislative Services (DLS) recommends approval of the project and proposed funding.** However, DLS also believes that the Department of Information Technology (DoIT) should be able to get federal dollars for this project. **Mindful of the need to move forward with the project given the anticipated capacity issues with the existing network, DLS also recommends that DoIT delay spending any of the general obligation (GO) funding until August 1, 2009, and after submitting a report to the budget committees as to why it has been unable to obtain federal stimulus funding for the project. If DoIT is able to gain federal funds, DLS recommends that the GO bonds be made available to the Facilities Renewal Fund.**

## ***Recommended Actions***

---

FB04(A) High Speed Data Network ..... \$950,000

Add the following language:

“, provided that it is the intent of the General Assembly that if any funding under the American Recovery and Reinvestment Act for broadband expansion is available to the State, this proposed upgrade should be undertaken with that funding. Further provided that the Department of Information Technology may not expend funds on this proposed upgrade until August 1, 2009, or until it has submitted a report to the budget committees explaining why it has been unable to use American Recovery and Reinvestment Act broadband funding for this upgrade, whichever is later. The budget committees shall have 30 days from the receipt of the report to review and comment. Further provided that if the Department of Information Technology is able to use American Recovery and Reinvestment Act broadband funding for this proposed upgrade, these funds shall be placed in the Facilities Renewal Fund and used in accordance with the purposes of that fund.”

**Explanation:** The language asks the Department of Information Technology (DoIT) to seek federal stimulus funding for this project given the significant allocation of stimulus funds for broadband expansion, establishes legislative intent that to the extent that federal stimulus is available that this project receive funding, asks DoIT to submit a report, and to the extent federal stimulus funding is available for the project, authorizes the funding to be transferred to the Facilities Renewal Fund.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Use of federal stimulus funds for networkMaryland upgrade	DoIT	30 days prior to the expenditure of funds