



March 19, 2023

SUMMARY OF BILL AS AMENDED (006138): Stipulates that any portion of the proposed legislation that is in conflict with a federal requirement or regulation and would lead to a denial of federal broadband grant funds to the state if the requirement was enforced, may be waived by the Department of Economic and Community Development (ECD).

Increases, from 10 to 100 Megabits per second (Mbps), the minimum download speed and increases, from 1 to 20 Mbps, the minimum upload speed thresholds of broadband service for eligibility to receive a grant under the Broadband Accessibility Grant Program (BAGP).

Requires that projects providing broadband service to the greatest number of unserved locations at the highest speeds for the lowest grant amount per location possible be prioritized when awarding grants, with secondary priority goes to projects proposing in acquire and install infrastructure that supports broadband services scalable to download and upload speeds higher than 100 and 20, respectively. Requires that projects with the ability to commit to provide at least 20 percent of the cost to deploy broadband be prioritized when awarding grants, unless the project is serving a high-cost area. Stipulates that when grants are requested to provide broadband service to the same location, ECD shall establish preference for approving grant applications with a greater capital contribution.

Prohibits grants from being awarded to projects serving locations that are currently being served by at least one provider offering the minimum download and upload speeds mandated for BAGP grants. Prohibits grants from being awarded to projects serving locations that have received funds, or have been designated to receive funds, through another state or federal grant program, that offers the minimum download and upload speed mandated for BAGP grants. Requires ECD to allow broadband service providers a reasonable opportunity to comment on a grant award through providing data showing the availability of broadband prior to awarding BAGP grants. Requires repayment of grants plus 20 percent if a grant recipient does not complete an obligation.

ESTIMATED FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- According to ECD, the ability to administer American Rescue Plan Capital Projects Funds and to administer Broadband Equity Access and Deployment (BEAD) programs would be affected by the proposed legislation as it would violate guidelines set forth in the *Guidance for the Coronavirus Capital Projects Fund* related to Broadband Infrastructure Projects; however, any portion of the proposed legislation that is in conflict with American Rescue Plan Capital Projects Funds or any BEAD programs will be waived by ECD.
- If receiving a BEAD grant is contingent on these requirements, BEAD grant funds may be used without the exclusion of any provider type or eligible entity, and in areas that lack a maximum download speed of 25 Mbps and an upload speed of 3 Mbps. Additionally, if regulations to BAGP grants from the proposed legislation put BEAD grant funding in jeopardy, the regulations may be waived by ECD.
- No significant impact on the total amount of grant funds awarded statewide.
- The Governor's proposed budget for FY23-24, on page B-348, recognizes a non-recurring state appropriation of \$50,000,000 from the federal government and \$300,000 from the state to the Department of Economic and Community Development to provide grants and tax credits to increase broadband accessibility.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumption:

- Any impact on commerce and jobs in this state is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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