



## Please **SUPPORT** HB21-1289 Representatives Kennedy and Baisley

### State Stimulus for Broadband

- An estimated 85,000 Coloradans do not have access to fast, affordable, and reliable broadband service.
- This existing need has only been further exacerbated by the pandemic as Coloradans now more than ever need broadband access for remote learning or working, and telemedicine.

#### Section 1 & 2 -- K-12 Broadband Fund, Connecting Colorado Grant

- Amend statute created in HB20B-1001 to extend the time frame for spending

#### Section 3 & 4 -- Creation of Colorado Broadband Office, Fund

- Codify Colorado Broadband Office in statute
- \$35M to Colorado Digital Inclusion Grant Fund
  - \$20M for Southern Ute Indian Tribe and Ute Mountain Ute Indian Tribes for shovel ready reservation infrastructure
  - \$15M to improve connectivity and access in Rural Health facilities by upgrading modems, routers, and broadband equipment (partnership with OeHI)

#### Section 5 & 6 -- Broadband Deployment Board Dollars

- \$35M to the Board for Last Mile Infrastructure but MUST be
  - Shovel Ready
  - Include Low Income Plan
  - Demonstrate No Overbuild
- Encouraged to fund projects to critically unserved areas

#### Section 7,8 &9 -- DOLA Middle Mile Funding

- \$5M for Interconnectivity Grant Program Fund to continue the work currently being done with the Local Government Mineral Impact Fund
  - Requires applications for DOLA dollars to be reviewed by Colorado Broadband Office and yearly reporting to CBO

# HB21-1289

## “Funding For Broadband Deployment”

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*Concerning broadband deployment, and, in connection therewith, codifying the Colorado Broadband Office in the Office of Information Technology; creating the Digital Inclusion Grant Program, the Broadband Stimulus Grant Program, and the Interconnectivity Grant Program; and making an appropriation.*

**House Sponsors:** Kennedy and Baisley

**Senate Sponsors:** Bridges and Priola

### Bill Summary

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**Sections 1 and 2** of the bill extend the grant award distribution and reporting dates for the connecting Colorado students grant program.

**Section 4 creates the Colorado broadband office** (broadband office) *in the office of information technology* (office) as a type 1 entity. Section 4 also **creates the digital inclusion grant program fund** and *directs the state treasurer to transfer \$35 million from the general fund to the fund for use by the broadband office to implement the digital inclusion grant program* to award grant money to proposed broadband deployment projects throughout the state. Grant recipients other than Indian tribe or nation recipients are prohibited from using the grant money for last-mile broadband deployment. **Section 3 requires the chief information officer** in the office to **appoint a director of the broadband office.**

**Section 5** defines "community anchor institution", "critically unserved", and "income-qualified plan" in relation to grants awarded by the broadband deployment board (board) for proposed broadband deployment projects throughout the state.

**Section 6 creates the broadband stimulus grant program** (grant program) and **requires the board to implement** the grant program by *awarding grant money from the broadband stimulus account created in the broadband administrative fund. The state treasurer is directed to transfer \$35 million from the general fund to the account for this grant program.* The board is encouraged to award money under the grant program to applicants that previously applied for broadband deployment grants from the board but were denied due to insufficient funding. An applicant seeking money under the grant program must submit an income-qualified plan to the board.

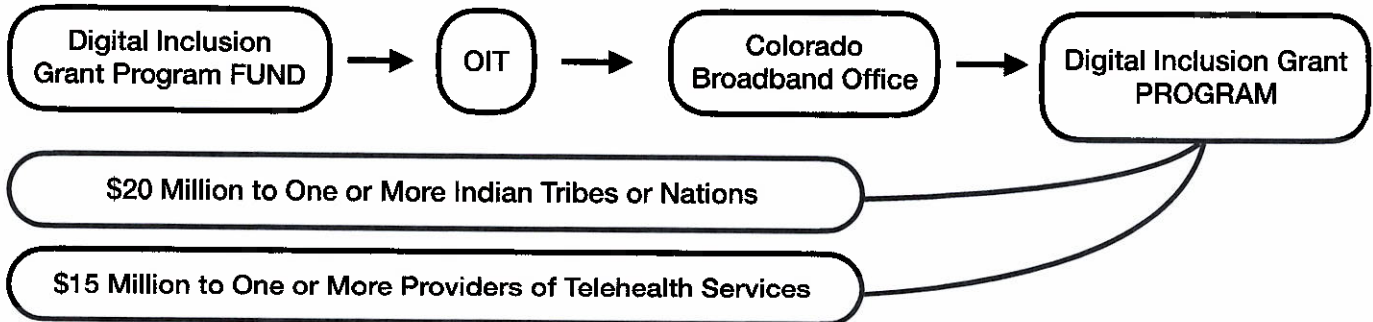
**Section 7** updates the legislative declaration related to the division of local government in the department of local affairs (division) to include language indicating the importance of broadband deployment, and **Section 8** defines terms related to the division's work in deploying broadband.

**Section 9 requires the division to submit a copy of any application it receives for broadband deployment grant money to the board for the board to review and provide a recommendation regarding the application within 30 days** after the division sends the copy to the board. **Section 9 also creates the interconnectivity grant program** and *requires the division to implement the grant program* by awarding grant money for proposed projects that seek to achieve regional broadband deployment and provide interconnection between communities. Projects awarded money under this grant program, except for projects awarded to Indian tribes or nations, cannot use the money awarded for last-mile broadband deployment. **To finance this grant program, section 9 also**

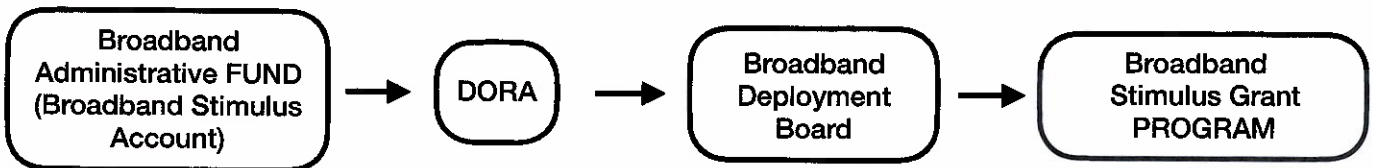
creates the interconnectivity grant program fund into which the state treasurer is directed to transfer \$5 million from the general fund.

Section 10 appropriates:

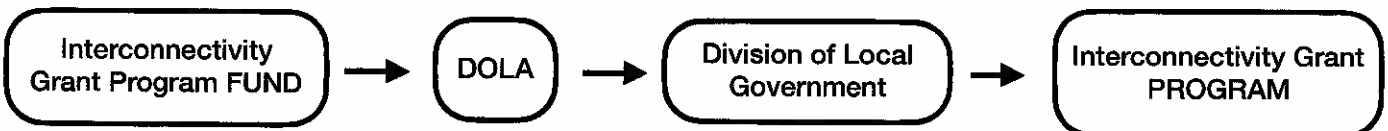
- \$35 million from the digital inclusion grant program fund to the office of information technology for use by the Colorado broadband office to implement the digital inclusion grant program;



- \$35 million from the broadband stimulus account in the broadband administrative fund to the department of regulatory agencies for use by the board to implement the broadband stimulus grant program; and



- \$5 million from the interconnectivity grant program fund to the department of local affairs for use by the division of local government to implement the interconnectivity grant program.



## Quick Facts

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**Summary of Fiscal Impact:** No fiscal note yet

**Appropriation Summary:** \$80 Million dollars will be appropriated for FY 2020-21. Any money appropriated that is not expended prior to July 1, 2021, is further appropriated to the department for FY 2021-22 for the same purpose. So, most likely \$160 Million will be appropriated.

## Analysis

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**Problem:** Communities in unserved areas of the state need access to broadband to help overcome economic, health-care, education, and government-access inequities arising from their diminished ability to access broadband.

**Solution: Creation of the Colorado Broadband Office** - will oversee the development of fast, affordable, and accessible broadband internet service throughout the state, will drive job creation, promote innovation, improve the economic vitality of various industries throughout the state and the state as a whole, and expand markets for Colorado business.

**The Chief Information Officer** shall appoint a director of the Colorado Broadband Office created in section 24-37.5-903.

The Colorado Broadband Office will serve as a **central governmental entity** to *plan and coordinate* with other *state, public, and private entities and citizens* throughout the state to **develop and implement statewide broadband deployment and access strategies and programs** that seek to advance the goals listed in subsection (1) of the bill.

**The Colorado Broadband Office will be a type 1 entity under 24-1-105:** (1) Under this article, a type 1 transfer means the transferring intact of an existing department, institution, or other agency, or part thereof, to a principal department established by this article. When any department, institution, or other agency, or part thereof, is transferred to a principal department under a type 1 transfer, that department, institution, or other agency, or part thereof, shall be administered under the direction and supervision of that principal department, but it shall exercise its prescribed statutory powers, duties, and functions, including rule-making, regulation, licensing, and registration, the promulgation of rules, rates, regulations, and standards, and the rendering of findings, orders, and adjudications, independently of the head of the principal department. **Under a type 1 transfer**, any powers, duties, and functions not specifically vested by statute in the agency being transferred, including, but not limited to, all budgeting, purchasing, planning, and related management functions of any transferred department, institution, or other agency, or part thereof, shall be performed under the direction and supervision of the head of the principal department.

**Creation of the Digital Inclusion Grant Program** - This program is created for the purpose of advancing the state's digital inclusion priorities, which include:

- Increasing broadband usage, access, speeds, and improving reliability and affordability throughout the state
- Enhancing digital literacy

The Colorado Broadband Office *shall submit a written report to the Governor and the JBC and JTC regarding implementation of the grant program* on or before January 1, 2022. The broadband office *will also submit subsequent reports to the same parties within six months after the end of any state fiscal year in which the broadband office awards one or more grants from the fund.*

For each project awarded grant money, reports must include:

- A description of the project
- A summary of the progress made on the project
- The estimated completion date for the project, or, if already completed, the date of completion
- A map of the area to be served or already served by the project
- The percentage of customers who activated broadband through the broadband network provided by the project after a broadband connection was created under the project to their home or entity and the measurable speeds made available to them
- The type of technology deployed or used for broadband provided through the project
- The number of households, community anchor institutions, municipalities, and counties served by the project.

Reports submitted must also include the number of applicants to the grant program, the amounts of grant money requested by each applicant, the number of grants awarded under the grant program, and the amounts of grant money awarded to each applicant under the grant program; and the amount of money expended from the fund versus the amount of money obligated but not yet expended from the fund.

**Creation of the Broadband Deployment Board, the Broadband Administrative Fund, and the Broadband Stimulus Account** - The money in the account is subject to annual appropriation by the

general assembly for the purpose of reviewing and awarding grants under the Broadband Stimulus Grant Program.

**Creation of the Broadband Stimulus Grant Program** - Is encouraged to award grant money to applicants that applied for grants under subsection (8) in the previous five years, met all of the award criteria but were denied grants due to the insufficiency of grant money available at the time of application, and, as determined by the board, continue to meet all of the award criteria set forth in subsection (8) of this section. In awarding grants, the board is encouraged to give priority to proposed projects that will serve critically unserved areas of the state.

**The Broadband Deployment Board** shall submit a written report to the Governor and the JBC and JTC regarding implementation of the grant program on or before January 1, 2022. The broadband office will also submit subsequent reports to the same parties within six months after the end of any state fiscal year in which the broadband office awards one or more grants from the fund.

For each project awarded grant money under the Broadband Stimulus Grant Program, reports must include:

- A description of the project, including a description of the use of the grant money in providing broadband
- A summary of the progress made on the project
- The estimated completion date for the project, or, if already completed, the date of completion
- A map of the areas to be served or already served by the project
- The percentage of customers who activated broadband throughout the broadband networks provided by the project after a broadband connection was created under the project to their home or entity and the measurable speeds made available to them
- The type of technology deployed or used for broadband provided through the project
- The number of households, community anchor institutions, municipalities, and counties served by the project.

Reports submitted must also include the number of applicants to the broadband stimulus grant program, the amounts of grant money requested by each applicant, the number of grants awarded under the broadband stimulus grant program, and the amounts of grant money awarded to each applicant under the broadband stimulus grant program; and the amount of money expended from the broadband stimulus account versus the amount of money obligated but not yet expended from the broadband stimulus account.

**The Interconnectivity Grant Program** is created to award grant money to local governments for proposed projects that:

- Engage in regional planning among multiple local governments to:
  - Identify regional broadband infrastructure needs
  - Determine optimal regional configurations of broadband infrastructure
  - Identify potential public-private partnerships to achieve optimal regional broadband deployment
- Provide or enhance the network connection between communities, including the interconnection between community anchor institutions.

**The Interconnectivity Grant Program** shall submit to the Broadband Deployment Board a copy of each application that the division receives in which an applicant seeks grant money for broadband planning or infrastructure, which grant the division awards from the *Interconnectivity Grant Program Fund* or the *Local Government Mineral Impact Fund*. The Broadband Deployment Board shall review each application submitted and provide the division its recommendations regarding the application as soon as practicable but no later than 30 days.

## **HB21-1289: Funding For Broadband Deployment**

*[Representatives Kennedy & Baisley / Senators Bridges & Priola]*

**OVERVIEW:** The Bill: 1) Extends the grant award distribution and reporting dates for the Connecting Colorado Students Grant Program; 2) Codifies the Colorado Broadband Office in Office of Information Technology; 3) Creates the Digital Inclusion Grant Program under Colorado Broadband Office; 4) Creates the Broadband Stimulus Grant Program; & 5) Creates the Interconnectivity Grant Program.

**TOTAL FUNDING:** \$75-Million

### **1) Connecting Colorado Students (CCS) Grant Program, created in HB20B-1001 (*Administration: Colorado Department of Education*)**

**CONTEXT:** Connecting Colorado Students Grant Program in the Department of Education awards grants to local education providers to increase access to broadband service for students, educators, and other staff who lack stable, reliable internet access for online learning:

- Extends FY20-21 grant distribution deadline from 2/1/21 to 6/30/21
- Extends Department of Education reporting deadline from 7/15/21 to 11/15/21

### **2) Creation of the Colorado Broadband Office (*Administration: Office of Information Technology*)**

**CONTEXT:** A central governmental entity should plan and coordinate with other state, public, and private entities and citizens throughout the state to develop and implement statewide broadband deployment, programs and access strategies that seek to:

- a) Develop fast, affordable, and accessible broadband internet service throughout the state;
- b) Serve the ongoing and growing needs of Colorado's education, health-care, and public safety systems; including industries, businesses, governmental operations, and citizens;
- c) Help unserved communities overcome economic, health-care, education, and government access inequities arising from their diminished ability to access broadband.

**OVERVIEW:** Colorado Broadband Office is created in the Office of Information Technology as a "Type-1 Entity". The Chief Information Officer of Office of Information Technology shall appoint the Director of the Colorado Broadband Office and the Director may employ staff as necessary.

**Directs the Colorado Broadband Office to:**

- a) Encourage, foster, develop, and strive to improve the availability of affordable, quality broadband within the state;
- b) Serve as the central broadband policy coordination body for the state;
- c) Coordinate with other state agencies; local governments; the federal government; Indian tribes and nations; nonprofit organizations; other relevant broadband partners and consumers throughout the state to develop strategies and plans for promoting the deployment of broadband infrastructure and improving broadband access;
- d) Review existing state broadband initiatives, policies, and public and private investments;
- e) Develop and implement a statewide plan to encourage cost-effective broadband access and increased broadband usage, particularly in rural unserved areas and other unserved areas of the state;
- f) Collect broadband data to create and update maps to measure the progress of deployment;

- g) Encourage public-private partnerships;
- h) Seek or apply for, accept, and expend gifts, grants, or donations, as well as money from the federal government;
- i) Implement the Digital Inclusion Grant Program.

In developing a statewide plan and any other strategies for broadband deployment, the Colorado Broadband Office shall consider:

- a) Partnerships between communities; Indian tribes and nations; nonprofit organizations; local governments; electric utilities; cooperative electric associations; municipally owned utilities; generation/transmissions corporations or associations; rural telecommunication providers; and public and private entities;
- b) Funding opportunities from public sources (local, state, & federal governments) and private sources;
- c) Barriers to the deployment, adoption, and utilization of broadband; including affordability;
- d) Statewide broadband goals and whether statutory definitions for broadband in unserved areas need to be updated in response to advances made in broadband technology.

### **3) Creation of the Digital Inclusion Grant Program (*Administration: Colorado Broadband Office*)**

PURPOSE: Advancing the state's digital inclusion priorities, which include:

- Increasing broadband usage and access throughout the state
- Increasing broadband speeds
- Improving the reliability of broadband
- Enhancing digital literacy
- Making access to broadband more affordable

#### **FUNDING: \$35-Million**

ELIGIBLE GRANT RECIPIENTS: When reviewing grant applications, Colorado Broadband Office is required to consult *with* Office of Economic Development and International Trade, Department of Local Affairs, Department of Regulatory Agencies, Colorado Department of Transportation and other entities with broadband experience.

- a) \$20M to one or more Indian tribes or nations for additional infrastructure on tribal lands and providing devices. Only Indian tribal lands are allowed to use the funds for last-mile broadband infrastructure\*; (\*Last-Mile Broadband Infrastructure = Infrastructure that delivers an internet connection to an end user.)
- b) \$15M to one or more providers of telehealth services.

REPORTING REQUIREMENTS: Colorado Broadband Office must submit a report by January 1st of each year to the Governor, Joint Budget Committee, and Joint Technology Committee. Colorado Broadband Office must also submit a detailed report for each project awarded every 6-months.

### **4) Creation of the Broadband Stimulus Grant Program using the Broadband Stimulus Account (*Administration: Broadband Deployment Board / Department of Regulatory Affairs*)**

PURPOSE: To award applicants that applied for Broadband Deployment Grants from the Broadband Deployment Board in the past 5 years but were denied due to insufficient funding. New applicants

are also eligible. Funds are available until the money in the account has been fully expended. Repeals on 9/1/23.

**FUNDING: \$35-Million**

**GRANT APPLICATION CRITERIA:** In awarding grants, the Broadband Board is encouraged to give priority to applicants who previously applied and did not receive a grant award, and for projects that will serve critically unserved areas\* or provide broadband to homes or community anchor institutions\*\*. Grant application criteria are the same as the Broadband Deployment Grants in 40-15-509.5(8), but applicants must also include:

- a) Information demonstrating that any easements needed for the proposed project will be in place and that construction may commence upon the board's approval of the application;
- b) An income-qualified plan that proves that the proposed project would provide broadband to income-qualified customers in the proposed service area at a reduced cost and at measurable speeds of at least 25 Mbit/sec downstream and upstream.

(\*Critically Unserved Areas = A household or area that lacks access to at least one satellite provider at measurable speeds of 10/1 or at least equal to one-half of the minimum measurable speeds that qualify under the FCC definition.)

(\*\*Community Anchor Institutions = Schools, hospitals/health care facilities, libraries, emergency medical service providers, law enforcement, and community support organizations.)

**REPORTING REQUIREMENTS:** The Board must submit a report by January 1st of each year to the Governor, Joint Budget Committee, and Joint Technology Committee. The Board must also submit a detailed report for each project awarded every 6-months (includes a progress report, percentage of activated customers, map, technology deployed, number of households and community institutions, etc.)

**5) Creation of the Interconnectivity Grant Program using the Interconnectivity Grant Program Fund (*Administration: Division of Local Government / Department of Local Affairs*)**

**PURPOSE:** To award grants to local governments for proposed projects that engage in regional planning among multiple local governments and provide or enhance the network connection between communities. Overall, focused on middle-mile broadband projects.

**FUNDING: \$5-Million**

**INTENDED GRANT USE(S):**

- Grants will be awarded to projects that identify regional broadband infrastructure needs, determine optimal regional configurations of broadband infrastructure; and identify potential public private partnership for optimal deployment; or provide/enhance the network connection between communities (specifically community anchor institutions).
- Grant recipients shall not use the money to deploy last-mile broadband infrastructure\*, and are encouraged to contract with owners of existing broadband infrastructure or electric easements to build off the easement or lease any excess capacity. (\*Last-Mile Broadband Infrastructure = Infrastructure that delivers an internet connection to an end-user.)

**REPORTING REQUIREMENTS:** Division of Local Government must submit a report by January 1st of each year to the Governor, Joint Budget Committee, and Joint Technology Committee. Additionally, Division of Local Government must submit to the Broadband Board -- for the Board's review and recommendations -- a copy of each application that the Division receives in which the applicant seeks grant money for broadband planning or infrastructure.