



2017-2018 General Assembly

SENATE BILL 99: Appropriations Act of 2018, Sec. 37.1: Growing Rural Economies with Access to Technology (GREAT) Program

Committee:	Date:	August 14, 2018
Introduced by:	Prepared by:	Bill Patterson Staff Attorney
Analysis of:	Sec. 37.1 of S.L. 2018-5	

OVERVIEW: *Sec. 37.1 of S.L. 2018-5 establishes the Growing Rural Economies with Access to Technology (GREAT) Program, a broadband infrastructure grant program operated by the Broadband Infrastructure Office of the Department of Information Technology to provide grants to broadband providers and cooperatives for projects designed to extend broadband service to unserved areas in economically distressed counties of the State.*

Provisions in this section relating to the leasing of state-owned property for the purpose of allowing colocation of broadband transmitters became effective on June 12, 2018. The remainder of this section became effective July 1, 2018.

BILL ANALYSIS:

Sec. 37.1 establishes the Growing Rural Economies with Access to Technology (GREAT) Program, under which Broadband service providers and cooperatives are eligible to receive GREAT Program grants from the Office of Broadband Infrastructure (the Office) in the Department of Information Technology (DIT) for unserved areas in economically distressed counties.

Grant applicants must submit an application that provides certain information about the proposed project, including, among other things, the total project cost and duration, an estimate of the number of end users, a description of the services to be provided, a plan to encourage connection by end users, and evidence of support from the community.

Applications are scored by the Office based on certain established criteria. Projects receive higher scores for:

- Utilizing partnerships or affiliations with other entities that will lower costs and facilitate broadband deployment;
- Locating the project in counties with higher numbers of unserved households;
- Providing service to greater numbers of unserved households and businesses;
- Minimizing deployment costs per household; and
- Providing faster connection speeds to end users.

Successful applicants must enter into an agreement with the Office and grant funds will be disbursed based upon completion of benchmarks established in that agreement. No single grant can exceed \$2 million and no more than one grant may be awarded for a project in a single county in any one fiscal year. As part of the agreement, the grant recipient must commit to providing service to the area for at least five years and must annually attest to providing the advertised connection speeds to end users.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 99

Page 2

Grant recipients are required to provide matching funds on a scale from 35% to 55%, depending on the score of the application. Failure to perform under the agreement subjects a grant recipient to clawback of funds.

The Department of Administration is required to adopt temporary rules consistent with this section by no later than January 1, 2019, and must adopt permanent rules no later than July 1, 2019.

An annual reporting requirement to the Office is imposed upon all grant recipients, and DIT must provide an annual report on the Program to the Joint Legislative Oversight Committee and Fiscal Research on or before September 1 of each year.

EFFECTIVE DATE: Provisions in this section relating to leasing of state-owned property for the purpose of allowing colocation of broadband transmitters became effective on June 12, 2018. The remainder of this section became effective July 1, 2018.

Staff Attorney Matt Meinig, Legislative Drafting Division, substantially contributed to this summary.