



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 1105: COVID/Supplementary G.R.E.A.T. Grant Period.

2019-2020 General Assembly

Committee:	House Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 16, 2020
Introduced by:	Reps. Arp, Saine, B. Jones, Reives	Prepared by:	Matthew Meinig Staff Attorney
Analysis of:	PCS to First Edition H1105-CSMQa-13		

OVERVIEW: *The PCS to H1105 would appropriate \$30 million in CARES Act funding to the Department of Information Technology (DIT) to be used for a special supplementary grant process for the Growing Rural Economies with Access to Technology (GREAT) program to expand broadband infrastructure in response to the COVID-19 pandemic. Additionally, the PCS would make changes to the current GREAT program statute, affecting administration of the grant program for future fiscal years.*

BILL ANALYSIS:

Part I: Supplementary GREAT Program Grant Period

- Section 1.2 instructs DIT to provide a special supplementary grant process for applications submitted on or before September 15, 2020, and instructs DIT to issue grant awards on or before December 30, 2020. The supplementary grant process would follow the procedures established in G.S. 143B-1373, except as follows:
 - 15-day application posting and 15-day protest period.
 - Eligible projects would include tier one, tier two, and rural census tracts within tier three counties, except for those counties with total employment of 500,000 or more. Projects could include either:
 - 10% or less of households with Internet speeds of 10:1 Mbps., up to 25:3 Mbps.
 - At least 90% of households with less than 10:1 Mbps.
 - Infrastructure costs could include engineering and other costs associated with the location or colocation of broadband infrastructure.
 - Scoring models altered to reflect increasing project costs, and to incentivize speeds of 200:20 Mbps. or higher.
 - Grantees will receive an initial, lump sum disbursement of grant funds upon finalizing the grant agreement with DIT, and must provide evidence of financial solvency, proof of broadband provision in the State for at least three years, and an attestation that the project will be completed pursuant to the agreement.
 - No single grant award may exceed \$2.8 million, and no single county may have projects totaling more than \$5.6 million.
 - Grant awards shall be forfeit if the project is not completed prior to December 30, 2022

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- Section 1.3 transfers \$30 million from the Coronavirus Relief Fund and appropriates them to the Growing Rural Economies with Access to Technology Fund for the supplemental grant period.

Part II: Changes to GREAT Program

- Section 2.1 makes the following changes to G.S. 143B-1373:
 - Changes the definition of "broadband service" to 25:3 Mbps.
 - Eligible projects could include either:
 - 10% or less of households with Internet speeds of 10:1 Mbps., up to 25:3 Mbps.
 - At least 90% of households with less than 10:1 Mbps.
 - Infrastructure costs could include engineering and other costs associated with the location or colocation of broadband infrastructure.
 - Adds a definition of "unserved household" to mean a household without present access to broadband service, as defined in G.S. 143B-1373.
 - Scoring models altered to reflect increasing project costs, and to incentivize speeds of 200:20 Mbps. or higher.
- Sections 2.2 and 2.3 make a clarifying change that the tier designation of a county in effect as of the beginning of the fiscal year shall be used for the GREAT program during that fiscal year.
- Section 2.4 instructs DIT to provide a supplementary award of \$15,000 to grantees during the 2020-2021 fiscal year that also received a grant from the FCC's Rural Digital Opportunity Fund Auction, Phase I.

Part III: GREAT Supplementary Grant Period Change

- Section 3.1 would modify language in the 2020 COVID-19 Recovery Act (S.L. 2020-4), allowing DIT to award grants in a lump sum disbursement upon finalizing the grant agreement with DIT. A grantee must provide evidence of financial solvency, proof of broadband provision in the State for at least three years, and an attestation that the project will be completed pursuant to the agreement.

EFFECTIVE DATE: Section 2.2 would become effective July 1, 2020; the remainder of the act would be effective when it becomes law.