



HOUSE BILL 259: 2023 Appropriations Act, Sec. 38.8: Broadband Changes

2023-2024 General Assembly

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| Committee: | | Date: | December 6, 2023 |
| Introduced by: | | Prepared by: | Aaron McGlothlin Staff Attorney |
| Analysis of: | Sec. 38.8 of S.L. 2023-134 | | |

OVERVIEW: Section 38.8 of S.L. 2023-134 makes various changes to the laws that relate to broadband deployment and the Department of Information Technology (DIT), which include:

- *Broadening the stated purpose of the Broadband Stop Gap Solutions grant program to include expanding broadband service to unserved and underserved businesses, State facilities, and community anchor institutions.*
- *Revising provisions related to the amount of federal funds received under the Broadband Equity, Access, and Deployment (BEAD) Program from the Infrastructure Investment and Jobs Act (P.L. 117-58) that DIT can use for administrative and planning purposes.*
- *Allowing the Information Technology Strategy Board to elect the chair from among its membership for one-year terms.*
- *Directing DIT to develop a formal challenge process for broadband grant programs it administers, and to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the challenge process no later than December 1, 2023.*

This section became effective July 1, 2023.

PRIOR LAW / BACKGROUND: Section 38.5 of S.L. 2021-180, as subsequently amended, directed DIT to administer the Broadband Stop Gap Solutions Program, which provides for grant funding for internet service providers, local government entities, and nonprofits for the provision and installation of infrastructure for the provision of broadband service to underserved households in this State. In 2021 the General Assembly appropriated \$90 million of federal American Rescue Plan Act funds to the Broadband Stop Gap Solutions Program.

Section 38.4 of S.L. 2021-180, as subsequently amended, outlined use guidelines for grant funding through DIT for broadband infrastructure, and authorized the use of a portion of certain funds for planning and administration of proposals and applications for funding or grants under federal programs.

G.S. 143B-1337 establishes the Information Technology Strategy Board (Board). The Board is made up of 12 members and, prior to the enactment of S.L. 2023-134, was chaired by the State Chief Information Officer. The Board is responsible for advising the State CIO on information technology policies and procedures with regard to the State Information Technology Plan and assists in establishing parameters for information technology project planning and management for State information technology projects.

Jeffrey Hudson
Director



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Legislative Analysis
Division
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BILL ANALYSIS:

Subsection (a) of this section amends Section 38.5 of S.L. 2021-180, as subsequently amended, to broaden the stated purpose of the Broadband Stop Gap Solutions grant program to include expanding broadband service to unserved and underserved businesses, State facilities, and community anchor institutions.

Subsection (b) amends Section 38.4 of S.L. 2021-180, as subsequently amended, to reduce the amount of federal BEAD funds DIT can use for administrative and planning purposes, and to clarify that DIT can use the full amount of any Digital Equity planning funds for administrative and planning purposes up to the actual amount of the federal funds received.

Subsection (c) amends certain provisions in G.S. 143B-1337 regarding the governance of the Board, by making the chair of the Board elected for a one-year term from a majority vote of its members. The State Chief Information Officer and DIT employees are no longer eligible to serve as chair. Furthermore, this subsection clarifies that the Board's powers and duties do not extend to broadband mapping or other broadband programs administered by DIT.

Subsection (d) directs DIT to develop a formal challenge process for the broadband grant programs it administers that to conform and not conflict with published federal regulations and guidelines for broadband grants issued from federal funding. This subsection also directs DIT to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the challenge process no later than December 1, 2023.

EFFECTIVE DATE: This section became effective July 1, 2023.

** Staff attorneys Howard Marsilio and Matthew Meinig substantially contributed to this summary.*