

DATE: January 26, 2021

BILL NO.: House Bill 97

COMMITTEE: House Committee on Economic Matters

TITLE: Department of Housing and Community Development - Office of Digital Inclusion - Established (Digital Connectivity Act of 2021)

SPONSORS: Del. Lierman

Letter of Information

Description of Bill:

House Bill 97 codifies the existing Office of Rural Broadband, and renames it the Office of Digital Inclusion. House Bill 97 also expands the purposes of the Office to include facilitating access to high speed internet access for households in currently served areas of the state, providing digital education measures, and developing more granular mapping of broadband service than is currently publicly available. This bill would require the future budgets to include funding for the Office sufficient to hire two additional employees.

Background:

In 2017, Governor Hogan established the Governor's Office of Rural Broadband with the goal of facilitating high speed internet service in all corners of the State. That office is supported by the Department of Housing and Community Development and funded through appropriations to the agency for operating and capital expenses. Discussion of creating a new office for these purposes should take into account the existing work that is done by the Office of Rural Broadband.

Though the Office was originally tasked exclusively with the development of broadband infrastructure in unserved parts of the state, since the early days of the pandemic the Office has taken on a larger role, providing emergency funding to school districts and libraries to help facilitate student access to broadband for remote learning and initiating the build out of a wireless network for students.

Through funding, expertise and partnerships with local jurisdictions and internet service providers (ISP), the Office enables broadband expansion to unserved and underserved rural households and businesses. Since the Office's inception, several successful programs have been developed and implemented to further the Office's mission. What follows is a description of some of the Office's work, as well as a synopsis of currently and soon to be available mapping data.

Assistance for Federal Funding Applications

In order to best leverage its state funding, the Office has worked with multiple counties and their ISP partners to facilitate their applications for federal broadband funding. In one example, Talbot County's partner, Easton Utilities received a \$13 million grant from USDA to construct a broadband network that will provide service to approximately 90% of the unserved rural households in Talbot County. That federal funding award was enabled by approximately \$81,000 in State funding through the Office.

The Office continues to offer technical and financial assistance for federal funding efforts.

Expansion of Existing Broadband Networks grant program (formerly the Broadband Pilot Program)

This grant program, established in FY19, has been popular with local jurisdictions and successful in extending existing broadband facilities into nearby unserved neighborhoods. The program offers funding of up to \$200,000 for 50% or less of the project capital costs. It requires local jurisdictions to partner with an ISP and submit a joint application with the local jurisdiction being the lead applicant. This application structure helps the local jurisdiction guide where service will be extended and allows them to better serve their constituents.

In FY19, the program provided over \$600,000 in funding to five counties for eight projects. In FY20 the program expanded to include applications from eight counties and one city and funded 19 projects and provided \$2.1 million in funding. Applications for the FY21 program recently closed with 12 Counties applying for 36 projects requesting over \$4.3 million in funding.

Broadband Infrastructure grant program

This grant program was established in FY20 to provide funding for major new broadband networks necessary to provide access to broadband for rural unserved households. The program offers funding of \$1 million to \$3 million for 50% or less of the project capital costs. ISP's apply for funding directly and must show a partnership has been established with the local jurisdiction.

In FY20, the program provided over \$7.4 million for four projects that will provide broadband access to over 3,700 premises. The application for this program is open through January 29, 2021.

Emergency Broadband Education Assistance Grants

These grants were offered to school districts and libraries in early April to expand their existing broadband networks and offerings to allow students additional ways to access the internet to participate in online learning. Grants were provided to pay for external wireless access points on buildings as well as the purchase of cellular hotspots for student use. Over \$200,000 was provided to five libraries and four school districts.

Broadband for Unserved Students

Governor Hogan directed Coronavirus Relief Funds be provided to assist with internet connectivity for unserved students all across Maryland. The program provided over \$8.7 million in funding to 22 school districts across the State for the purchase and deployment of cellular hotspots or to pay for installation and service for households lacking service where a provider was available.

Wireless Broadband Education Network

Using \$15 million in funding provide through the Governor's Emergency Education Relief Fund (GEER), the Office in partnership with Collaborative Solutions Maryland (a 501(c)3 corporation formed by the Maryland Research and Education Network) has begun the process of constructing a statewide wireless network to serve unserved students. This new network will utilize existing state vertical and fiber optic resources to provide broadband services for education to our unserved rural and urban students. It is expected to be operational for the 2022 school year.

Broadband Mapping

In addition to the duties of the Office, some background on current broadband access mapping may be useful to you in your deliberations. The Federal Communications Commission (FCC) requires internet service providers to share with them information on Census blocks where fixed residential broadband services of at least 25 Mbps download and 3 Mbps upload are currently available or able to be provided imminently. This data is useful in a broader context, but cannot provide household or street level data, which is necessary to determine the precise scope of served/unserved residents. In the recently passed Consolidated Appropriations Act, 2021, Congress provided the FCC with \$65 million to develop more precise and accurate data through the Commission's Digital Opportunity Data Collection plan. It is our expectation that this more granular information should be available within about one year.