

HOUSE BILL REPORT

HB 2414

As Reported by House Committee On:
Innovation, Technology & Economic Development

Title: An act relating to digital equity.

Brief Description: Concerning digital equity.

Sponsors: Representatives Gregerson, Hudgins, Callan, Frame, Peterson, Santos, Wylie, Doglio and Morgan.

Brief History:

Committee Activity:

Innovation, Technology & Economic Development: 1/17/20, 1/31/20 [DPS].

Brief Summary of Substitute Bill

- Establishes and sets forth requirements for the Digital Equity Opportunity Grant Program under the Department of Commerce (Department).
- Creates a Digital Equity Planning Grant Program to fund the development of a Digital Equity Plan.
- Provides that the Department may convene a Statewide Action Team on broadband access and adoption.
- Requires the Statewide Broadband Office to prepare a report on the comparative availability and adoption of broadband across the state by July 1, 2021.

HOUSE COMMITTEE ON INNOVATION, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Entenman, Slatter, Tarleton and Wylie.

Minority Report: Do not pass. Signed by 2 members: Representatives Boehnke, Assistant Ranking Minority Member; Van Werven.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Kyle Raymond (786-7190).

Background:

The Department of Commerce (Department) is responsible for growing and improving jobs, as well as facilitating innovation in the state. The Department provides business assistance and economic development services primarily through sector-based and cluster-based regional organizations to: (1) generate greater local capacity to respond to economic growth and environmental challenges; (2) promote partnerships and the use of intermediaries to achieve the Department's goals; and (3) leverage state resources.

The Department is responsible for promoting community and economic development statewide by: (1) assisting communities to increase economic vitality and the quality of citizens' lives; and (2) assisting the state's businesses to maintain and increase economic competitiveness while maintaining a healthy environment. The Department's community and economic development efforts include managing growth through local planning, fostering the development of minority and women-owned businesses, facilitating technology development, and providing community services and advocacy for low-income persons.

Broadband Office.

The Governor's Statewide Broadband Office (SBO) was established in 2019 to serve as the central broadband planning body for the state. The SBO Director is appointed by the Governor, and the SBO may employ necessary staff to carry out the SBO duties.

The SBO powers and duties include: (1) coordinating with relevant parties to develop strategies and plans for deployment of broadband infrastructure; (2) reviewing existing broadband initiatives; (3) developing and implementing a statewide plan to encourage cost-effective broadband access and increased usage; and (4) encouraging public-private partnerships to increase deployment and adoption of broadband services and applications.

Universal Communications Services Program.

The Universal Communications Services (UCS) program was established in 2014 to provide temporary direct support to Washington's smaller incumbent communications service providers during certain changes in federal funding. In 2019 the purpose of the UCS program was expanded to include the provision, enhancement, and maintenance of broadband services.

Public Works Board.

The Public Works Board within the Department administers the Public Works Assistance Account and provides financial and technical assistance to local governments in addressing local infrastructure and public works projects by making loans, grants, financing guarantees, and technical assistance available to local government for these projects.

Summary of Substitute Bill:

Digital Equity Opportunity Program.

The Community Technology Opportunity Program is modified to create the Digital Equity Opportunity Program (Opportunity Program) under the Department of Commerce (Department). The purpose of the Opportunity Program is to advance broadband adoption and digital equity and inclusion throughout the state. In establishing the Opportunity Program, the Department is required to consult with the Statewide Action Team on broadband availability and adoption.

A competitive grant program is established under the Department. The Department is required to provide grants to community technology programs to advance digital equity and digital inclusion, to the extent funds are appropriated for this purpose. The competitive grants can be used for the following activities: (1) providing training and skill-building opportunities; (2) access to hardware and software; (3) internet connectivity; (4) digital media literacy; (5) assistance in the adoption of information and communication technologies in low-income and underserved areas and populations of the state; and (6) development of locally relevant content and delivery of vital services through technology.

The Department must, to the extent funds are appropriated for this purpose, provide support to community technology programs throughout the state to evaluate the impact and efficacy of activities supported by grants awards. In addition, the Department must develop, catalog, disseminate, and promote the exchange of best practices in order to achieve digital equity. After July 1, 2023, no more than 15 percent of funds received by the Department for the program may be expended for these support activities.

Applicants to the competitive grant program must provide certain information in the application materials for the grant, including that the application materials must:

- provide evidence that the applicant is a nonprofit entity or a public entity that is working in partnership with a nonprofit entity;
- define the geographic area or population to be served;
- include results of a needs assessment addressing, in the geographic area or among the population to be served: the impact of inadequacies in technology access or knowledge, barriers faced, and services needed;
- explain the detailed strategy for addressing the needs identified and an implementation plan, including objectives, tasks, and benchmarks for the applicant and the role that other organizations will play in assisting the applicant's efforts;
- provide evidence of matching funds and resources, which are equivalent to at least 10 percent of the grant amount committed to the applicant's strategy;
- provide evidence that funds applied for, if received, would be used to provide effective delivery of community technology services in alignment with program goals and increasing the applicant's effort beyond current levels; and
- comply with such other requirements as the Department establishes.

The Department may use no more than 10 percent of funds received for the Opportunity Program to cover administrative expenses.

The Department must establish expected program outcomes for each grant recipient and must require grant recipients to provide an annual accounting of Opportunity Program outcomes.

Digital Equity Planning Grant.

The Department is required to establish a Digital Equity Planning Grant Program (Planning Grant Program).

The Planning Grant Program provides grants to local governments, institutions of higher education, or other entities who have entered into an agreement with a local government, to fund the development of a Digital Equity Plan for a discrete geographic region of the state.

Priority must be given for grant applications accompanied by express support from nonprofit communities or neighborhood-based organizations, public development authorities, federally recognized Indian tribes in the state, or other community partners.

An applicant must submit an application to the Department in order to be eligible for planning grant funding. The Department must evaluate and rank applications using objective criteria, which may include the number of underserved population served. In addition, subjective criteria, such as the degree of support and engagement evidenced by the community who will be served, must be used in evaluating and ranking applications.

The Department is required to develop criteria for what the digital equity plans must include.

Only the Director of the Department or the Director's designee may authorize expenditures.

The Department may adopt rules to implement the Planning Grant Program.

Statewide Action Team on Broadband Access and Adoption.

The Digital Inclusion and Technology Planning Advisory Group is modified to establish the Statewide Action Team (Action Team) on broadband access and adoption, and the Department may convene the Action Team.

The Action Team may be composed of volunteer representatives from community-based organizations, workforce training providers, telecommunications providers, higher education institutions, kindergarten through twelfth grade educational institutions, public health institutions, public housing entities, local government, and other governmental and community entities that are engaged in community technology and digital inclusion activities.

In selecting Action Team members, consideration shall be given to ensuring inclusion of diverse demographics and representation of covered populations who most need broadband access and help with broadband adoption. When significant federal funding opportunities arise, the Department is encouraged to tailor membership of the Action Team, or a subset of the Action Team, to include such members as will promote the optimal coordination in leveraging federal funds.

Broadband Availability and Adoption Report.

The Statewide Broadband Office (SBO) must prepare a report documenting the comparative availability and adoption of broadband across the state, including barriers to adoption. The Department may use any source of data that includes, but is not limited to, data collected from:

- the Federal Communications Commission;

- the American Community Survey or, if necessary, other data collected by the United States Bureau of the Census; and
- state, local, and community reports and research on broadband adoption.

The SBO must complete the comparative availability and adoption of broadband report by July 1, 2021.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- expands the purpose of the Statewide Broadband Office (SBO) to include improving broadband adoption for underserved communities;
- provides that the SBO may provide grant and loan assistance under the grant programs established in the bill;
- requires the SBO to prepare a report on the comparative availability and adoption of broadband across the state by July 1, 2021;
- modifies the existing Community Technology Opportunity Program to establish the Digital Equity Opportunity Program to advance broadband adoption digital equity;
- modifies the existing Digital Inclusion and Technology Planning Advisory Group on broadband access and adoption to establish the Statewide Action Team;
- eliminates the local jurisdiction administering entity;
- eliminates certain requirements related to the eligibility, application and awarding procedure, grant calculation, termination of grant, program evaluation, and reporting requirements under the grant program; and
- modifies certain requirements related to the use of grant funds and stakeholder collaboration under the grant program.

Appropriation: None.

Fiscal Note: Requested on January 24, 2020.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Digital literacy, access to the Internet, and access to broadband should be considered a human right. Government needs to ensure it is meeting communities where they are. To have true access to government services people need to be aware of the services and have the skills to access public services online. This work should be done both through the lens of equity as well as being smart with taxpayer dollars.

This work is in addition to the great broadband work that is already going on at the Office of the Governor. The Legislature can use its capacity to build upon existing work to humanize policies and influence how the state moves forward. The idea for this bill relates to work

done at the federal level. The work at the federal level is not moving forward, so this bill attempts to see what Washington is able to do.

Washington is known for its technology industry, and this is an opportunity for the state to be bold and visionary around ensuring all people in our state can actually have the same level of service regardless of whether they're in rural, suburban, or urban communities. Private industry focuses on technological innovation, but the people in our state still need support learning basic digital skills needed to access health care and education.

Access to the Internet and digital literacy are crucial in accessing healthcare, especially in rural areas. For example, telehealth care in rural areas can help people access mental health services they need. However, people with access to online medical records do not actually view those records because it is hard to access health information if you do not have the Internet. A Microsoft study found that about 2.5 million people in the state do not have high speed broadband at home. Broadband adoption alone is not enough. Digital skills are also critical. According to one study, about half of Americans said they did not feel very confident they had the online skills they needed. Nonprofits, libraries, and community organizations that provide technology training do not have sufficient funding to serve their communities. In addition, digital access is necessary in being able to participate in the education system.

African-Americans in the Central District have been dispersed across a three county-wide area due to displacement. As a result of this displacement, social, cultural, and political community interaction has largely moved to online platforms, in terms of organizing to sustain and prioritize community needs. This move to online platforms leaves many holes in connecting with people that could previously be connected with face-to-face interaction. Digital access is the only way to connect with and continue to build with and connect people that are aligned socially, politically, culturally. This project is a high priority because it is becoming increasingly difficult to engage in society and the future without digital access.

Large refugee communities in Washington have a strong culture of entrepreneurship. Refugees want to support their families to provide opportunities for their children, and this goal is difficult to attain without adequate digital literacy skills because everything is online. Filling out job applications, communicating with employers, communicating with clients, setting up a small business, and doing your taxes are all done online.

Public utility districts want to be a supportive partner in getting everyone connected regarding broadband. The public utility districts understand the power and the importance of having people in communities sitting down and finding out how to serve their communities and who needs to be at the table and ensuring that no one is excluded from that conversation.

There is still work to be done on adoption rates of broadband and digital equity, but this bill does seem urban-centric.

The state has a basic education information technology literacy and fluency goal for kindergarten through twelfth grade students. This goal has been very difficult for schools around the state to meet for all students. A 2015 study showed that when a teacher librarian is placed in a school, there is better equity and access of both digital products, resources, and

instruction. Libraries should be included at all levels because librarians are actually trained in digital literacy instruction and how to help other people be able to navigate our digital world in a way that actually works for them. This is the next logical step to getting into those communities and providing the resources.

(Opposed) None.

(Other) No community can be strong without access to broadband, and the ability of the residents to access the skills and technology they need to effectively use the Internet. The Department of Commerce would like to be a one-stop-shop for digital equity and access. This bill is not in the Governor's budget. The Community Technology Opportunity Program is an existing program in statute that has been historically unfunded, but the program has similar objectives to this bill in terms of promoting access to skill-building and digital literacy. There are ways to leverage existing policy frameworks in statute to create something that's more streamlined and creates a unified approach to this important work.

Access to broadband should be the focus of the conversation. Without access, the rest of this is less important. However, the state needs to continue to go out and talk intelligently about using tools to educate people on the skills needed for the Internet. This work should happen at the local level. The Broadband Action Team in the Statewide Broadband Office is currently having conversations with local communities and are addressing inclusion.

Persons Testifying: (In support) Representative Mia Gregerson, prime sponsor; Sabrina Roach; Inye Wokoma, Upgrade Seattle; Katya, Yefimova, University of Washington; Stacey Wedlake; Scott Richards, Washington Public Utility Districts Association; David Keys, City of Seattle, Digital Equity; Betty Buckley, Washington Independent Telecommunications Association; and Carolyn Logue, Washington Library.

(Other) Jasmine Vasavada, Department of Commerce; and Russ Elliott, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.