

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2071

PRINTER NO. 2518

AMOUNT

See Fiscal Impact

FUND

Federal Funds

DATE INTRODUCED

November 9, 2021

PRIME SPONSOR

Representative Causer

DESCRIPTION

House Bill 2071 amends Title 64 to establish the Pennsylvania Broadband Development Authority.

This bill establishes the Pennsylvania Broadband Development Authority to provide for the development and expansion of broadband services to unserved and underserved areas of the Commonwealth. The bill provides for definitions, including but not limited to, the following:

- 'Applicant' as an entity that is eligible to receive grants including but not limited to a cooperative, nonprofit organization, public-private partnership, private company, public or private utility, public utility district or local government;
- 'Community anchor institution' as an entity that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals and aged individuals that lack access to service;
- 'High-speed broadband service' as a minimum speed of 100 megabits per second for downloads and 20 megabits per second uploads, or higher if required to comply with federal government funding requirements;
- 'Underserved area' as an area that lacks access to reliable broadband service of at least 100 megabits per second for downloads and 20 megabits per second uploads; and
- 'Unserved area' as an area that has no access to broadband service or lacks reliable service with speeds of not more than 25 megabits per second for downloads and three megabits per second uploads.

The authority shall have a board comprised of the following individuals:

- Secretary of Agriculture;
- Secretary of the Department of Community and Economic Development;
- Secretary of Education;
- Executive Director for the Center of Rural Pennsylvania;

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- Chair of the Public Utility Commission;
- Secretary of General Services;
- Secretary of the Budget;
- An appointment by the President Pro Tempore of the Senate;
- An appointment by the Minority Leader of the Senate;
- An appointment by the Speaker of the House of Representatives; and
- An appointment by the Minority Leader of the House of Representatives

The Governor shall select a member to serve as the chairperson. Six members shall be considered a quorum, and the consent of at least six members, which must include the five members appointed by the General Assembly and the Secretary of the Budget, for the board to take action.

The Department of Community and Economic Development (department) shall provide administrative services and staff to support the board and shall be reimbursed for the cost of providing the services. No members of the board shall receive compensation for service. The board shall provide by March 31 of each year, a report to the General Assembly and the Governor detailing all the funded projects.

The board shall adopt a statewide plan and serve as a single point of contact in the Commonwealth for development and deployment of broadband service.

The legislation authorizes the board to provide grants to applicants and to determine the minimum capital commitment required by an applicant to be eligible for grant funds. Projects that are determined to result in overbuild will be ineligible to receive funds. The authority shall establish an application to be submitted to the authority within the established application period. Within 10 days of the closing of the application period, the authority shall provide for public review the proposed unserved, underserved, and community anchor institutions. A scoring system released at least 30 days prior to the opening of the application period shall be used to score projects.

Applicants shall deploy and be providing service no later than four years after the date in which the grant is received. House Bill 2071 dissolves the authority either 10 years from the effective date of this legislation or once all funds have been exhausted and duties completed, whichever is later. This legislation shall take effect immediately.

FISCAL IMPACT:

House Bill 2071 will have no fiscal impact on Commonwealth funds. This legislation does not appropriate any state funds for use by the authority.

The American Rescue Plan of 2021 (H.R. 1319) appropriated \$279 million, and the Infrastructure Investment and Jobs Act of 2021 (H.R. 3684) appropriated \$100 million, plus additional funds as determined by the state's relative share of

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underserved locations which has yet to be determined by the federal government, to be used for broadband infrastructure development. These funds are also anticipated to be the funds utilized by the authority for administrative purposes.

The department anticipates needing eight to ten staff to fulfill its responsibilities under the act, costing \$1.3 million annually, and an additional \$300,000 to \$1.5 million in consulting costs per year to service the authority. These costs are expected to be eligible costs covered by the administrative set aside included in federal funding through the Infrastructure Investment and Jobs Act of 2021.