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# A BILL FOR AN ACT

RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that digital equity in  
2 every community across the State is essential to the well-being  
3 and economic realities of the State's residents. The need for  
4 digital equity is significant, highlighted by the devastating  
5 impacts of the recent coronavirus pandemic. The lack of digital  
6 equity has had a tremendous negative effect in many areas, but  
7 particularly rural and socio-economically disadvantaged  
8 communities.

9           The legislature also finds that digital equity has meant  
10 the difference between an employee being able to work remotely  
11 and an employee possibly facing unemployment. Additionally,  
12 digital literacy and broadband access are critical tools for  
13 persons seeking to access social services such as unemployment  
14 claims, Supplemental Nutrition Assistance Program (SNAP)  
15 benefits, vital records, and other essential government,  
16 educational, and medical services.

17           The legislature further finds that digital equity in the  
18 State would enhance Hawaii's overall economic development and

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1 education, health care, and emergency services. Making grants  
2 available to achieve digital equity for disadvantaged  
3 populations would move the State toward universal access to  
4 broadband services.

5 The legislature strongly supports efforts to improve  
6 digital equity for residents, consumers, and businesses across  
7 the State.

8 The purpose of this Act is to:

- 9 (1) Identify and address any remaining obstacles to  
10 digital equity in all areas of Hawaii; and  
11 (2) Establish the digital equity grant program to award  
12 grants and create an environment in which all  
13 individuals and communities in the State have the  
14 information technology capacity needed for full  
15 participation in society, democracy, and the economy.

16 SECTION 2. The Hawaii Revised Statutes is amended by  
17 adding to title 13 a new chapter to be appropriately designated  
18 and to read as follows:

19 "CHAPTER

20 DIGITAL EQUITY GRANT PROGRAM

21 § -1 Definitions. As used in this chapter, unless the  
22 context requires otherwise:

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1 "Broadband" means high-speed internet access that is always  
2 on, including mobile and fixed technologies.

3 "Covered household" means a family whose household income  
4 for the most recent calendar year is not more than two hundred  
5 percent of the federal poverty level.

6 "Covered populations" means:

- 7 (1) Individuals who live in covered households;
- 8 (2) Individuals aged sixty years and older;
- 9 (3) Incarcerated individuals, other than individuals who  
10 are incarcerated in a federal correctional facility;
- 11 (4) Veterans;
- 12 (5) Individuals having disabilities;
- 13 (6) Individuals having a language barrier, including  
14 individuals who:
  - 15 (A) Are English as a second language learners; or
  - 16 (B) Have low levels of literacy;
- 17 (7) Individuals who are members of a racial or ethnic  
18 minority group;
- 19 (8) Individuals who primarily reside in a rural area; and
- 20 (9) Homeless or unsheltered individuals.

21 "Department" means the department of business, economic  
22 development, and tourism.

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1 "Digital equity" means a condition in which all individuals  
2 and communities have the information technology capacity needed  
3 for full participation in society, democracy, and the economy.

4 "Digital equity services" means a service that increases  
5 digital literacy in broadband access for covered populations.

6 "Digital literacy" means the skills associated with using  
7 technology to enable users to find, evaluate, organize, create,  
8 and communicate information.

9 "Office" means the Hawaii broadband and digital equity  
10 office.

11 "Program" means the digital equity grant program  
12 established by this chapter.

13 "Project" means a digital equity project set forth in an  
14 application for grant funding authorized under this chapter.

15 "Project area" means an area that is proposed to be covered  
16 in an application for grant funding authorized under this  
17 chapter.

18 "Rural area" means an area that qualifies as rural pursuant  
19 to a federal definition. If an area does not qualify as rural  
20 pursuant to a federal definition, the following definitions may  
21 be used for determining the area's rural status for the purposes  
22 of this chapter:

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1 (1) Any island with a population density fewer than or  
2 equal to five hundred people per square mile shall be  
3 considered rural;

4 (2) If an island's population density exceeds five hundred  
5 people per square mile, an area within the island  
6 shall be considered rural if it is within a zip code  
7 tabulation area with a population density below eight  
8 hundred people per square mile as determined by the  
9 population of the last official census and using the  
10 entire zip code tabulation area as determined by the  
11 United States Census Bureau.

12 "State digital equity plan" means the digital equity  
13 strategies and implementation plan developed by the office.

14 § -2 **Digital equity grant program; establishment.** There  
15 is established the digital equity grant program to be  
16 implemented and administered by the office. The office shall  
17 receive and review grant applications and may award grants for  
18 eligible projects pursuant to the program.

19 § -3 **Eligible projects.** The office may award grants for  
20 eligible projects; provided that on the date the application is  
21 submitted, the project areas to be served by the project shall  
22 include covered populations. The eligible projects may include

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1 projects that further develop and promote digital literacy,  
2 broadband affordability, digital navigators, access to digital  
3 devices, wireless community networks, and other innovative  
4 digital inclusion projects.

5       § -4 **Applicant preference.** In making awards, the office  
6 shall give preference to applicants that are non-profit, non-  
7 governmental entities that have demonstrated experience in  
8 providing digital equity services to covered populations.  
9 Governmental agencies may apply and shall be evaluated on a case  
10 by case basis.

11       § -5 **Applications.** (a) The office shall establish an  
12 annual time period during which it shall accept applications for  
13 funding under the program. The time period for accepting  
14 applications shall be no less than sixty days and no more than  
15 ninety days.

16       (b) The form of the application shall be as prescribed by  
17 the office and shall include:

18       (1) Evidence demonstrating the applicant's experience and  
19 ability to plan, organize, staff, and deliver digital  
20 equity services to covered populations within the  
21 State;

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- 1           (2) A description of the project area and covered  
2           population to be served;
- 3           (3) A description of the project that is proposed to be  
4           deployed, including specific measurable goals to  
5           increase digital literacy and broadband access,  
6           methods, metrics, facilities, equipment, staff, and  
7           resources;
- 8           (4) A plan to tailor public awareness and outreach to  
9           include non-English speaking covered populations with  
10          consideration for linguistic, cultural, generational,  
11          and literacy challenges;
- 12          (5) Evidence that is certified by the applicant and  
13          demonstrates the nature of the current digital  
14          inequity in the proposed project area and covered  
15          population;
- 16          (6) The number of people in each covered population that  
17          would gain access to broadband services as a result of  
18          the project;
- 19          (7) The total cost and timeline for completion of the  
20          project;
- 21          (8) The amount of matching funds that the applicant  
22          proposes to contribute and a certification that no

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- 1           portion of the matching funds are derived from any  
2           state government grant, loan, or subsidy;
- 3           (9) Evidence demonstrating the economic feasibility of the  
4           project;
- 5           (10) A direct linkage to the state digital equity plan;
- 6           (11) A certification that no other funding from any federal  
7           or state program is available to the applicant for the  
8           project;
- 9           (12) A certification that all activities undertaken for the  
10          project shall comply with all applicable federal,  
11          state, and county laws;
- 12          (13) A certification that the applicant shall indemnify and  
13          save harmless the State and its officers, agents, and  
14          employees from and against any and all claims arising  
15          out of or resulting from the project and procure  
16          sufficient insurance to provide this indemnification  
17          if requested to do so by the office; provided that  
18          this paragraph shall not apply to projects undertaken  
19          by state government agencies;
- 20          (14) A certification that the grant shall be used  
21          exclusively for the purposes of the project and not to

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1 be used for purposes of entertainment or perquisites,  
2 including lobbying activities;

3 (15) A certification that the applicant shall agree to make  
4 available to the office all records the applicant may  
5 have relating to the grant, for the office to monitor  
6 the applicant's compliance with this chapter and rules  
7 adopted pursuant to this chapter; and

8 (16) Any other information deemed necessary by the office.

9 § -6 Review of applications; approval. (a) Within five  
10 business days following the deadline to submit applications for  
11 the program, the office shall make all the applications  
12 available for review in a publicly available electronic file  
13 posted on the office or department's website.

14 (b) In reviewing applications and any challenges to the  
15 applications, the office shall review the projects to ensure  
16 that all awarded funds are to be used to deploy eligible  
17 projects pursuant to section -3.

18 (c) The office shall award program grants based on a  
19 scoring system that shall be released to the public at least  
20 thirty days prior to the first day of the time period for the  
21 submission of applications. The scoring system shall give the  
22 highest weight or priority to the following:

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- 1           (1) Projects proposing to serve larger covered  
2           populations, with consideration to projects proposing  
3           to serve difficult to access areas, neglected covered  
4           populations, or both;
  - 5           (2) Applicants with more experience and technical ability  
6           to successfully deploy digital equity projects to  
7           covered populations and more financial or other  
8           resources available to assist the projects;
  - 9           (3) Projects for which fewer government funds and less  
10           support are necessary to deploy digital equity in an  
11           economically feasible manner;
  - 12           (4) Projects with a higher percentage of matching funds  
13           proposed to be committed by the applicant;
  - 14           (5) Projects that do not duplicate any existing digital  
15           equity project in the project area; and
  - 16           (6) Other factors the office determines to be reasonable,  
17           appropriate, and consistent with the purposes of the  
18           program.
- 19       § -7 Authority of the office. The office may:
- 20           (1) Following notice and an opportunity to cure, require  
21           disgorgement of grant funds in response to an  
22           applicant's or a grant recipient's pattern of failure

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1 to implement a project in accordance with the  
2 timelines and milestones set forth in its application;

3 (2) Consider an applicant's or a grant recipient's  
4 financial ability to complete the project proposed in  
5 an application;

6 (3) Request and inspect any records and information of a  
7 grant recipient necessary for the oversight and  
8 administration of any project funded pursuant to this  
9 chapter;

10 (4) Impose any new or additional compliance requirements  
11 on grant recipients, through grant agreements or any  
12 other mechanism, in addition to rules adopted pursuant  
13 to section -8; and

14 (5) Deny or cancel a project if the office finds the  
15 project will impact federal funding opportunities.

16 **§ -8 Rules.** (a) The department shall adopt rules  
17 pursuant to chapter 91 to effectuate the purposes of this  
18 chapter.

19 (b) The rules shall:

20 (1) Include reasonable oversight and reporting provisions  
21 to ensure that grant moneys are used as intended; and

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1 (2) Not impose any financial penalty or liquidated damages  
2 provisions or provisions that are not reasonably  
3 related to the deployment of projects in the State in  
4 accordance with this chapter.

5 (c) Prior to January 1, 2025, the department shall adopt  
6 rules pursuant to this section to implement the digital equity  
7 grant program; provided that any rules adopted pursuant to this  
8 subsection shall include rules regarding the submission, review,  
9 and approval of applications; administration of the projects  
10 funded; and grant agreements memorializing the award of funds."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_



15

BY REQUEST  
JAN 22 2024

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**Report Title:**

Digital Equity Grant Program; Digital Literacy; Department of Business, Economic Development, and Tourism; Hawaii Broadband and Digital Equity Office

**Description:**

Establishes the Digital Equity Grant Program to award grants to applicants to deploy digital equity projects to covered populations in the State.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII  
BROADBAND AND DIGITAL EQUITY OFFICE.

PURPOSE: To establish the digital equity grant  
program to award grants to applicants to  
deploy digital equity projects to covered  
populations in the State.

MEANS: Add a new chapter to title 13, Hawaii  
Revised Statutes (HRS).

JUSTIFICATION: The digital equity grant program that is to  
be established by this bill will help close  
the digital divide and build capacity  
throughout the State to grow Hawaii's  
digital economy.

Impact on the public: Provides funding to  
grant recipients to help achieve digital  
equity throughout the State.

Impact on the department and other agencies:  
The department will need to adopt rules to  
implement the program.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED-142.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.