
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

H.B. NO. 2359

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:

H.B. NO. 2359

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.

H.B. NO. 2359

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:

H.B. NO. 2359

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

H.B. NO. 2359

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;

H.B. NO. 2359

- 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

H.B. NO. 2359

- 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

H.B. NO. 2359

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:

H. B. NO. 2359

- 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

H.B. NO. 2359

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

H.B. NO. 2359

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.

13

14

INTRODUCED BY: _____



15

BY REQUEST

JAN 22 2024

H.B. NO. 2359

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.