

JAN 24 2024

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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 disease 2019 pandemic. The  
6 lack of digital equity has had a tremendous negative effect in  
7 many areas, but particularly rural and socio-economically  
8 disadvantaged 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 benefits,  
15 vital records, and other essential government, educational, and  
16 medical services.





**DIGITAL EQUITY GRANT PROGRAM**

**§206S-A Definitions.** As used in this part, unless the context requires otherwise:

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

"Covered populations" means:

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



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

3 "Digital literacy" means the skills associated with using  
4 technology to enable users to find, evaluate, organize, create,  
5 and communicate information.

6 "Program" means the digital equity grant program  
7 established by this part.

8 "Project" means a digital equity project set forth in an  
9 application for grant funding authorized under this part.

10 "Project area" means an area that is proposed to be covered  
11 in an application for grant funding authorized under this part.

12 "Rural area" means:

13 (1) An area that qualifies as rural pursuant to a federal  
14 definition;

15 (2) Any island with a population density fewer than or  
16 equal to five hundred people per square mile; or

17 (3) If an island's population density exceeds five hundred  
18 people per square mile, an area within the island that  
19 is within a zip code tabulation area with a population  
20 density below eight hundred people per square mile as  
21 determined by the population of the last official



1 census and using the entire zip code tabulation area  
2 as determined by the United States Census Bureau.

3 "State digital equity plan" means the digital equity  
4 strategies and implementation plan developed by the office.

5 **§206S-B Digital equity grant program; establishment.**

6 There is established the digital equity grant program to be  
7 implemented and administered by the office. The office shall  
8 receive and review grant applications and may award grants for  
9 eligible projects pursuant to the program.

10 **§206S-C Eligible projects.** The office may award grants  
11 for eligible projects; provided that on the date the application  
12 is submitted, the project areas to be served by the project  
13 shall include covered populations. The eligible projects may  
14 include projects that further develop and promote digital  
15 literacy, broadband affordability, digital navigators, access to  
16 digital devices, wireless community networks, and other  
17 innovative digital inclusion projects.

18 **§206S-D Applicant preference.** In making awards, the  
19 office shall give preference to applicants that are non-profit,  
20 non-governmental entities that have demonstrated experience in  
21 providing digital equity services to covered populations.



1 Governmental agencies may apply and shall be evaluated on a case  
2 by case basis.

3 **§206S-E Applications.** (a) The office shall establish an  
4 annual time period during which it shall accept applications for  
5 funding under the program. The time period for accepting  
6 applications shall be no less than sixty days and no more than  
7 ninety days.

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

10 (1) Evidence demonstrating the applicant's experience and  
11 ability to plan, organize, staff, and deliver digital  
12 equity services to covered populations within the  
13 State;

14 (2) A description of the project area and covered  
15 population to be served;

16 (3) A description of the project that is proposed to be  
17 deployed, including specific measurable goals to  
18 increase digital literacy and broadband access,  
19 methods, metrics, facilities, equipment, staff, and  
20 resources;



- 1           (4) A plan to tailor public awareness and outreach to
- 2           include non-English speaking covered populations with
- 3           consideration for linguistic, cultural, generational,
- 4           and literacy challenges;
- 5           (5) Evidence that is certified by the applicant and
- 6           demonstrates the nature of the current digital
- 7           inequity in the proposed project area and covered
- 8           population;
- 9           (6) The number of people in each covered population that
- 10          would gain access to broadband services as a result of
- 11          the project;
- 12          (7) The total cost and timeline for completion of the
- 13          project;
- 14          (8) The amount of matching funds that the applicant
- 15          proposes to contribute and a certification that no
- 16          portion of the matching funds is derived from any
- 17          state government grant, loan, or subsidy;
- 18          (9) Evidence demonstrating the economic feasibility of the
- 19          project;
- 20          (10) A direct linkage to the state digital equity plan;



- 1       (11) A certification that no other funding from any federal  
2             or state program is available to the applicant for the  
3             project;
- 4       (12) A certification that all activities undertaken for the  
5             project shall comply with all applicable federal,  
6             state, and county laws;
- 7       (13) A certification that the applicant shall indemnify and  
8             save harmless the State and its officers, agents, and  
9             employees from and against any and all claims arising  
10            out of or resulting from the project and procure  
11            sufficient insurance to provide this indemnification  
12            if requested to do so by the office; provided that  
13            this paragraph shall not apply to projects undertaken  
14            by state government agencies;
- 15       (14) A certification that the grant shall be used  
16             exclusively for the purposes of the project and not to  
17             be used for purposes of entertainment or perquisites,  
18             including lobbying activities;
- 19       (15) A certification that the applicant will agree to make  
20             available to the office all records the applicant may  
21             have relating to the grant for the office to monitor





1 the applicant's compliance with this part and rules  
2 adopted pursuant to this part; and

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

4 **§206S-F Review of applications; confidential treatment;**

5 **approval.** (a) Within five business days following the deadline  
6 to submit applications for the program, the office shall make  
7 all the applications available for review in a publicly  
8 available electronic file posted on the office's or department's  
9 website.

10 (b) In reviewing applications and any challenges to the  
11 applications, the office shall review the projects to ensure  
12 that all awarded funds are to be used to deploy eligible  
13 projects pursuant to section 206S-C.

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

19 (1) Projects proposing to serve larger covered  
20 populations, with consideration to projects proposing



- 1 to serve difficult to access areas or neglected  
2 covered populations;
- 3 (2) Applicants with more experience and technical ability  
4 to successfully deploy digital equity projects to  
5 covered populations and more financial or other  
6 resources available to assist the projects;
- 7 (3) Projects for which fewer government funds and less  
8 support are necessary to deploy digital equity in an  
9 economically feasible manner;
- 10 (4) Projects with a higher percentage of matching funds  
11 proposed to be committed by the applicant;
- 12 (5) Projects that do not duplicate any existing digital  
13 equity project in the project area; and
- 14 (6) Other factors the office determines to be reasonable,  
15 appropriate, and consistent with the purposes of the  
16 program.

17 **§206S-G Authority of the Hawaii broadband and digital**  
18 **equity office.** The office may:

- 19 (1) Following notice and an opportunity to cure, require  
20 disgorgement of grant funds in response to an  
21 applicant's or a grant recipient's pattern of failure



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 part;

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 206S-H; and

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

16 **§206S-H Authority of the Hawaii broadband and digital**  
17 **equity office.** (a) The department shall adopt rules pursuant  
18 to chapter 91 to effectuate the purposes of this part.

19 (b) The rules shall:

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



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 part.

5           (c) Before 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           **§206S-I Broadband and digital equity special fund.** (a)

12 There is established in the state treasury the broadband and  
13 digital equity special fund, into which shall be deposited:

- 14           (1) Appropriations by the legislature;
- 15           (2) Grants from the federal government, including  
16           reimbursements received from the federal government;
- 17           (3) Gifts, donations, and grants from public agencies and  
18           private persons; and
- 19           (4) Any interest or investment income earned or accrued on  
20           moneys in the special fund.



1 (b) Moneys in the broadband and digital equity special  
2 fund shall be expended by the office for:

3 (1) The payment of expenses arising from contracts funded  
4 by federal grants where the office receives  
5 reimbursements from the grants after having first paid  
6 the expenses from the special fund; and

7 (2) The payment of grants and expenses arising from the  
8 grants programs in support of broadband  
9 infrastructure, innovations, and the digital economy.

10 (c) Moneys in the broadband and digital equity special  
11 fund may be:

12 (1) Placed in interest-bearing accounts; provided that the  
13 depository in which the money is deposited furnishes  
14 security as provided in section 38-3; or

15 (2) Otherwise invested by the office until the time the  
16 moneys may be needed; provided that the office shall  
17 limit its investments to those listed in section  
18 36-21."

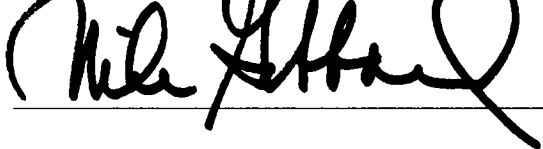
19 SECTION 3. Chapter 206S, Hawaii Revised Statutes, is  
20 amended by designating sections 206S-1 to 206S-4 as part I and  
21 inserting a title before section 206S-1 to read as follows:



1 "PART I. GENERAL PROVISIONS"

2 SECTION 4. In codifying the new sections added by section  
3 2 of this Act, the revisor of statutes shall substitute  
4 appropriate section numbers for the letters used in designating  
5 the new sections in this Act.

6 SECTION 5. This Act shall take effect on July 1, 2024.

7 INTRODUCED BY: 



# S.B. NO. 3248

**Report Title:**

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

**Description:**

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

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

