

SENATE BILL REPORT

SB 5357

As Reported by Senate Committee On:
Ways & Means, February 16, 2021

Title: An act relating to establishing and making appropriations for the capital broadband investment acceleration program.

Brief Description: Establishing and making appropriations for the capital broadband investment acceleration program. [**Revised for 1st Substitute:** Establishing the capital broadband investment acceleration program.]

Sponsors: Senators Honeyford, King, Wagoner, Wellman and Wilson, L..

Brief History:

Committee Activity: Ways & Means: 2/11/21, 2/16/21 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Creates the Broadband Investment Acceleration Program in the Statewide Broadband Office.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5357 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Conway, Darneille, Dhingra, Gildon, Hunt, Keiser, Lias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators Carlyle and Hasegawa.

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

Staff: Richard Ramsey (786-7412)

Background: In 2019, the Legislature enacted 2SSB 5511 establishing the Statewide Broadband Office to encourage, foster, develop, and improve affordable, quality broadband within the state. The 2019-21 operating budget provided funding for the office through the Department of Commerce.

Summary of Bill (First Substitute): The Broadband Investment Acceleration Program is created in the Statewide Broadband Office as a competitive grant program to increase broadband access in unserved areas of the state. Funding must be awarded to match funds required to participate in federal broadband infrastructure programs and priority must be given for projects that serve distressed and rural areas of the state.

Eligible applicants include local governments, tribes, nonprofit organizations, cooperative associations, multiparty entities comprised of public entity members, limited liability corporations organized for the purpose of expanding broadband access, and incorporated businesses or partnerships.

No more than 3 percent of the funding may be spent by the Public Works Board, Community Economic Revitalization Board, and the Statewide Broadband Office for administration of the program. No more than 3 percent of each grant may be expended by the grant recipient for management or administration of the grant.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

The \$200 million appropriation is removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: We have experienced significant problems delivering education to our kids and young people. The Statewide Broadband Office is situated to pull down federal funds. We urge you to put as much funding as possible to pulling down the federal match. Telehealth is dependent upon high quality, fast computer access made possible by broadband. During the pandemic, libraries have remained open, but they have been unable to grow to meet need; this is much the same with

K-12 schools. Private carriers invest \$2 billion each year. Washington needs to do a better job leveraging federal funds. Broadband is so important to students in rural areas. It can also help businesses in rural areas, yet much of the state does not have access.

OTHER: While we cannot support the bill because of its fiscal impact, and it was not included in the Governor's budget, we very much support the emphasis. The state's single biggest barrier to expanding access to broadband is the access to federal funds. This is an unprecedented time to get federal funding. We need \$30 million to \$50 million per year to match available federal funds.

Persons Testifying: PRO: Senator Jim Honeyford, Prime Sponsor; Betty Buckley, Washington Independent Telecommunications Association; Marissa Ingalls, Coordinated Care; Carolyn Logue, Washington Library Association; Chris Walker, NoaNet; David Ducharme, Broadband Communications Association of Washington; Steve McCullough, Tonasket School District No. 404; Cliff Sears, Grant PUD; Jim Kowalkowski, Davenport School District.

OTHER: Russ Elliott, Washington State Broadband Office.

Persons Signed In To Testify But Not Testifying: No one.