

# SENATE BILL REPORT

## SB 5577

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As of February 8, 2023

**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.

**Sponsors:** Senators Torres, Boehnke, Dozier and King.

**Brief History:**

**Committee Activity:** Environment, Energy & Technology: 2/08/23.

**Brief Summary of Bill**

- Establishes the Capital Broadband Investment Acceleration Program (program) within the Governor's Statewide Broadband Office as a competitive grant program to increase broadband access in unserved areas.
- Appropriates \$200 million from the State Building Construction Account to the Department of Commerce for the program.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

**Staff:** Angela Kleis (786-7469)

**Background:** In 2019, the Governor's Statewide Broadband Office (SBO) was established within the Department of Commerce (Commerce) to encourage, foster, develop, and improve affordable, quality broadband within the state. The SBO's powers and duties include serving as the central broadband planning body for the state.

**Summary of Bill:** The Capital Broadband Investment Acceleration Program (program) is

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established within the SBO as a competitive grant program to increase broadband access in unserved areas. Funding must be awarded as match funding that is required to participate in federal broadband infrastructure programs. Projects that serve distressed areas and rural counties must be prioritized for grant funding.

Eligible applications include local governments, tribes, nonprofit organizations, cooperative associations, multiparty entities comprised of public entity members, limited liability corporations organized to expand broadband access, and incorporated businesses or partnerships.

No more than 3 percent of the funds appropriated for the program may be expended by the SBO, the Public Works Board, and the Community Economic Revitalization Board 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.

**Appropriation:** The bill contains an appropriation totaling \$200,000,000 from the State Building Construction Account.

**Fiscal Note:** Requested on February 2, 2023.

**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:** PRO: The pandemic was an eye-opener to see how many areas did not have broadband or access to broadband, especially BIPOC, minority, and rural communities. To be able to get broadband out to our most rural communities in Washington, we need to make sure companies and public have access and the opportunity to apply for a grant. The bill is aimed at preparing Washington for the unprecedented broadband investment from the federal government. This is a once in a lifetime investment opportunity so it's important to make sure this is executed properly.

Improper installation of broadband can create safety risks for workers and the public. Improper installation also contributes to added expenses when equipment must be fixed. Guaranteeing that this work is done by a well-trained workforce and high road employers ensures safety for the public and a good investment for Washington.

OTHER: The bill includes an appropriation that's different from the way the Governor's budget is funding the broadband match. However, the importance of this match is still noted. Commerce is designated to administer the broadband match program and are currently developing a 5-year infrastructure plan. The federal funds are not anticipated to roll in until early 2024 because of final components to the planning that are submitted the end of this year.

**Persons Testifying:** PRO: Senator Nikki Torres, Prime Sponsor; Carissa Hahn, CWA/WashTech; Betty Buckley; JJ Carter, CWA/WashTech Local 7804; Todd Brandenburg, PocketiNet Communications, Inc.; Scott Richards, Washington Public Utility Districts Association.

OTHER: Jasmine Vasavada, Dept of Commerce.

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