

JAN 20 2023

A BILL FOR AN ACT

RELATING TO DIGITAL EQUITY.

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

1 SECTION 1. The legislature finds that digital equity
2 across the State and in every community is essential to the
3 well-being and economic realities of the State's residents. The
4 need for digital equity is significant, highlighted by the
5 devastating impacts of the recent coronavirus disease 2019
6 pandemic. The lack of digital equity has had a tremendous
7 negative effect in many areas, but particularly socio-
8 economically disadvantaged communities.

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

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



1 education, health care, and emergency services. Making grants
2 available to achieve digital equity in disadvantaged populations
3 would move the State toward universal access to broadband
4 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 identify and address any
9 remaining obstacles to digital equity to all areas of the State
10 by establishing the digital equity grant program to award grants
11 and create a condition in which all individuals and communities
12 in the State have the information technology capacity needed for
13 full participation in society, democracy, and the economy.

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

17 "CHAPTER

18 DIGITAL EQUITY GRANT PROGRAM

19 § -1 Definitions. As used in this chapter:

20 "Broadband" means high-speed internet.



1 "Covered household" means a household, the income of which
2 for the most recently completed year is not more than two
3 hundred per cent of an amount equal to the poverty level, as
4 determined by using criteria of poverty established by the
5 Bureau of the Census.

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 with disabilities;
- 13 (6) Individuals with a language barrier, including
14 individuals who:
 - 15 (A) Are English learners; and
 - 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.



1 "Department" means the department of business, economic
2 development, and tourism.

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

6 "Digital equity services" means a service that increases
7 digital literacy and broadband access in covered populations.

8 "Office" means the department's Hawaii broadband and
9 digital equity office.

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

12 "Project" means a proposed digital equity project set forth
13 in an application for grant funding authorized under this
14 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 § -2 Digital equity grant program; establishment. There
19 is established a digital equity grant program which shall be
20 placed within the Hawaii broadband and digital equity office of
21 the department for administrative purposes. The office shall



1 receive and review grant applications and may award grants for
2 eligible projects pursuant to the program.

3 **§ -3 Eligible projects.** The office may award grants for
4 eligible projects; provided that on the date the application is
5 submitted, the area to be served by the project shall include
6 covered populations.

7 **§ -4 Eligible applicants.** To be eligible for a grant,
8 an applicant shall be preferably a non-governmental entity with
9 demonstrated experience in providing digital equity services to
10 covered populations. Governmental agencies may apply, and will
11 be evaluated on a case to case basis.

12 **§ -5 Applications.** (a) The office shall establish an
13 annual time period to commence an open process for submission of
14 applications for funding under the program. The time period for
15 submission shall be no less than sixty days and no more than
16 ninety days.

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

19 (1) Evidence demonstrating the applicant's experience and
20 ability to plan, organize, staff, and deliver digital



- 1 equity services to covered populations within the
2 State;
- 3 (2) A description of the project area and covered
4 population to be served;
- 5 (3) A description of the digital equity project that is
6 proposed to be deployed, including specific goals to
7 increase digital literacy and broadband access,
8 methods, metrics, facilities; equipment, staff, and
9 resources;
- 10 (4) A plan to tailor public awareness and outreach to
11 include non-English speaking covered populations with
12 consideration for linguistic, cultural, generational,
13 and literacy challenges;
- 14 (5) Evidence, including certification from the applicant,
15 demonstrating the nature of the current digital
16 inequity in the proposed project area and covered
17 population;
- 18 (6) The number of people in each covered population that
19 would gain access to broadband service as a result of
20 the project;



- 1 (7) The total cost and timeline for completion of the
- 2 project;
- 3 (8) The amount of matching funds that the applicant
- 4 proposes to contribute and a certification that no
- 5 portion of the matching funds are derived from any
- 6 state government grant, loan, or subsidy;
- 7 (9) Evidence demonstrating the economic feasibility of the
- 8 project;
- 9 (10) A list of all expected government authorizations,
- 10 permits, and other approvals required for the project
- 11 and a timeline for the applicant's acquisition of the
- 12 approvals;
- 13 (11) A certification that no other federal or state program
- 14 provides funding that is available to the applicant
- 15 for the project; and
- 16 (12) Any other information deemed necessary by the office.

17 **§ -6 Review of applications; confidential treatment;**
18 **approval.** (a) Within five business days following the last day
19 of the time period for submission of applications to the
20 program, the office shall make all the applications available



1 for review in a publicly available electronic file posted on the
2 office's or department's website.

3 (b) To the extent the information in an application or
4 challenge falls under one or more of the exceptions to public
5 disclosure in section 92F-13 or comprises commercially sensitive
6 information, the office shall keep the information confidential
7 upon request by:

8 (1) An applicant for confidential treatment of an
9 application, except that in no event shall a request
10 for confidentiality prevent the publicly available
11 portion of the application from including sufficient
12 evidence to demonstrate the requirements of
13 section -5(b)(2) and -5(b)(5); or

14 (2) A challenging applicant for confidential treatment of
15 a challenge submitted pursuant to this section.

16 (c) In reviewing applications and any accompanying
17 challenge, the office shall review the proposed projects to
18 ensure that all awarded funds are used to deploy digital equity
19 projects to covered populations.

20 (d) The office shall award program grants based on a
21 scoring system that shall be released to the public at least



1 thirty days prior to the first day of the time period for the
2 submission of applications. The scoring system shall give the
3 highest weight or priority to the following:

4 (1) Projects proposing to serve larger covered
5 populations, with consideration to projects proposing
6 to serve smaller, difficult to access and/or neglected
7 covered populations;

8 (2) Applicants with more experience and technical ability
9 to successfully deploy digital equity projects to
10 covered populations, and more financial or other
11 resources available to assist the project;

12 (3) Projects for which fewer government funds and less
13 support are necessary to deploy digital equity in an
14 economically feasible manner;

15 (4) Projects with a higher amount of matching funds
16 proposed to be committed by the applicant;

17 (5) Projects that do not duplicate any existing digital
18 equity project in the project area; and

19 (6) Other factors the office determines to be reasonable,
20 appropriate, and consistent with the purpose of



1 facilitating the deployment of digital equity projects
2 to covered populations.

3 § -7 Hawaii broadband and digital equity office

4 **authority.** The office may:

- 5 (1) Following notice and an opportunity to cure, require
6 disgorgement of grant funds in response to an
7 applicant's pattern of failure to achieve digital
8 equity goals in accordance with the timelines and
9 milestones set forth in its application;
- 10 (2) Consider an applicant's financial ability to complete
11 the project proposed in an application;
- 12 (3) Make reasonable requests for information necessary for
13 the oversight and administration of any project funded
14 pursuant to this chapter;
- 15 (4) Impose any new or additional regulatory requirements
16 on grant recipients, through grant agreements or any
17 other mechanism, in addition to the program
18 implementation rules expressly authorized in this
19 chapter; and
- 20 (5) Deny or cancel a project if the office finds the
21 project will impact federal funding opportunities.



1 § -8 Rules. (a) The department shall adopt rules
2 pursuant to chapter 91 to effectuate the purposes of this
3 chapter.

4 (b) The rules shall:

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

7 (2) Not impose any financial penalty or liquidated damages
8 provisions or provisions that are not reasonably
9 related to the deployment of digital equity programs
10 in the State in accordance with this chapter."

11 SECTION 3. Within six months following the effective date
12 of this Act, the department of business, economic development,
13 and tourism shall adopt rules pursuant to chapter 91 and
14 section -8, Hawaii Revised Statutes, to implement the digital
15 equity grant program; provided that any rules adopted pursuant
16 to this section shall include rules regarding the submission,
17 review, and approval of applications; administration of the
18 projects funded; and grant agreements memorializing the award of
19 funds.

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$5,000,000 or so much



1 thereof as may be necessary for fiscal year 2023-2024 and the
2 same sum or so much thereof as may be necessary for fiscal year
3 2024-2025 for the digital equity grant program established by
4 this Act.

5 The sums appropriated shall be expended by the department
6 of business, economic development, and tourism for the purposes
7 of this Act.

8 SECTION 5. This Act shall take effect on July 1, 2023.

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INTRODUCED BY:

 BR



S.B. NO. 501

Report Title:

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

Description:

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

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

