

MAINE STATE LEGISLATURE

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Date: 6/4/15

Majority

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 818, L.D. 1185, Bill, "An Act To Establish the Municipal Gigabit Broadband Network Access Fund"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'PART A

Sec. A-1. 35-A MRSa §9211-A is enacted to read:

§9211-A. Municipal Gigabit Broadband Network Access Fund

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Applicant" means a community, regional partnership or municipality that applies for a grant under this section.

B. "Community" means a municipality with a population of at least 1,200 people, as determined by the authority in accordance with the United States Census data, or a municipality that has received a waiver from this population requirement from the authority upon a determination that the municipality is in an unserved or underserved area.

C. "Fund" means the Municipal Gigabit Broadband Network Access Fund established in this section.

D. "Regional partnership" means 2 or more municipalities that do not, on their own, meet the requirements of paragraph B and have joined together with one or more contiguous municipalities in the region to achieve the population requirements of paragraph B.

2. Fund established. The Municipal Gigabit Broadband Network Access Fund is established as a nonlapsing, revolving fund administered by the authority for the purposes of supporting the activities and projects of the authority under this section. All money in

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1 the fund must be continuously applied by the authority to carry out this section. The fund
2 consists of money appropriated to it by the Legislature from the General Fund, as well as
3 any gifts, contributions, grants or bequests received from federal, private or other sources.

4 **3. Purpose of the fund.** The fund is established to address the need in the State for
5 access to ultra high-speed broadband infrastructure that will enhance the State's
6 competitiveness in national and international economies. The fund must be used to
7 provide grants to communities, regional partnerships and municipalities to support
8 public-private partnerships to support a municipal gigabit fiber-optic broadband network
9 in their regions with the following goals:

10 A. Provide high-speed broadband access to attract, create and grow the State's
11 economy and market the products and services of businesses in the State in national
12 and international markets with ultra high-speed symmetric connectivity and address
13 challenges in geography;

14 B. Provide expanded health care services by facilitating access to telemedicine, as
15 defined in Title 24-A, section 4316, subsection 1, and state and local services for
16 senior citizens and persons with disabilities;

17 C. Expand educational opportunities for students across the State through virtual and
18 distance learning;

19 D. Facilitate broader access for the public to services provided by municipal and
20 county governments, including, but not limited to, law enforcement entities, the
21 judicial system and child, youth and family social services; and

22 E. Provide expanded residential services to support employment opportunities.

23 In order to facilitate the achievement of the goals and policies of this section, the
24 authority shall establish and regularly update, after opportunity for public comment and
25 taking into consideration relevant federal policies, definitions of "gigabit fiber-optic
26 broadband network" and "ultra high-speed broadband infrastructure."

27 **4. Implementation grants; maximum awards.** Beginning January 1, 2016, the
28 authority is authorized to award implementation grants as follows.

29 A. The authority shall award a minimum of 25 implementation grants to achieve the
30 goals described in subsection 3. The authority may award additional implementation
31 grants if funding is available.

32 B. An implementation grant to an applicant may not exceed \$200,000 for each
33 eligible project selected for funding.

34 C. An implementation grant may be awarded only to an applicant that has
35 demonstrated to the satisfaction of the authority that it has participated in a planning
36 grant process as described in subsections 5, 6 and 7.

37 D. Municipalities selected for funding must be required to provide a 25% cash
38 match.

39 **5. Planning grants; requirements for applicants.** In order to assist applicants with
40 completion of the planning process necessary to achieve the goals of this section, the
41 authority may award up to 25 planning grants of up to \$20,000 for community applicants

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1 and up to \$25,000 for regional partnerships and municipalities, which require a cash
2 match. The authority shall establish application requirements for planning grants for
3 community and regional applicants that require an applicant to demonstrate to the
4 satisfaction of the authority participation with public and private institutions and local
5 businesses in the development of the grant process. Municipal applicants must provide
6 the authority with the following information:

7 A. An economic development plan that identifies how the municipality will use ultra
8 high-speed broadband access to fulfill the economic goals of the municipality;

9 B. A written commitment to nondiscriminatory open access to the broadband
10 infrastructure by all parties involved in the grant;

11 C. A written summary of public forums used to gather information from the public in
12 establishing the goals for the grant that serve the goals of this section;

13 D. Information gathered from local public and private institutions that identifies how
14 the broadband services will expand access to state and local services identified under
15 subsection 3; and

16 E. A summary of input received from the business community to identify the
17 services that will be used in planning the implementation grant application.

18 **6. Planning grant requirements.** An applicant awarded a planning grant under
19 subsection 5 must provide to the authority:

20 A. Identification of the local broadband needs and goals;

21 B. An inventory of existing broadband infrastructure assets within the municipality,
22 municipalities or region;

23 C. The results of a gap analysis that defines the additional broadband infrastructure
24 necessary to meet identified needs and goals;

25 D. One or more potential network designs, cost estimates, operating models and
26 potential business models, based on input from broadband providers operating within
27 the municipality, municipalities or region and any other parties that submit a network
28 design solution, to address any broadband gaps identified in the analysis described in
29 paragraph C; and

30 E. An assessment of all existing municipal procedures, policies, rules and ordinances
31 that may have the effect of delaying or increasing the cost of broadband infrastructure
32 deployment.

33 **7. Cash match for planning grants; restrictions.** The cash match required from
34 the applicant for a planning grant under subsection 5 may consist of municipal
35 appropriations, private funds, funding from economic development entities and funding
36 from nonprofit entities. The cash match for planning grants may not consist of funds
37 provided by a vendor or private business that proposes to build, operate or provide retail
38 services using the gigabit fiber-optic broadband network.

39 **8. Technical assistance; contract for services.** The authority shall provide
40 technical assistance to applicants that request assistance with the grant application

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process. The authority may contract for services to assist in the administration, management and evaluation of the fund.

9. Rules; application procedure. The authority shall adopt rules to implement this section, including rules governing the application process for the fund. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

10. Report. Beginning December 15, 2016, the authority shall provide an annual report to the joint standing committee of the Legislature having jurisdiction over energy and utility matters on the grants distributed from the fund and an analysis of the fund's activities that have addressed the need for expansion of ultra high-speed broadband access in the State.

Sec. A-2. ConnectME Authority to establish timeline and standards for grants under the Municipal Gigabit Broadband Network Access Fund. By November 1, 2015, the ConnectME Authority shall establish standards for implementation of the Municipal Gigabit Broadband Network Access Fund established in the Maine Revised Statutes, Title 35-A, section 9211-A, including a process to identify how awards for certification as a broadband-ready community can be made under the fund, a process for providing technical assistance to applicants that are interested in applying for grants under the fund, a process for providing for the installation of the broadband network, a process for providing workshops in 6 regions of the State to assist applicants with the certification and application process under the fund and a process for providing applicants with assistance in the selection of a consultant, when necessary, to achieve the goals of the fund and for requesting proposals for management of the broadband network once a grant from the fund has been made.

Sec. A-3. ConnectME Authority to perform an evaluation of the Municipal Gigabit Broadband Network Access Fund. By January 1, 2017, the ConnectME Authority shall perform an evaluation of the effectiveness of the Municipal Gigabit Broadband Network Access Fund established in the Maine Revised Statutes, Title 35-A, section 9211-A, using the following indicators: the effect the fund has had on the state and local economy; the best practices and models for broadband expansion that have been identified by the authority; the effect of economic development activities on the competitiveness of industry sectors in the State; any barriers to effective implementation of potential federal and private funds to expand the network and any barriers to implementation of the goals of the fund; the economic effect of each grant; and the cumulative economic effect of the grants from the fund. The authority may enter into a contract with an independent entity to assist with the evaluation of the Municipal Gigabit Broadband Network Access Fund under this section.

PART B

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made.

CONNECTME AUTHORITY

Municipal Gigabit Broadband Network Access Fund N185

COMMITTEE AMENDMENT "A" to H.P. 818, L.D. 1185

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Initiative: Provides one-time funds for planning and implementation grants to communities and municipalities to support public-private partnerships to establish a municipal gigabit fiber-optic broadband network in their regions.

4	GENERAL FUND	2015-16	2016-17
5	All Other	\$5,500,000	\$0
6			
7	GENERAL FUND TOTAL	<u>\$5,500,000</u>	<u>\$0</u>

8 **Municipal Gigabit Broadband Network Access Fund N185**

9 Initiative: Provides one-time funds for the evaluation of the Municipal Gigabit Broadband
10 Network Access Fund.

11	GENERAL FUND	2015-16	2016-17
12	All Other	\$250,000	\$0
13			
14	GENERAL FUND TOTAL	<u>\$250,000</u>	<u>\$0</u>

15 **Municipal Gigabit Broadband Network Access Fund N185**

16 Initiative: Provides funds to establish a new part-time Management Analyst I position
17 through June 30, 2018.

18	GENERAL FUND	2015-16	2016-17
19	POSITIONS - LEGISLATIVE COUNT	0.500	0.500
20	Personal Services	\$12,993	\$17,602
21	All Other	\$1,700	\$2,267
22			
23	GENERAL FUND TOTAL	<u>\$14,693</u>	<u>\$19,869</u>

24 **Municipal Gigabit Broadband Network Access Fund N185**

25 Initiative: Provides one-time funds for outside consultant services.

26	GENERAL FUND	2015-16	2016-17
27	All Other	\$250,000	\$0
28			
29	GENERAL FUND TOTAL	<u>\$250,000</u>	<u>\$0</u>

30	CONNECTME AUTHORITY		
31	DEPARTMENT TOTALS	2015-16	2016-17
32			

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GENERAL FUND	\$6,014,693	\$19,869
DEPARTMENT TOTAL - ALL FUNDS	\$6,014,693	\$19,869

SUMMARY

This amendment is the majority report of the committee. This amendment does the following.

1. It changes the entity in charge of administering the Municipal Gigabit Broadband Network Access Fund from the Department of Economic and Community Development to the ConnectME Authority.
2. It reduces the minimum number of implementation grants to be awarded from 50 to 25.
3. It removes the provision requiring a minimum number of implementation grants to be awarded to economically disadvantaged communities.
4. It reduces the maximum number of planning grants to be awarded from 50 to 25.
5. It includes submission requirements for those awarded planning grants.
6. It removes those sections of the bill that require the ConnectME Authority to review laws, rules and regulations related to high-speed broadband access and that direct the Public Utilities Commission to eliminate barriers regarding ultra high-speed broadband infrastructure.
7. It reduces the overall amount to be allocated from the General Fund from approximately \$12,000,000 to approximately \$6,000,000 and makes corresponding reductions to initiatives to achieve the reduction in the overall amount to be allocated.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 1185

LR 1510(02)

An Act To Establish the Municipal Gigabit Broadband Network Access Fund

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-288)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$6,014,693	\$19,869	\$20,573	\$0
Appropriations/Allocations				
General Fund	\$6,014,693	\$19,869	\$20,573	\$0

Fiscal Detail and Notes

This bill includes one-time General Fund appropriations totaling \$6,000,000 in fiscal year 2015-16 to the newly established Municipal Gigabit Broadband Network Access Fund within the ConnectME Authority (ConnectME) for the costs associated with addressing the need in the State for access to ultra high-speed broadband infrastructure. Of this amount, \$500,000 is appropriated for the cost to administer and hire outside consultant services for the project and \$5,500,000 is appropriated for one-time planning and implementation grants to communities and municipalities to support public-private partnerships to establish a municipal gigabit fiber-optic broadband network in their regions. The bill also includes General Fund appropriations of \$14,693 in fiscal year 2015-16 and \$19,869 in fiscal year 2016-17 for one part-time Management Analyst I position to assist ConnectME in administering this fund. This position will operate until June 30, 2018.