

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 1105
May 14, 2020
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH10777-MQa-147

Short Title: COVID/Supplementary G.R.E.A.T. Grant Period. (Public)

Sponsors: Representative Arp.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FUNDING TO THE DEPARTMENT OF INFORMATION
3 TECHNOLOGY TO EXPEDITE AND EXPAND BROADBAND INFRASTRUCTURE IN
4 THE STATE WITH A SUPPLEMENTARY GRANT PERIOD FOR THE G.R.E.A.T.
5 PROGRAM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** As used in this act, the term "Coronavirus Relief Fund" means funds
8 received by the State during the 2019-2020 fiscal year from the Coronavirus Relief Fund created
9 by the Coronavirus Aid, Relief, and Economic Security Act of 2020, P.L. 116-136.

10 **SECTION 2.(a)** The Department of Information Technology shall provide a special
11 supplementary grant process to accelerate the provision of broadband access through the
12 Growing Rural Economies with Access to Technology grant program. Grants may be awarded
13 with funds appropriated in this act for applications submitted on or before September 15, 2020.
14 The Department shall award all grants pursuant to this act on or before December 30, 2020.

15 **SECTION 2.(b)** Grant applications shall be submitted and grant funds shall be
16 awarded pursuant to G.S. 143B-1373, with the exception of the following:

- 17 (1) The 30-day period for posting of applications on the Department's Web site in
18 G.S. 143B-1373(e) is reduced to 15 business days. Protest submissions must
19 be submitted within the 15-day period.
- 20 (2) The definition of "eligible economically distressed county" in
21 G.S. 143B-1373(a)(5) shall include counties designated as development tier
22 one and tier two areas, and rural census tracts located in development tier three
23 areas, as defined in G.S. 143B-437.08. For the purposes of this subdivision,
24 the term "rural census tract" has the same meaning as contained in
25 G.S. 143B-472.127(a)(2). Counties with total employment of 500,000 or
26 more, as measured pursuant to G.S. 143B-437.52(c)(3) are not eligible.
- 27 (3) The scoring model measures contained in G.S. 143B-1373(g)(5) are replaced
28 with the following:

29 a. For projects proposed in the Piedmont or Coastal Plain Regions:

Est. Cost per Household	Partnership Using Infrastructure	Private Provider Only
Up to \$1,700	4	9
\$1,701-2,200	3	8
\$2,201-2,700	2	7
\$2,701-3,200	1	6

30 b. For projects located in the Mountain Region:



	Est. Cost per Household	Partnership Using Infrastructure	Private Provider Only
1			
2			
3	Up to \$2,500	4	9
4	\$2,501-3,300	3	8
5	\$3,301-3,800	2	7
6	\$3,801-4,300	1	6

(4) The matching fund requirements contained in G.S. 143B-1373(j) are replaced with the following:

Score	Matching Requirement	
10	12.0 points or less	50%
11	Greater than 12.0 points, but less than 17.5 points	45%
12	17.5 points, up to 22.0 points	40%
13	Greater than 22.0 points	30%

Up to fifty percent (50%) of matching funds paid by the grant recipient may be comprised of third-party funding and other grant programs. Neither the Universal Service Fund nor the Connect America Phase II Fund shall be used for the required matching funds. Any other current or future federal funds may be used, including any future phase of the Connect America Fund, for the required matching funds within the parameters of this program. A grant recipient may elect to delay the payment of required matching funds to the Department until project completion.

(5) For the purposes outlined in this act, notwithstanding G.S. 143B-1373(i), the Office shall use the following guidelines in awarding and administering grants:

Applications receiving the highest score shall receive priority status for the awarding of grants pursuant to G.S. 143B-1373. As a means of breaking a tie for applications receiving the same score, the Office shall give priority to the application proposing to serve the highest number of new households at the lowest cost per household. Applicants awarded grants shall enter into an agreement with the Office. The agreement shall contain all of the elements outlined in G.S. 143B-1373(d) and any other provisions the Office may require. The agreement shall contain a provision governing the time line and minimum requirements and thresholds for disbursement of grant funds measured by the progress of the project; provided, however, that an applicant awarded a grant shall have the option of receiving an initial grant fund disbursement equal to the total cost of construction identified in the application. Grant funds shall be disbursed only upon verification by the Office that the terms of the agreement have been fulfilled according to the progress milestones contained in the agreement, if applicable. At project completion, the grant recipient shall certify and provide to the Office evidence consistent with Federal Communications Commission attestation that either speeds greater than those identified in the application guidelines or the proposed upstream and downstream broadband speeds identified in the application guidelines, and for which a base speed multiplier was awarded pursuant to G.S. 143B-1373(g)(6), are available throughout the project area prior to any end user connections. A single grant award shall not exceed two million eight hundred thousand dollars (\$2,800,000). No combination of grant awards involving any single county may exceed five million six hundred thousand dollars (\$5,600,000).

(6) In addition to the grant forfeiture provisions contained in G.S. 143B-1373(l), a project awarded a grant pursuant to this act shall forfeit a sum in an amount equal to one hundred percent (100%) of the total grant award and shall remain liable for any unpaid matching funds if the project is not completed under the terms of the grant agreement prior to December 30, 2021.

(7) In addition to the base speed multiplier formula provided in G.S. 143B-1373(g)(6), projects that will provide a minimum upload speed of

1 200 megabits per second and a minimum download speed of 20 megabits per
2 second (200:20 Mbps.), or greater, shall have a score multiplier of two points.
3 **SECTION 3.(a)** The State Controller shall transfer the sum of thirty million dollars
4 (\$30,000,000) for the 2019-2020 fiscal year from the Coronavirus Relief Reserve established
5 under Section 2.1 of S.L. 2020-4 to the Coronavirus Relief Fund under the Coronavirus Aid,
6 Relief, and Economic Security (CARES) Act of 2020, P.L. 116-136, established in Section 2.2
7 of that act.
8 **SECTION 3.(b)** There is transferred from the Coronavirus Relief Fund to the State
9 Capital and Infrastructure Fund the sum of thirty million dollars (\$30,000,000).
10 **SECTION 3.(c)** There is appropriated from the State Capital and Infrastructure Fund
11 to the Growing Rural Economies with Access to Technology Fund the sum of thirty million
12 dollars (\$30,000,000), in the 2019-2020 fiscal year, to be used for broadband grants in accordance
13 with this act.
14 **SECTION 3.(d)** Any unspent funds remaining on June 30, 2020, shall be carried
15 forward into the 2020-2021 fiscal year and are hereby appropriated for the 2020-2021 fiscal year.
16 The funds shall be used for the purposes described in this act and the requirements and limitations
17 set forth in the CARES Act.
18 **SECTION 4.** This act is effective when it becomes law.