

HB 4023 A STAFF MEASURE SUMMARY

Joint Committee On Information Management and Technology

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/23

WHAT THE MEASURE DOES:

Directs Oregon Broadband Advisory Council to study options for a local broadband champion program and report findings to Legislative Assembly by December 1, 2018. Creates the Connecting Oregon Schools Fund for the purpose of providing matching funds for federal moneys received by school districts for broadband access. Establishes eligibility criteria and requires State Board of Education to adopt rules. Appropriates \$750,000 from General Fund to the Connecting Oregon Schools Fund. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

The amendment to the measure:

- 1) Allows State Chief Information Officer (CIO) to provide broadband communications services upon request to local governments, special districts and federally recognized Indian tribes in Oregon via one of two paths:
 - A process to be described in rule - if it's determined that services to be provided would not duplicate services already offered by telecommunications providers in area to be served.
 - Following a public hearing and adoption of a resolution by governing body of a municipality or other public body in area to be served by State CIO - finding that proposed broadband services and operations are necessary and would not otherwise be provided by for-profit entity within reasonable time and for reasonable cost.
- 2) Requires State CIO to adopt rules for providing services under extended rule-making process - utilizing inclusive rules advisory committee designed to ensure full participation by interested parties prior to rule adoption.
- 3) Requires State CIO to present proposed rules to Joint Legislative Committee on Information Management and Technology prior to rule adoption.

BACKGROUND:

House Bill 3158 (2009) created the Oregon Broadband Advisory Council, which is supported by the Oregon Business Development Department. The mission of the Council is to encourage coordination and collaboration between organizations and economic sectors to leverage the development and utilization of broadband data transmission for education, workforce development, and telehealth, and to promote broadband utilization by citizens and communities. The Council is required to report on the affordability, accessibility and use of broadband in Oregon and its role in economic development to the Joint Legislative Committee on Information Management and Technology by November 1 of every even-numbered year.

The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation created in 1997 to collect universal service contributions from telecommunications carriers for administration of programs designed to help communities across the country secure access to affordable telecommunications services. USAC administers universal service programs for high-cost companies in rural areas, low-income consumers, rural health care providers, schools, and libraries under the oversight of the Federal Communications Commission (FCC). The universal service Schools and Libraries Program, commonly known as "E-rate," provides discounts of up to 90 percent to help

This Summary has not been adopted or officially endorsed by action of the committee.

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eligible schools and libraries in the United States obtain affordable telecommunications and Internet access. The FCC created a new state match in December 2014 that provides eligible applicants with an up to 10 percent additional discount for special construction charges and matches state funding for eligible projects on a dollar-to-dollar basis.

The State CIO has formed a partnership with Oregon's four research universities, called OregonFIBER, to provide more affordable, reliable, and higher speed broadband connectivity to state agencies and partner universities. OregonFIBER will utilize and connect existing fiber resources to create a public core fiber network, with last mile connectivity to state office and university locations provided by telecommunications service providers operating throughout Oregon. State agency and university facilities are located in communities all across Oregon - often within a few miles or just down the street from tribal government, local government, school, library, and other public body locations. Under current law, the State CIO is authorized to provide advanced digital telecommunications (i.e. broadband) services only to state agencies, and non-profit organizations under certain circumstances. Under current law, these tribal governments and other public bodies would be unable to access the enhanced broadband communications services made possible by the OregonFIBER network.