

HB 4023 A STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

Action Date: 02/14/18

Action: Do pass with amendments and be referred to Information Management and Technology, then to Ways and Means. (Printed A-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Barreto, Clem, Fahey, Gomberg, Helfrich, Helm, Lewis, Marsh, McKeown, Post, Smith DB

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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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:

- Digital connectivity for rural schools and communities
- E-rate program
- Fiber-optic transmission capacity
- Leveraging state investments in broadband
- Low-income access to broadband
- Match for rural school districts

EFFECT OF AMENDMENT:

Replaces original measure.

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 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.