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# A BILL FOR AN ACT

RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE.

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

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

9           The legislature also finds that digital equity has meant  
10 the difference between an employee being able to work remotely  
11 and an employee possibly facing unemployment. Additionally,  
12 digital literacy and broadband access are critical tools for  
13 persons seeking to access social services, such as unemployment  
14 claims; supplemental nutrition assistance program benefits;  
15 vital records; and other essential government, educational, and  
16 medical services.







1 (7) Individuals who are members of a racial or ethnic  
2 minority group;

3 (8) Individuals who primarily reside in a rural area; and

4 (9) Homeless or unsheltered individuals.

5 "Department" means the department of business, economic  
6 development, and tourism.

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

10 "Digital equity services" means services that increase  
11 digital literacy in broadband access for covered populations.

12 "Digital literacy" means the skills associated with using  
13 technology to enable users to find, evaluate, organize, create,  
14 and communicate information.

15 "Office" means the Hawaii broadband and digital equity  
16 office.

17 "Program" means the digital equity grant program  
18 established by this chapter.

19 "Project" means a digital equity project set forth in an  
20 application for grant funding authorized under this chapter.



1 "Project area" means an area that is proposed to be covered  
2 in an application for grant funding authorized under this  
3 chapter.

4 "Rural area" means an area that qualifies as rural pursuant  
5 to a federal definition. If an area does not qualify as rural  
6 pursuant to a federal definition, the following definitions may  
7 be used for determining the area's rural status for the purposes  
8 of this chapter:

- 9 (1) Any island with a population density fewer than or  
10 equal to five hundred residents per square mile shall  
11 be considered rural; and
- 12 (2) If an island's population density exceeds five hundred  
13 residents per square mile, an area within the island  
14 shall be considered rural if it is within a zip code  
15 tabulation area with a population density below eight  
16 hundred residents per square mile, as determined by  
17 the population of the last official census and using  
18 the entire zip code tabulation area as determined by  
19 the United States Census Bureau.

20 "State digital equity plan" means the digital equity  
21 strategies and implementation plan developed by the office.



1           §    -2 **Digital equity grant program; establishment.** There  
2 is established the digital equity grant program to be  
3 implemented and administered by the office. The office shall  
4 receive and review grant applications and may award grants for  
5 eligible projects pursuant to the program.

6           §    -3 **Eligible projects.** The office may award grants for  
7 eligible projects; provided that on the date the application is  
8 submitted, the project areas to be served by the project shall  
9 include covered populations. The eligible projects may include  
10 projects that further develop and promote digital literacy,  
11 broadband affordability, digital navigators, access to digital  
12 devices, broadband service subscription costs, wifi routers,  
13 access points, and other innovative digital inclusion projects.  
14 Projects that include the deployment of broadband infrastructure  
15 shall be ineligible.

16           §    -4 **Applicant preference.** In making awards, the office  
17 shall give preference to applicants that are nonprofit, non-  
18 governmental entities that have demonstrated experience in  
19 providing digital equity services to covered populations.  
20 Governmental agencies may apply and shall be evaluated on a  
21 case-by-case basis.



1           §   -5 **Applications.** (a) The office shall establish an  
2 annual time period during which it shall accept applications for  
3 funding under the program. The time period for accepting  
4 applications shall be no less than sixty days and no more than  
5 ninety days.

6           (b) The form of the application shall be as prescribed by  
7 the office, and the application shall include:

8           (1) Evidence demonstrating the applicant's experience and  
9 ability to plan, organize, staff, and deliver digital  
10 equity services to covered populations within the  
11 State;

12          (2) A description of the project area and covered  
13 population to be served;

14          (3) A description of the project that is proposed to be  
15 deployed, including specific measurable goals to  
16 increase digital literacy and broadband access,  
17 methods, metrics, facilities, equipment, staff, and  
18 resources;

19          (4) A plan to tailor public awareness and outreach to  
20 include non-English-speaking covered populations with



- 1 consideration for linguistic, cultural, generational,  
2 and literacy challenges;
- 3 (5) Evidence that is certified by the applicant and  
4 demonstrates the nature of the current digital  
5 inequity in the proposed project area and covered  
6 population;
- 7 (6) The number of individuals in each covered population  
8 that would gain access to broadband services as a  
9 result of the project;
- 10 (7) The total cost and timeline for completion of the  
11 project;
- 12 (8) The amount of matching funds that the applicant  
13 proposes to contribute and a certification that no  
14 portion of the matching funds are derived from any  
15 state government grant, loan, or subsidy;
- 16 (9) Evidence demonstrating the economic feasibility of the  
17 project;
- 18 (10) A direct linkage to the state digital equity plan;
- 19 (11) A certification that no other funding from any federal  
20 or state program is available to the applicant for the  
21 project;





- 1 (12) A certification that all activities undertaken for the  
2 project shall comply with all applicable federal,  
3 state, and county laws;
- 4 (13) A certification that the applicant shall indemnify and  
5 hold harmless the State and its officers, agents, and  
6 employees from and against any and all claims arising  
7 out of or resulting from the project and procure  
8 sufficient insurance to provide this indemnification  
9 if requested to do so by the office; provided that  
10 this paragraph shall not apply to projects undertaken  
11 by state government agencies;
- 12 (14) A certification that the grant shall be used  
13 exclusively for the purposes of the project and not to  
14 be used for purposes of entertainment or perquisites,  
15 including lobbying activities;
- 16 (15) A certification that the applicant shall agree to make  
17 available to the office all records the applicant may  
18 have relating to the grant for the office to monitor  
19 the applicant's compliance with this chapter and rules  
20 adopted pursuant to this chapter; and
- 21 (16) Any other information deemed necessary by the office.



1           §   -6 **Review of applications; approval.** (a) Within five  
2 business days following the deadline to submit applications for  
3 the program, the office shall make all the applications  
4 available for review in a publicly available electronic file  
5 posted on the office's or department's website.

6           (b) In reviewing applications and any challenges to the  
7 applications, the office shall review the projects to ensure  
8 that all awarded funds are to be used to deploy eligible  
9 projects pursuant to section   -3.

10          (c) The office shall award program grants based on a  
11 scoring system that shall be released to the public at least  
12 thirty days before the first day of the time period for the  
13 submission of applications. The scoring system shall give the  
14 highest weight or priority to the following:

15           (1) Projects proposing to serve larger covered  
16 populations, with consideration to projects proposing  
17 to serve difficult to access areas, neglected covered  
18 populations, or both;

19           (2) Applicants with more experience and technical ability  
20 to successfully deploy digital equity projects to



- 1 covered populations and more financial or other  
2 resources available to assist the projects;
- 3 (3) Projects for which fewer government funds and less  
4 support are necessary to deploy digital equity in an  
5 economically feasible manner;
- 6 (4) Projects with a higher percentage of matching funds  
7 proposed to be committed by the applicant;
- 8 (5) Projects that do not duplicate any existing digital  
9 equity project in the project area; and
- 10 (6) Other factors the office determines to be reasonable,  
11 appropriate, and consistent with the purposes of the  
12 program.

13 § -7 **Authority of the office.** The office may:

- 14 (1) Following notice and an opportunity to cure, require  
15 disgorgement of grant funds in response to an  
16 applicant's or a grant recipient's pattern of failure  
17 to implement a project in accordance with the  
18 timelines and milestones set forth in its application;
- 19 (2) Consider an applicant or a grant recipient's financial  
20 ability to complete the project proposed in an  
21 application;



- 1           (3) Request and inspect any records and information of a  
2           grant recipient necessary for the oversight and  
3           administration of any project funded pursuant to this  
4           chapter;
- 5           (4) Impose any new or additional compliance requirements  
6           on grant recipients, through grant agreements or any  
7           other mechanism, in addition to rules adopted pursuant  
8           to section     -8; and
- 9           (5) Deny or cancel a project if the office finds the  
10          project will affect federal funding opportunities.

11          §   -8   **Rules.** (a) The department shall adopt rules  
12 pursuant to chapter 91 to implement this chapter.

13          (b) The rules shall:

- 14          (1) Include reasonable oversight and reporting provisions  
15          to ensure that grant moneys are used as intended; and
- 16          (2) Not impose any financial penalty or liquidated damages  
17          provisions or provisions that are not reasonably  
18          related to the deployment of projects in the State in  
19          accordance with this chapter.

20          (c) Before January 1, 2025, the department shall adopt  
21 rules pursuant to this section to implement the digital equity



1 grant program; provided that any rules adopted pursuant to this  
2 subsection shall include rules regarding the submission, review,  
3 and approval of applications; administration of the projects  
4 funded; and grant agreements memorializing the award of funds."

5 SECTION 3. This Act shall take effect upon its approval.



H.B. NO. 2359  
H.D. 2  
S.D. 1  
C.D. 1

**Report Title:**

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

**Description:**

Establishes the Digital Equity Grant Program to award grants to  
applicants to deploy digital equity projects to covered  
populations in the State. (CD1)

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not legislation or evidence of legislative intent.*

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