

SENATE BILL 370

F1

7lr0671
CF 7lr2071

By: **Senators Rosapepe, Astle, Benson, Conway, Feldman, Ferguson, Guzzone, Kagan, Kelley, Lee, Madaleno, Manno, Muse, Nathan-Pulliam, Peters, Robinson, Smith, Young, and Zucker**

Introduced and read first time: January 26, 2017

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Digital Equity for All Maryland Students Act of 2017**

3 FOR the purpose of establishing the School Broadband Upgrade Grant Program; providing
4 for the purpose of the Program; requiring the State Department of Education to
5 administer the Program; requiring the Department to establish certain procedures
6 and processes; requiring the Department to make up to a certain amount of awards
7 from the Program for certain purposes in certain fiscal years; establishing the School
8 Broadband Upgrade Fund as a special, nonlapsing fund; specifying the purpose of
9 the Fund; requiring the Department to administer the Fund; requiring the State
10 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying
11 the contents of the Fund; specifying the purpose for which the Fund may be used;
12 providing for the investment of money in and expenditures from the Fund; requiring
13 the Governor to include a certain amount in the State budget for the Fund in certain
14 fiscal years; requiring the Department to adopt certain regulations; requiring the
15 Department to report to the General Assembly on or before a certain date; requiring
16 the Department to provide a certain notice under a certain circumstance; providing
17 for the termination of this Act; defining certain terms; and generally relating to the
18 School Broadband Upgrade Grant Program.

19 BY adding to
20 Article – Education
21 Section 7–9B–01 through 7–9B–04 to be under the new subtitle “Subtitle 9B. School
22 Broadband Upgrade Grant Program”
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2016 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Education

SUBTITLE 9B. SCHOOL BROADBAND UPGRADE GRANT PROGRAM.

7-9B-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “CATEGORY 1 SERVICES” MEANS THE BROADBAND INFRASTRUCTURE UPGRADES THAT BRING BROADBAND SERVICES INTO A SCHOOL BUILDING OR A NONINSTRUCTIONAL FACILITY THAT IS PART OF A SCHOOL DISTRICT.

(C) “CATEGORY 2 SERVICES” MEANS FIBER CONSTRUCTION WITHIN A SCHOOL BUILDING.

(D) “FOUNDATION PROGRAM” HAS THE MEANING STATED IN § 5-202 OF THIS ARTICLE.

(E) “FUND” MEANS THE SCHOOL BROADBAND UPGRADE FUND.

(F) “LOCAL SHARE OF THE PROJECT COST” MEANS THE QUOTIENT OF THE DIFFERENCE OF THE FOUNDATION PROGRAM MINUS THE STATE SHARE OF THE FOUNDATION PROGRAM DIVIDED BY THE FOUNDATION PROGRAM IN THE PRIOR FISCAL YEAR.

(G) “NONFEDERAL PROJECT COST” MEANS THE TOTAL PROJECT COST MINUS THE PORTION OF THE PROJECT COST PROVIDED BY FEDERAL FUNDS.

(H) “PROGRAM” MEANS THE SCHOOL BROADBAND UPGRADE GRANT PROGRAM.

(I) “STATE SHARE OF THE FOUNDATION PROGRAM” HAS THE MEANING STATED IN § 5-202 OF THIS ARTICLE.

7-9B-02.

(A) THERE IS A SCHOOL BROADBAND UPGRADE GRANT PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE STATE AND LOCAL FUNDING FOR SPECIAL CONSTRUCTION TO LEVERAGE FEDERAL FUNDS FOR CATEGORY 1 AND CATEGORY 2 SERVICES THAT ARE AVAILABLE THROUGH THE

FEDERAL E-RATE PROGRAM UNDER THE TELECOMMUNICATIONS ACT OF 1996 TO
INSTALL OR UPGRADE INTERNET ACCESS IN EVERY PUBLIC SCHOOL IN THE STATE.

(C) (1) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

(2) THE DEPARTMENT SHALL ESTABLISH:

(I) APPLICATION AND AWARD PROCEDURES IN COMPLIANCE
WITH THE FEDERAL E-RATE PROGRAM REQUIREMENTS; AND

(II) AWARD PROCESSES AND CRITERIA TO ENSURE THAT:

1. NO GRANTEEES CAN PARTICIPATE IN THE SELECTION
PROCESS FOR GRANT AWARDS;

2. AWARDS ARE MADE ON A FIRST-COME,
FIRST-SERVED BASIS;

3. GRANTS FOR CATEGORY 1 SERVICES ARE BASED
SOLELY ON NEED FOR CATEGORY 1 SERVICES;

4. GRANTS FOR CATEGORY 2 SERVICES ARE MADE IN
THE FOLLOWING PRIORITY:

A. THE NEED FOR CATEGORY 2 SERVICES; AND

B. THE NEED FOR PROVIDING PROFESSIONAL
DEVELOPMENT FOR TEACHERS AND OTHER INSTRUCTIONAL STAFF IN THE USE OF
TECHNOLOGY IN THE CLASSROOM;

5. THE MAXIMUM AMOUNT OF A CATEGORY 1 OR 2
GRANT FOR A PROJECT MAY NOT EXCEED THE NONFEDERAL PROJECT COST MINUS
THE PRODUCT OF THE LOCAL SHARE OF THE PROJECT COST MULTIPLIED BY THE
NONFEDERAL PROJECT COST;

6. A LOCAL SCHOOL SYSTEM WILL FUND THE PRODUCT
OF THE LOCAL SHARE OF THE PROJECT COST MULTIPLIED BY THE NONFEDERAL
PROJECT COST; AND

7. GRANTS MAY NOT BE USED TO PURCHASE PERSONAL
DIGITAL DEVICES.

(D) BEGINNING IN FISCAL YEAR 2018 AND IN EACH FISCAL YEAR THEREAFTER, THE DEPARTMENT SHALL AWARD UP TO \$9,000,000 FROM THE FUND FOR CATEGORY 1 AND CATEGORY 2 SERVICES.

7-9B-03.

(A) THERE IS A SCHOOL BROADBAND UPGRADE FUND.

(B) THE PURPOSE OF THE FUND IS TO LEVERAGE FEDERAL FUNDS FOR CATEGORY 1 SERVICES AND CATEGORY 2 SERVICES THAT ARE AVAILABLE THROUGH THE FEDERAL E-RATE PROGRAM UNDER THE TELECOMMUNICATIONS ACT OF 1996 TO INSTALL OR UPGRADE INTERNET ACCESS IN EVERY PUBLIC SCHOOL IN THE STATE.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
AND

(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY BE USED ONLY FOR GRANT AWARDS MADE UNDER THIS SUBTITLE.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

1 **(I) BEGINNING IN FISCAL YEAR 2018 AND FOR EACH FISCAL YEAR**
2 **THEREAFTER, THE GOVERNOR SHALL INCLUDE \$9,000,000 IN THE STATE BUDGET**
3 **FOR THE FUND.**

4 **7-9B-04.**

5 **(A) THE DEPARTMENT MAY ADOPT REGULATIONS NECESSARY TO CARRY**
6 **OUT THIS SUBTITLE.**

7 **(B) ON OR BEFORE OCTOBER 1 EACH YEAR, THE DEPARTMENT SHALL**
8 **REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE**
9 **STATE GOVERNMENT ARTICLE, ON GRANTS AWARDED UNDER THE PROGRAM IN**
10 **THE PRIOR FISCAL YEAR.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of
12 Education shall notify the Department of Legislative Services if the federal E-rate program
13 under the Telecommunications Act of 1996 has expired and has not been reauthorized.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
15 1, 2017. It shall remain effective until the State Department of Education submits the
16 notice required under Section 2 of this Act, and, with no further action required by the
17 General Assembly, this Act shall be abrogated and of no further force and effect.