

Legislative Analysis



OFFICE OF BROADBAND AND DIGITAL INFRASTRUCTURE

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House Bill 5038 as introduced
Sponsor: Rep. Kevin Coleman
Committee: Communications and Technology
Revised 2-16-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5038 would create a new act, the Broadband and Digital Infrastructure Office Act, to create the Office of Broadband and Digital Infrastructure and prescribe its powers and duties.

The bill would create the office in the Department of Labor and Economic Opportunity (LEO). The governor would have to appoint the director of the office, who would have to be qualified by training and experience to perform the duties and exercise the powers of the office and the director. The director would have to establish procedures for the office for budgeting, spending money, and employing personnel according to the Management and Budget Act.

The office would have to do all of the following:

- Implement *modern broadband and digital infrastructure* duties assigned to the office and coordinate with other state departments responsible for modern broadband and digital infrastructure matters.
- Facilitate collaboration among public and private entities to encourage partnerships, regional coordination, and streamlined policies to increase modern broadband and digital infrastructure.
- Identify best practices and external resources to support modern broadband and digital infrastructure in Michigan.
- Provide capacity building and digital literacy resources to the public and to entities seeking to expand broadband service and adoption.
- Promote and implement policies that use modern broadband and digital infrastructure to do any of the following:
 - Revitalize neighborhoods and communities.
 - Support economic development opportunities.
 - Increase hiring and retention of skilled workers that support modern broadband and digital infrastructure in Michigan.
 - Integrate the deployment of modern broadband and digital infrastructure through existing infrastructure and economic development programs.
- Collect and analyze data to accurately determine the availability of broadband service, including the development of methods that identify parcel-level wholesale and retail broadband infrastructure availability and adoption throughout Michigan.
- Issue reports on the status of broadband service market competition in different regions throughout Michigan that distinguish between the type and quality of broadband service provided and evaluate and provide recommendations on the wholesale and retail cost of broadband service.
- Serve as a point of contact between the public and broadband service providers to improve broadband service access, adoption, and transparency.

Modern broadband and digital infrastructure would mean the technology and associated equipment used to provide *broadband service*.

Broadband service would mean a service, not including a satellite service, capable of delivering high-speed internet access that meets all of the following:

- It provides symmetrical upload and download speeds.
- It provides low latency.
- It provides reliable internet bandwidth that is capable of meeting the education, economic, and consumer needs of residents of Michigan.

The office could, upon appropriation, award grants or provide other financial and technical assistance to carry out the purposes of the new act

FISCAL IMPACT:

House Bill 5038 would establish the Office of Broadband and Digital Infrastructure within the Department of Labor and Economic Opportunity. The department estimates that the new Office of Broadband and Digital Infrastructure would require approximately \$2.5 million in additional funding and the authorization for 8.0 additional FTE positions. LEO anticipates that the state will receive sufficient federal funding that would be eligible to be used for administrative costs to cover part or all of the cost of the new office.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.