

Fact Sheet- Pennsylvania Broadband Development Authority

OVERVIEW: In response to the recent availability of federal money for broadband under the Infrastructure Investment and Jobs Act of 2021 (the “Act”) and the continuing shift to remote work amid the Covid-19 pandemic, the Pennsylvania enacted legislation on Monday, December 22, 2021 (the “Legislation”), creating the Pennsylvania Broadband Development Authority (the “Authority”) to administer the funds provided by the Act. The Authority will be the first official broadband authority in state history.

PURPOSES: In response to the recent availability of federal money for broadband under the Infrastructure Investment and Jobs Act of 2021 (the “Act”) and the continuing shift to remote work amid the Covid-19 pandemic, the Pennsylvania enacted legislation on Monday, December 22, 2021 (the “Legislation”), creating the Pennsylvania Broadband Development Authority (the “Authority”) to administer the funds provided by the Act. The Authority will be the first official broadband authority in state history.

- identifying access to funding sources
- distributing grant money for broadband expansion projects
- managing a minimum of \$100 million in federal aid Pennsylvania anticipates receiving under the Act to construct new towers, lines and broadband equipment, bring broadband to more homes, school and businesses and improve equity and the cost of broadband for rural communities
- coordinating efforts for broadband deployment by:
 - developing a centralized database of development activities occurring within Pennsylvania’s agencies and departments
 - developing guidelines and best practices for local governments to expedite broadband development and deployment
- creating educational materials and engaging in public information campaigns to encourage adoption of broadband
- drafting and adopting a statewide broadband plan to minimize duplicative builds and to maximize use of existing infrastructure
- the Authority does not have the ability to issue debt

Grant Logistics:

- The Authority shall award grants to fund projects using the money available to it to applicants which may include a cooperative, nonprofit organization, public-private partnership, private company, public or private utility, public utility district, council of governments, local government or any other entity approved by the Board.
- An applicant with technical, managerial and financial expertise to design, build and operate high-speed broadband service infrastructure within Pennsylvania shall be eligible to apply for grant funding and shall commit to investing a minimum amount of the entity’s capital to finance the project as determined by the Authority.

- Application forms will be created and made public by the Authority and will be reviewed and scored by the Authority based on certain criteria to be established by the Authority.
- Projects resulting in “overbuild” as described in the Legislation will be ineligible to receive grant funding.
- Existing service providers may file an overbuild challenge to applications
- Failure to complete a project four years after receipt of a grant, unless otherwise extended by the Authority, will render the funds subject to clawback by the Authority.
- Further details regarding the grant programs are set forth in the Legislation

Board Members: The Authority will consist of an 11-member governing board of directors, comprised of the following individuals (or their designees) (the “Board”), including: the Secretary of Agriculture, the Secretary of the Department of Community and Economic Development, the Secretary of Education, the Executive Director of the Center for Rural Pennsylvania, the Chair of Public Utility Commission, the Secretary of General Services, the Secretary of the Budget, one member of the Senate appointed by the President pro tempore of the Senate, one member of the Senate appointed by the Minority Leader of the Senate, one member of the House of Representative appointed by the Speaker of the House, and one member of the House of Representatives appointed by the Minority Leader of the House. A chair of the Board will be selected from the Board by the Governor, while the other offices of the Board will be selected by the members. The Board members will not receive any compensation, but will be entitled to reimbursement for necessary and reasonable expenses. Administrative and legal services for the Authority will be provided by DCED with reimbursement provided by Authority. The Board is required to meet no less than quarterly to conduct official business.

Functions of the Board: The Authority is formed as an instrumentality of the Commonwealth and a body corporate and politic, with corporate succession, having corporate powers including:

- Adopting bylaws, if necessary
- Making and executing contracts, grant and other instruments
- Applying for and receiving money from any source consistent with the purposes of the Legislation
- Establishing priorities for and allocate and disburse money received consistent with the purposes of the legislation
- Establishing subcommittees composed of members of the board or non-members of the board to consult with and advise the Authority
- Adopting a statewide broadband plan
- Performing other operational activities necessary or appropriate

The Authority will be considered an independent agency for purposes of the Commonwealth Procurement Code. The State Adverse Interest Act, the Right-to-Know Law and provisions of 65 Pa. C.S. Chapters 7 and 11 relating to open meetings and the ethics standards and financial disclosures will apply to the Authority and its Board.

Term of Authority Existence: The Authority will dissolve upon the later of ten (10) years from the effective date of the Legislation or such time when all federal funds available for the purposes of the legislation have been exhausted and all applicable duties and responsibilities under federal law or guidance have been completed.

Transparency of the Board:

- The Board and its professional staff will have a fiduciary relationship to the Commonwealth and the Authority
- Accounts and books of the Authority will be subject to examination and audit by Auditor General
- Production of yearly reporting of projects receiving grants from the Authority and publication of such information on the Authority’s public website