

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H

3

HOUSE BILL 197
Committee Substitute Favorable 4/27/23
Committee Substitute #2 Favorable 6/27/23

Short Title: Broadband Changes/DIT.-AB

(Public)

Sponsors:

Referred to:

February 27, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS REGARDING BROADBAND
3 DEPLOYMENT AND THE DEPARTMENT OF INFORMATION TECHNOLOGY.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. CHANGES RELATED TO FEDERAL BROADBAND FUNDING**

7 **SECTION 1.1.** Section 38.5 of S.L. 2021-180, as amended by Section 10.1 of S.L.
8 2021-189 and Section 16.1(b) of S.L. 2022-6, reads as rewritten:

9 "**SECTION 38.5.** The Department of Information Technology shall use the funds
10 appropriated in this act for Stopgap Solutions–Federal Broadband Funds to provide grants to
11 internet service providers, local government entities, and nonprofits for the provision and
12 installation of infrastructure, as that term is defined in G.S. 143B-1373(a), that will expand the
13 provision of broadband service to unserved and underserved ~~households~~ households, businesses,
14 State facilities, and community anchor institutions in this State. The Department shall ensure that
15 grant funds are awarded and utilized in compliance with applicable federal guidelines. No more
16 than five percent (5%) of the funds described in this section may be granted for broadband
17 projects located in any single county."

18 **SECTION 1.2.** Section 38.4(b) of S.L. 2021-180, as amended by Section 6(a) of S.L.
19 2022-69, reads as rewritten:

20 "**SECTION 38.4.(b)** The Department of Information Technology shall incorporate the intent
21 of the General Assembly as described in subsection (a) of this section in any proposal or
22 application for funding under the federal Infrastructure Investment and Jobs Act (P.L. 117-58)
23 for grants in the Broadband Equity, Access, and Deployment Program (B.E.A.D.) and the
24 Enabling Middle Mile Broadband Infrastructure Program. Of the initial federal B.E.A.D. funds
25 received under the federal Infrastructure Investment and Jobs Act (P.L. 117-58) for broadband
26 programs, the Department of Information Technology may utilize (i) up to ~~three-one~~ percent (~~3%~~
27 1%) of initial B.E.A.D. grant funds for ~~planning purposes and purposes,~~ (ii) up to ~~two-one and~~
28 one-half percent (~~2%~~ 1.5%) of initial B.E.A.D. grant funds for administrative purposes, and
29 (iii) any Digital Equity planning funds, up to the actual amount of federal funds received, and
30 these funds are hereby appropriated for those purposes. All other funds received under the federal
31 Infrastructure Investment and Jobs Act shall remain unexpended until appropriated by an act of
32 the General Assembly."
33

34 **PART II. IT STRATEGY BOARD**

35 **SECTION 2.1.** G.S. 143B-1337 reads as rewritten:



"§ 143B-1337. Information Technology Strategy Board.

(a) Creation; Membership. – The Information Technology Strategy Board is created in the Department of Information Technology. The Board consists of the following members:

- (1) The State Chief Information Officer.
- (2) The State Budget Officer.
- (3) The President of The University of North Carolina.
- (4) The President of the North Carolina Community College System.
- (5) The Secretary of Administration.
- (6) Two citizens of this State with a background in and familiarity with business system technology, information systems, or telecommunications appointed by the Governor.
- (7) Two citizens of this State with a background in and familiarity with business system technology, information systems, or telecommunications appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.
- (8) Two citizens of this State with a background in and familiarity with business system technology, information systems, or telecommunications appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.
- (9) The State Auditor, who shall serve as a nonvoting member.

Members of the Board appointed by the Governor shall serve terms of four years with the initial term expiring January 1, 2021. Members of the Board appointed by the General Assembly shall serve terms of two years with the initial term expiring January 1, 2021. Members of the Board shall not be employed by or serve on the board of directors or other corporate governing body of any vendor providing information systems, computer hardware, computer software, or telecommunications goods or services to the State. ~~The State CIO shall serve as the chair of the Board.~~ The chair of the Board shall be elected by majority vote of its members to serve a one-year term. Neither the State CIO nor an employee of the Department may be elected to serve as chair. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122. Members of the Board who are employees of State agencies or institutions shall receive subsistence and travel allowances authorized by G.S. 138-6. A majority of the Board constitutes a quorum for the transaction of business. The Department of Information Technology shall provide all clerical and other services required by the Board.

(b) Board Powers and Duties. – The Board shall have the following powers and duties:

- (1) To advise the State CIO on policies and procedures to develop, review, and update the State Information Technology Plan.
- (2) To establish necessary committees to identify and share industry best practices and new development and to identify existing State information technology problems and deficiencies.
- (3) To establish guidelines regarding the review of project planning and management, information sharing, and administrative and technical review procedures involving State-owned or State-supported technology and infrastructure.
- (4) To establish ad hoc technical advisory groups to study and make recommendations on specific topics, including work groups to establish, coordinate, and prioritize needs.
- (5) To assist the State CIO in recommending to the Governor and the General Assembly a prioritized list of enterprise initiatives for which new or additional funding is needed.
- (6) To recommend business system technology projects to the Department and the General Assembly that meet the following criteria:

- 1 a. A defined start and end point.
- 2 b. Specific objectives that signify completion.
- 3 c. Designed to implement or deliver a unique product, system, or service
- 4 pertaining to business system technology.
- 5 (7) To develop and maintain a five-year prioritization plan for future business
- 6 system technology projects.
- 7 (c) Meetings. – The Board shall adopt bylaws containing rules governing its meeting
- 8 procedures. The Board shall meet at least quarterly.
- 9 (d) Reports. – The Board shall submit a report on projects that have been recommended,
- 10 the status of those projects, and the most recent version of its five-year prioritization plan to the
- 11 Joint Legislative Oversight Committee on Information Technology and the Fiscal Research
- 12 Division on or before January 1 of each year.
- 13 (e) Limitations. – Nothing in this section shall be deemed to extend the powers and duties
- 14 of the Board to the areas of broadband mapping, broadband services, or any of the broadband
- 15 deployment programs set forth in this Article or otherwise established under State law or
- 16 administered by the Department."

PART III. BROADBAND MAPPING/CHALLENGE PROCESS

SECTION 3.1. The Department of Information Technology shall develop and establish a formal challenge process that conforms with published regulations and guidelines under the federal Broadband Equity, Access, and Deployment Program (B.E.A.D.) under the Infrastructure Investment and Jobs Act (P.L. 117-58) for broadband programs. In establishing the challenge process, the Department shall solicit input from stakeholders and shall consider the adaptability of the challenge process to fit existing State broadband grant programs and anticipated requirements related to federal programs. The Department shall submit a report outlining the formal challenge process along with any legislative recommendations to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before December 1, 2023.

PART IV. EFFECTIVE DATE

SECTION 4.1. Except as otherwise provided, this act is effective when it becomes law.