

Legislative Analysis



BROADBAND EXPANSION ACT AND GRANT PROGRAM

Phone: (517) 373-8080
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House Bill 5457 as introduced

Sponsor: Rep. Helena Scott

Committee: Energy, Communications, and Technology

Complete to 2-27-24

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

SUMMARY:

House Bill 5457 would amend the Broadband Expansion Act to make the Department of Labor and Economic Opportunity (LEO) the principal department responsible for administering the act. Currently, the principal department is the Department of Technology, Management, and Budget (DTMB).

MCL 484.3252

BACKGROUND:

The Broadband Expansion Act of Michigan (BEAM), enacted in 2020, established a statewide grant program to expand broadband service in the state,¹ along with conditions and procedures for the grants, grant recipients, and DTMB in relation to the program.²

In June 2021, the Michigan High-Speed Internet Office³ was created in LEO by Executive Directive 2021-2, which charged the office with “convening and coordinating departments and agencies in the advancement, implementation, and funding of the state’s current and future efforts to ensure that every home and business in Michigan can access high-speed internet services that meet their needs.”⁴ Among other things, the office administers grant programs for expanding access to broadband and high-speed internet.⁵

In November 2021, the 2018 Michigan Broadband Roadmap⁶ was updated to take into account the role of the new office in implementing and achieving the state’s broadband connectivity goals, strategies, and objectives.⁷

One of the objectives put forth in the updated version of the roadmap is to shift the grant program now administered by DTMB to the Michigan High-Speed Internet Office in LEO.

¹ <https://www.michigan.gov/dtmb/policies/governance/cmhc-grant>

² <https://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-4288-EB0C0065.pdf>

³ <https://www.michigan.gov/leo/bureaus-agencies/mihi>

⁴ https://content.govdelivery.com/attachments/MIEOG/2021/06/02/file_attachments/1842786/ED%202021-2%20MI%20High-Speed%20Internet%20Office%20%28final%20signed%29.pdf

⁵ <https://www.michigan.gov/leo/bureaus-agencies/mihi/funding-opportunities>

⁶ <https://www.merit.edu/wp-content/uploads/2018/12/MCAN-final-report.pdf>

⁷ <https://www.michigan.gov/leo/-/media/Project/Websites/leo/Documents/MIHI/2021-Update-to-the-Michigan-Broadband-Roadmap.pdf>

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government. Administration of the BEAM program is supported by approximately \$355,000 annually from a prior work project authorization. Funding from the work project is expected to be exhausted by the completion of all grant administration duties in 2025. If funds are appropriated in the future to continue the BEAM program, administrative costs would either need to be supported from the appropriated amount or be administered by staff in the Michigan High-Speed Internet 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.