



NORTH CAROLINA GENERAL ASSEMBLY

NORTH CAROLINA SENATE

November 20, 2020

Governor Roy Cooper
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor Cooper,

We respectfully write regarding reports that the Office of State Budget and Management (OSBM) has notified North Carolina broadband providers of its intent to eliminate \$30 million in funding for the Growing Rural Economies through Access to Technology (GREAT) rural broadband grant program.

This news surprised us. In a bipartisan decision in May 2020, the legislature appropriated \$9 million for this purpose and the Executive Branch awarded those funds.

In September, we again appropriated \$30 million for the GREAT program in another bipartisan vote. The Executive Branch has not previously expressed reservations about this program.

State law grants the Executive Branch flexibility in reallocating CARES Act money only if there is no reasonable expectation of expending funds by Dec. 30.

But more than 70 grant applicants have submitted proposals, and a priority list of who should receive the grants was created by Department of Information Technology staff as recommendations for approval. These applications are from Tier 1, Tier 2, and Tier 3 counties that have the most need for economic support from state government during an ongoing economic crisis. It is clear that a reasonable expectation of awards before Dec. 30 exists because dozens of providers expected to receive an award this month.

What's more, the General Assembly closely reviewed all relevant federal guidance and determined the program is eligible. U.S. Treasury guidance specifically provides that CARES Act funds may be used to expand rural broadband capacity to assist with distance learning and telework so long as access is expected to be expanded before the end of the public health emergency. Based on guidance from your office and from the Department of Health and Human Services, we expect telework and distance learning to continue for many months into next year, when GREAT Act-funded broadband service will be up and running in our rural communities.

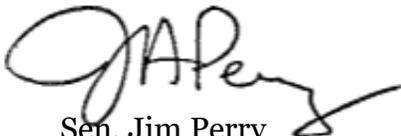
The GREAT program has been an immense success since its creation by the General Assembly in 2018, appropriating tens of millions of dollars to North Carolina communities badly in need of internet connectivity.

The beneficiaries of the GREAT program would suffer if these funds are diverted. These include vulnerable students forced into remote learning and elderly members of our communities who increasingly rely on broadband for access to telehealth during the pandemic.

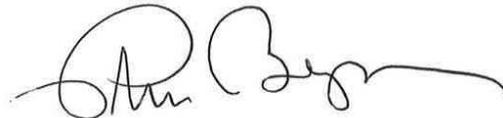
The Pew Charitable Trust also reported this week that a number of states have used CARES Act funding to expand broadband.

For these reasons, we respectfully request that you amend OSBM's initial determination on this matter and fully fund this \$30 million program.

Sincerely Yours,



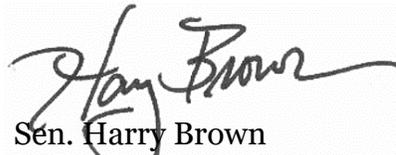
Sen. Jim Perry
N.C. Senate District 7



Sen. Phil Berger
Senate Leader



Sen. Brent Jackson
N.C. Senate District 10



Sen. Harry Brown
N.C. Senate District 6



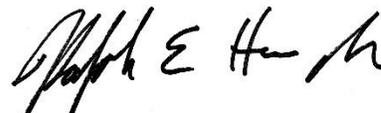
Sen. Warren Daniel
N.C. Senate District 46



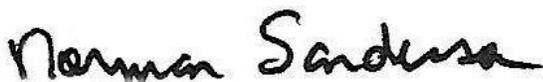
Sen. Vickie Sawyer
N.C. Senate District 34



Sen. Jim Davis
N.C. Senate District 50



Sen. Ralph Hise
N.C. Senate District 47



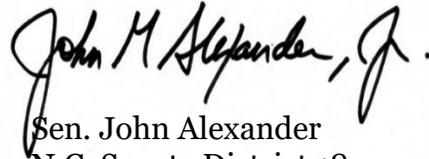
Sen. Norm Sanderson
N.C. Senate District 2



Sen. Chuck Edwards
N.C. Senate District 48



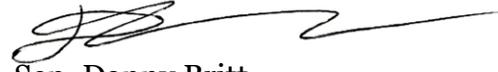
Sen. Tom McInnis
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Sen. John Alexander
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Sen. Deanna Ballard
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Sen. Danny Britt
N.C. Senate District 13



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