

Digital Connectivity Act (2021)

Office of Statewide Broadband

- Expanded scope of Office of Rural Broadband (est. 2017 via Executive Order)
- Charged with ensuring that every Marylander is connected to high-quality, high-speed, affordable internet by:
 - Mapping the current state of coverage, pricing and availability
 - Partnering with local governments, schools, libraries, statewide agencies, and the private sector to increase infrastructure for connectivity and improve digital literacy
 - Assisting counties and local government with identifying and attaining resources

The Problem

- Nearly 23% of Marylanders - or 520,000 people – across rural *and* urban areas remain disconnected (2021)
- 41% of Baltimore City residents do not subscribe to the internet (2021)
- 31% of Baltimore city residents do not own a desktop or laptop (2021)
- Densely populated **metro counties and rural counties experience very similar rates** of internet subscriptions and access to computers and laptops

Barriers to Access

- Lack of infrastructure (physical cable)
- Cost of service subscription
- Lack of digital literacy

Why this is Important

- Without reliable access, Maryland residents are unable to access education, health care, job applications, remote work, and benefit programs
- This impacts workforce participation, business starts and growth, health and educational outcomes, and more
- **Access to broadband has a significant impact on the state economy**

Economic Benefits of Broadband

Healthcare

Virtual visits with trained medical professionals can improve patient outcomes at lower cost and with a lower risk of infection than comes with conventional care provided in person.

Telemedicine is particularly valuable for rural patients who may lack access to medical care, as telemedicine allows them to receive medical diagnoses and patient care from specialists who are located elsewhere.

Broadband can also be used to more accurately track disease epidemics.

Telemedicine can deliver hospital cost savings, transportation savings for patients, and increased service provision.

Electronic health records, health information exchanges, and mobile health technologies are on the rise.

Broadband expansion can also improve health and life outcomes, offering access to remote healthcare providers, online social networks, and educational opportunities.

Homeownership



Homeowners can benefit through higher home values, as **broadband is often considered a desirable amenity for prospective buyers.**



Recent empirical analysis done by The Federal Reserve Bank Of Richmond on **the effect of broadband speeds on rural housing values** shows that increasing the number of houses in a rural county with faster internet speeds by 10% results in an average increase in housing values.



Higher home values can translate into **increased property tax revenues**, thereby increasing the availability of public services.

Education



Greater access to broadband better allows students to access the tools made available on the internet, such as:

- Educational websites
- Instructional videos
- Online lessons



Broadband also provides opportunity for virtual classes and greater access between teachers and students outside of a physical classroom.

Efficiency & Savings for Businesses & Consumers: Examples

- ❖ Economists estimate the **economic benefit of gaining access to broadband at an annual savings of \$1,850 per household.**
 - A study from Ohio State University extrapolated these savings to estimate the economic benefits of gaining access to broadband service for Ohio's rural residents at \$1.9 billion over 15 years.
 - Extrapolating this approach to all counties in the United States under a conservative adoption rate of 20% would yield \$43.8 billion over 15 years.
- ❖ **Consumers** can choose from a wider array of goods and services when broadband access is available and **find better prices.**
- ❖ High-speed internet can lead to **improved matches between jobs and workers**, making the hiring process more efficient.
- ❖ Farm operations may benefit from information on market prices that the internet can provide, **increasing farm output and prices received and lowering input costs.** One study estimated that increasing rural broadband access could achieve a 3% increase in farm profits across the United States.