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**TO:** Karen Hanson, Federal Partnerships and Interagency Affairs BroadbandUSA, NTIA  
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**FROM:** Katherine Bates, Manager State and Local Partnerships, BroadbandUSA, NTIA

**RE:** State Broadband Leaders Network Input on Federal/State Funding Program  
Coordination

**DATE:** September 30, 2019

### **Background**

NTIA facilitates the State Broadband Leaders Network (SBLN), a community of practitioners who work on state broadband initiatives. The SBLN is an outgrowth of State Broadband Initiative (SBI) Program under BTOP. While most states disbanded their state level broadband programs when SBI funding ceased, 15 states maintained some type of broadband program. Over the past two years, states have recognized the importance of a state level program and now there are 48 states/territories who actively participate in the SBLN. SBLN participants share priorities and best practices and discuss emerging telecommunications policy issues. The SBLN also provides a forum to strengthen policy and program connections among states, local jurisdictions and Federal agencies. The SBLN meets virtually monthly and bi-annually in-person: the SBLN Summit in February and a summer meeting.

The American Broadband Initiative (ABI) Milestones Report recognized that there is limited coordination across federal programs with state/local governments. The SBLN participants have expressed the need for increased coordination and information sharing with Federal funders. As part of the ABI process, NTIA convened discussions with State and Federal funding entities to identify opportunities for program alignment and coordination.

### **Process**

SBLN Virtual Meetings in July and August focused on state/Federal funding coordination. Input was received from 26 states over the course of the two meetings, finalizing this document at their September 24 Virtual meeting. NTIA staff also received input from Federal funders on a Federal funding work stream call on August 13, 2019.

The steps taken are outlined below:

1. Identify states with funding programs (grant/loans): Thirty-one states currently have some type of broadband funding program. These programs vary in size, programmatic requirements and speed requirements. See *Appendix A* for map and list of states with broadband funding programs.
2. Identify Federal funding sources: The information from the OMB data call was shared with the SBLN. This information provided a comprehensive overview of Federal funding programs that could potentially fund some type of broadband program.

3. Provide examples of where has coordination worked.
4. Provide examples of where improvement on coordination could occur.

The SBLN determined that it would be best to categorize the areas of coordination/improvement into the following:

- Marketing and Outreach
- Timing of Applications (both Federal and state)
- Application Scoring Incentives
- Coordination of Applications to Ensure No Duplication/Overbuilding
- Inconsistent Definitions
- Data and Mapping
- Metrics

And finally, the SBLN developed some general process improvement suggestions, both at the state and Federal level.

#### **Recommendations:**

##### **Marketing and Outreach Coordination:**

- Joint state/Federal broadband program outreach efforts have proven successful. EDA has conducted with some of with their regional offices. The USDA efforts in Oregon, Washington, Wyoming, New Mexico and Mississippi have been (will be) successful.
- The meetings are most successful when there is a joint state and federal planning team. They should include all federal agencies that have broadband funding (depending on focus of meeting.)
- OCC/Treasury, Federal Reserve Banks can also be involved in the meetings, or if they have separate ones, they normally notify and include the state leaders in their process.
- NTIA Workshops/Broadband Summits have also been good to promote programs that can work together.

##### **Timing of Applications:**

- The schedule of Federal application funding cycles should be released in advance, optimally on an annual basis. If this occurred, states could try to align their funding cycles to the federal schedule to the best of their ability.
- An annual calendar should be created for all the main Federal broadband related funding programs and kept in one accessible on-line location.
- States need to know timing of who has been awarded funding as soon as possible if using Federal or state funding as a match.

- More information is better, including evaluation timelines, even if they are only “window” estimates.

### **Application Scoring Incentives to Promote Coordination**

- Points for ReConnect recognized the value of state coordination, but there were issues:
  - confusion as to what defines a broadband “plan” and “office”
  - not all states have ILECS and electric co-ops, so including this in scoring doesn’t reflect the different states approach to broadband.
- Points should be given to states that have existing broadband funding programs, including state level USF programs. This could incent states to create or fund broadband programs.
- Federal programs should allow state programs as “match” and give incentives to do this.
- Points should provide incentive to states and not penalize the applicant.

### **Coordination of Applications to Ensure No Duplication**

- The “no duplication” of funding requirement (federal/state) isn’t clear. More clarity is needed, especially with USF funding: telehealth, education, type of service deployed. Type of service has become a larger issue with satellite broadband being funded through USF funds, making large areas ineligible.
- Eligible area determination is hard as different funding programs have different eligible areas definitions making it difficult to line up areas that are qualified under more than one program.
- Differing definitions of rural at the Federal level is a long standing issue.

### **Inconsistent Definitions Across Programs:**

- Eligible areas: who defines it, what if state and federal areas conflict?
- Rural areas: What is Rural? Census, OMB, USDA, National Center for Education Statistics. Article from Washington Post (2013) states that there are 15 federal definitions of rural and 11 in USDA alone. States might have different definition of rural also.
- Broadband speed: states define this differently, not all define it as 25/3mbps per the FCC definition. NTIA’s 2019 state scans are compiling the definitions by state; the information should be available in October 2019.

### **Data and Mapping:**

- The issues surrounding the collection of FCC 477 data and the National Broadband Map are well-known, but must be addressed.
- Disparate efforts to improve mapping issues are on-going. More coordination among the efforts (FCC, USTelecom, states, NTIA) is needed.

- The NTIA National Broadband Availability Map (NBAM) efforts coordinate with states, but in phases, which makes for a slower roll-out than what states would like.
- NTIA's state scan efforts track which states are doing data collection of some type, even if only using 477 data. This update will be complete in October 2019.

### **Metrics**

- Different Federal programs require different metrics, making it difficult and sometimes onerous when different funding programs are used. States could try to align their reporting requirements to Federal requirements, but which ones?
- Some EDA/CDBG metrics are onerous or difficult to track such as job creation or low/moderate income benefit. There is a realization that some of these requirements are mandated.
- There needs to be consistency among requirements and applications - something similar to the common app for college, but for broadband.

### **Specific Process Improvement Suggestions:**

- Best models are Appalachian Regional Commission (ARC), Delta Regional Authority (DRA) and the Northern Borders Regional Commission (NBRC):
  - Programs are successful because the governors are onboard and have buy-in.
  - Staff members representing the programs are imbedded in each state, mostly in the offices that are working on broadband. This makes the application process more collaborative.
  - Funding tends to be more flexible than FCC or USDA funding.
- SBLN could work with USDA to create a model funding program for states to emulate; model could offer guidance to states on how their funding could work with USDA funding.
- USDA's funds are not as flexible as project moves forward if there are changes in the project, which there often are in broadband projects. It seems as though the programs do not accommodate small business/start-ups/entrepreneurs. Could there be more flexibility in the funding as the projects evolve?
- USDA RUS programs tend to be risk-adverse. Broadband is sometimes risky, especially when compared to other RUS eligible programs such as sewer and water.
- It is important that states work closely with USDA Telecommunications GFRs. The collaboration among states and the GFRs has increased as was evidenced in the roll-out of ReConnect.
- Explore the feasibility of a federal funding pilot program to include block grant funding directly to states to allow for reverse state auctions around defined parameters.



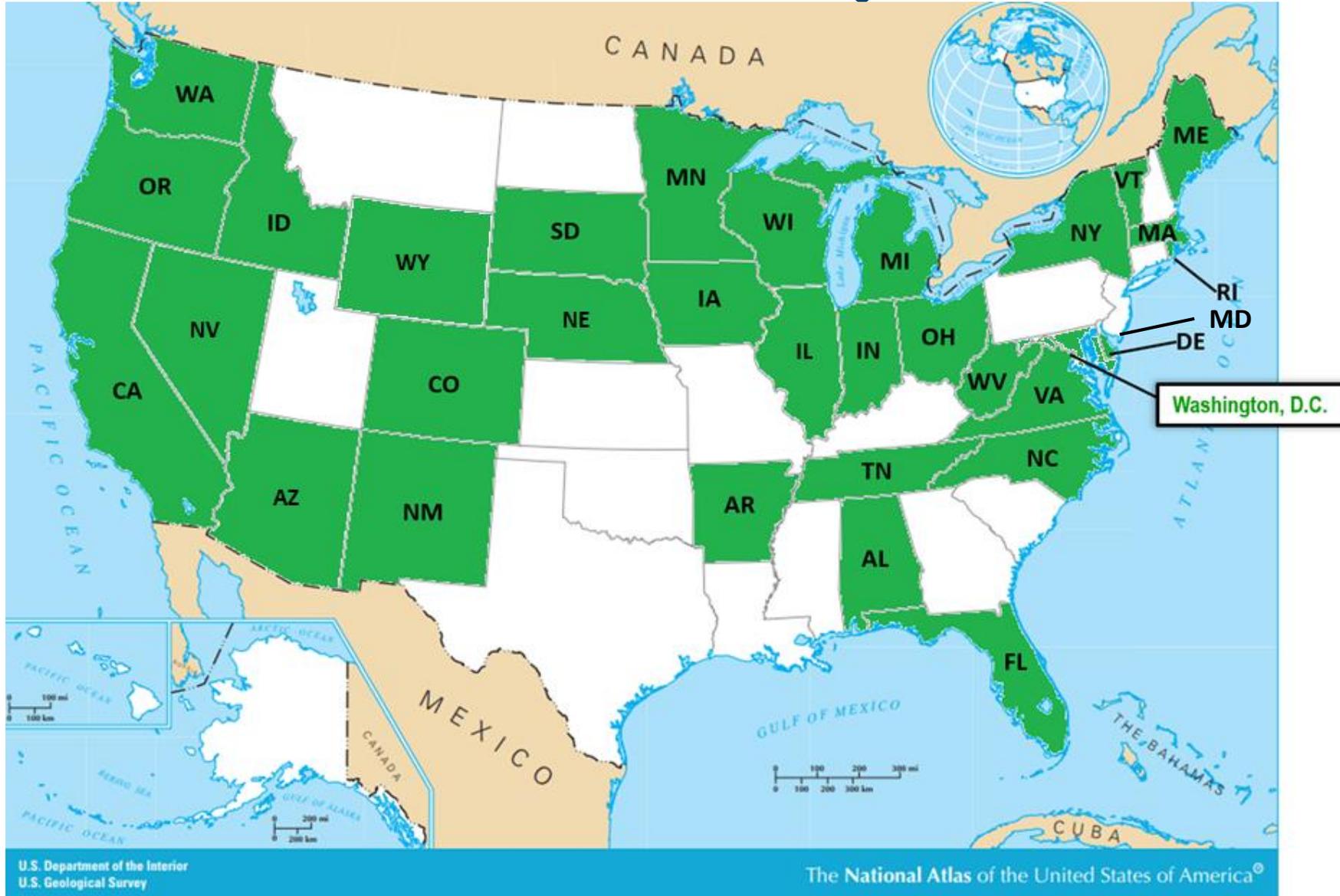
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[Nebraska](#) is currently exploring the feasibility of a state-run reverse auction and New York has successfully implemented their [New NY Broadband Program](#) that incorporates a reverse auction.

The SBLN appreciates that the ABI recognized the need for better coordination among state and federal agencies and looks forward to working through these issues with the Federal Funding Workstream members.

# Appendix A

## States with Broadband Grant Programs



## Appendix A

### States with Broadband Grant Programs

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Delaware
- Florida
- Idaho
- Illinois
- Indiana
- Iowa
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Nebraska
- Nevada
- New Mexico
- New York
- North Carolina
- Ohio
- Oregon
- South Dakota
- Tennessee
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming