Broadband expansion: A collaboration of funding partners

House Capital Budget Committee

Dr. Lisa Brown, Director, Department of Commerce
Erika Henry, Deputy Director, State Broadband Office
Karin Berkholtz, Executive Director, Public Works Board
Janea Delk, Executive Director, Community Economic Revitalization Board
Ernie Rasmussen, Digital Equity Manager, State Broadband Office

2/1/22

We strengthen communities

HOUSING
HOMELESSNESS

INFRASTRUCTURE

BUSINESS
ASSISTANCE

ENERGY

PLANNING

COMMUNITY
FACILITIES

CRIME VICTIMS & PUBLIC SAFETY

COMMUNITY SERVICES
Broadband is essential infrastructure

- Emphasizing the importance of broadband connectivity.
- Reliable broadband access in our communities has become a basic need.
- Addressing the Digital Divide.

The future of broadband funding

- Infrastructure Investment and Jobs Act and anticipated federal funds through 2026.
- What’s next from the state’s broadband funders.
Impact of 2021-23 broadband funding

- 43 projects awarded nearly $215 million since July 1, 2021.
- Investments have the potential to create 35,000 connections.
- Together, we are committed to connecting every household and business.

Enhancing interagency coordination

Washington Broadband Resources and Funding

Commerce, the Community Economic Revitalization Board, and the Public Works Board are dedicated to closing the digital divide. From mapping to planning and construction, we have the resources and technical support to realize the state goal of connecting every household and business.

Connecting the state to high-speed broadband is a key goal for these three agencies because broadband fosters economic development and vitality, job creation, and supports Washington businesses in local, regional, and global markets. It allows students to access educational opportunities, fosters telemedicine and is a key component in public safety.
2021-23 broadband capital appropriations

<table>
<thead>
<tr>
<th>Funder</th>
<th>Appropriation</th>
<th>Source*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERB</td>
<td>$25,000,000</td>
<td>Coronavirus Capital Projects Account-Federal</td>
</tr>
<tr>
<td>PWB</td>
<td>$14,000,000</td>
<td>Statewide Broadband Account-State</td>
</tr>
<tr>
<td></td>
<td>$46,000,000</td>
<td>Coronavirus Capital Projects Account-Federal</td>
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<tr>
<td>SBO</td>
<td>$16,000,000</td>
<td>Coronavirus Capital Projects Account-Federal</td>
</tr>
<tr>
<td></td>
<td>$50,000,000</td>
<td>State Building Construction Account-State</td>
</tr>
<tr>
<td></td>
<td>$260,003,000</td>
<td>Coronavirus State Fiscal Recovery Account-Federal</td>
</tr>
<tr>
<td>Total</td>
<td>$411,003,000</td>
<td>*Current law, enacted capital budget</td>
</tr>
</tbody>
</table>

Infrastructure Acceleration Grants (Dec. 2021 and May 2022)
- Awarded $145M to 13 projects from $400M+ in applications.
- Awards cover 67 schools and early learning facilities, serving more than 10,000 enrolled students.
- May 2022 will bring a second funding cycle for $120M.

Equity and Affordability Grants (coming soon)
- $5M available and to be awarded in partnership with Office of Equity.
State Broadband Office funding Overview:
American Rescue Plan resources

WASHINGTON STATE DEPARTMENT OF COMMERCE

Matching Grants of federal funding opportunities
(continuously open since Nov. 2021)

- $50M in state funds available with grants up to $5M or 25% of federal request.
- $163M in pending federal applications from NTIA.
- Award decisions expected later this spring.
FY20 State Funds
• Seven of the planning-feasibility grant recipients have applied for construction funds.

FY21 State Funds
• Once complete, these construction projects will provide 1,927 connections.
**PWB Broadband Awards**

<table>
<thead>
<tr>
<th>Broadband Program</th>
<th>Awards</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20 Planning</td>
<td>9</td>
<td>$450K</td>
</tr>
<tr>
<td>FY21 Construction</td>
<td>7</td>
<td>$11.5M</td>
</tr>
<tr>
<td>FY22 Construction</td>
<td>15*</td>
<td>$44.7M</td>
</tr>
</tbody>
</table>

*Conditional awards until federal funds are released

**FY22 Federal Funds**

- Awards up to $2M for non-tribal, non-rural communities and up to $5M for tribal or rural communities.
- Once complete, these construction projects will provide 8,526 connections.

**FY22 State Funds**

- Construction loans to connect unserved populations.
- Awards up to $2M for non-tribal, non-rural communities and up to $5M for tribal or rural communities.
- State loan cycle opening in February with awards in July.
PWB Broadband FY22 Federal Cycle

Summary of 15 Conditionally Awarded Project

<table>
<thead>
<tr>
<th>Condition</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditional Awards Funded</td>
<td>$44,676,617</td>
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<tr>
<td>Total Project Costs</td>
<td>$46,117,317</td>
</tr>
<tr>
<td>Unfunded Requests</td>
<td>$45,360,209</td>
</tr>
<tr>
<td>Distressed/Rural</td>
<td>14</td>
</tr>
<tr>
<td>Eastern Washington Project Area</td>
<td>8</td>
</tr>
<tr>
<td>Western Washington Project Area</td>
<td>7</td>
</tr>
<tr>
<td>Miles of Fiber</td>
<td>459</td>
</tr>
<tr>
<td>Towers</td>
<td>11</td>
</tr>
<tr>
<td>Anticipated Connections</td>
<td>8,526</td>
</tr>
</tbody>
</table>

Anticipated Connection by Type

- Businesses
- Households
- Public Safety
- Education

PWB Broadband Statute Cleanup

Current PWB Broadband Application Cycle

- PWB Broadband Construction Application Cycle Open (9 Weeks)
- Project Area ISP Notification (6 Weeks Prior to Application Submission)
- UTC Review (Currently Suspended)
- Proposed Project Locations and Speeds Posted
- Objection Period Open (Open for 30 Days After Posting)

PWB Broadband Application Cycle with Statute Modifications

- Pre-Application Submission and Posting of Speeds and Project Locations Evidence of ISP Notification (4 weeks)
- PWB Broadband Construction Application Cycle Open (8 Weeks)
- Objection Period
$37,847,907 Invested
28 Projects
72 Communities
21,112 Estimated Connections
136 ISPs
5 Towers
~500 Miles of Fiber

$1,793 Cost Per Connection
$1,645,561 Average Investment

94% of the connections are households
94% of the connections are 1G/1G

Planning projects are funding from CERB's planning program.

HB 1740
• Codifies the broadband program CERB has administered since 2018.
• Expands CERB’s reach to support the state’s goal to connect every household and business by 2028.

Funding
• CERB has awarded all appropriated funds, ~$38 million, since 2018.
• CERB is requesting $120 million in additional funding.

Pipeline
• CERB staff is actively working on a project pipeline in excess of $155 million.
January 2019 - This project consists of engineering and construction of dark fiber infrastructure on aerial poles with last mile components in the City of Pomeroy. Their partner Internet Service Provider is Pocket iNet Communications, Inc. (Success Story Video)

Population: 1,263 (2019)

Project Completed: March 2021

<table>
<thead>
<tr>
<th>Project Funding</th>
<th></th>
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<tbody>
<tr>
<td>CERB Grant</td>
<td>$137,500</td>
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<tr>
<td>CERB Loan</td>
<td>$412,500</td>
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<tr>
<td>Match</td>
<td>$300,000</td>
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<tr>
<td>Project Total</td>
<td>$850,000</td>
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</table>

March 2021 Outcomes – 1G/1G

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<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Households</td>
<td>598</td>
</tr>
<tr>
<td>Businesses</td>
<td>78</td>
</tr>
<tr>
<td>Anchor Institutions</td>
<td>8</td>
</tr>
<tr>
<td>Total Connections</td>
<td>684</td>
</tr>
<tr>
<td>ISP Partners</td>
<td>3</td>
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</tbody>
</table>

Leading with equity

Digital Equity Forum
- Co-convening in partnership with the Governor’s Office of Equity
- Listening to community perspectives

Digital Navigators
- Four grants totaling $7.4M to provide devices, subscriptions, technical support services, and skills training.
Thank you!

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