

How States Are Using Pandemic Relief Funds to Boost Broadband Access

States are poised to leverage pandemic funding to enhance broadband availability and affordability for residents and local businesses.

By Anna Read, Kelly Wert / *The Pew Charitable Trusts*

As states start to allocate funds from the American Rescue Plan Act (ARPA), enacted in March, many policymakers are using new resources to fund broadband expansion by increasing funding for existing programs or establishing new ones. The relief package, which Congress passed to help Americans struggling because of the COVID-19 pandemic, includes two U.S. Treasury Department programs that can be used to fund broadband improvements: the Coronavirus Capital Projects Fund and the Coronavirus State and Local Fiscal Recovery Fund.

The Coronavirus Capital Projects Fund includes \$10 billion states can invest in capital assets that enable work, education and health monitoring, including remote options, and address critical community needs the COVID-19 public health emergency revealed. This can include broadband infrastructure projects, digital connectivity technology projects and improvements to connectivity, devices and digital literacy at “multipurpose community facilities.”

The Coronavirus State and Local Fiscal Recovery Fund provides \$350 billion for projects to combat the pandemic’s economic fallout and lay the foundation for a strong recovery. Eligible state, local, territorial and tribal governments have significant flexibility

in determining how to allocate the funds based on local needs; among the practical uses are “necessary investments in water, sewer or broadband infrastructure.”

This funding is separate from the recently enacted Infrastructure Investment and Jobs Act, which provides an additional \$65 billion to help policymakers address high-speed internet access and adoption.

With the pandemic driving home the critical importance of high-speed internet, states across the country are using ARPA money to expand broadband access and affordability. Appropriators have increased funds for infrastructure deployment grants. Some have used Capital Projects Fund or State and Local Fiscal Recovery Fund allocations to pay for specific projects related to mapping, education or public health.

FOCUS ON BROADBAND INFRASTRUCTURE

States are prioritizing improvements to broadband infrastructure with their ARPA funding allocations. As of November, nearly half the states legislated ARPA money for infrastructure grants to ensure that broadband services reach unserved and underserved areas, though not all states have specified which fund they are drawing from for proposed projects.

Much of this money will expand existing programs, though some is being used to establish new broadband grant programs.

California, with a robust existing broadband grant program, falls into the first category. Lawmakers directed ARPA funds to several state agencies to expand broadband deployment further. Of California's allocation, the state legislature allotted \$3.25 billion for the Department of Technology to oversee construction and subsequent maintenance of a statewide, open-access, middle-mile network and \$500 million for the Public Utilities Commission to manage last-mile projects. The middle-mile network links the broadband backbone to local internet networks – the last mile. Lawmakers approved \$22.4 million for the Public Utilities Commission to facilitate these projects and oversee the distribution of funds.

These investments align with the state's 2020 broadband plan action item to "prioritize funding open-access, middle-mile infrastructure, including connections to anchor institutions" as part of its goal of ensuring that all Californians have broadband access. Indiana, meanwhile, appropriated \$250 million to the Office of the Lieutenant Governor for broadband expansion grants.

Colorado also has an existing broadband grant program but uses ARPA money to establish additional funding opportunities. Lawmakers appropriated \$35 million each to newly established digital inclusion and broadband stimulus grant programs and \$5 million for a new interconnectivity grant program

Hawaii used \$5 million of its ARPA allocation to launch a broadband infrastructure grant program, which will award grants for deployment in unserved and underserved areas. And Montana appropriated \$275 million of its ARPA money to a new effort to fund communication projects related to broadband infrastructure, which the legislation says could include cell towers or public safety improvements.

In addition to general infrastructure grants, some states focused on more specific needs when allocating their broadband deployment funds. For example, Texas lawmakers appropriated \$500 million for broadband infrastructure, requiring that \$75 million be used for pole replacement. That step was intended to ensure that older, short utility poles could be replaced to enable the installation of new broadband infrastructure. And in Kentucky, legislators appropriated \$50 million for broadband projects "in furtherance of securing economic development opportunities for commercial and industrial customers."

Several states prioritized increasing broadband connections for low-income households through line extensions, which expand connectivity to unserved streets and neighborhoods, as well as other affordability measures. Connecticut, for example, appropriated \$10 million for low-income and multifamily curb-to-home broadband buildouts in addition to \$10 million for grants to underserved areas.

Virginia appropriated \$8 million for the state's Line Extension Customer Assistance Program to ensure that existing networks reach low-to-moderate-income residents. And out of \$276 million appropriated for broadband infrastructure deployment, Washington set aside \$5 million for equity and affordability grants. That money will be used to assist eligible applicants in areas with access to minimum speeds of 100 Mbps for downloads and 20 Mbps for uploads. The state broadband office and department of equity will identify areas where access to existing services is not affordable or equitable.

EDUCATION, PUBLIC HEALTH AND TRANSPORTATION

States are also using ARPA money to fund specific initiatives that extend broadband access to support high-speed internet access for education, public health and transportation. Connecticut appropriated \$9.5 million for statewide geographic information system (GIS) capacity to improve state broadband

availability maps, \$10 million for Connecticut Education Network Wi-Fi connectivity and broadband in public spaces, and \$25 million for connectivity at health and mental health organizations.

Virginia uses a portion of its funds to support public health, with an \$8 million appropriation to the state Department of Health to address connectivity and infrastructure issues at local health departments.

Arizona focused its broadband appropriation on highways, allocating \$100 million to its Department of Transportation to expand broadband infrastructure along interstates 17 and 19, increasing broadband affordability in rural areas. That work also will help to improve highway safety and enable intelligent infrastructure projects in rural and tribal areas.

When state legislatures reconvene in 2022, more lawmakers will consider allocating ARPA funds for broadband. Eventually, they will repeat that process with the infrastructure bill's \$65 billion for broadband expansion. The measure includes funding for broadband infrastructure and programs focused on affordability, digital literacy and device access. Such strong federal support enables states to speed the economic recovery from the pandemic and is critical to their efforts to end the digital divide. ❖

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