

Broadband Deployment State Funding Allocations Announced

Here's a look at what the funding means for the multifamily industry and the internet service providers that serve their communities.

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On June 26, the White House took a new step toward rolling out historic broadband deployment funding by announcing state level allocations. The much-anticipated announcement will guide how the Biden Administration, through the National Telecommunications and Information Administration (NTIA), will distribute more than \$42.5 billion to states, territories and tribes to fund broadband infrastructure through the Broadband Equity, Access, and Deployment (BEAD) Program.

The funding level for each state was determined using broadband maps developed by the FCC, illustrating areas of the U.S. that are unserved or underserved. Though far from perfect, the maps will enable funds to flow to areas most in need – both those without access to any broadband and those that are underserved and in need of modernization and infrastructure to facilitate access and adoption.

WHAT'S NEXT

When it created the BEAD Program under the bipartisan infrastructure law, Congress established baseline criteria and eligibility for funding. For instance, it set rules around making low-income, multifamily communities eligible for funding to deploy or upgrade broadband infrastructure and to provide reduced-cost or free broadband service to residents. But Congress also intentionally provided a great deal of flexibility in how states can use funds and what technologies can be supported.

States now have six months to develop another round of proposals to detail how they will spend the money, their priorities for disbursement, etc. Once NTIA approves them, disbursement will begin. Twenty percent of promised funds will be disbursed by early 2024; the balance will be disbursed in 2025.

WHY IT MATTERS

The National Multifamily Housing Council (NMHC) has long advocated that federal support and funding is needed to get reliable, fast internet to small, low-income, multifamily

communities, where broadband providers often have made the economic decision not to upgrade or serve a community because of its lack of profitability. Capitalizing on this historic funding through BEAD is critical for multifamily and the reason NMHC and its coalition partners continue to advocate that state and local officials prioritize funding for low-income, multifamily properties as they build out broadband deployment programs that leverage historic federal investments.

Industry stakeholders interested in accessing these funds to build out or upgrade infrastructure at multifamily communities should reach out to the respective state broadband offices and track the development of their individual programs, priorities, requirements and accompanying application deadlines. The amounts allocated per state are shown in Table 1 on the following page.

FUNDING PROVIDES CERTAINTY

The funding gives states the green light to build out plans with some level of certainty. For example, consider Alabama, which is receiving \$1.4 billion. How do all stakeholders – multifamily owners, broadband providers, rural areas, etc. – utilize the funds to deliver broadband to places where it doesn't exist?

We have written multiple times about how trying to provide internet service in unserved and underserved populations is inherently challenging. The challenges are multifaceted, and stakeholders must determine how best to deliver services to obtain funding. For some properties, fiber may be the preferred buildout option. Other brownfield properties and workforce housing likely need to utilize existing infrastructure and find solutions that allow them to upgrade equipment and wiring to improve the available speed and get internet service that works for everyone.

Now is an exciting time: Over the next six months, states must prioritize building out plans that indicate how they will serve needed populations and areas. There will likely be flexibility about the types of technology used because of geography and other potential challenges. For example, mountainous areas or remote, rural locations may utilize satellite; urban locations may maintain a preference

for fiber. Some locations may need wireless services or creative solutions for upgrading DSL or worse levels of service to increase speed. Individual states will determine everything that is permitted in these processes, so the stakes are high.

ARE STATES READY?

States will set most guidelines on how to use the funds. Do they have qualified staff in place who are ready

to take on the projects and know how to properly dole out funds? That's a bit of a question mark at this point. There will likely be some hiccups along the way, bureaucratic processes may be cumbersome, and timelines may not be optimal for all.

The hope is that state officials have known this funding is coming for a while, and many worked diligently to pre-plan as much as possible. But standing up massive grant programs takes tremendous resources and time.

Some states are still struggling to distribute grant dollars allocated during the height of the COVID-19 pandemic.

Once NTIA approves a state's proposal, a state broadband office will finalize the rules for awarding grants. Then the date for the first round of grant applications will be announced, followed by 60 to 90 days for submission and 30 days for application review. Detailed grant scoring comes next, followed by potential challenges and negotiation. The entire process

STATE	ALLOCATION AMOUNT
Alabama	\$1,401,221,901.77
Alaska	\$1,017,139,672.42
Arizona	\$993,112,231.37
Arkansas	\$1,024,303,993.86
California	\$1,864,136,508.93
Colorado	\$826,522,650.41
Connecticut	\$144,180,792.71
Delaware	\$107,748,384.66
District of Columbia	\$100,694,786.93
Florida	\$1,169,947,392.70
Georgia	\$1,307,214,371.30
Hawaii	\$149,484,493.57
Idaho	\$583,256,249.88
Illinois	\$1,040,420,751.50
Indiana	\$868,109,929.79
Iowa	\$415,331,313.00
Kansas	\$451,725,998.15
Kentucky	\$1,086,172,536.86
Louisiana	\$1,355,554,552.94
Maine	\$271,977,723.07
Maryland	\$267,738,400.71
Massachusetts	\$147,422,464.39
Michigan	\$1,559,362,479.29
Minnesota	\$651,839,368.20
Mississippi	\$1,203,561,563.05
Missouri	\$1,736,302,708.39
Montana	\$628,973,798.59
Nebraska	\$405,281,070.41

STATE	ALLOCATION AMOUNT
Nevada	\$416,666,229.74
New Hampshire	\$196,560,278.97
New Jersey	\$263,689,548.65
New Mexico	\$675,372,311.86
New York	\$664,618,251.49
North Carolina	\$1,532,999,481.15
North Dakota	\$130,162,815.12
Ohio	\$793,688,107.63
Oklahoma	\$797,435,691.25
Oregon	\$688,914,932.17
Pennsylvania	\$1,161,778,272.41
Rhode Island	\$108,718,820.75
South Carolina	\$551,535,983.05
South Dakota	\$207,227,523.92
Tennessee	\$813,319,680.22
Texas	\$3,312,616,455.45
Utah	\$317,399,741.54
Vermont	\$228,913,019.08
Virginia	\$1,481,489,572.87
Washington	\$1,227,742,066.30
West Virginia	\$1,210,800,969.85
Wisconsin	\$1,055,823,573.71
Wyoming	\$347,877,921.27
American Samoa	\$37,564,827.53
Guam	\$156,831,733.59
Northern Mariana Islands	\$80,796,709.02
Puerto Rico	\$334,614,151.70
U.S. Virgin Islands	\$27,103,240.86

Table 1: BEAD Program Funding Allocations by State
 (Source: <https://ntia.gov/press-release/2023/biden-harris-administration-announces-state-allocations-4245-billion-high-speed>)

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could take 16 to 18 months. Patience will be key throughout the process.

Despite the potential timing challenges, this is all incredibly positive. It is likely that most states will begin to receive a small portion of funding in early 2024, and eligible entities will be allowed to request access to at least 20 percent of the allocated money at that time.

CALL TO ACTION: NOW IS THE TIME!

Industry stakeholders – including multifamily owners and broadband service providers – must be ready to spring into action. Now is the time for property owners and broadband companies to research and advocate to ensure their properties and firms will be eligible to access these once-in-a-lifetime funds. This opportunity will not come again.

At the **BROADBAND COMMUNITIES** Summit in May, representatives from the FCC, NTIA and the U.S. Department of Housing and Urban Development covered some of this information in important detail. Registration just opened for the NMHC OPTECH conference November 1–3, 2023, in Las Vegas. The agenda will expand on

similar topics with those agencies and groups to help companies determine actions to access funding. (Register for OPTECH here: www.nmhc.org/meetings/calendar/OPTECH/2023-optech-conference-and-expo.)

The way BEAD ties in with the FCC's Affordable Connectivity Program (ACP), launched in December 2021, is important.

The ACP was well-timed as an affordability solution: Nationwide, two-thirds of the digital divide is due to affordability. In Kansas, for example, six out of 10 families that lack home internet report it is simply because they can't afford to connect.

Unfortunately, funding for the ACP is projected to run out by mid-2024. So far, no clear path to renew the funds has emerged.

The BEAD Program's success in bridging the divide and building out broadband across the U.S. hinges ultimately on the existence and success of the ACP. As providers take advantage of BEAD grants and potentially supply their own capital to build out networks, they're relying on customer bases or consumer populations within the markets they serve.

If the ACP collapses and goes away, and suddenly more than 18.5 million families nationwide face an increased broadband bill of \$30/month, or \$75/month in tribal areas, many people across the country may be unable to cover their internet costs. This will obviously impact whether a provider is willing to enter into that grant agreement and build out the network. 🙏

CONTACT CONGRESS!

We strongly urge property owners and broadband providers to contact their congressional representatives to urge them to take action on renewing the ACP: www.congress.gov/members/find-your-member.

Everyone must prioritize both access and affordability to ensure all Americans can connect to the internet. Please tell Congress to take urgent action to renew the ACP for all families nationwide that rely on the ACP to learn, work remotely, access health care and provide a social safety net.



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