



New funding better enabling states, organizations to bridge the digital divide

by: Stan Austin, TEN editor

October 13, 2022

More than \$65 billion will be made available to states, U.S. territories, local governments, community organizations and other entities to improve broadband access and provide digital inclusion services.

A surge in federal funding, supported by training and development initiatives involving the Kansas City Fed and other Reserve Banks, is helping provide affordable high-speed internet access to underserved communities and households.

As part of the Infrastructure Investment and Jobs Act, signed into law in November 2021, more than \$65 billion will be made available to states, U.S. territories, local governments, community organizations and other entities to improve broadband access across the country and provide a range of digital inclusion services over the next several years. The bulk of the funding is being administered through several programs overseen by the National Telecommunications and Information Administration (NTIA). In addition to grants to states and U.S. territories, NTIA programs' wider range will support projects developed by Indian tribes, Alaska Native entities, Native Hawaiian organizations and historically Black colleges and universities.

In recent months, the Kansas City Fed and seven other Reserve Banks have been working with the National Digital Inclusion Alliance and NTIA to host a series of workshops to help those government officials tasked with creating digital equity plans better understand the detailed requirements of the planning grants, said Kansas City Fed Community Development Advisor Jeremy Hegle. For example, upon receiving planning grants recipients will have one year to develop five-year digital equity plans. One of the workshops recently was conducted in Kansas City.

"The workshops' primary objective is to ensure states have the information needed to develop effective plans," Hegle said. "A key secondary objective is that what comes out of those workshops will help us identify our next opportunities to support the states' efforts."

Grant disbursements under the NTIA's primary programs are scheduled to begin this fall.

Hegle, who leads digital equity efforts across the Tenth District, also leads the Federal Reserve System Digital Equity Working Group. Among other work, the group provides training, data and analysis to help states establish or bolster broadband programs that ultimately would administer services enabled by the new funding. Leadership positions and roles for developing broadband plans can vary from state to state, so the Federal Reserve group's expertise is an asset.

"Some states have broadband directors and digital equity staff; some states don't," Hegle said, noting that support will be needed over the long range. "We are working to help ensure that states have the knowledge and resources to create effective plans. We're not looking at this as a one-and-done."

Regional partnership

In the areas of research and analysis, the Kansas City Fed has partnered with the Mid-America Regional Council (MARC) and KC Rising (the Civic Council of Greater Kansas City) for a study that will explore the needs for broadband access, skills and devices across a nine-county region of Missouri and Kansas.

The outline for the project, titled "Broadband and Digital Equity Investment Strategy - An Action Plan for Metropolitan Kansas City," was released in July and stated: "The role of these three organizations is not to make decisions or identify priorities on projects for applications to the two states for federal funds. Rather, they will help the many stakeholders—local governments, business and civic leaders, and community partners—identify together what would be the best collaborative investments for the region."

About the funding

Letters of intent and applications were due during the summer for two of the primary programs that are beginning grant disbursement this fall:

- **Broadband, Equity, Access and Deployment (BEAD).** This program provides \$42.5 billion over five years to expand internet access with speeds of least 100 Megabits per second (Mbps) down and at least 20 Mbps up. These speeds are now considered essential to ensure such basic simultaneous tasks as a child participating in online learning while a parent works remotely. "A key difference between BEAD and previous federal broadband programs is how the funds are distributed," Hegle said. "Previous federal programs typically distributed funds directly to internet service providers. BEAD is instead like a block-grant program." Funds—a minimum of \$100 million per eligible entity—are allocated to states, the District of Columbia and U.S. territories.
- **Digital Equity Act (DEA).** Through DEA, \$2.75 billion will be provided to ensure that all people and communities have the skills, technology and capacity to fully engage in the digital economy. The first two DEA programs, the State Digital Equity Planning Grant Program and subsequent State Digital Equity Capacity Grant Program, are available to fund the

development and implementation of five-year state, territorial and tribal digital equity initiatives. A wider range of organizations, including libraries and nonprofits, will be eligible later for the Digital Equity Competitive Program.

“States, territories and tribal governments will need to quickly ramp up capacity for managing these and other new broadband programs,” Hegle said. “Support from community stakeholders will be critical to ensure that plans are well-informed and effective.”

[Learn more about the Federal Reserve’s digital equity work.](#)
