Federal funding makes internet more affordable

by: Jeremy Hegle
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Access to affordable, reliable internet has become essential to many daily household activities—paying bills, communicating with medical professionals and loved ones, online learning, work, and recreation. While there are multiple reasons why many U.S. households lack an internet subscription, cost is often a key reason for lower income households. The Affordable Connectivity Program (ACP) was created to make internet subscriptions more affordable, and new efforts are under way to ensure those who qualify for the ACP get signed up.

About the ACP

Despite widely held views that internet has become essential infrastructure, before 2020 little government assistance was available to help lower-income households afford it. That changed during the pandemic when the Federal Communications Commission (FCC) launched the Emergency Broadband Benefit (EBB). The EBB program provided a $30-per-month subsidy to households making below 200% of the Federal poverty level. (On Tribal lands, the subsidy was up to $75 per month.)

The ACP was launched on December 31, 2021, effectively replacing the EBB. The ACP provides the same subsidy as the EBB, and also provides qualifying households up to $100 to purchase a computer or tablet from participating providers. More information on the ACP is available here.

Where people are, and are not, benefitting from the ACP

After more than a year since the launch of the ACP, only about a third of qualifying households nationally have enrolled in the program. According to an ACP enrollment dashboard available from the Institute for Local Self-Reliance, enrollment rates across the Federal Reserve Bank of Kansas City's district mostly trail the national rate:

- National: 31.8%
- Colorado: 22.6%
- Kansas: 21%
- Missouri: 28.5%
- Nebraska: 24.4%

• New Mexico: 36.7%
• Oklahoma: 35.7%
• Wyoming: 18.6%

According to a report by the Education Super Highway, there are three key reasons enrollment rates are so low:

• Lack of awareness: In many communities, 75% of eligible households are unaware of the ACP.
• Lack of trust: People may worry about unexpected costs, be skeptical about free services, or be concerned about sharing personal information.
• Barriers to enrollment: Lack of internet access and language barriers make it difficult to access the ACP’s online sign-up portal. The application process can take 30-45 minutes, and 45% of applications are rejected. Many more fail to complete the process.

Trusted community organizations can boost enrollment rates

Community organizations can increase enrollment rates by getting the word out and assisting qualifying households enroll in the program. This role of community organizations might help explain why enrollment rates vary so greatly from one ZIP code to the next, as highlighted in the example below. In the 64130 ZIP code of Kansas City, Missouri, more than 76% of qualifying households are enrolled. In the neighboring ZIP code of 64110, enrollment is just 36%.

New grant program aims to boost enrollment

In March, the FCC announced grant awards to fund ACP promotion and enrollment campaigns. Grant awards across the Kansas City Fed’s District include the following:

**Colorado**

• Ethiopian Community Television, Aurora, $200,000
• Denver Community Ventures, Denver, $125,000
• Hunger Free Colorado, Denver, $110,000
• Colorado Community Action Association, Nederland, $200,000
• City of Pueblo, Pueblo, $300,000

**Kansas**

• City of Topeka, Topeka, $90,200
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• KC Digital Drive, Inc., Kansas City (Missouri/Kansas), $500,000
• Wichita State University, Wichita, $409,800

Missouri

• Bootheel Regional Planning Commission, Dexter, $150,000
• Missouri Coalition for Primary Health Care, Jefferson City, $300,000
• KC Digital Drive, Inc., Kansas City (Missouri/Kansas), $500,000
• Northwest Missouri Regional Council of Governments, Maryville, $250,000
• Mark Twain Regional Council of Governments, Perry, $100,000
• Ripley County Public Housing Agency, Poplar Bluff, $125,000
• Meramec Regional Planning Commission, St. James, $150,000
• Boonslick Regional Planning Commission, Warrenton, $100,000

Nebraska

• Southeast Nebraska Development District, Lincoln, $500,000

New Mexico

• City of Albuquerque, Albuquerque, $400,000
• New Mexico Black Leadership Council, Albuquerque, $400,000

Oklahoma

• Cheyenne and Arapaho Housing Authority, $241,200
• The Executive Office of the State of Oklahoma, $500,000

Wyoming

• Compass Center for Families/Community Services Network of Wyoming, Sheridan, $324,777
How you can help

The Education Superhighway has created customizable ACP promotional materials and toolkits for community leaders and for school districts to launch ACP promotional campaigns. But you don’t need to launch your own campaign to make a difference. If you know people who might be eligible, consider reaching out with information on whether they qualify and how to apply.
Jeremy Hegle
Assistant Vice President and Community Affairs Officer (CAO)

Jeremy Hegle is assistant vice president and Community Affairs Officer (CAO). In this role, Hegle leads the Tenth District’s Community Development department with responsibility for leading and executing the Bank’s districtwide community and economic development initiatives, which address challenging issues affecting lower-income individuals, underserved communities and small businesses’ access to credit. He also represents the Kansas City Fed on the Federal Reserve System’s CAO subcommittee and will manage the Bank’s Community Development Advisory Council. Prior to being named CAO in 2023, Hegle led the Bank’s digital equity efforts. In 2019 Hegle co-authored Disconnected: Seven lessons on fixing the digital divide, a layperson’s overview of the digital divide. He led efforts to narrow the digital divide using three strategies: Expanding access to affordable home broadband. Collaborating with state broadband directors, federal agencies, and local government on broadband deployment strategies and increased access through affordable internet programs. Increasing the supply of low-cost computers by encouraging employers to donate their used computers to nonprofit refurbishers, schools and community organizations. Informing banks, foundations, government and policymakers of the complex factors that cause the digital divide, the latest research on the topic, and creative solutions to fix it. Hegle joined the Kansas City Fed in 2015. Previously, he served in the Army National Guard and later helped launch KCSourceLink, a small-business support organization that links thousands of entrepreneurs with resources to start, grow and accelerate their businesses. Hegle has a bachelor’s in business administration and an M.B.A. from the University of Missouri-Kansas City.

About the Federal Reserve Bank of Kansas City
The Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks that, along with the Board of Governors in Washington, D.C., make up our nation’s central bank. We work in the public’s interest by supporting economic and financial stability. The Kansas City Fed’s territory includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Our headquarters is in Kansas City, with branch offices in Denver, Omaha and Oklahoma City. The Kansas City Fed Community Development Department promotes economic development and public understanding that leads to progress for lower-income individuals and communities. Our focus areas include community development investments, digital inclusion, small business / entrepreneurship, and workforce development.
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