PROGRAM DESCRIPTION

Department: Economic Development   **HB Section(s):** _____7.115_____

Program Name: Broadband Grants

Program is found in the following core budget(s): Broadband Grants

1a. What strategic priority does this program address?

Customer Centric

1b. What does this program do?

In 2022, Missouri was awarded a broadband infrastructure grant through the National Telecommunications and Information Administration (NTIA) Broadband Infrastructure Program (BIP). Missouri received applications from providers and combined them into one application. The awarded partnership included 9 providers and 19 project areas connecting 13,897 new and improved connections. The Office of Broadband Development (OBD) will support the recipients, ensure compliance, validate the technology is deployed, and celebrate successful completion of the projects. The Missouri Broadband Grant Program will sunset on August 28, 2027.

The Bipartisan Infrastructure Law, known as the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58. OBD will apply and take part in two of the four IIJA broadband programs; the Broadband Equity, Access, and Deployment (BEAD) program and the Digital Equity Act (DEA). The BEAD program includes $42.45 billion (to be divided among states and territories), which provides funding for grants for broadband planning, deployment, mapping, equity, and adoption activities. The DEA program provides $2.75 billion (divided among states and territories) to further advance federal goals relating to digital equity and digital inclusion.

2a. Provide an activity measure(s) for the program.

	FY2020 Actual	FY2021 Projected	FY2021 Actual	FY2022 Projected	FY2022 Actual	FY2023 Projected	FY2024 Projected	FY2025 Projected
Review and evaluate grant applicants	40	0	0	44	41	0	275	275
Award broadband grants/projects	16	0	0	15	19	0	75	75
Manage, announce, and close-out projects	0	16	15	0	0	19	0	35

Note 1: No applicants are anticipated in FY2023 since broadband grant program activity is expected to shift to ARPA programs in HB 20.

Note 2: IIJA funded broadband applications will begin in FY2024 with the initial funding for the BEAD program. BEAD will continue to fund broadband project until calendar year 2027 (FY2028). Projections based on the assumption that the FY2024 NDI will be approved.

Note 3: The final activity measure encompasses the overall management of the program overseeing project milestones, ensuring quality, and validating installation of proposed technology.

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2b.   Provide a measure(s) of the program's quality.

	FY2020 Actual	FY2021 Projected	FY2021 Actual	FY2022 Projected	FY2022 Actual	FY2023 Projected	FY2024 Projected	FY2025 Projected
Percent of grant connections exceeding 25/3 Mbps	94%	0%	0%	100%	100%	0%	100%	100%
Days from grant submittal to awards	101	0	0	180	193	0	90	90

Note 1: NTIA Broadband Infrastructure Program required minimum thresholds for project funding of 100 Megabits per second (Mbps) download, 20 Mbps upload. IIJA funded broadband project will require 100/100 Mbps in order to receive funding. The state has defined the baseline speed to be classified as high speed internet as 25 Megabits per second (Mbps) download, 3 Mbps upload, as such efforts will be made to track the percentage of connections exceeding 25/3 funded by the grant.
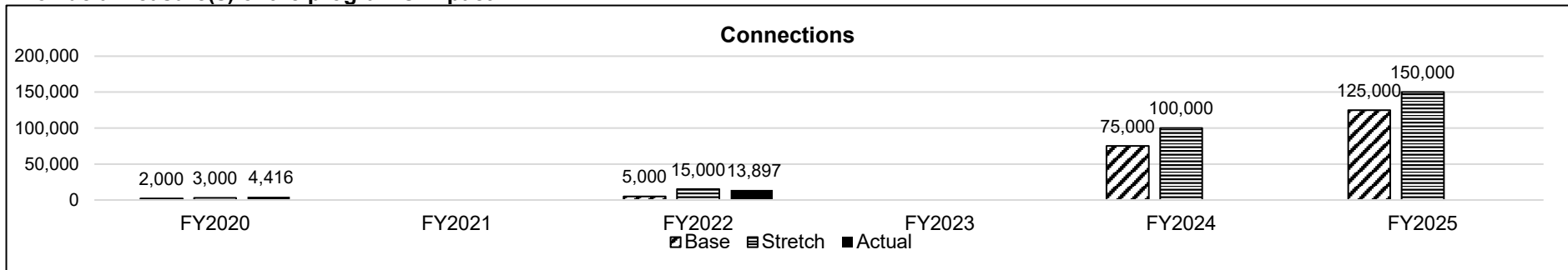
Note 2: The program's quality will be also be measured in its ability to evaluate, rank, complete the challenge process, and announce grant awards.

Note 3: No applicants are anticipated in FY2023 since broadband grant program activity is expected to shift to ARPA-related programs.

Note 4: In FY2024, OBD will begin facilitate broadband projects using IIJA BEAD and DEA Funding.

Note 5: Projected days from grant submittal to awards in FY2022 were higher than originally anticipated due to intense demand for NTIA funds across nation.

2c.   Provide a measure(s) of the program's impact.

Connections

FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
2,000 3,000 4,416		5,000 15,000 13,897		75,000 100,000	125,000 150,000

☑ Base ▤ Stretch ■ Actual

Note 1: Total number of connections refer to those who will have the opportunity to access the new broadband infrastructure (counted at time of project award). Connections include businesses, farms, important community institutions, and households. Missouri is technology neutral and could experience higher amount of potential connections.

Note 2: The Missouri Broadband Grant program did not receive an appropriation in FY2021, and, therefore, did not have a base, stretch or actual connections due to lack of funding.

Note 3: In FY2022, the Department received $10 million in spending authority for the anticipated federal resources; however, NTIA's award timeline was delayed into CY2022. FY2022 connections reflect the final award ($42,241,427.11) from NTIA BIP to Missouri projects.

Note 4: No connections are anticipated in FY2023 since broadband grant program activity is expected to shift to ARPA-related programs.

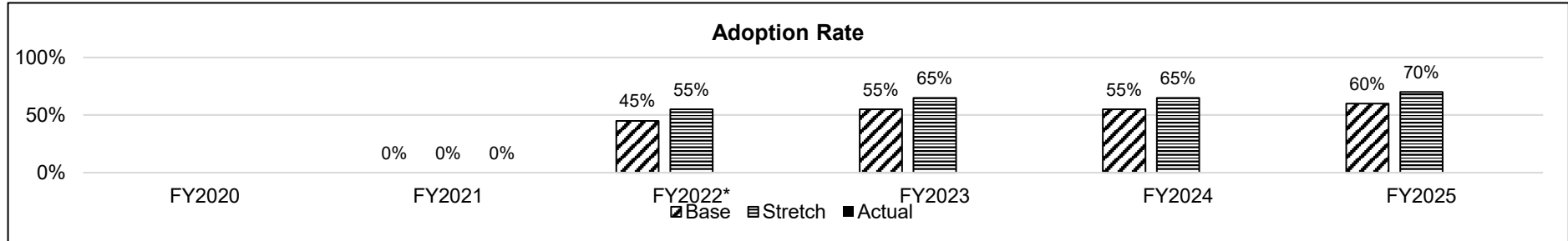Note 5: FY2024 and FY2025 projections assume NTIA BEAD and DEA NDI approval.

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2c.   Provide a measure(s) of the program's impact. (continued)
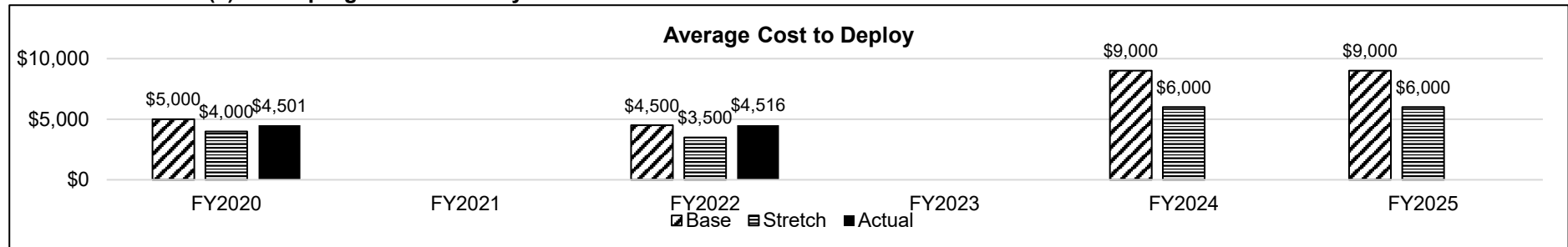

Adoption Rate

Note 1: Adoption rate is expressed as a percentage on total number of actual subscribers to the newly built and/or expanded broadband service divided by the number of proposed connections. Deploying new broadband infrastructure increases access, but the real impact for economic opportunity exists when the adoption rate is high. Exceeding these benchmarks will assist broadband providers in projecting future rehabilitation and expansion projects.
Note 2: The Missouri Broadband Grant program did not receive an appropriation in FY2021, and, therefore, did not have a base, stretch or actual connections due to lack of funding.
Note 3: *Adoption rate relating to the NTIA BIP award won't be known until after the projects are completed (projected in mid calendar year 2023).
Note 4: FY2024 and 2025 projections assume NTIA BEAD and DEA NDI approval.

2d.   Provide a measure(s) of the program's efficiency.

Average Cost to Deploy

Note 1: The average cost per passing of $5,000 was utilized from anecdotal research of benchmark states. The inaugural round of the broadband grant program, awarded to sixteen projects in April 2020 yielded an average cost per passing of $4,501. The cost to deploy will be catalogued during each grant review cycle and will be benchmarked over time.
Note 2: The Missouri Broadband Grant program did not receive an appropriation in FY2021, and, therefore, did not have a base, stretch or actual connections due to lack of funding.
Note 3: FY2022 based on the NTIA BIP Award. (Projects were awarded in March of 2022 and hope to be completed in early FY2024.)
Note 4: No connections are anticipated in FY2023 since broadband grant program activity is expected to shift to ARPA programs in HB 20. Thus, average cost to deploy not included for those fiscal years.
Note 5: In FY2024, Broadband funding will switch to IIJA BEAD and DEA.
Note 6: FY2024 and FY2025 projections assume NTIA BEAD and DEA NDI approval.
Note 7: FY2024 and FY2025 projections are based on intial application recieved for the ARPA funded Infrastructure grant program. The increase in cost per passing reflects inflation in the cost of deployment as well and projects reaching being located in areas which are more difficult to develop.
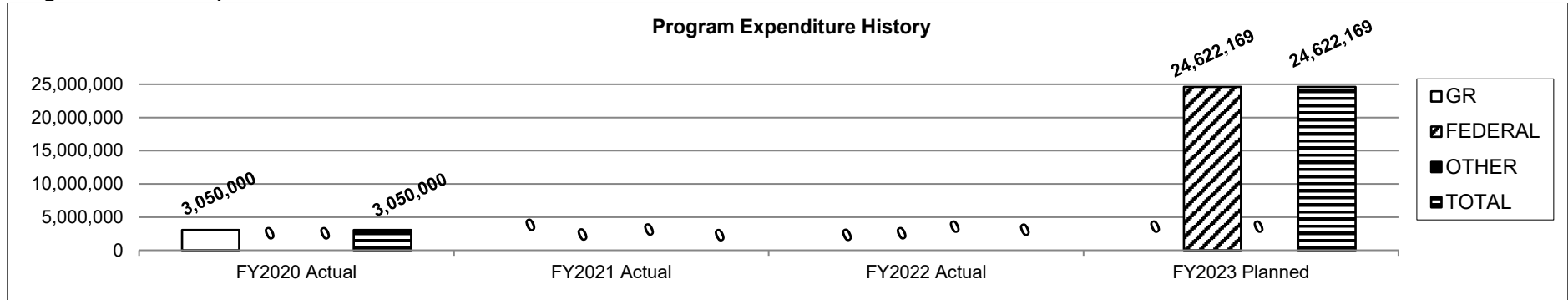
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. *(Note: Amounts do not include fringe benefit costs.)*

Program Expenditure History

Note: GR expenditures reflects 3% Governor's Reserve and Restriction.

4. **What are the sources of the "Other " funds?**

N/A

5. **What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

NTIA Broadband Infrastructure Program (11.031), Section 620.2450, RSMo (Missouri Broadband State Grant Program), and the Bipartisan Infrastructure Law, known as the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58.

6. **Are there federal matching requirements? If yes, please explain.**

No.

7. **Is this a federally mandated program? If yes, please explain.**

No.