FISCAL BRIEF

STATE AND FEDERAL BROADBAND EXPANSION PROGRAMS

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FAST FACTS

- Increasing reliance on the internet over time in general, and during the pandemic in particular, has led to unprecedented public investment in broadband internet

- The Infrastructure Investment and Jobs Act (IIJA), passed November 15, 2021, provides $64.4 billion for broadband expansion programs

- The IIJA creates four new broadband funding programs and provides additional funding to four existing programs

- Seven current federal broadband investments may require state legislative appropriations

INTRODUCTION

Over the last decade, public interest in broadband internet expansion has steadily increased, as has the amount of federal and state government funding to support it. Enactment of the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58) on November 15, 2021, provided an unprecedented influx of funding support for expanding broadband infrastructure and adoption, with grants available to internet service providers (ISPs) and to state, local, and tribal governments. To help track the major broadband investments Michigan has received and the funding opportunities that are available, this brief will list and summarize the major broadband grants and programs and note whether funds are subject to state appropriation. This listing is not exhaustive and does not include smaller programs that support broadband-related spending.

BACKGROUND

As internet use expanded its role at the center of our work, school, and personal lives throughout the 1990s and 2000s, broadband connectivity increasingly became viewed as a necessity rather than a luxury. As private ISPs built broadband networks to gain customers in more highly populated areas, high-cost rural areas were left unserved or underserved, contributing to what has been called the digital divide. Households in urban areas also can fall short in the digital divide, despite the presence of high-speed broadband networks. Only 25% of Detroit residents, for example, have household access to broadband internet.[1] Here, the divide arises from cost barriers to affording reliable broadband services and devices, as well as digital literacy skills. These challenges are respectively referred to as problems of *access* and *adoption*.

The first major government broadband investments came in 2009 following the enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), a stimulus package passed in response to the Great Recession of 2008. ARRA provided a total of $7.2 billion to the U.S. Department of Commerce and the U.S. Department of Agriculture (USDA) for establishing two new programs: the Broadband Technology Opportunities Program and the Broadband Initiatives Program. Since ARRA, billions more in funding has been issued through the creation of various broadband expansion programs across many federal government departments.

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[1] https://www.governing.com/now/one-quarter-of-detroit-residents-dont-have-internet-access

<u>Broadband Service Definition</u>

Broadband internet is a catchall term that refers to most forms of internet delivery. It includes digital subscriber line (DSL), cable, and fiber optic, collectively called fixed services, as well as satellite and mobile LTE networks. It does not include dial-up service. In 2015, the Federal Communications Commission (FCC) set the standard of 25 megabits per second (Mbps) download speed and 3 Mbps upload speed (written as 25/3 Mbps) as the minimum benchmark speed to be achieved under its statutory guidance to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans."[2] In recent years there have been calls to update the benchmark speed up to 100/100 Mbps. Many new federal broadband programs require networks to achieve at least 100 Mbps download speed and encourage deployment of 1,000 Mbps, or 1 gigabit per second (Gbps), speeds.

STATE BROADBAND PROGRAMS

Connecting Michigan Communities

The Connecting Michigan Communities (CMIC) grants program is currently the only broadband grant program funded with state appropriations. The program issues competitive grants to ISPs for infrastructure projects that extend broadband service into "unserved areas," effectively defined in boilerplate as rural areas. The program received its initial state General Fund/General Purpose (GF/GP) appropriation of $20.0 million as a Fiscal Year (FY) 2018-19 supplemental appropriation to the Department of Technology, Management, and Budget (DTMB) under 2018 PA 618. A second amount of $14.3 million GF/GP was appropriated for FY 2020-21 in an omnibus appropriation act 2020 PA 166, for a total funding sum of $34.3 million. As of the end of 2021, $28.0 million in grants has been awarded. After accounting for the average annual DTMB administrative costs through the end of the life of the project, $2.9 million remains to be awarded as grants from existing appropriations. Initial recommendations for the remaining grants will be issued in February 2022.

The CMIC grant program is authorized and guided by boilerplate sections in both appropriation acts: section 806 of 2018 PA 618 and later section 841 of 2020 PA 166. In addition to the requirement that projects expand broadband into unserved areas, these sections stipulated that CMIC grants must meet all of the following:

- Must not be awarded to an applicant who has previously received federal, state, or local government funding for the applicant's proposed project area.
- Must not be awarded, directly or indirectly, to a government or educational entity.
- Must be limited to a maximum of $5.0 million to any one applicant.
- Must prioritize projects that demonstrate collaboration to achieve community investment and economic development goals of the area impacted.

While the two iterations of CMIC grant funding were conditioned similarly by boilerplate, significant changes were made to section 841 in 2020. Most notably, the required broadband service speed was increased from 10/1 Mbps to 25/3 Mbps, which is the minimum standard speed goal set by the FCC for expanding broadband service. Additionally, grants to projects expanding into areas that had received funding under the FCC's rural broadband infrastructure program called the Connect America Fund (CAF) were prohibited under section 806. This restriction was expanded in section 841 to prohibit grants to areas selected to receive federal funding under any FCC or USDA program. This

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[2] 2016 Broadband Progress Report, Federal Communications Commission, January 2016.

prohibition does not include major federal broadband grants from the U.S. Department of Commerce, the U.S. Department of Education, or the U.S. Treasury.

Broadband Expansion Act of Michigan

2020 PA 224, cited as the Broadband Expansion Act of Michigan, codified in statute the CMIC boilerplate language of section 841 of 2020 PA 166. The act retains nearly all of the boilerplate language, but changes the name of the CMIC program to the Broadband Expansion Act of Michigan (BEAM) grant program. The program under this name remains unfunded.

House Bill 4420, as passed by the House of Representatives May 13, 2021, would appropriate $150.0 million of federal Coronavirus State Fiscal Recovery Funds to BEAM. As introduced June 16, 2021, House Bill 5032 would expand eligible recipients of BEAM grants to include governmental entities, educational institutions, and public-private partnerships and would raise the minimum broadband service speed to 100/10 Mbps. That bill has been referred to the House Committee on Communications and Technology.

High-Speed Internet Office

On June 2, 2021, Governor Whitmer issued Executive Directive 2021-2, which required the Department of Labor and Economic Opportunity (LEO) to create the Michigan High-Speed Internet Office. The office serves as a coordinating entity for state departments and agencies to promote the advancement, implementation, and funding of current and future broadband connectivity projects and as a single point of contact for ISPs to help bridge the digital divide. With Executive Directive 2021-12, signed on November 29, 2021, Governor Whitmer directed state departments and agencies to collaborate with the office and the legislature to continue expansion of broadband in the state and to prepare for the authorization of billions of federal dollars to states from the IIJA. Among the directives, state entities must:

- Invest in developing transparency and accountability procedures to improve Michigan's ability to secure federal funding.
- Develop a granular map of the availability of high-speed internet service using speed test data from ISPs and other resources.
- Use infrastructure asset management resources for coordinating infrastructure projects to promote a "dig once" work approach.
- Coordinate with local governments and community organizations to develop a digital equity plan to ensure that individuals and communities have the internet capabilities needed for full participation in the economy and society. (A state digital equity plan is required by the IIJA to receive funding under the State Digital Equity Capacity grant program.)

For further background on broadband and related initiatives in Michigan, please see the House Fiscal Agency Memorandum on Broadband Internet.

FEDERAL BROADBAND PROGRAMS

FCC – Connect America Fund

The Connect America Fund (CAF), also known as the Universal Service High-Cost Program, was the first major federal broadband investment program initiated after the creation of the National Broadband Plan mandated by the federal stimulus package, ARRA. CAF grants, or subsidies, are awarded to ISPs through a reverse auction process to subsidize ISPs for the extension of broadband infrastructure and networks into areas that would otherwise be cost-prohibitive for ISPs. The areas that have received CAF grants are almost entirely rural unserved and underserved areas. Two phases of CAF funding were implemented, with $438.0 million invested under Phase I over the course of five years and $1.5 billion invested under Phase II over the course of 10 years. Final CAF Phase II awardees were announced in 2018. All network deployments must be completed within six years of receiving the award. Subsidies are administered by the FCC's Universal Service Administrative Company and are supported by the Universal Service Fund, which receives revenue from telecommunications providers based on their interstate and international telecommunications revenues.

FCC – Alternative Connect America Cost Model

Like the CAF program, the Alternative Connect America Cost Model, or ACAM, subsidizes expansion of broadband into rural areas and is supported by the Universal Service Fund. Unlike CAF grants, ACAM targets subsidies to smaller, rural telecommunications companies, or rate-of-return carriers, to build or replace existing DSL networks. Funding is distributed according to a cost model that incorporates deployment cost factors for each carrier, such as unique geographic characteristics in their service area, to determine a carrier's "cost to serve". ACAM was initiated in 2016 and committed $4.9 billion to be distributed to participating carriers over a 10-year period, ending in 2026. Carriers opting into the program in 2016 were required to provide 10/1 Mbps service speeds. ACAM was later revised in 2018 by offering an additional $657.0 million over 10 years to support carriers who provide at least 25/3Mbps service and extended the funding period by two years, to 2028, for carriers already participating in ACAM. At the same time, the FCC extended ACAM funding to carriers that had not chosen to participate in 2016 for a new 10-year period to deploy 25/3Mbps broadband network speeds. These two modifications to ACAM are referred to as Revised ACAM and ACAM II respectively. Participants are obligated to achieve certain completion benchmarks by each year of the funding period.

FCC – Rural Digital Opportunity Fund

The Rural Digital Opportunity Fund (RDOF) acts as an extension of the CAF reverse auctions, by disbursing up to $20.4 billion over 10 years to continue construction of fixed broadband connections to rural areas. Nearly all RDOF-subsidized projects provide broadband service at speeds of at least 100/20 Mbps, and approximately 85% of them provide download speeds of 1 Gbps, or 1,000 Mbps. Similarly to CAF, RDOF reverse auctions are planned to be conducted in two phases. Phase I ended on November 25, 2020, and awarded $9.2 billion over a 10-year period to various ISPs, including electric cooperatives, satellite operators, telephone companies, cable operators, and wireless providers. Phase II will award an additional $11.2 billion to rural areas using more granular and accurate broadband deployment mapping. Initiation of the Phase II reverse auction is tentatively pending the FCC's completion of its broadband coverage map to guide Phase II eligibility.

FCC – Emergency Broadband Benefit

Through a $3.2 billion appropriation under the Consolidated Appropriations Act (CAA) of 2021, the Emergency Broadband Benefit (EBB) provides a discount of up to $50 per month for broadband services to eligible lower income individuals and individuals living on tribal land. Additionally, it provides a one-time discount of up to $100 for a new device. The FCC reimburses participating ISPs for applying discounts given to eligible households. To qualify for the subsidy, households must be eligible for the FCC's Lifeline program, have an income of 135% of the federal poverty level or below, or be eligible for various other federal assistance programs, including Medicaid, food stamps/SNAP, Supplemental Security Income, free or reduced lunch, the Pell grant, or any non–COVID-19–related public assistance in the last 12 months. Households also may be eligible if they have experienced substantial documented loss of income or work in 2020. Program participation remains open indefinitely, and the FCC is actively conducting awareness outreach for the program benefit. Discounts will be provided until the $3.2 billion is spent. An extension of the EBB is included in the IIJA and is described further below.

FCC – Emergency Connectivity Fund

The Emergency Connectivity Fund (ECF) was created and funded with $7.2 billion in ARPA. It provides grants to public and private schools and libraries to support remote learning needs following the outbreak of COVID-19. Grants may be used for laptops, tablets, modems, routers, and broadband Wi-Fi services, which can be taken home or off-campus by students, school staff, and library patrons. The application deadline for ECF funding was October 13, 2021. Funding is being awarded in waves, and the most recent funding was issued with the fifth wave. Applicants do not have to reapply for each wave to be eligible for future awards. Funding will cover purchases made through the end of the 2022 school year, or June 30, 2022. As of November 23, 2021, the FCC has committed to funding $3.2 billion total and $101.5 million to Michigan.

USDA – Reconnect

The Reconnect Program, also known as the Rural eConnectivity Program, was created and funded by the CAA of 2018. The program provides grants, loans, and combinations of grants and loans for costs of construction, improvement, and acquisition of facilities and equipment to extend fixed, terrestrial broadband service into rural areas. $350.0 million is available for 100% grants, $250.0 million for 50% loan/grant combinations, $200.0 million for 100% loans, and $350.0 million for 100% grants for tribal governments and socially vulnerable communities. The program aims to promote private sector investment in broadband network infrastructure that will serve rural communities and businesses. Eligible recipients include private businesses, cooperatives, mutual associations, state and local governments, and tribes. Reconnect recipients cannot have received funding for broadband from other FCC broadband programs.

Reconnect has received three appropriations since its creation in 2018. CAA of 2018 provided $600.0 million as the first round of funding to the program, followed by $550.0 million under CAA of 2019 and $100.0 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136). The application period for the third round of funding opened on November 24, 2021, and will close on February 22, 2022. This application period makes available an additional $1.9 billion appropriated under the IIJA, which is described further below. Of the $32.9 million awarded to Michigan companies, $29.3 million has been given as a 50% loan/50% grant to four recipients, with the

remainder given as a grant to one recipient. An extension of the Reconnect Program is proposed under the IIJA and is described below.

Commerce – Broadband Infrastructure Program

The Broadband Infrastructure Program (BIP), administered by the National Telecommunications and Information Administration (NTIA), was one of three major programs under the U.S. Department of Commerce that were appropriated funding under the CAA of 2021. The program was funded with $288.0 million to award competitive grants for partnerships between a state (or one or more political subdivisions of a state) and ISPs of fixed broadband to support broadband infrastructure deployment to areas lacking broadband service. Eligible recipients include both state and local governments. The program's application window closed on August 17, 2021, and awardees are anticipated to be announced on a rolling basis as applications go through the NTIA review process. By August 24, 2021, the NTIA had received over 230 applications requesting more than $2.5 billion. Awards to states are subject to state appropriations.

Commerce – Tribal Broadband Connectivity Program

The Tribal Broadband Connectivity Program directs $980.0 million, appropriated under the CAA of 2021, to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion efforts. Eligible recipients include tribal governments, organizations, colleges and universities, and the Department of Hawaiian Homelands. Eligible grant expenditures cover a wide range of broadband-related costs, including infrastructure development, planning, adoption, digital literacy, devices, mapping, and research. The application period ended September 1, 2021, resulting in 280 applications totaling over $5.0 billion in requested funds. The first awards, totaling $1.4 million, were announced on November 16, 2021, and additional awards will be announced on a rolling basis as applications go through the NTIA review process. A $2.0 billion extension of the Tribal Broadband Connectivity Program was included in the IIJA.

Commerce – Connecting Minority Communities Pilot Program

The Connecting Minority Communities Pilot Program was appropriated $268.0 million under the CAA of 2021 to issue grants to Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions. Funding may be used to purchase internet service, equipment, and devices and for staffing information technology personnel to support education, remote learning, and operating minority-owned businesses and non-profit organizations. The application deadline was December 1, 2021.

Treasury – Capital Projects Fund

Under ARPA, Congress appropriated $10.0 billion for the Coronavirus Capital Projects Fund (CCPF). The CCPF provides funding to address challenges from the COVID-19 pandemic, particularly in rural areas, tribal communities, and low- and moderate-income communities, to help ensure that communities have access to infrastructure needed to access critical services, including broadband. Money is to be made available for all capital project types, but an emphasis will be placed on broadband infrastructure. Broadband network projects require minimum operating speeds of 100/100 Mbps. Projects may also offer assistance with the purchase of devices and Wi-Fi equipment to enhance

broadband adoption and to reduce affordability as a connectivity barrier. Eligible recipients include states, territories and freely associated states, and tribal governments. Awards to states are subject to state appropriations.

Michigan's formula share of the funding is $250.6 million, with 5% of that, or $12.5 million, available to support program administrative and implementation costs and $238.1 million allocated for rural broadband infrastructure and connectivity projects. Applicants must have requested funding by December 27, 2021, and a grant plan for proposed spending must be submitted by September 24, 2022. All funds must be expended by December 31, 2026.

Treasury – Coronavirus State and Local Fiscal Recovery Funds

Authorized by ARPA, state and local recovery funds are intended to provide flexible funding for economic relief to support COVID-19 response efforts, replace lost revenue for state and local governments, and provide economic stabilization for households and businesses. These funds can be used for a broad range of projects and infrastructure investment, including broadband. A total of $353.6 billion was provided nationwide for both states and local governments and is allocated directly to these units by formula. Eligible recipients include states, counties, cities, townships, and territorial and tribal governments. Michigan's formula share is $6.5 billion available to state government, $1.8 billion allocated to 49 Michigan cities and townships, $1.9 billion allocated to all 83 Michigan counties, and $644.0 million to other villages, cities, and townships referred to as non-entitlement units of local government. Broadband infrastructure investments will focus on areas lacking 25/3 Mbps broadband service speeds, and the creation of networks with 100 Mbps to 1Gbps speeds is emphasized. Flexibility in eligible expenditures also allows funds to support broadband adoption, digital literacy, public connectivity, skills training, and purchases of devices.

INFRASTRUCTURE INVESTMENT AND JOBS ACT BROADBAND FUNDING

The IIJA, signed into law on November 15, 2021, provided a significant influx in funding, totaling $64.4 billion over the next five years, for broadband expansion, access, adoption, and equity. Funding is allocated to four new programs authorized by the IIJA and to the four existing programs described above. In addition to extending existing grants to ISPs, the new programs allocate funding directly to states, tribal governments, local governments, and community organizations. Three of the new programs will be administered by the NTIA under the U.S. Department of Commerce. Details of broadband funding programs found in the IIJA are provided below.

Commerce – Broadband Equity, Access, and Deployment State Grants

The largest broadband funding component in the IIJA is an appropriation of $42.5 billion for the newly created Broadband Equity, Access, and Deployment State Grants. These grants will provide each state with a minimum of $100.0 million. Remaining funds will be allocated by formula according to the number of unserved or high-cost locations in each state. These locations are identified as areas without at least 25/3 Mbps broadband service and will be identified upon completion of broadband data maps currently under development by the Broadband Data Collection program of the FCC. States must use the funding only to issue competitive subgrants to extend broadband into unserved and underserved areas, connecting community anchor institutions (which includes public housing organizations or community support organizations), mapping and planning, infrastructure for multi-family residential buildings, and broadband adoption. States must require subgrantees to provide matching funds of 25% of the project

costs. Match requirements may be waived in high-cost areas. The NTIA must issue a Notice of Funding Opportunity by May 14, 2022. Funding is available until expended. Federal funding is subject to state appropriation.

Commerce – State Digital Equity Capacity Grants

Within the IIJA is Title III – Digital Equity Act of 2021, which creates two broadband grant programs focused on adoption. The first is the State Digital Equity Capacity Grant (SDECG) program, which provides $1.5 billion in grants to states, territories, and tribes over five years, from FY 2022-23 through FY 2026-27, for promoting digital equity and inclusion. $300.0 million would be available to be allocated among states each fiscal year to implement a State Digital Equity Plan, with $60.0 million in the first year's amount reserved exclusively for state planning purposes. Funding will be allocated to states by formula, with a minimum of $15.0 million provided for each fiscal year plus additional amounts according to the following criteria:

- 50% based on the proportion of the state's population to the total population of eligible states.
- 25% based on the proportion of the state's population of individuals who are members of covered populations to the total national covered population.
- 25% based on the comparative lack of availability and adoption of broadband in the state in proportion to all eligible states.

State plans may be administered by the state or by a variety of other public and private entities that have demonstrated a capacity to administer the program on a statewide level. States must develop a State Digital Equity Plan, which must identify barriers to digital equity, including measurable objectives for promoting affordability and accessibility of broadband, among other objectives. Michigan's Executive Directive 2021-12 requires state entities to collaborate with the Michigan Office of High-Speed Internet to develop a digital equity plan.

Covered populations served by grants include households with incomes of up to 150% of the federal poverty level, those aged 60 or older, those belonging to ethnic or racial minorities, veterans, residents of rural areas, and individuals with language barriers, among others. Federal funding is subject to state appropriation. States must submit applications within 60 days after the NTIA releases the Notification of Funding Opportunity.

Commerce – Digital Equity Competitive Grants

The second program created under Title III of the IIJA is the Digital Equity Competitive Grants program, which provides $1.3 billion to supplement the goals of the SDECG program through competitive grants to tribes, foundations, nonprofits, libraries, community institutions, education agencies, and workforce development agencies. The grants must be awarded no later than 30 days after the first SDECG grants are awarded. Approval of grant funding is conditioned on applicants not being recipients of SDECG funding and a 10% matching fund requirement. Similarly to the SDECG, funding will cover a five-year period, from FY 2022-23 through FY 2026-27, with $250.0 million available to be distributed to successful applicants each fiscal year. Judging will be based on the extent to which applicants are able to increase broadband access to covered populations defined under the Digital Equity Act of 2021, the geographical diversity of the proposed project area, and whether they avoid duplication of other programs. The application due date will be determined by the NTIA.

FCC – Middle Mile Grants

The Middle Mile Grants program will provide $1.0 billion over five years, from FY 2022-23 through FY 2026-27, to issue competitive grants to states, local governments, and other entities to fund expansion of technology-neutral broadband infrastructure that does not connect directly to end-user locations. The grants are intended to reduce the cost of connecting underserved areas and to promote broadband connection resiliency through the creation of alternative network connection paths that can prevent single points of failure on a broadband network. Grants will be selected based on applicants' prioritization of connecting middle mile infrastructure to last mile infrastructure that provides services to households in areas without 25/3 Mbps broadband service. Priority also will be given to applicants that leverage existing rights-of-way assets to minimize financial, regulatory, and permit challenges. Grants must not exceed 70% of the total project costs. The application due date will be set by the FCC.

FCC – Affordable Connectivity Fund

The second-largest appropriation under the IIJA renames the EBB program described above to the Affordable Connectivity Fund and provides an additional $14.2 billion to subsidize broadband services and equipment to qualifying households. Funding will remain available until expended, effectively establishing the program as a long-term or permanent program. The program extension under the IIJA will reduce the household subsidy benefit for broadband service from $50 to $30 but will also expand household eligibility by increasing the qualifying income threshold from 135% of the federal poverty level to 200%. The new guidelines will take effect on December 31, 2021. Recipients of the benefit will continue to receive the original subsidy under the EBB until March 1, 2022.

Commerce – Tribal Broadband Connectivity Fund Extension

The IIJA provides an additional $2.0 billion for deposit into the Broadband Connectivity Fund for grants to the Tribal Broadband Connectivity Program created under the CAA of 2021 and described above. The NTIA will notify all eligible entities of additional funding.

USDA – Reconnect

The IIJA provides an additional $1.9 billion to the Rural Utilities Services under the USDA for the Reconnect program funded in previous years through the CARES Act and annual appropriation acts, for broadband deployment in rural areas, as described above. Stipulations in the IIJA for the additional Reconnect funding will broaden eligibility requirements for the program by allowing funds to go to areas where at least 50% of households do not have access to 25/3 Mbps broadband service, whereas prior program requirements had restricted funding to areas where at least 90% of households did not have access to 10/1 Mbps broadband service. Of the funding amount, 90%, or $1.7 billion, will go to projects that provide service of at least 100/20 Mbps, to the extent possible, and 10%, or $192.6 million, will be set aside for grants under the prior program service requirements.

USDA – Rural Broadband Access Loan and Loan Guarantee

Of the $2.0 billion total appropriated in the IIJA to the USDA, $74.0 million is provided to the Rural Broadband Access Loan and Loan Guarantee program originally established under the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) and modified twice since its creation. The program provides grants, loans, and loan guarantees to

constructing and acquiring facilities and equipment for broadband service in rural areas. Funding priority is given to projects in unserved areas that do not have access to 10/1 Mbps broadband service and to communities with fewer than 10,000 permanent residents. Projects must achieve a minimum acceptable service speed of 25/3 Mbps. Funding is to remain available until expended. Eligible recipients include state, local, and tribal governments and their subdivisions.

PROGRAM SUMMARIES

The following table shows available state and federal funding for each broadband program listed above with key details, dates, and state appropriation requirements.

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
STATE PROGRAMS					
Connecting Michigan Communities (CMIC)	$0	$34,305,000	**Description:** Extends broadband service into unserved areas through grants to service providers. **Authorization:** 2018 PA 618; 2020 PA 166 **Department/Administrator:** DTMB **Notes:** Initial recommendations for remaining funding will be announced February 2022. Final grant awards will be announced May 2022. **Website:** Homepage can be found here.	11/15/2021	Yes
Broadband Expansion Act of Michigan (BEAM)	$0	$0	**Description:** Extends broadband service into unserved areas through grants to service providers. **Authorization**: 2020 PA 224 **Department/Administrator:** DTMB **Notes:** Codifies boilerplate authorization of CMIC in statute. Has not yet received an appropriation. Statute authorizes receipt of federal revenues.	NA	Yes
Michigan High-Speed Internet Office	$0	$0	**Description:** Serves as a coordinating entity for state departments and agencies to promote the advancement of broadband connectivity projects and as a state single point of contact for ISPs and the public. **Authorization**: Executive Directive 2021-2 **Department/Administrator:** LEO **Notes:** Establishment of the High-Speed Internet Office makes Michigan one of 30 states with a dedicated state broadband office. **Website:** Homepage can be found here.	NA	NA

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
FEDERAL PROGRAMS					
Connect America Fund	Phase I $438,307,800	$10,229,600	**Description:** Expands access to voice and broadband service for areas where they are unavailable through grants to service providers.	NA	No
	Phase II $1,488,329,900	$33,892,000	**Department/Administrator:** FCC/Universal Service Administration Company **Notes:** Final CAF Phase II awardees announced in 2018. 100% of network deployments must be completed within six years of receiving the award. **Websites:** Information on CAF Phases I and II can be found at the links below: CAF Homepage CAF Phase I Auction Results by State CAF Phase II Home Page CAF Phase II Auction Results by State and County		
Alternative Connect America Cost Model	$5,567,000,000	$52,981,000 (Estimated annual payments)	**Description:** Subsidizes smaller "rate-of-return" carriers to establish rural networks of at least 10/1Mbps and 25/3Mbps service speeds through fixed payments over 10 years. **Department/Administrator:** FCC/Universal Service Administration Company **Notes:** Initial ACAM funding period ends in 2026 with Revised ACAM and ACAM II ending in 2028. Benchmarks require certain percentages of network completion to be achieved by certain times throughout the 10-year period. **Websites:** Information on ACAM can be found at the links below: ACAM Webpage Revised ACAM Webpage ACAM II Webpage	7/17/2019 for ACAM II Election	No

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Rural Development Opportunity Fund	$20,400,000,000	$362,985,100	**Description:** Extension of the Connect America Fund, issues grants through a reverse auction to service providers to construct rural broadband networks. **Department/Administrator:** FCC/Universal Service Administration Company **Notes:** Phase I action period ended in November 2020, awarding $9.2 billion. $11.2 billion remains to be awarded in Phase II, which will be initiated upon completion of updated FCC service mapping. **Websites:** Information on RDOF can be found at the links below: RDOF Homepage RDOF Phase I Results by State and County	Phase II Pending	No
Emergency Broadband Benefit	$3,200,000,000	$139,863,000 (Estimate as of 10/3/21)	**Description:** Provides a discount of up to $50 per month for broadband services to eligible lower income individuals and individuals living on tribal land. Additionally it provides a one-time discount of up to $100 for a new device. **Authorization:** CAA of 2021 **Department/Administrator:** FCC/Universal Service Administration Company **Notes:** Reimbursements are distributed to ISPs according to household participation. FCC is conducting awareness outreach to increase participation. Benefits are available until funds are expended. An additional $14.2 billion was appropriated for the program under the IIJA and is described below. **Websites:** Information on the EBB can be found at the links below: Homepage Enrollment Date by State and Zip Code	Ongoing	No

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Emergency Connectivity Fund	$7,170,000,000	$101,512,400 (As of 11/23/21)	**Description:** Provides funding to schools and libraries to support the costs of laptops and tablets, Wi-Fi hotspots, routers, modems, and broadband internet connections. **Authorization**: ARPA **Department/Administrator:** FCC/Universal Service Administration Company **Notes:** Grants will continue to be awarded on a rolling basis as applications are reviewed. Funds will cover expenses incurred up to June 30, 2022. **Websites:** Information on ECF can be found at the links below: ECF FAQ Funding Commitments by State Awardee Details by Location and Purpose	10/13/21	No
Reconnect (Rural e-Connectivity)	$1,250,000,000	$32,890,100	**Description:** Provides grants, loans, and combinations of 50% grants/loans to facilitate broadband deployment in rural areas that currently do not have sufficient access to broadband. **Authorization**: CAA of 2018; CAA of 2019; CARES Act **Department/Administrator:** USDA/Rural Utilities Service **Notes:** Michigan has received $3.6 million awarded as a 100% grant and $29.3 million as 50% grant/loan combinations. Reconnect received an additional $1.9 billion in the IIJA, summarized below. Grants will continue to be awarded until funds are expended. **Websites:** Information on Reconnect can be found at the links below: Homepage 2019 Awardees 2020 Awardees	2/22/22	No

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Broadband Infrastructure Program	$288,000,000	Applicant-dependent	**Description:** Supports partnerships between a state, or one or more political subdivisions of a state, and providers of fixed broadband service to support broadband infrastructure deployment to areas lacking broadband, especially rural areas. **Authorization**: CAA of 2021 **Department/Administrator:** Department of Commerce/NTIA **Notes:** Award announcements planned for November 29, 2021, have been delayed, likely due to the high volume of requests, totaling over $2.5 billion. Announcements are expected to be made in the near future. **Website:** Homepage can be found here.	8/17/21	Yes
Tribal Broadband Connectivity Program	$1,000,000,000	Applicant-dependent	**Description:** Directs funds to tribal governments to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion. **Authorization**: CAA of 2021 **Department/Administrator:** Department of Commerce/NTIA **Notes:** The first awards were announced on November 14, 2021 and totaled $1.4 million. Additional awards announcements will be made on a rolling basis as applications are reviewed. The program received an additional $2.0 billion under the IIJA, included below. **Website:** Homepage can be found here.	9/1/21	No

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Connecting Minority Communities Pilot Program	$268,000,000	Applicant-dependent	**Description:** Provides grants to Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions for the purchase of broadband internet access service and eligible equipment or to hire and train information technology personnel. **Authorization**: CAA of 2021 **Department/Administrator:** Department of Commerce/NTIA **Notes:** Applications are currently being reviewed and no awards have yet been announced. **Website:** Homepage can be found here.	12/1/21	No
Capital Projects Fund	$10,000,000,000	$250,630,300	**Description:** Provides funds to address challenges from the pandemic, especially for rural communities, tribal communities, and low- and moderate-income communities, helping to ensure that all communities have access to the high-quality modern infrastructure, including broadband, needed to access critical services. **Authorization**: ARPA **Notes:** Money is to be made available for all capital project types but an emphasis will be placed on broadband infrastructure. States must submit funding requests to the U.S. Treasury by December 27, 2021 and submit a grant plan by September 24, 2022, outlining the proposed use of funds. **Websites:** Information on Capital Projects Fund can be found at the links below: Homepage Guidance for States	12/27/21 for states 6/1/22 for tribal govts.	Yes

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Coronavirus State and Local Recovery Funds	$195,300,000,000 State Fiscal Recovery Funds	$6,540,417,600	**Description:** Provides resources for various purposes, including broadband expansion and accessibility, to address the economic fallout of the pandemic and contribute to economic recovery.	Will be delivered in two tranches between May 2021 and May 2022	Yes
	$130,200,000,000 Local Fiscal Recovery Funds	$4,404,825,000	**Authorization:** ARPA **Department/Administrator:** U.S. Treasury **Notes:** Funding available for broad purposes related to economic recovery from the COVID-19 pandemic, including broadband projects. HB 4420 proposes appropriating $150.0 million in State Fiscal Recovery Funds to the state broadband grant program, BEAM, but has not been enacted. **Websites:** Information on State and Local Fiscal Recovery Funds can be found at the links below: Program homepage State of Michigan page		
INFRASTRUCTURE INVESTMENT AND JOBS ACT FUNDING					
Broadband Equity, Access, and Deployment State Grants	$42,450,000,000	$100,000,000 plus formula allocation yet to be determined	**Description:** Provides funding to states to issue competitive subgrants to extend broadband into unserved and underserved areas, connecting community anchor institutions, mapping and planning, infrastructure for multi-family residential buildings, and broadband adoption. **Department/Administrator:** Department of Commerce/NTIA **Notes:** Announcement of grant awards are pending the completion of updated broadband service mapping by the FCC.	Pending completion of updated mapping	Yes
State Digital Equity Capacity Grants	$1,500,000,000	$15,000,000 minimum per year over five years plus formula allocation yet to be determined	**Description:** Provides grants to states, territories, and tribes over five years, from fiscal years 2023 through 2027, for promoting digital equity and inclusion. **Department/Administrator:** Department of Commerce/NTIA **Notes:** Requires states to develop a digital equity plan. Executive Directive 2021-12 requires completion of a state digital equity plan.	Not later than 60 days after Notification of Funding Opportunity	Yes

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	State			
Digital Equity Competitive Grants	$1,250,000,000	Applicant-dependent	**Description:** Competitive grants to supplement the goals of the State Digital Equity Capacity Grants through grants to tribes, foundations, nonprofits, libraries, community institutions, education agencies, and workforce development agencies. **Department/Administrator:** Department of Commerce/NTIA **Notes:** Entities may not receive a grant if they are administrators of a State Digital Equity Capacity Grant.	TBD	No
Middle Mile Grants	$1,000,000,000	Applicant-dependent	**Description:** Provides $1.0 billion over five years to issue competitive grants to states, local governments, and others to fund expansion of costly broadband infrastructure that does not connect directly to end-user locations. Award selection will emphasize resilient networks not reliant on a single transport route. **Department/Administrator:** Department of Commerce/NTIA **Note:** Only one grant cycle anticipated.	TBD	Yes
Affordable Connectivity Fund	$14,200,000,000	Applicant-dependent	**Description:** Extends and renames the Emergency Broadband Benefit Program described above. **Department/Administrator:** FCC/Universal Service Administration Company **Notes:** This program extension will reduce the household subsidy benefit from $50 to $30 but expand household eligibility by increasing the qualifying income threshold from 135% of the federal poverty level to 200%. **Websites:** Information on the EBB can be found at the links below: Homepage Enrollment Date by State and Zip Code	Ongoing until funds are expended	No

Program	Funding Amount		Summary	Application Deadline	State Appropriation
	Federal	**State**			
Tribal Broadband Connectivity Fund	$2,000,000,000	Applicant-dependent	**Description:** Directs funds to tribal governments to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion. **Department/Administrator:** Department of Commerce/NTIA **Notes:** Established previously under the CAA of 2021 with $1.0 billion. The first awards, totaling $1.4 million, were announced on November 14, 2021. Additional award announcements will be made on a rolling basis as applications are reviewed. **Website:** Homepage can be found here.	TBD	No
Reconnect (Rural e-Connectivity)	$1,926,000,000	Applicant-dependent	**Description:** Provides grants, loans, and combinations of 50% grants/loans to facilitate broadband deployment in rural areas that don't currently have sufficient access to broadband. **Department/Administrator:** USDA/Rural Utilities Service **Notes:** Stipulations in the IIJA for the additional Reconnect funding will broaden eligibility requirements for the program and increase the service speed requirement to 100/20 Mbps. **Websites:** Information on Reconnect can be found at the links below: Homepage 2019 Awardees 2020 Awardees	TBD	No
Rural Broadband Access Loan and Loan Guarantee	$74,000,000	Applicant-dependent	**Description:** Provides grants, loans, and loan guarantees to constructing and acquiring facilities and equipment for broadband service in rural areas. **Department/Administrator:** USDA/Rural Utilities Service **Notes:** Originally established under Farm Security Act of 2002 and modified twice since then. **Website:** Homepage be found here.	TBD	Yes
Total IIJA Investment	**$64,400,000,000**				