

2022 Broadband Grants Report



Submitted by the State Broadband Office pursuant to the 2021-2023 State Capital Budget, Laws of 2021, Chapter 332 (HB 1080, Section 1086(4))

Acknowledgments

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Executive summary

Authorizing legislation

The 2021-2023 State Capital Budget, Chapter 332, Laws of 2021 ([HB 1080](#), Sec. 1086(4)), directs the State Broadband Office to report on infrastructure grants awarded in the previous fiscal year. It states:

By January 30, 2022, and January 30, 2023, the statewide broadband office must develop and submit a report regarding the grants established in subsections (2) and (3) of this section to the office of financial management and appropriate fiscal committees of the legislature. The report must include:

- (a) The total number of applications and amount of funding requested;
 - (b) A list and description of projects approved for grant funding in the preceding fiscal year;
 - (c) The total amount of grant funding that was disbursed during the preceding fiscal year;
 - (d) The total amount of funds obligated and timing of when the funds were obligated in the preceding fiscal year;
- and
- (e) For projects funded in the prior biennium, the outcomes achieved by the approved projects.

Overview

The State Broadband Office (Office) was established in 2019 through Chapter 365, Laws of 2019 ([SB 5511](#)). In establishing the Office, the Legislature found that increasing broadband access to unserved areas of the state serves a fundamental governmental purpose and that achieving affordable and quality broadband access for all Washingtonians requires additional and sustained investment. The Office has served as the central broadband planning body for the state since its creation.

In 2021, the governor and the Legislature entrusted the Office with administering more than \$326 million in broadband infrastructure grants appropriated in the 2021-2023 State Capital Budget. These funds include:

- **Grants to qualifying broadband infrastructure projects** — \$276 million, with \$260 million from the Coronavirus State Fiscal Recovery Fund and \$16 million from the Coronavirus Capital Projects Account.
- **Grants to eligible applicants as match to leverage federal broadband infrastructure funding** — \$50 million from the State Building Construction Account. The Office is not matching other state resources from the Office, Community Economic Revitalization Board, Public Works Board or any other state-administered federal programs.

With this budget appropriation, the Office has undertaken a new role to develop and implement broadband funding programs. Since the conclusion of the 2021 legislative session, the Office has focused on developing internal staff capacity, facilitating community-based project partnerships and working closely with diverse stakeholder groups to administer these funds successfully. Based on the authorizing legislation, the new authority provided and the timing of the appropriation, the Office did not make grant awards in the preceding fiscal year. This report will summarize key findings, the Office's capital programs, and applications received and conditional awards made in the current fiscal year.

Key findings

- There is significant demand for broadband infrastructure funding, and communities are ready to champion projects.
 - The Office received 53 pre-applications requesting more than \$415 million (a \$3 demand for every \$1 available) in the first phase of the Broadband Infrastructure Acceleration Grant program, which opened in fall 2021. The volume of requests shows the need and interest in expanding access to broadband service throughout the state.
- Supporting local efforts to create public-private partnerships is essential.
 - Relationships between service providers and community leaders are key to designing broadband service solutions. One model for convening these conversations is the Broadband Action Team (BAT). There are BATs serving residents and businesses across the state who lack access to high-speed internet connectivity, internet-capable devices and the digital skills to use them.
- Beyond the physical infrastructure, service must be accessible to end users.
 - Constructing infrastructure alone is not enough, if the intended customers cannot afford to use the service or lack digital literacy skills or devices to access it. When awarding grant funds, the Office evaluates end-user affordability and supports digital equity efforts by providers and community-based organizations.

2021-2023 project awards to date

In January 2022, the Office announced grantees for the first round of funding for the Infrastructure Acceleration Grant awards. From 36 applications requesting \$415 million, the Office awarded 13 projects a total of \$145 million. Table 1 and the map below outline award details.

Table 1: 2021-2023 project awards to date

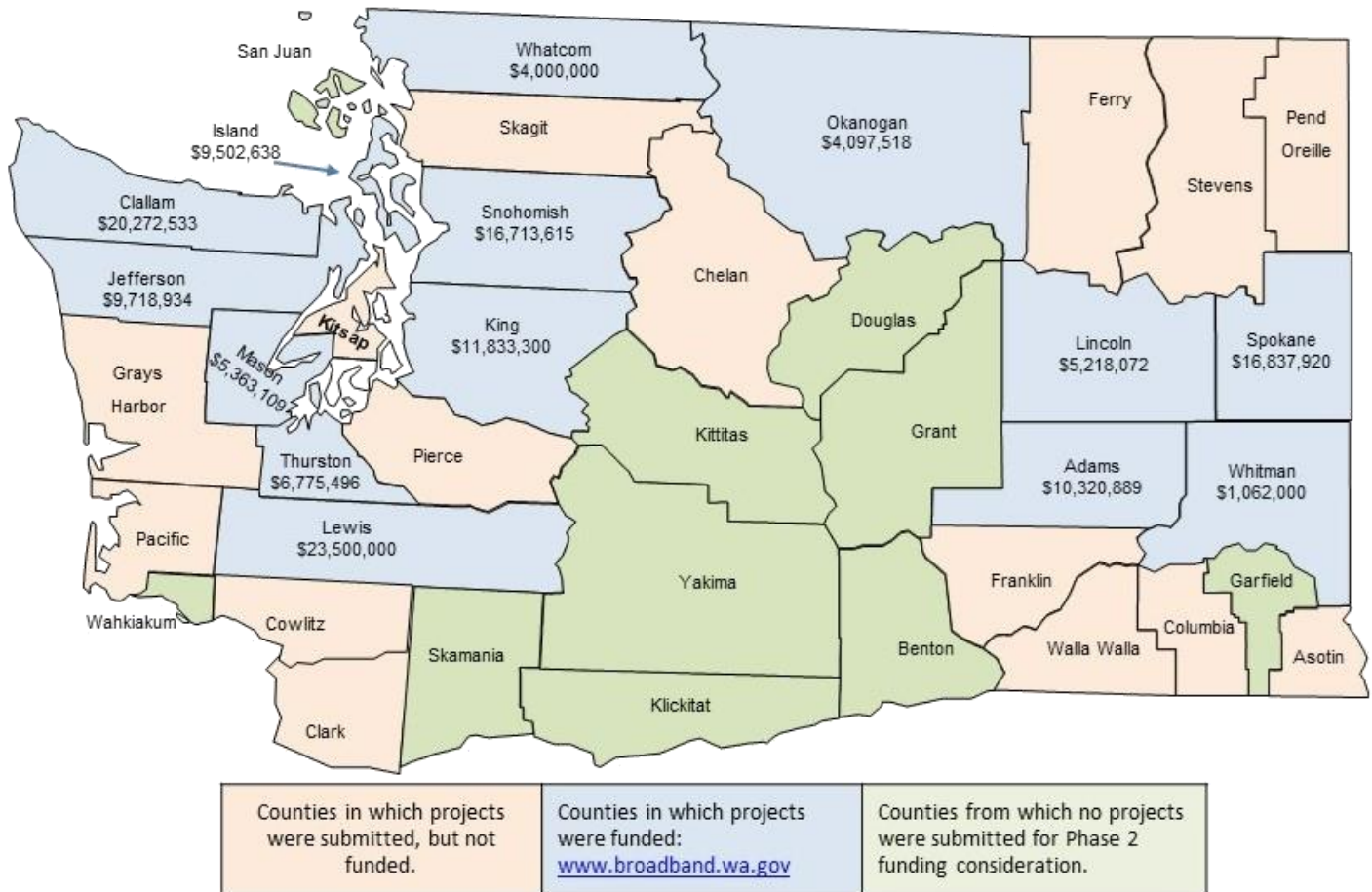
Organization name	Proposal title	Requested amount	Total project cost	Project description
Adams County	Adams WSBO Grant	\$10,320,889	\$11,467,654	Provide last-mile connections to every premise in Lind, Ritzville, Washtucna, and two neighborhoods on the outskirts of Othello.

Organization name	Proposal title	Requested amount	Total project cost	Project description
Clallam County	Clallam County Broadband Project	\$20,272,533	\$20,272,533	Construct broadband infrastructure from Highway 101 along Highway 112 through Joyce; will connect Crescent School District, North Olympic Library System, Clallam County Emergency Management, Forks Community Hospital, and many small businesses.
Confederated Tribes of the Colville Reservation	Confederated Tribes of the Colville Reservation Broadband Acceleration Project	\$4,097,518	\$4,507,274	Provide service to the Swawilla Basin, Keller Ferry, Admin Hill, Sugarloaf, Nespelem, and the Twin Lakes residences in Inchelium.
King County	King County WSBO Grant 2021	\$11,833,300	\$13,148,110	Provide fiber to the greater Duvall area of unincorporated King County.
Lewis County	Lewis County Broadband Expansion	\$23,500,000	\$23,500,000	Provide fiber to Winlock and surrounding areas.
Lincoln County	Connecting Lincoln County	\$5,218,072	\$5,218,072	Provide service to Sprague, Reardan, Odessa, and between the Creston and Hawk Creek areas.
Nisqually Indian Tribe	Nisqually Thurston County OAN Phase II	\$6,775,496	\$6,775,495	Create an Open Access Network in the unincorporated areas of Rochester, Littlerock and Gate in southern Thurston County.
Port of Bellingham	Whatcom County Broadband Project	\$4,000,000	\$5,845,544	Provide fiber to areas east of Ferndale.
Port of Whitman County	Port of Whitman County Broadband Project	\$1,062,000	\$1,329,500	Provide service to unincorporated communities Diamond and Steptoe.
Public Utility District No. 1 of Jefferson County	Jefferson North Fiber Projects	\$9,718,934	\$11,434,040	Phase 3 of 4 to bring fiber to rural areas surrounding Port Townsend and on Marrowstone Island.

Organization name	Proposal title	Requested amount	Total project cost	Project description
Snohomish County	Snohomish County and Ziply Fiber NW, LLC - SR 530 Project	\$16,713,615	\$27,582,318	Provide fiber along State Route 530 from Arlington to Darrington. This is the same area as the 2014 Oso slide.
Spokane Tribe of Indians	The Spokane Tribe Broadband Acceleration Project	\$16,837,920	\$18,686,910	Provide service on the Spokane Reservation from Wellpinit to Chewelah, including the towns of Ford, Wellpinit and Fruitland.
Washington Independent Telecommunications Association	WITA Member Application	\$14,865,747	\$16,517,496	Provide fiber to homes in rural parts of Mason County and Whidbey Island.
Total funding		\$145,216,024	\$166,284,946	

Washington State Broadband Office – Fall 2021 Acceleration Grants

Investing \$145,216,024 in 13 Projects across 14 counties



Background

The 2021-2023 State Capital Budget (HB 1080, Sec. 1086) appropriated the Office \$276 million in federal funding from the Coronavirus State Fiscal Recovery Fund (CSFRF) and the Coronavirus Capital Projects Fund (CCPF) to create the Broadband Infrastructure Acceleration Grant Program. In addition, \$50 million in State Building Construction Account funds was appropriated to the Office to provide matching grants to leverage other federal funding opportunities.

The statutory purpose ([RCW 43.330.532](#)) of the Office is to:

Encourage, foster, develop, and improve affordable, quality broadband within the state to:

- (a) Drive job creation, promote innovation, improve economic vitality, and expand markets for Washington businesses;
- (b) Serve the ongoing and growing needs of Washington's education systems, health care systems, public safety systems, transportation systems, industries and business, governmental operations, and citizens; and
- (c) Improve broadband accessibility for unserved communities and populations.

State speed goals for broadband service delivery ([RCW 43.330.536](#)) guide the Office in accomplishing this mission:

- (1) By 2024, all Washington businesses and residences have access to high-speed broadband that provides minimum download speeds of at least twenty-five megabits per second and minimum upload speeds of at least three megabits per second;
- (2) By 2026, all Washington communities have access to at least one gigabit per second symmetrical broadband service at anchor institutions like schools, hospitals, libraries, and government buildings; and
- (3) By 2028, all Washington businesses and residences have access to at least one provider of broadband with download speeds of at least one hundred fifty megabits per second and upload speeds of at least one hundred fifty megabits per second.

The authorizing legislation that provided the Office funding and authority to implement capital broadband programs requires service speeds of a minimum of 100 megabits per second (Mbps) download and a minimum 20 Mbps upload. In addition, the federal requirement for eligible projects funded by the American Rescue Plan Act mirrors this requirement and states that speeds be scalable to a minimum of 100 Mbps symmetrical download and upload speeds.

Funding programs summary

Infrastructure Acceleration Grants

The Office is conducting two funding rounds for the \$276 million appropriated under this program, with roughly half of the total funding available in each round. The first funding round for \$145 million opened in fall 2021. The details of these awards can be found in the chart above. The second round, for the remaining \$121.7 million, opens in spring 2022.

Eligible applicants include local governments, federally recognized Tribes, nonprofit organizations and public-private partnerships. Applicants must coordinate with the county or counties in which the project area is located. If the project area is on federally recognized Tribal lands, applicants must coordinate with the Tribe (a letter of

support from the county and/or affected Tribe is required). If there is a Broadband Action Team (BAT) in the project area, a letter of support from the BAT is required.

In the first funding round:

- 53 pre-applications submitted for more than \$415 million in funds
- 46 projects met the minimum threshold criteria and were invited to complete the full application
- 36 full applications received
- 31 of those met minimum threshold requirements
- \$145,216,024 awarded for 14 projects across 13 counties

The budget also designated \$5 million for Equity and Affordability Grants. In the coming months, the Office will develop criteria in consultation with the state Office of Equity and award these funds in the spring 2022 funding round.

See the [full policy guidelines on our website](#) for more information.

Matching grants for federal funding opportunities

The Office opened applications for matching grants for federal broadband infrastructure funding opportunities in fall 2021. We accept applications on an ongoing basis and will evaluate them as they are received. The Office will commit matching grant funds to eligible applicants with projects that secure a federal funding award.

The Office anticipates applicants for the USDA ReConnect Program (ReConnect) will drive demand for matching grant funds. ReConnect applications are open from Nov. 24, 2021-Feb. 22, 2022. ReConnect requires grantees provide a 25% match for 100% grant awards, except for Tribal and socially vulnerable communities. For awards that are 100% loan or a loan and grant combination, there is no match requirement.

Priority will be given to projects that have received funding from the Community Economic Revitalization Board or the Public Works Board for a previous phase of the same or a related project to maximize collaboration with other broadband infrastructure funders.

In addition, the Office applied to the National Telecommunications and Information Administration (NTIA) Broadband Infrastructure Grant Program on behalf of five applicants, and provided grant-writing support to 13 Tribal applications for the NTIA Tribal Broadband Connectivity Program. NTIA will make award decisions on both programs in early 2022.

Table 2: Funding summary

Title	Total appropriation	Applications received	Total amount requested	Total amount funded
Infrastructure Acceleration Grants	\$271 million	Round 1: 53 pre-applications 46 applicants invited to phase 2 36 complete applications received 31 applications met requirements	Round 1: \$415,318,973	Round 1: \$148,616,009
		Round 2: TBD spring 2022	Round 2: TBD spring 2022	Round 2: TBD spring 2022
Matching Grants for Federal Funding Opportunities	\$50 million	NTIA Broadband Infrastructure Grant Program: 5 applications submitted	Round 1: \$3,515,918	Round 2: TBD
		USDA ReConnect: TBD	Round 1: TBD	Round 2: TBD
Equity & Affordability Grants	\$5 million	TBD	TBD	TBD

Federal grant applications

To advance our mission to ensure all Washingtonians have access to high-speed internet service, the Office is seeking and applying for federal funds and helping applicants find federal funding and other grant opportunities for deploying broadband services.

In summer 2021, the NTIA announced two grant application opportunities for broadband infrastructure funding. The Office sought funding on behalf of local projects under both the NTIA Broadband Infrastructure Program and the NTIA Tribal Broadband Connectivity Program.

NTIA Broadband Infrastructure Program

In response to the NTIA Broadband Infrastructure grant announcement, the Office issued a request for information soliciting eligible projects to apply on behalf of the state. The Office submitted a single application requesting \$30 million in grant funding on behalf of the covered partnerships and broadband projects detailed in Table 3, below. The Office committed a portion of the \$50 million funds for this purpose, and we await the NTIA's decision for these projects in early 2022.

Table 3: NTIA application summary

Applicant	Project	Private/ In-kind match	State match proposed	NTIA request	Total funding
Declaration Networks Group, Inc.	Stevens County Broadband Deployment Project	\$602,500	\$0	\$5,422,500	\$6,025,000
City of Ellensburg	Fiber Extension and Fixed Wireless Broadband	\$0	\$0	\$437,573	\$437,573
Hood Canal Communications/ Mason PUD No. 1	Northern Hood Canal Fiber Extension Project to Brinnon	\$489,200	\$2,067,694	\$10,065,349	\$12,622,243
Jefferson County PUD	Olympic Fiber Corridor Project	\$629,085	\$1,448,224	\$10,114,168	\$12,191,477
Ziply Fiber	Connecting Rural Washington Project serving Brewster, Curlew, Danville, Loomis and Tonasket	\$1,306,935	\$0	\$3,960,410	\$5,267,345

Applicant	Project	Private/ In-kind match	State match proposed	NTIA request	Total funding
Total funding		\$3,027,720	\$3,515,918	\$30,000,000	\$36,543,638

NTIA Tribal Broadband Connectivity Program

The Tribal Broadband Connectivity Program offered by the NTIA in summer 2021 provided a unique opportunity for federally recognized Tribes by making \$980 million available for federal assistance. NTIA will allocate up to \$500,000 to any federally recognized Tribe that submitted an application, and additional funding up to \$50 million for broadband infrastructure deployment. The Office invited all the federally recognized Tribes in Washington to consider applying.

We provided Tribes with no-cost grant writing services for their applications with resources allocated in the state operating budget. This outreach resulted in 13 Tribes submitting applications seeking grant funds totaling \$130 million. The NTIA expects to complete its application review process and identify successful applicants in spring 2022.

Appendix: Additional resources

Authorizing Legislation

- [HB 1080 - 2021-2023 State Capital Budget](#)

Broadband Infrastructure Acceleration Grant Program

- [Phase 2 applicants received and project maps](#)
- [Application challenge matrix](#)
- [Phase 2/Round 1 – Application questions](#)
- [WSBO Fall 2021 Acceleration Grant Recipients \(Excel\)](#)