



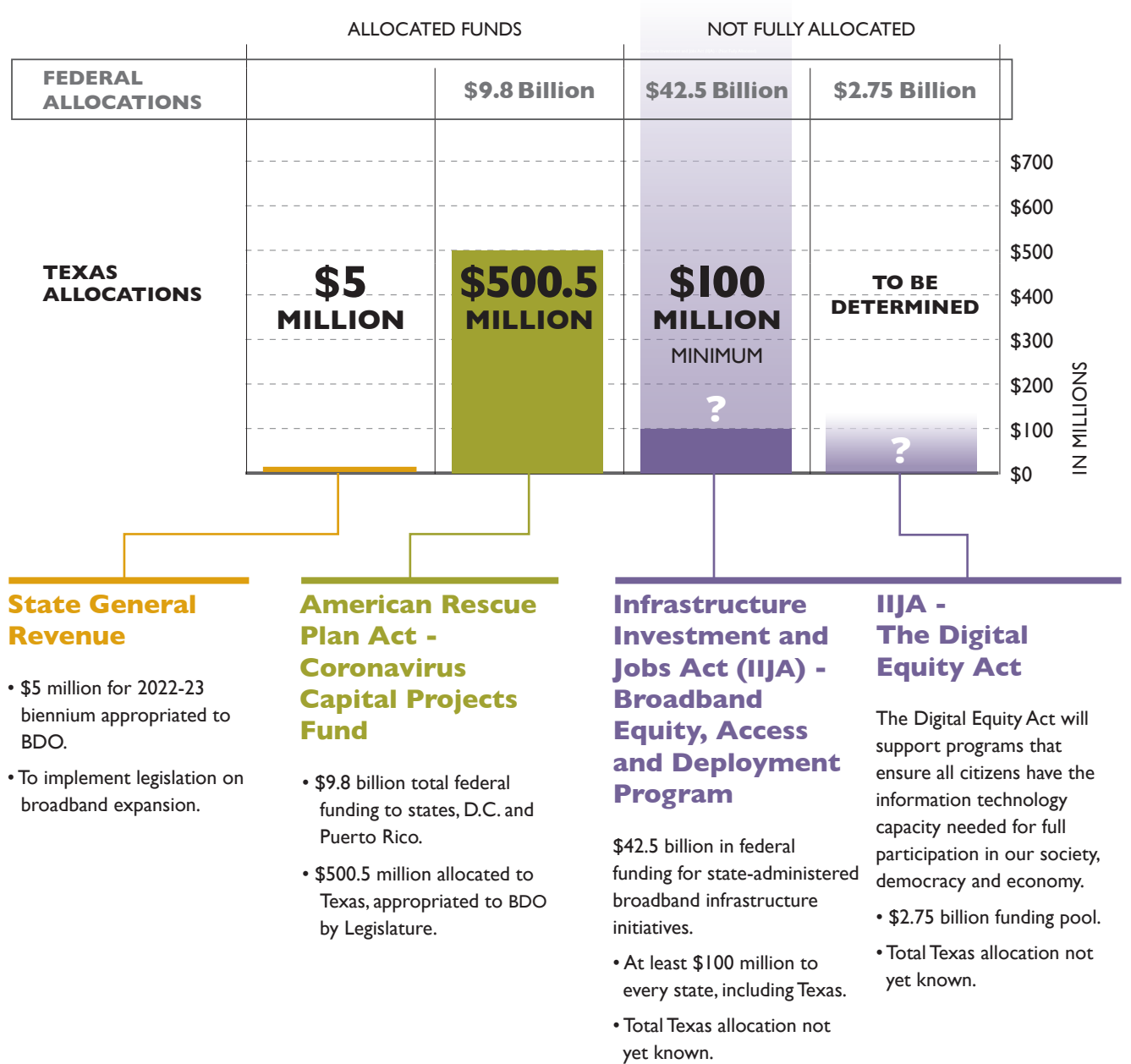
**TEXAS BROADBAND DEVELOPMENT OFFICE**

# FUNDING SOURCES

The **Broadband Development Office (BDO)** is the steward of state and federal dollars intended to close the digital divide by increasing access to reliable, **high-speed internet** in the state. The BDO will award grants, low-interest loans and other financial incentives to internet service providers who expand access in eligible areas. The office is also engaging with communities to address their broadband needs and is a resource for local governments seeking information on funding opportunities.

By early October 2022, the BDO expects to have the process ready for accepting applications and making initial financial awards.

[BroadbandForTexas.com](https://BroadbandForTexas.com)

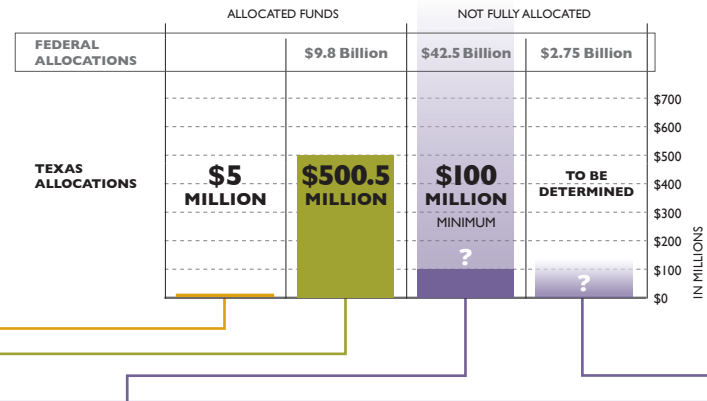


SEE NEXT PAGE FOR MORE DETAILED INFORMATION.



## FUNDING SOURCES

BroadbandForTexas.com



### State General Revenue

- Senate Bill (SB) 1, Sec 18.01 - Contingency for House Bill 5, 87th Legislature, Regular Session.
- \$5 million for 2022-23 biennium appropriated to BDO.
- Develop and publish the state broadband plan, create the broadband development program, establish a broadband availability map and engage in stakeholder outreach.

### American Rescue Plan Act - Coronavirus Capital Projects Fund

- Administered by U.S.Treasury.
- \$9.8 billion total federal funding to states, D.C. and Puerto Rico.
- \$500.5 million allocated to Texas, appropriated to BDO by Legislature (SB 8, 87th Legislature, Third Called Session).
  - BDO successfully submitted an application to the U.S.Treasury to draw down the \$500.5 million for broadband deployment.
  - Guidance has been released by the U.S. Treasury for eligible projects and oversight requirements,
    - Uses include broadband infrastructure projects, digital connectivity technology projects and multi-purpose community facility projects.
  - For infrastructure that meets or exceeds 100 Mbps download/100 Mbps upload. If not practical, speeds can be as low as 100/20.
- Next steps include developing and submitting a grant plan to Treasury for approval by Sept. 26, 2022.
- Match not required.
- Administrative funds not to exceed 5% of total allotment.
- All funds must be expended by Dec. 31, 2026.

### Infrastructure Investment and Jobs Act (IIJA) - Broadband Equity, Access and Deployment Program

- \$65 billion in federal funding for national broadband initiatives includes the Broadband Equity, Access and Deployment Program (BEAD).
- Objective: Close the availability gap in broadband access.
- Administered by the National Telecommunications and Information Administration (NTIA) within the U.S. Department of Commerce.
- \$42.5 billion total grants to states, territories, D.C. and Puerto Rico.
- At least \$100 million to every state, including Texas.
- Total Texas allocation not yet known.
  - Further allocations to be determined by new Federal Communications Commission maps (estimated completion mid-2022).
- States must have enforceable plans to address all unserved areas before funding deployment projects in underserved areas. After both unserved and underserved areas are addressed, states may use funds for anchor institution projects.
- Required to offer a low-cost plan to eligible subscribers (to be determined by NTIA).
- Predeployment and planning expenses cannot exceed 5% of minimum allotment.
- Administrative funds not to exceed 2% of total allotment.
- Match requirement: Eligible entities must ensure that they or a subgrantee provide at least 25% match (unless in high-cost areas or special cases where a waiver is granted by NTIA).
- Applications projected to be due from the state to NTIA in second quarter of 2022.
- States will be issued funds for predeployment and planning after the Notice of Funding Opportunity from NTIA is released in May and states submit a letter of intent.
- Each state will develop and submit a 5-year plan on how they intend to deploy their BEAD funds to expand broadband.

### IIJA - The Digital Equity Act

- The \$65 billion in IIJA funding for national broadband initiatives also includes the Digital Equity Act.
- Objective: Support the closure of the digital divide by expanding access to digital devices and digital training in underserved communities.
- Administered by NTIA.
- \$2.75 billion funding pool.
- Total Texas allocation not yet known.
- Requires designation from the governor.
- States will have the ability to develop a digital equity plan.
- Two of three programs are available to states:
  - State Digital Equity Planning Grants, \$60 million total.
  - State Digital Equity Capacity Grants, \$1.44 billion funding pool.
- (States not eligible for Digital Equity Competitive Grant Program, \$1.25 billion funding pool.)