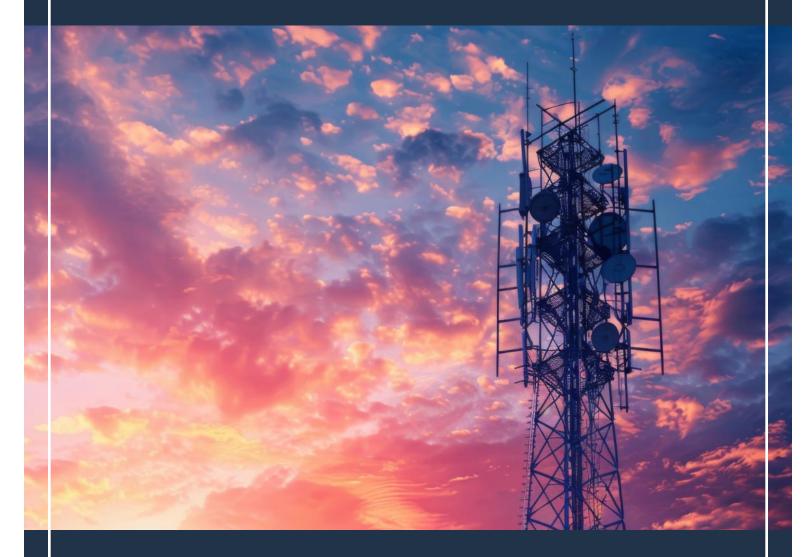Pennsylvania
Broadband Development Authority

Capital Projects Fund Performance Report

JULY 2024

Pennsylvania Broadband Development Authority
Honorable, Uri Monson, Chairman
Brandon Carson, Executive Director

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Pennsylvania
Broadband Development Authority
Board Members

Executive Summary

The Pennsylvania Broadband Development Authority (PBDA) made significant progress preparing to implement its Capital Projects Fund (CPF) programs throughout the last year (from July 2023 to June 2024). This report outlines the progress and status of each of Pennsylvania's CPF programs, including the Broadband Infrastructure Program (BIP), the Multi-Purpose Community Facilities Program (Facilities), and the Digital Connectivity Technology Program (Technology). It also outlines anticipated next steps and program timelines.

The Pennsylvania Broadband Development Authority (PBDA) is an independent agency of the Pennsylvania Department of Community and Economic Development (DCED), established through PA Act 96 of 2021. PBDA is managed by an 11-member board of directors and is responsible for distributing federal and state monies for broadband expansion and digital equity projects, particularly in underserved and unserved areas of Pennsylvania. Its efforts focus on closing Pennsylvania's digital divide so all Pennsylvanians can be connected to affordable and reliable high-speed broadband internet at home, at work, or on the road.

Uses of Funds

Because Pennsylvania has not yet executed contracts for through the BIP program and has not granted awards for the Facilities or Technology programs, no concrete progress has been made toward the objectives and activities included in the approved Program Plans. PBDA granted BIP awards in April 2024 and aims to do so for the Facilities program in August of 2024. Applications are currently open for the Technology program, and PBDA anticipates granting awards in October of 2024. More information about all three programs is listed below.

Once implementation is underway for all CPF programs, PBDA is committed to documenting performance indicators and other data that highlight key milestones achieved, outputs produced, and outcomes achieved. This information will be submitted to Treasury through subsequent Project and Expenditure Reports during the relevant reporting periods.

Program 1a- Broadband Infrastructure Program

The BIP program will sub-grant $204 million to deploy high-speed broadband service infrastructure in unserved and underserved areas of the Commonwealth to enhance economic development, education, health care, and emergency services. BIP grants were available to businesses, not-for-profit organizations, municipalities and units of local government, and economic development organizations. Eligible projects include line extension and development and large-scale regional infrastructure projects.

On April 18, 2024, PBDA's Board of Directors issued 53 Broadband Infrastructure Program (BIP) grant awards to 12 internet service providers. These awards will serve approximately 50,523 broadband serviceable locations (BSLs) throughout 43 counties across the Commonwealth. PBDA is actively working with the selected sub-grantees to finalize award contracts. Projects will begin as soon as contracts have been executed. PBDA anticipates this happening by the end of Q3 of 2024.

Contracting for BIP projects are ongoing, delayed slightly due to shifts in project area locations, negotiations over pricing, and because some providers chose to work with the Pennsylvania Department of Labor and Industry (L&I) to dispute L&I's prevailing wage rates. PBDA anticipates that several projects will begin construction by September of 2024, and that all projects will be on track to meet the December 31, 2026 CPF period of performance deadline.

Because BIP contracts have not yet been executed, no construction has begun, and therefore PBDA has not had the opportunity to make progress toward the program objectives and activities included in Pennsylvania's BIP program plans. Once program implementation is underway, PBDA is committed to documenting performance indicators and other data that highlight key milestones achieved, outputs produced, and outcomes achieved. This information will be submitted to Treasury through subsequent Project and Expenditure Reports during the relevant reporting periods.

Broadband Infrastructure Program – Anticipated Timeline

Guidelines posted online . . . . .April 10, 2023

Application window open . . . . .May 10 – August 9, 2023

Proposed areas posted online for public review . . . . .August 23, 2023

Challenge process . . . . .August 23 – Oct. 6, 2023

Adjudication of challenges submitted . . . . .Oct. 7 – Nov. 5, 2023

Results of adjudication posted online . . . . .Nov. 6, 2023

Application review period . . . . .Nov. 2023 – March 2024

Awards announced . . . . .April 18, 2024

Contracting period . . . . .April 19 – August 2024

Program 1b- Digital Connectivity Technology Program

The Digital Connectivity Technology Program (Technology) was launched after guidelines were posted in May of 2024. This is a $20 million program that will award laptop devices to qualifying community-facing institutions to enable participation in workforce development, education, and health-related initiatives. Rather than a competitive grant process, PBDA opted to develop an agreement with HP to purchase laptop devices with its $20 million program award. Thus, no funds will be exchanged between PBDA and sub-grantees. Applicants will apply for between 20 and 200 devices, based on the number of laptops necessary to achieve program goals outlined in the application. Sub-grantees are required to incorporate a digital literacy and awareness training into its program goals and objectives. This model was developed as a result of constituent and stakeholder feedback generated during discussions with digital equity advocates. PBDA anticipates making Technology program awards in October of 2024.

Digital Connectivity Technology Program – Anticipated Timeline

Guidelines posted online . . . . .May 8, 2024

Application window open . . . . .June 20 – August 19, 2024

Application review period . . . . .August- October 2024

Awards announced . . . . .October 31, 2024

Contracting period . . . . .Nov. – December 2024

Program 1c- Multi-Purpose Community Facilities Program

PBDA's Multi-Purpose Community Facilities Program offers $45 million in competitive grants to community anchor institutions and units of local government for community projects to construct, acquire, or improve facilities that are, or will be open to the public and will directly enable work, education, and health monitoring at the respective facility (such as shared office space, recreation centers, schools, libraries, etc.). Applicants must possess the technical, managerial, and financial expertise to carry out the project.

PBDA's Multi-Purpose Community Facilities Program guidelines were approved on November 30, 2023. Applications were open from January 22 through April 20, 2024. A total of 599 applications were received. PBDA did not experience any significant challenges throughout the application or review process. It anticipates awarding grants in August of 2024.

Multi-Purpose Community Facilities Program – Anticipated Timeline

Guidelines posted online . . . . .December 2023

Application window open . . . . .Jan. 22 – April 20, 2024

Application review period . . . . .April – July 2024

Awards announced . . . . .August 2024

Contracting period . . . . .August – October, 2024

Promoting Equitable Outcomes

Because no contracts have been executed, PBDA has not progressed toward the equitable outcomes or objectives it set through the planning processes for the BIP, Facilities, or Technology programs. However, enabling digital equity and inclusion remains a strategic priority for all PBDA programs.

PBDA aims to provide access to fast and reliable internet service and relevant digital literacy opportunities to all Pennsylvanians that desire them. CPF programs were designed to serve Pennsylvania's "covered populations", a term adopted from the Digital Equity Act of 2021 to identify eight groups of people that are historically underserved, marginalized, or adversely affected by lack of digital literacy. The Digital Equity Act defines covered populations as individuals with disabilities, individuals with language barriers, individuals living in households with incomes at or below 150% of the poverty line, incarcerated individuals, members of racial or ethnic minority groups, persons 60 years of age or older, veterans, and rural residents. Advocates for covered populations and community anchor institution representatives remain key PBDA stakeholders. They are regularly consulted for input about PBDA programs, and when updates are available.

All CPF programs were developed to align directly with PBDA's State Digital Equity Plan, which was created as a required initiative in order to qualify for the National Telecommunications and Information Administration (NTIA)'s Digital Equity Capacity Grant program. The Digital Equity Plan outlines specific goals and objectives that the state is committed to achieving to further digital literacy and inclusion throughout the Commonwealth.

For the **Broadband Infrastructure Program**, locations with critical need include those that are unserved and underserved (i.e., those that do not currently have access to 25/3 Mbps and 100/20 Mbps, respectively). As a result of CPF BIP grant funding, awardees must offer users service at 100/100 Mbps. Communities without reliable broadband service are at an extreme disadvantage compared to those that are connected and residents in those communities cannot participate in the digital economy on a level playing field. The Commonwealth was adversely affected by the COVID-19 pandemic, but those communities lacking access to reliable broadband service have suffered disproportionately with a lack of access to basic services such as distance learning, remote work, and telehealth.

Projects submitted for a **Multi-Purpose Community Facilities Program** grant must reach populations with significant digital need, particularly those which have been historically marginalized and lack access to broadband internet. Projects must consider a community anchor institution's existing capacity, service quality, and the ability to meet the needs of communities served. This includes, in particular, historically disadvantaged communities that have experienced disproportionally poor work, education and health outcomes, in part due to lack of access to resources.

PBDA's **Digital Connectivity Technology Program** bases critical need on the lack of digital literacy and access to devices in economically distressed communities, based on stakeholder engagement and data gathering efforts. Per Treasury requirement, PBDA will use affordability as a major factor in determining critical need by determining the income level of each census tract-level location proposed to be served through submitted applications. County-level datasets will also be used to determine the high school graduation or equivalent rate, the driving time to acute-care hospitals (from each proposed site), and job growth of each proposed location included in an application. These indicators are meant to serve as proxies for determining the highest need for improved education, health monitoring, and workforce development opportunities.

Labor

To promote effective and efficient delivery of high-quality projects through CPF grants, PBDA intentionally designed the BIP and Facilities programs to ensure strong labor standards (because the Technology Program does not involve any construction, labor laws will not apply). Specifically, sub-grantees and contractors funded through the projects were required to certify that they comply with all applicable Pennsylvania state labor and workforce safety laws. A Worker Protection and Investment Certification Form was submitted with applications.

For BIP applications, applicants were required to describe workforce development plans, detailing intentions to use Registered Apprenticeships, pre-apprenticeships, other apprenticeships, and/or hire local workers. Considerations listed in the "Fair Labor Practices and Highly Skilled Workforce" section of the Notice of Funding Opportunity for the Broadband Equity, Access, and Deployment (BEAD) Program were highlighted for applicants, due to BEAD and BIP similarities.

For projects receiving over $5 million in funds, federal Davis-Bacon Act requirements or Pennsylvania Prevailing Wage Act requirements will apply. Projects receiving over $25,000 but less than $5 million must follow Pennsylvania Prevailing Wage Act requirements. Applicants were required to include prevailing wage rates in all bid documents, specifications, and construction contracts pertaining to their proposed projects. The Pennsylvania Department of Labor and Industry (L&I) has final authority to make prevailing wage applicability determinations.

To assist applicants in determining prevailing wage rates for proposed projects, in April 2024, PBDA collaborated with L&I to host a webinar and office hours that detailed prevailing wage requirements as they relate to CPF programs and proposed projects. L&I has been a strong partner to PBDA and has actively answered questions and concerns of potential applicants.

Community Engagement

Community outreach is an ongoing focus for PBDA, led primarily by its Outreach and Engagement Manager. In addition to regular communication with stakeholders and constituents, PBDA continues to facilitate monthly Outreach and Education Sub-Committee meetings (one of PBDA's four sub-committees that include representation from its board of directors, a digital equity advocate, and other relevant stakeholders to advise on best practices for incorporating community perspectives into broadband planning). Individual engagement with stakeholders, particularly those representing covered populations, occurs on an ongoing basis.

In early 2024, PBDA re-designed its public-facing website to make it more robust and accessible to users. In addition to program guidelines, the website contains maps, data, and program-specific information. It is updated regularly, particularly after events and major announcements. Additionally, quarterly e-newsletters are sent to PBDA's email distribution list contacts, which includes over 500 stakeholders and community partners. PBDA works directly with DCED's Marketing and Communications team, which releases regular social media posts containing PBDA program news and updates. The team uses various platforms, including Facebook, LinkedIn, and X.

Throughout the first quarter of 2024, PBDA staff traveled to 17 counties throughout the Commonwealth to discuss upcoming broadband infrastructure and digital equity initiatives and opportunities, and to gain insight into municipal and county needs and concerns related to these two topics. Additionally, PBDA staff took the opportunity to answer questions, offer application guidance, and share updates. All three CPF programs were discussed at length during these events.

To prepare applicants to apply for CPF grant programs during the lead-up to opening application windows, a series of informational webinars and FAQ guides were released, and open office hour sessions were held, allowing prospective applicants opportunities to ask specific questions about the programs and application process. Additionally, PBDA staff and DCED Community Service representatives are available during regular business hours to offer technical support for developing applications. As an ongoing communication tool, PBDA developed a series of program fact sheets that are distributed directly to constituents or stakeholders with questions about CPF programs, and shared on the public-facing website.

To increase support and opportunity for local governments, PBDA launched its Broadband Ready Communities (BBRC) program in the spring of 2024. The goal of BBRC is to reduce procedural, policy, and permitting barriers to broadband deployment at the municipal level and to encourage broadband infrastructure investment within participating Pennsylvania communities.

Participation in the BBRC Program will designate a participating municipality as a "Broadband Ready Community" and highlight the work those municipalities have completed to improve broadband infrastructure implementation efficiency within the Commonwealth. While participation in the BBRC Program is optional, PBDA is encouraging local governments to participate. To date, six municipalities have completed the necessary steps to become certified as "Broadband Ready".

In February 2024, PBDA staff participated in the PermitConnectPA conference event, which focused on accelerating the timeline for major investments in the state to move through bureaucratic approvals at all levels of government, including the permitting processes necessary to implement CPF BIP projects. Secondary themes of the event were relevant to the construction permitting required for the Multi-Purpose Community Facilities Program. The conference identified the steps that applicants and sub-grantees should take to remove barriers, increase coordination, and create alignment to allow projects to move efficiently.

Moving forward, PBDA anticipates holding additional community outreach events, including press conferences, to announce the commencement of projects and other major accomplishments. PBDA will continue to engage with stakeholders and make announcements through its website, newsletter, and DCED media platforms. Where needed, community forums or focus groups will be organized to conduct monitoring and gather information, or for troubleshooting or determining how to overcome barriers that could potentially arise throughout the process.

Commonwealth of Pennsylvania