

Broadband Deployment Fund and
Drinking Water and Wastewater Grant Program Updates
July 6, 2022



What Types of Grants are Available?

Broadband Deployment Fund

- \$300 Million for unserved / underserved broadband areas

Drinking Water and Wastewater

- \$500 Million for water and sewer projects



Broadband Deployment Fund



How Much Money Do We Have?

- \$300M appropriated by the General Assembly
 - \$117.2 M funded by the American Rescue Plan Act of 2021 Coronavirus State Fiscal Recovery Fund
 - \$182.8 M funded by the American Rescue Plan Act of 2021 Capital Projects Fund

How Much Money Have We Committed?

- Broadband Deployment Fund – First Round
- 47 Awards recently announced
- \$89.6 million in grant funding
- \$204 million total investment
- More than 34,000 households and businesses covered
- Touches 36 counties
- \$27.6 million remaining in the ARPA State Fiscal Recovery Fund



What are the Next Steps?

- Office of Broadband Development – standing it up
- ARPA Capital Projects Fund - \$182.8 million for broadband deployment
- Application Development for Next Round
- House Bill 315 Highlights
- Infrastructure, Investment and Jobs Act – Broadband Program
- Pole Replacement Subsidies

Next Steps - Office of Broadband Development

- Office of Broadband Development
 - Search for Executive Director underway
 - Duties and responsibilities of the new Office
 - Improve broadband accessibility for unserved and underserved communities and populations
 - Administer the Broadband Deployment Fund
 - Provide a single point of contact for broadband programs and funding
 - Develop a statewide broadband plan and mapping
 - Maintain statewide data and statistics
 - Create a process to receive and resolve complaints of insufficient broadband service



Next Steps - ARPA Capital Projects Fund

- ARPA Capital Projects Fund - \$182.8 million for broadband deployment
 - U.S. Department of Treasury – States submit a Grant Plan then a Program Plan for approval
 - Grant Plan will be consistent with House Bill 315
- Application Development for Next Round of Funding
 - Will be aligned with federal Capital Projects Fund and HB 315



Next Steps - Overview of House Bill 315

- Establishes the Office of Broadband Development as the central broadband planning and coordination entity for the Commonwealth
- Administer the broadband deployment fund
- Establish broadband deployment priorities
 - “No service” locations are the first priority
 - Unserved locations next and underserved areas after that
 - Higher priority and state share for unserved & underserved based on location density
 - Projects where no other public funds are available
 - 1 gigabit symmetrical speed preferred with 100 megabit symmetrical speed minimum



Next Steps - IJA – Broadband Program - BEAD

- BEAD – Broadband, Equity, Access and Deployment program - \$42.45 billion nationwide
 - Funds allocated to states and territories
 - \$100 million minimum to each State
 - Remaining \$37.2 million will be allocated based on new FCC map's identification of unserved and underserved locations
 - Estimate of Kentucky's allocation to be around \$700 million, 23rd most
 - Planning Grant application
 - 5-year Action plan
 - FCC map –September data deadline, release of location map/availability map
 - Expectation of early 2023 allocation of funds to States

Next Steps - IJA – Broadband Program - Equity

- Digital Equity Act - addresses the digital divide in U.S. communities
 - Identify all the digital equity related issues that the state population accesses
 - Outline the objectives that will ultimately be used to reach accessible broadband technology and internet
 - inclusivity of public resources
 - digital literacy
 - knowledge of online privacy and cybersecurity
 - accessibility of technological devices and IT support for those devices
 - Statewide plan first step, followed by Capacity grants to each State.
- Plan must align with BEAD 5-year Action plan



Next Steps - Pole Replacement Subsidies

- Pole replacement Subsidies – Rural Infrastructure Improvement Program - \$20 million from ARPA State Fiscal Recovery Fund
- Can be used for removal of an existing utility pole and replacement with a new utility pole
 - For retail internet service provider to provide qualifying broadband service in unserved areas
 - Limit of \$5,000 per pole replaced or 50% of total replacement cost
 - First come-first served
- Match up with any conditions from ARPA State Fiscal Recovery Fund
- Application available by September 1, 2022



Drinking Water and Wastewater Grant Program



What is the Program?

- Drinking Water and Wastewater Grant Program
- Provides funding for planning, design and construction costs for water or sewer related projects
- Funded by the American Rescue Plan Act of 2021 Coronavirus State Fiscal Recovery Fund
- Appropriated in the 2021 and 2022 Regular Sessions of the General Assembly (SB 36/HB1) to the Kentucky Infrastructure Authority to administer the program



How Much Money Have We Committed?

- \$250M appropriated in the 2021 Regular Session of the General Assembly / \$200 million committed
 - \$150M Approved
 - allocated by county population – based on local consensus
 - \$50M Approved
 - \$30 million for unserved drinking water customers in rural areas
 - \$20 million for federal consent decree
 - \$49.9M – to supplement a project grant where the cost is greater than the county's allocation / designated for cost escalations and changed conditions

What is the Process for Round 2?

- Call for Projects starting in July
- Based on Local Consensus
- Suggest that Round 2 funding be provided first to Round 1 projects that didn't receive full funding in Round 1 before adding new partially funded projects to the list
- List of funding available by county is on the KIA website:
www.kia.ky.gov



How Will the Utilities Apply?

- Use the Water Resource Information System (WRIS) Project Profile information as the application
- Coordinate with the Water Management Council at the Area Development District
- Water Service Coordinator will help utility complete the Project Profile
- Water Service Coordinator will select the funding source under the budget tab
 - 22HB001 Cleaner Water Program (FY 2023)



What is Left to Do?

- Coordinate with Area Development Districts
- Coordinate with Elected Officials / Utility Managers
- Get the projects approved
- Send grant commitment letter and grant assistance agreement
- Get Projects Underway and Completed!

Questions

- Director John Hicks, Office of the State Budget Director
- Executive Director Sandy Williams, KY Infrastructure Authority

