

2023 Broadband Grants Report



Submitted by the State Broadband Office pursuant to Laws of 2022, Chapter 296, the 2022 supplemental capital budget (SSB 5651, Section 1041(4))

STATE BROADBAND OFFICE

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Report to the Legislature

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Executive summary

Authorizing legislation

The 2021-23 state capital budget, Chapter 332, Laws of 2021 (Sec. 1086(4)), amended in the 2022 [supplemental capital budget](#), Laws of 2022, Chapter 296 (Section 1041(4)), directs the Washington State Broadband Office (WSBO) to report on infrastructure grants awarded in the previous fiscal year:

By 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:

- The total number of applications and amount of funding requested
- A list and description of projects approved for grant funding in the preceding fiscal year
- The total amount of grant funding disbursed during the preceding fiscal year
- The total amount of funds obligated and timing of when the funds were obligated in the preceding fiscal year
- For projects funded in the prior biennium, the outcomes achieved by the approved projects

Overview

The WSBO ([RCW 43.330.530](#)) is housed in the Department of Commerce. Its key mandate is to have high-speed internet access for all by 2024, and 150 Megabits per second (Mbps) symmetrical (upload and download speeds) services by 2028. The WSBO has built and continues to expand key partnerships, helped launch projects and, most importantly, established a foundation for action at a larger scale.

In establishing the WSBO, 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 WSBO has served as the central broadband planning body for the state since its creation.

In 2021, the governor and the Legislature entrusted the WSBO with administering more than \$326 million in broadband infrastructure grants appropriated in the 2021-23 capital budget, and amended the distribution of federal American Rescue Plan Act (ARPA) funds in the 2022 supplemental capital budget (SB 5651). These funds include:

- Grants to qualifying broadband infrastructure projects: \$325,973,000 total
 - \$150,966,000 from the Coronavirus State and Local Fiscal Recovery Fund (SLFRF)
 - \$124,749,000 from the Coronavirus Capital Projects Account (CPF)
 - \$50,258,000 the State Capital Construction Account
- Grants to eligible applicants as match to leverage federal broadband infrastructure funding: \$50 million from the State Building Construction Account

Since the conclusion of the 2021 legislative session, the WSBO has continued to focus on developing internal staff capacity, facilitating community-based project partnerships and working closely with diverse stakeholder groups to administer these funds successfully. Project application requests have exceeded funding amounts available as communities develop projects to meet their community broadband needs.

Acceleration Grants: ARPA Coronavirus State and Local Recovery Fund (SLFRF)

Key findings

There is significant demand for broadband infrastructure funding and communities are ready to champion projects.

- The WSBO received 53 pre-applications requesting more than \$415 million from an available pool of approximately \$143 million in the first phase of the Broadband Infrastructure Acceleration Grant program, which opened in fall 2021.
- The WSBO awarded funding to 13 projects, totaling nearly \$141 million.
- The remaining funds are set-aside for bid or material cost increases, program administration, and \$5 million in funding for broadband equity and affordability grants, which will be made in consultation with the Office of Equity.

Most of the contracts for Acceleration Grants awarded with ARPA SLFRF funds were executed in the fall of 2022, and only one grantee had submitted pay reimbursement request as of the writing of this report. The WSBO continues to monitor for cost overruns associated with labor and material supply shortages in addition to cost increases due to the inflationary environment within the construction industry.

Table 1: ARPA SLFRF awards

Grantee	Project title	Contract execution date	Total project cost	Contract awarded	Amount expended	Balance of contract
Adams County	Adams County	11/2/22	\$10,678,708	\$10,320,889	\$0	\$10,320,889
Clallam County	Clallam County Broadband	1/3/23	\$17,861,094	\$16,074,985	\$0	\$16,074,985
Confederated Tribes of the Colville Reservation	Confederated Tribes of the Colville Reservation Broadband	1/3/23	\$4,507,273	\$4,097,518	\$0	\$4,097,518
King County	King County Broadband	10/29/22	\$13,148,109	\$11,833,300	\$0	\$11,833,300
Lewis County	Lewis County Broadband Expansion	10/11/22	\$25,850,000	\$23,500,000	\$0	\$23,500,000
Lincoln County	Connecting Lincoln County	11/3/22	\$5,218,072	\$5,218,072	\$0	\$5,218,072

Grantee	Project title	Contract execution date	Total project cost	Contract awarded	Amount expended	Balance of contract
Nisqually Indian Tribe	Nisqually Thurston Co OAN Phase II	12/15/22	\$6,775,496	\$6,775,496	\$0	\$6,775,496
Port of Bellingham	Whatcom County Broadband	11/17/22	\$5,000,000	\$4,000,000	\$0	\$4,000,000
Port of Whitman County	Port of Whitman County Broadband	9/15/22	\$1,329,500	\$1,062,000	\$0	\$1,062,000
PUD No 1 of Jefferson County	Jefferson North Fiber	8/22/22	\$11,425,040	\$9,718,934	\$266,677	\$9,452,256
Snohomish County	Snohomish County and Ziplly - SR 530	*	\$25,723,469	\$16,713,615	\$0	\$16,713,615
Spokane Tribe of Indians	Spokane Tribe's Broadband Acceleration	**	\$18,686,910	\$16,837,920	\$0	\$16,837,920
Washington Independent Telecommunications Association (WITA)	WITA Member	11/28/22	\$16,517,497	\$14,865,747	\$0	\$14,865,747
Total			\$162,721,168	\$141,018,476	\$266,677	\$140,751,798

* Snohomish County has been reviewing its contract since August 2022.

** The Spokane Tribe applied to both NTIA Tribal Broadband and WSBO ARPA SLFRF for the identical project and funding. Both sources awarded the project. The NTIA and WSBO are working with the tribe in adjusting the scope of work and funding award.

Acceleration Grants: ARPA Coronavirus Capital Funding

Key findings

The second round of acceleration grants in the 2021-23 biennium opened in the fall of 2022 with up to \$122 million available. While outside of the scope required by the authorizing legislation, details about these awards continue to demonstrate the significant demand for community-led broadband infrastructure projects statewide.

- The WSBO received 50 applications requesting more than \$316 million for the second round of the Broadband Infrastructure Acceleration Grant program.
- The WSBO awarded funding to 19 projects, totaling more than \$121 million in May 2023. As of the publication of this report, no grantees were under contract and no funds were expended.

Table 2: ARPA CPF awards

Grantee	Project title	Contract execution date	Total project cost	Contract awarded*	Amount expended	Balance of contract*
Franklin County PUD No. 1	Connell and Basin FTTH project	N/A		\$4,854,610	\$0	\$4,854,610
Grays Harbor PUD No. 1	Grays Harbor South Elma, Porter and Cedarville Broadband project	N/A		\$6,916,366	\$0	\$6,916,366
Jefferson County PUD No. 1	Inbetweens Fiber project	N/A		\$6,087,687	\$0	\$6,087,687
King County	King County, Ziplly to Duvall project	N/A		\$1,767,681	\$0	\$1,767,681
Kittitas County	Kittitas County WSBO 2022 project	N/A		\$11,366,102	\$0	\$11,366,102
Lewis County PUD No. 1	Bunker Creek project	N/A		\$11,958,421	\$0	\$11,958,421
Lincoln County	Deer Meadows and Seven Bays FTTh project	N/A		\$8,921,342	\$0	\$8,921,342

Okanogan County Electric Co-Op	Okanogan County Connect project	N/A		\$11,985,014	\$0	\$11,985,014
Orcas Power and Light Co-Op	Outer Islands project	N/A		\$6,446,206	\$0	\$6,446,206
Orcas Power and Light Co-Op	Orcas Island East project	N/A		\$3,911,649	\$0	\$3,911,649
Orcas Power and Light Co-Op	San Juan Island project	N/A		\$3,352,904	\$0	\$3,352,904
Orcas Power and Light Co-Op	Orcas Island West project	N/A		\$1,242,168	\$0	\$1,242,168
Port of Skagit County	Bow Outlying Areas FTTx project	N/A		\$8,054,251	\$0	\$8,054,251
Port of Whitman County	the Port of Whitman FTTx project	N/A		\$1,135,475	\$0	\$1,135,475
Spokane Tribe	Spokane Tribe HWY 231 FTTH project	N/A		\$3,418,063	\$0	\$3,418,063
Tri County Economic Development District	Central Stevens County Hybrid Broadband project	N/A		\$12,000,000	\$0	\$12,000,000
Whatcom PUD No. 1	Point Roberts FTTx project	N/A		\$3,150,000	\$0	\$3,150,000
Yakima County	Yakima County WSBO 2022 project	N/A		\$11,310,004	\$0	\$11,310,004
Total				\$121,523,711	\$0	\$121,523,711

* No grantees are currently under contract for these awards made in May 2023, and all awards are conditional on receipt of the CPF resources from the U.S. Treasury.

Points of emphasis

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, with the goal to bring access to high-speed internet connectivity, internet-capable devices and the digital skills to use them to every resident.

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, they are just as excluded from modern society as those without the infrastructure. When awarding grant funds, the WSBO ensures that applicants are participants in the federal Affordable Connectivity Program (ACP) and supports digital equity efforts by providers and community-based organizations.

Matching grants for federal funding opportunities

The WSBO 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 WSBO commits matching grant funds to eligible applicants with projects that secure a federal funding award. The total available is \$48.5 million from the State Building Construction Account.

The WSBO anticipates applicants for the USDA ReConnect Program (ReConnect) will drive demand for matching grant funds. The most recent ReConnect application cycle opened September 6, 2022 and closed nearly eight weeks later on November 2, 2022. Additional ReConnect funds may be made available in 2023, and that is dependent on inclusion in the federal budget. 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.

Due to the high cost of materials and delivery delays, the WSBO matched several Community Economic Revitalization Board (CERB) ARPA Capital awardees. These additional funds ensure completion of the project’s scope of work. The WSBO prioritizes projects that received funding from the CERB or Public Works Board (PWB) for a previous phase of the same or a related project to maximize collaboration with other broadband infrastructure funders.

The WSBO awarded matching funding to 10 projects, totaling more than \$17 million, and have several additional funding requests under consideration at this time, but which were not finalized as of the writing of this report. In addition, only one grantee had submitted a pay reimbursement at the time of this report.

Table 3: State matching funds for federal grants

Grantee	Project title	Award Letter Date	Total project cost	Contract awarded	Amount expended	Balance of contract	Federal match source
PUD No 1 of	Olympic Fiber	3/1/22	\$12,191,477	\$8,150,966	\$907,770	\$7,243,196	NTIA-BIP

Jefferson County	Corridor						
City of Ellensburg	Ellensburg Fiber Extension and Fixed Wireless Broadband	8/18/22	\$546,966	\$109,393	\$0	\$109,393	NTIA-BIP
Lewis County PUD	USDA Community Connect	10/18/22	\$3,750,000	\$750,000	\$0	\$750,000	USDA Community Connect
PUD No 1 of Jefferson County	SE Jefferson Fiber Project	10/24/22	\$18,404,464	\$4,601,116	\$0	\$4,601,116	USDA ReConnect
Port of Skagit	Sauk Suiattle	11/16/22	\$2,400,000	\$600,000	\$0	\$600,000	CERB ARPA Capital
Port of Whitman County	Pine City/Malden	11/29/22	\$2,168,651	\$433,730	\$0	\$433,730	CERB ARPA Capital
Nisqually Tribe	Nisqually Thurston OAN Phase 1	12/22/22	\$2,653,351	\$653,351	\$0	\$653,351	CERB ARPA Capital
Port of Columbia	Dayton Community Broadband	1/26/23	\$3,156,622	\$808,333	\$0	\$808,333	CERB ARPA Capital
Lincoln County	FTTx in Almira, Creston and Harrington	1/25/23	\$3,273,200	\$818,300	\$0	\$818,300	CERB ARPA Capital
Port of Woodland	Ariel to Cougar FTTH	1/25/23	\$2,635,328	\$658,832	\$0	\$658,832	CERB ARPA Capital
Total			\$51,180,059	\$17,584,021	\$907,770	\$16,676,251	

Federal grant applications

To advance WSBO's mission to ensure all Washingtonians have access to high-speed internet service, the WSBO applied directly for federal funds. It also assists in helping applicants find federal funding and other grant opportunities for deploying broadband services.

In summer 2021, the WSBO applied on behalf of local projects for funding under the National Telecommunications and Information Administration (NTIA) Broadband Infrastructure Program (BIP).

In addition, the WSBO applied to NTIA in 2022 for the:

- **State Digital Equity Planning Grant Program.** WSBO was awarded \$1,076,248.79 on Dec. 1, 2022. This is a one-year contract to develop a digital equity plan for Washington. The plan serves as an important step toward determining barriers for digital access for all communities throughout the state, and identifies the specific measures to address those barriers.

- **State Broadband, Equity, Access and Deployment (BEAD) Planning Grant Program.** WSBO was awarded \$5 million on Nov. 15, 2022. This five-year contract supports the WSBO with staffing and the initial planning activities to developing a five-year action plan and the initial proposal.

NTIA Broadband Infrastructure Program

In response to the NTIA Broadband Infrastructure Program (BIP) grant announcement, the WSBO issued a request for information soliciting eligible projects to apply on behalf of the state. The WSBO submitted a single application requesting \$30 million in grant funding on behalf of the covered partnerships and broadband projects detailed in Table 4 below.

Table 4: NTIA BIP awards

Grantee	Project title	Contract execution date	Total project cost	Contract awarded	Amount expended	Balance of contract
Declaration Networks Group	Stevens County Broadband Deployment	11/30/22	\$7,469,450	\$6,866,950	\$0	\$6,866,950
Ellensburg	Ellensburg Fiber Extension and Fixed Wireless Broadband	11/10/22	\$546,966	\$437,573	\$0	\$437,573
Hood Canal Communications	Northern Hood Canal Fiber Extension	12/20/22	\$13,070,841	\$12,581,641	\$0	\$12,581,641
Jefferson PUD	Olympic Fiber Corridor	10/19/22	\$12,191,477	\$6,153,426	\$0	\$6,153,426
Ziply	Connecting Rural Counties	11/3/22	\$5,267,345	\$3,960,410	\$0	\$3,960,410
Total			\$38,546,079	\$30,000,000	\$0	\$30,000,000

No construction work could occur until completion of the Environmental Assessment (EA) required within Section 106. Approval of the EA took longer than anticipated, and was approved by the NTIA in December 2022.

NTIA Tribal Broadband Connectivity Program

The Tribal Broadband Connectivity Program offered by the NTIA in summer 2021 made \$980 million available for federal assistance for federally recognized tribes. The 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 WSBO 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 announced [initial awards](#) in October 2022 and are continuing to review to make additional awards on a rolling basis.

In addition, the second round for the Tribal Broadband Connectivity Program is anticipating opening in spring 2023. The WSBO has five tribes that requested grant-writing services for their application submittal.