VACO Regional Meetings

Broadband Update

August 19, 2024

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Partners for Better Communities

VATI Funding Rounds

FY17-FY23

235 Applications
Over $1.2 billion requested

$935 million awarded
$1.2 billion leveraged
Over 388,000 Locations in Project Areas
87 projects awarded across 80 localities

FY23

35 Applications from 50 localities
$302.1 million requested

$59.5 million awarded (including letter of intent)
$118.6 Million leveraged
5 Localities with No Previous VATI
27,771 connections

FY24

25 Applications from 39 localities
$137.6 million requested
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$41.6 million awarded
$75.7 million leveraged
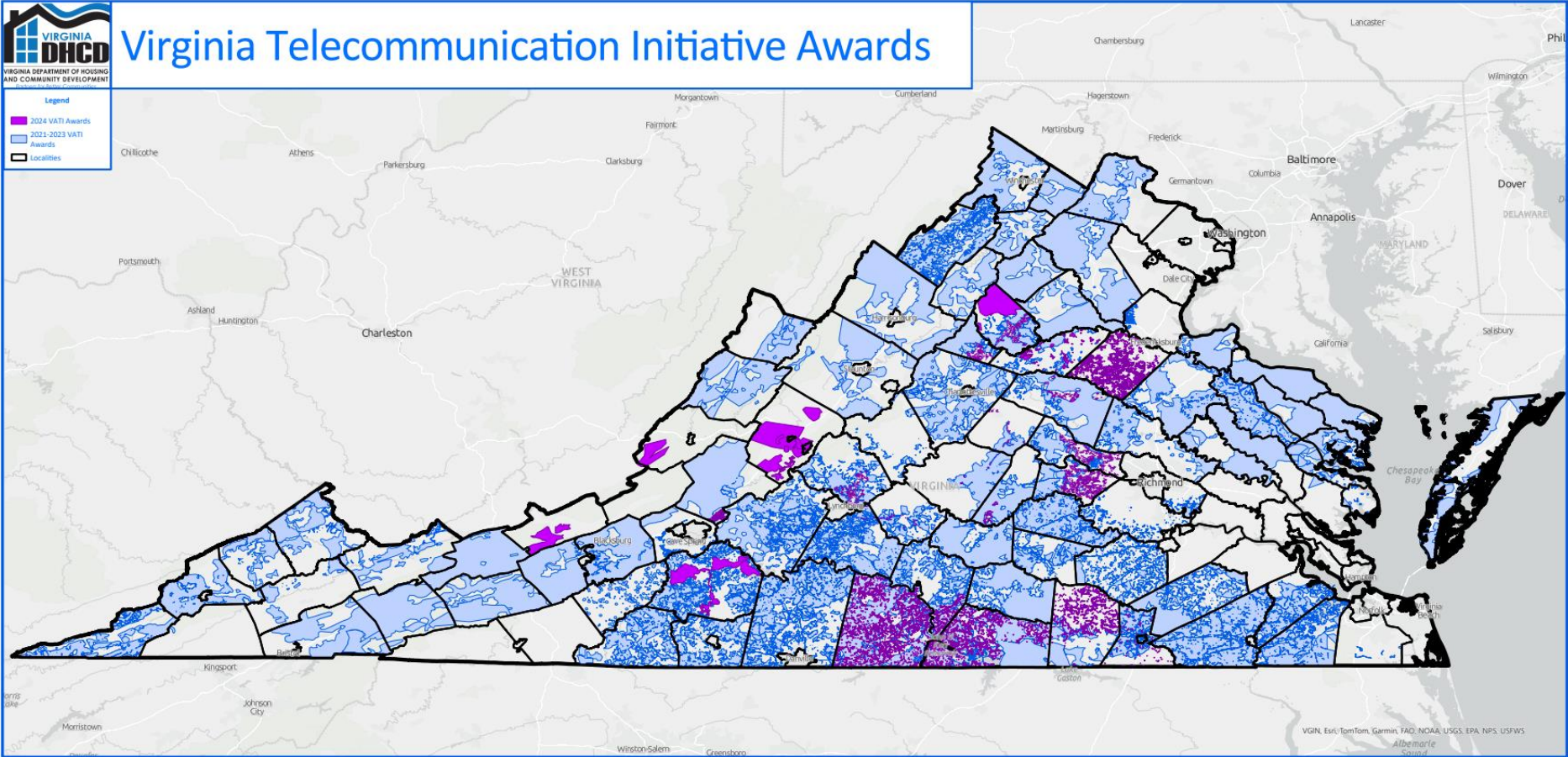$137.6 million requested
18,554 locations

2024 VATI Awards

Applicant	Partner	Localities
Southside PDC	Empower	Brunswick, Halifax, Mecklenburg, Charlotte, Greensville
Franklin County	ZiTEL	Franklin
Orange County	FiberLync	Orange
Botetourt County	Comcast	Botetourt
Thomas Jefferson PDC	Firefly	Amherst, Appomattox, Buckingham, Campbell, Cumberland, Fluvanna, Goochland, Greene, Louisa, Madison, Powhatan
Spotsylvania County	Port 80	Spotsylvania
Rockbridge County	BrightSpeed	Rockbridge
Rockbridge County	BARC Connects	Rockbridge
Alleghany County	Craig Botetourt Electric Cooperative	Alleghany
Giles County	PemTel	Giles

Virginia Telecommunication Initiative Awards

Legend
- 2024 VATI Awards
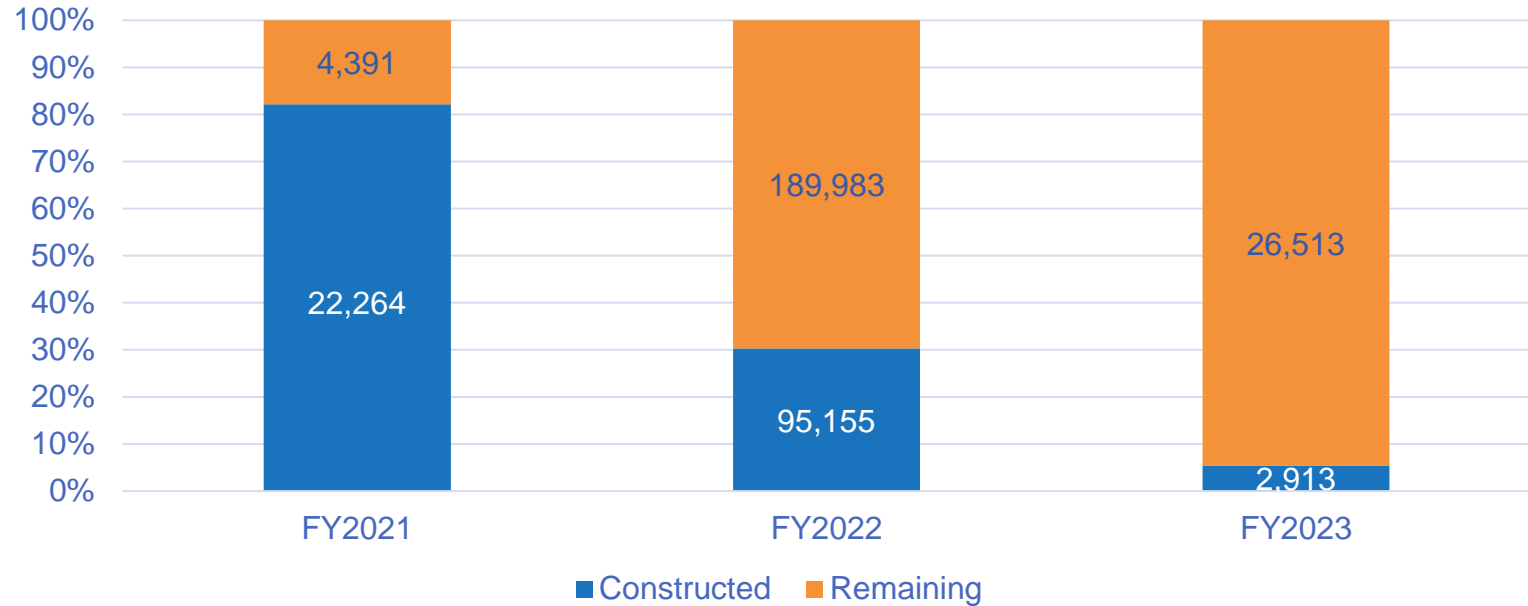- 2021-2023 VATI Awards
- Localities

Current Portfolio of VATI Projects

Funding Year	Open	Construction Complete	Pre Contract	Total
2017	0	5		
2018	0	3		
2019	0	10		
2020	0	13		
2021	7	9		
2022	36	4		
2023	14	0		
2024	0	0	10	
Total	57	44	10	111

How are the Projects Going?

VATI Project Progress FY21-FY23 as of July 2024

Stacked bar chart showing VATI Project Progress FY21-FY23 as of July 2024, with Constructed (blue) and Remaining (orange) values:
- FY2021: Constructed 22,264; Remaining 4,391
- FY2022: Constructed 95,155; Remaining 189,983
- FY2023: Constructed 2,913; Remaining 26,513

Legend: ■ Constructed ■ Remaining

VATI Spotlights

City of Chesapeake/Cox

- 1st ARPA-funded project to close.

Stafford County/Comcast

- Contracted at 634 passings, closed with 682 passings.

Floyd County/Citizens Telephone Cooperative

- Finished extending fiber throughout the county.

Thomas Jefferson PDC/Firefly

- 13 counties, 36,225 total passings
- On track. 13,059 passings as of July

Risk Determination

- New language added to the FY2025 and FY2026 biennium budget:

- Established the Virginia Make Ready Initiative

- Directed the Office of Broadband to issue corrective action plans for any ARPA-funded project determined to be at-risk.

- Outlined options available to these projects to ensure no locations are left without broadband access and without a funding opportunity.
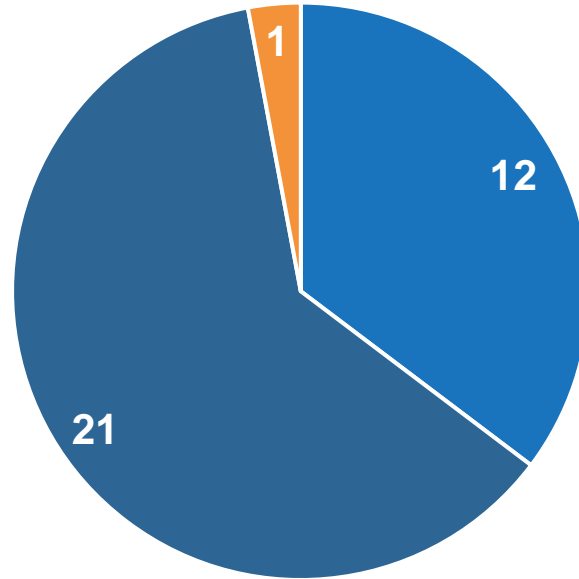
Options

- Complete project surrender
- Partial project surrender, by contiguous area
- Project transfer to another private sector partner

- Passing transfer to another VATI funded project
- Another solution as approved by the Office of Broadband

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Risk Determination Methodology

Risk Category	Methodology
No-Risk	- The grantee has not requested a timeline extension beyond the originally approved contract end date; and, - Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline; and, - The timeline for that project does not have an end date in 2026.
Low-Risk	- The grantee has requested a timeline extension beyond the originally approved contract end date; or, - Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.
High-Risk	The grantee's contractual end date is in 2026, regardless of if that end date reflects the original contractually established end date or is a result of an extension.

FY22 VATI Projects

Risk Letters

- Risk letters sent in June.

- 22 projects received a risk determination letter.

- 20 projects reaffirmed project delivery by the contract end date.

- Waiting on responses from 2 projects.

Options

- ✓ Reaffirm project delivery by the contract end date

- ✓ Complete project surrender

- ✓ Partial project surrender, by contiguous area

- ✓ Project transfer to another private sector partner

- ✓ Passing transfer to another VATI funded project

- ✓ Another solution as approved by the Office of Broadband

Virginia Make Ready Initiative Overview

Summary of Key Budget Language:

- $30 million to provide supplements to eligible FY2022 VATI projects for make-ready costs
    - Applicants must be determined to be at-risk for completion by Dec. 31, 2026 to be eligible
- No more than $30,000 per mile may be awarded for pole replacements, mid-span pole installations, and undergrounding in certain instances
- Program must be up and running by September 2024
- Funds must be expended by June 30, 2025 by grantees

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Virginia Make Ready Initiative Overview

Summary of Adopted Program Guidelines – Key Provisions:

- $7.5 million available monthly from September to December
- First Rolling Application Deadline is September 12th. anticipate awards made by September 30th
- 25% match minimum
- Requests or Awards cannot exceed 10% of the original VATI award. Waiver requests may be considered
- Opportunity to gain prior approval to underground infrastructure, then apply for reimbursement of such undergrounding, with risk of not being selected for an award

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GOVERNOR YOUNGKIN CELEBRATES

APPROVAL OF VIRGINIA'S BEAD INITIAL PROPOSAL VOLUME 2

Approval provides access to Virginia's $1.4 billion BEAD allocation to close the digital divide

What is BEAD?

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

OVERVIEW

Official name: Broadband Equity, Access and Deployment Program

Funding pool: $42.45B

Type of program: State and Territory formula program

Program objective: to close the availability gap, as Congress finds that "access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States."

PROGRAM PRIORITIES

1. Unserved locations
   No access to 25/3 Mbps

2. Underserved locations
   No access to 100/20 Mbps

3. Community anchor institutions
   Without gigabit connections

Eligible entity must also prioritize
- Persistent poverty / high-poverty areas
- Speed of proposed network
- Build time
- Demonstrated record on compliance with federal labor & employment laws

OTHER KEY FEATURES

Quality requirements
Specific network requirements are included e.g., speeds of at least 100/20 Mbps

Matching requirement
Eligible entities must ensure that they or a subgrantee provide at least 25% match (unless waiver granted)

Low-cost plan requirement
Required to offer a low-cost plan to eligible subscribers (to be determined by NTIA)

Contents from National Telecommunications and Information Association (NTIA)

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BEAD Update - Deployment

Infrastructure Investments and Jobs Act Passage Date – **November 15, 2021**

BEAD Notice of Funding Opportunity Published – **May 13, 2022**

FCC Publishes 1st Iteration of National Broadband Map – **November 18, 2022**

Eligible Amounts Published for States – **June 30, 2023**

Virginia Submits Initial Proposal Volume 1 – **July 13, 2023**

Virginia Submits Initial Proposal Volume 2 – **September 24, 2023**

- Virginia becomes first state to submit all required BEAD plans to NTIA
- Several rounds of 'curing' (meaning NTIA sending required edits)

Virginia Receives Approval on Initial Proposal Volume 1 – **October 25, 2023**

Virginia Receives Approval on Initial Proposal Volume 2 – **July 23, 2024**

BEAD Update - Deployment

Before we can begin the application process…
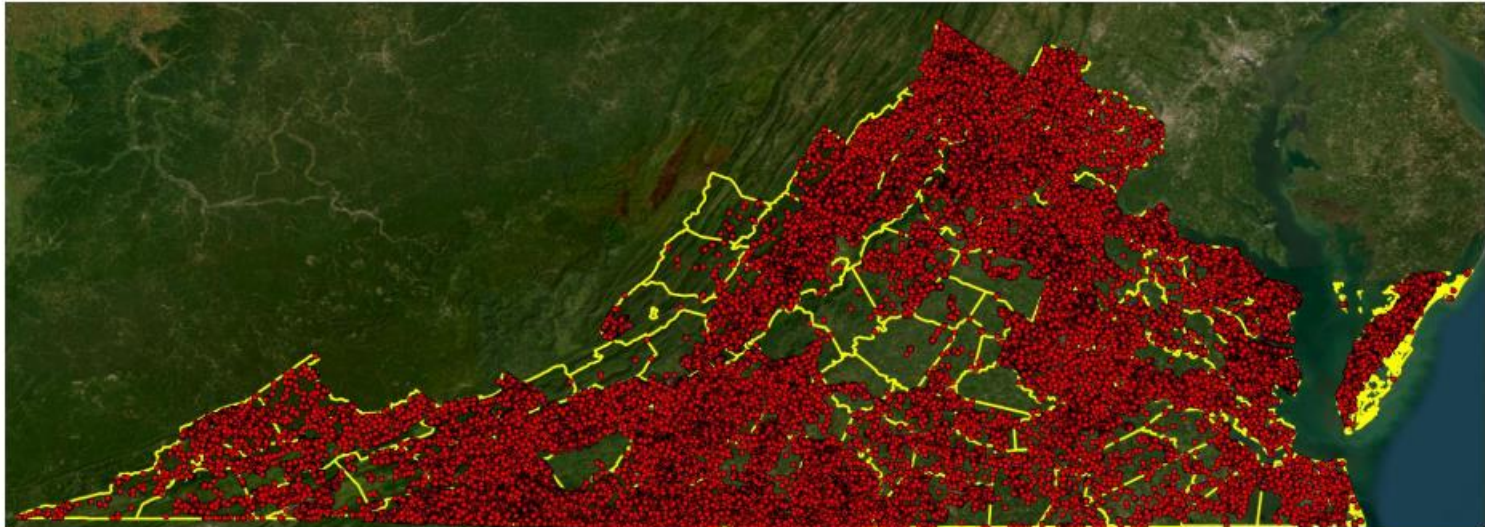
- Challenge Process Results must be Certified by NTIA

  o +/- 100,000 BEAD Eligible Locations

    o Handful of Counties/Cities without VATI Project

    o Locations in and around existing VATI Projects

    o Scattered Locations in Urban Areas

    o Line Extensions

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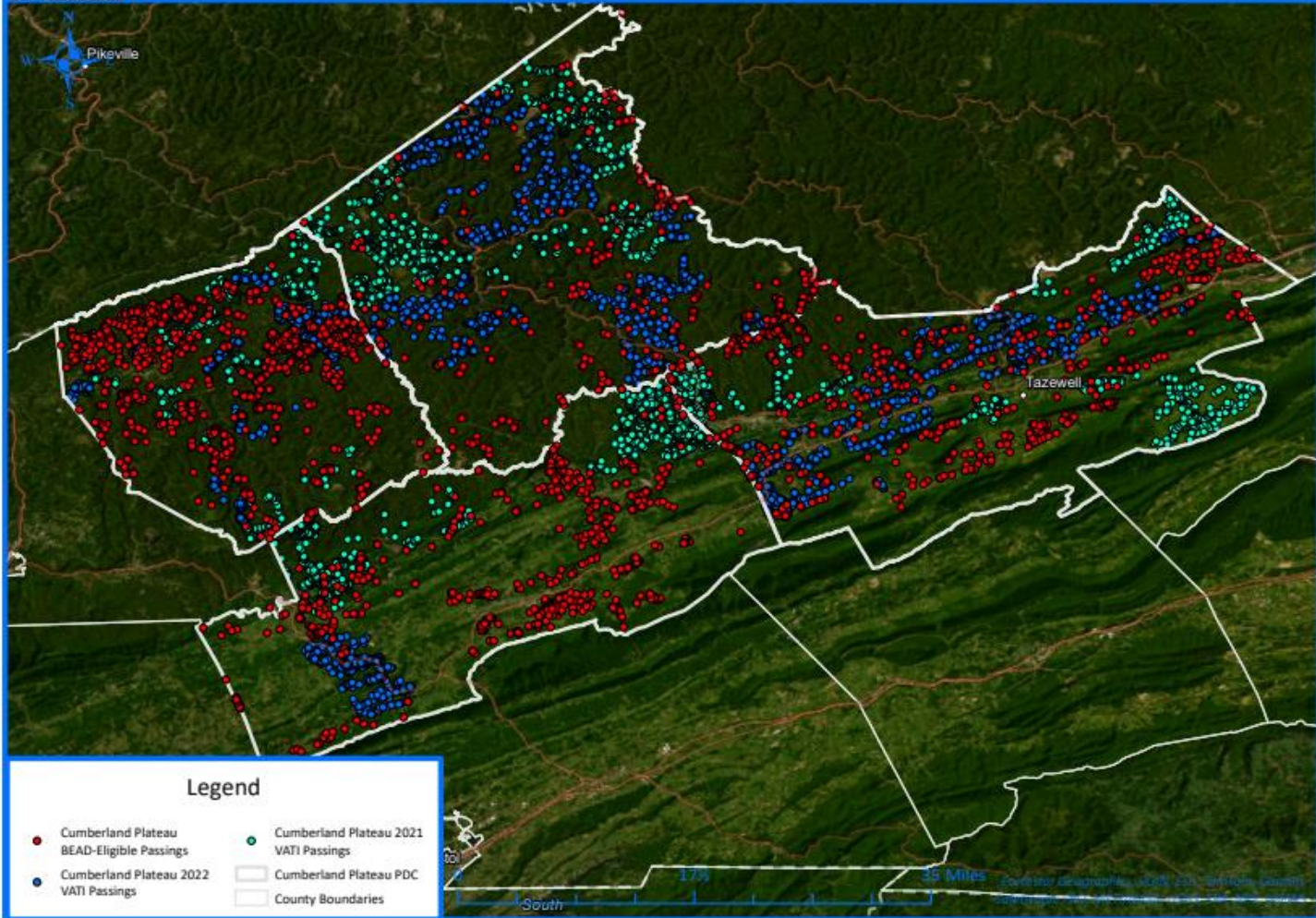*Partners for Better Communities*

Preliminary BEAD Challenge Process Results Summary

- Preliminary Unserved BEAD Locations: 98,812
- Preliminary Underserved BEAD Locations: 16,060
- Preliminary Unserved BEAD CAIs: 1,520

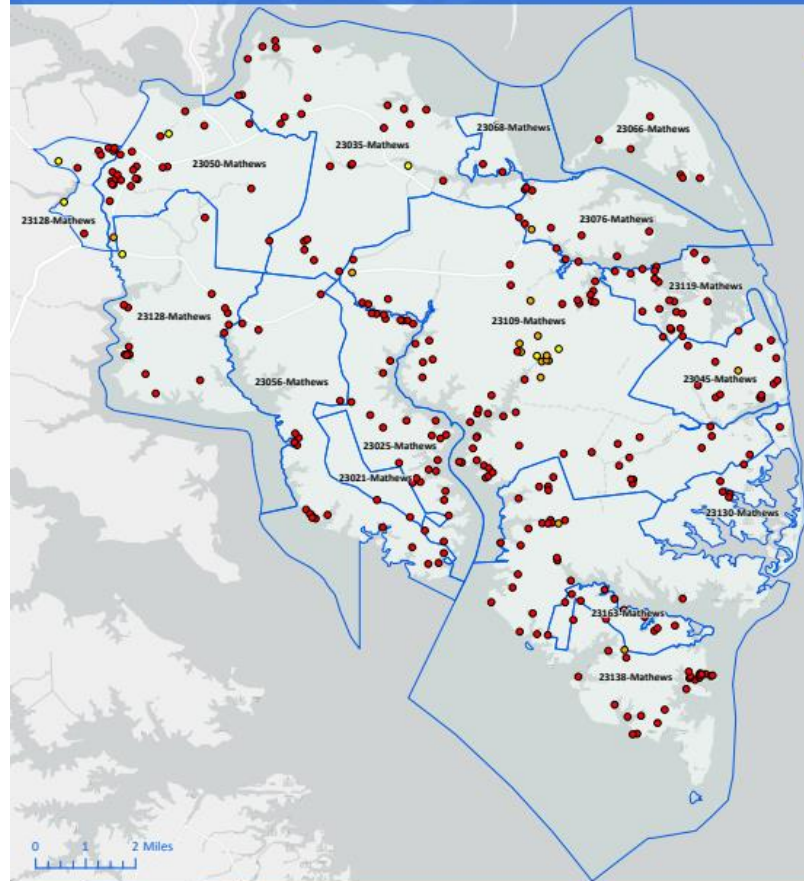**Note: Figures do not reflect removal of FY2024 VATI Awarded Locations**

Existing VATI & Future BEAD Funding in Cumberland Plateau PDC

Legend

- Cumberland Plateau BEAD-Eligible Passings
- Cumberland Plateau 2022 VATI Passings
- Cumberland Plateau 2021 VATI Passings
- Cumberland Plateau PDC
- County Boundaries

BEAD Update - Deployment

Once we start the Application Process

- 60 Day Letter of Intent Window

  - Broadband Providers outline General Qualifications, List of Counties and Cities Interested in Submitting a Proposal in

- 90 Day Full Application Window

  - Applicants submit extensive narratives, quantitative information for applications at the Zip Code Tabulation Area Level

BEAD Application Areas in Mathews County

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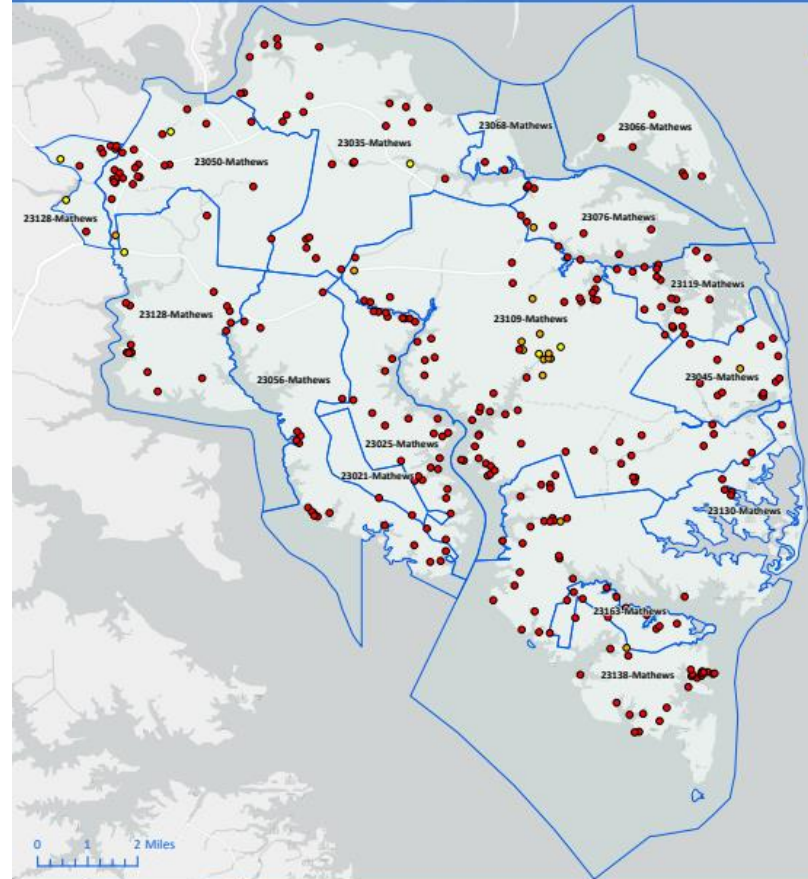
BEAD Update - Deployment

Scoring Criteria

- 45% - Cost Efficiency

- 20% - Affordability

- 10.2% - Fair Labor Practices

- 5% - Speed to Deployment

- 9.9% - Universality of Applications

- 9.9% - City/County Letter of Support

Key Takeaway:

- Cost Efficiency is most significant, but weighed out by other criteria.

BEAD Application Areas in Mathews County

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Legend
- Unserved Locations
- Underserved Locations
- Unserved CAIs
- BEAD Application Areas

Application Areas for Virginia's BEAD program will be based on ZIP Code
Tabulation Areas spliced by locality boundaries.

Some Application Areas may not be geographically contiguous.

BEAD Non-Deployment

- States that demonstrate that BEAD funding will provide broadband access to remaining unserved, underserved, and unserved Community Anchor Institutions can use funding for BEAD Non-Deployment Uses

- DHCD has met with over 25 other state agencies to develop innovative programs to invest in non-deployment uses, meaning broadband adoption and affordability

- Other programs being developed, but pending NTIA approval on concepts

BEAD Non-Deployment Funding in Virginia

$1.48B Total VA BEAD allocation

Funding to be first allocated to achieve universal broadband access, then remaining funds for non-deployment activities, including state agency partnerships

Virginia state agencies to administer grants to programs supporting the *11 types of non-deployment activities*

Eligible Uses of Funding

Digital opportunity plan implementation

Promoting Broadband Affordability

Remote learning & telehealth services

Multilingual outreach to support digital literacy

Stakeholder engagement costs

Broadband sign-up assistance & tech support programs

Digital safety & cybersecurity user training

Digital navigators

Digital literacy & upskilling

Prisoner education

Computer science, coding, & cybersecurity education

Sample Use: Administrative funding to support new and expanded digital opportunity programs

Sample Program: Device and smartphone trainings for English learners in libraries, schools, prisons, etc.

Sample Program: Cybersecurity, scam, & financial 101 trainings for aging adults

Sample Program: Developing smart agriculture technologies and capabilities for farming practices

Sample Program: Workforce development centers make Chromebooks available to the public in to facilitate their reentry into the workforce

Key Takeaways − Opportunity under BEAD

- Thousands of more locations to be included in BEAD Projects

- Significant work ahead in Carroll (9,096 eligible locations) and Grayson (4,406 eligible locations)

- Imperative to leverage investment and progress through connectivity

- Opportunity through BEAD and Digital Equity Act Programs to plan, invest in broadband adoption programs

Virginia Digital Opportunity Initiatives

1. **Virginia Affordability and Adoption Planning Grant (VAAPG) Program**

2. **State Digital Equity Capacity Grant Program**

   ➢ **Digital Skills, Literacy, and Distribution (DSLD) Program**

3. **Digital Equity Competitive Grant Program**

Virginia Affordability & Adoption Planning Grant (VAAPG) Program

The VAAPG program is designed to help **cities, counties, and tribal governments** understand broadband affordability and adoption needs in their jurisdictions, better preparing them to address these needs with forthcoming federal funding.

$25,000

Total amount of funding reserved for each locality.

Applications including more than one county, city, or tribal government must meet planning requirements unique to the individual counties, cities, or tribal governments.

Sample Use Develop/update a local Broadband Affordability and Adoption Plan

Needs Assessment

Asset Inventory

Local Coordination

Sample Use Conduct community input sessions, surveys, and/or other stakeholder engagement events

Sample Program Develop a pilot Digital Literacy and Skills Program in your local library system

Pilot or Case Study

Increasing Organizational Capacity

Publications, outreach, and communications support related to broadband planning, deployment, mapping, equity and adoption.

Sample Use Hire a digital navigator for the County to address community navigation needs
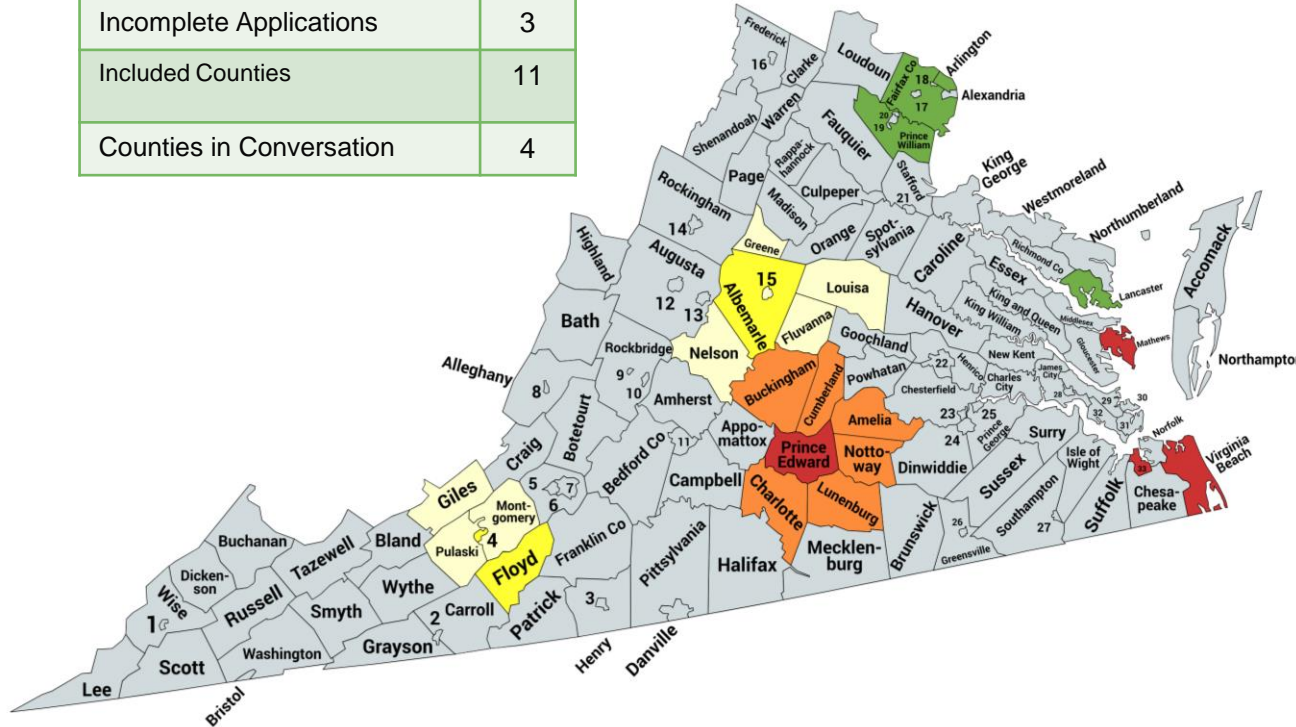
VAAPG Program: Applicant Status*

*Status as of 8/9/2024

Completed Applications	4
Included Counties	10
Incomplete Applications	3
Included Counties	11
Counties in Conversation	4

1 Norton
2 Galax
3 Martinsville
4 Radford
5 Roanoke Co
6 Salem
7 Roanoke
8 Covington
9 Lexington
10 Buena Vista
11 Lynchburg
12 Staunton
13 Waynesboro
14 Harrisonburg
15 Charlottesville
16 Winchester
17 Fairfax
18 Falls Church
19 Manassas
20 Manassas Park
21 Fredericksburg
22 Richmond
23 Colonial Heights
24 Petersburg
25 Hopewell
26 Emporia
27 Franklin
28 Williamsburg
29 York
30 Poquoson
31 Hampton
32 Newport News
33 Portsmouth

Key
- Completed Application
- Included in Joint Application
- Incomplete Application
- Included in Incomplete Joint Application
- In Conversation

Digital Opportunity in the Commonwealth - Overview

	Federal or State Administered?	Award Amount	Award Issuance	Application Deadline	Period of Performance
Virginia Affordability and Adoption Planning Grant (VAAPG) Program	State	$25,000 reserved per locality	Rolling Basis until December 2024	Rolling Basis: 15th of every month until December 2024	6 Months
Digital Skills, Literacy, and Distribution (DSLD) Program	State	TBD	TBD	TBD	Determined by applicant. Maximum 4 years allowable.
Digital Equity Competitive Program	Federal	$5-12 Million	Rolling Basis: Winter 2024 – April 20, 2025	September 23, 2024	4 Years; 1 Year of Evaluation

Discussion and Questions

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