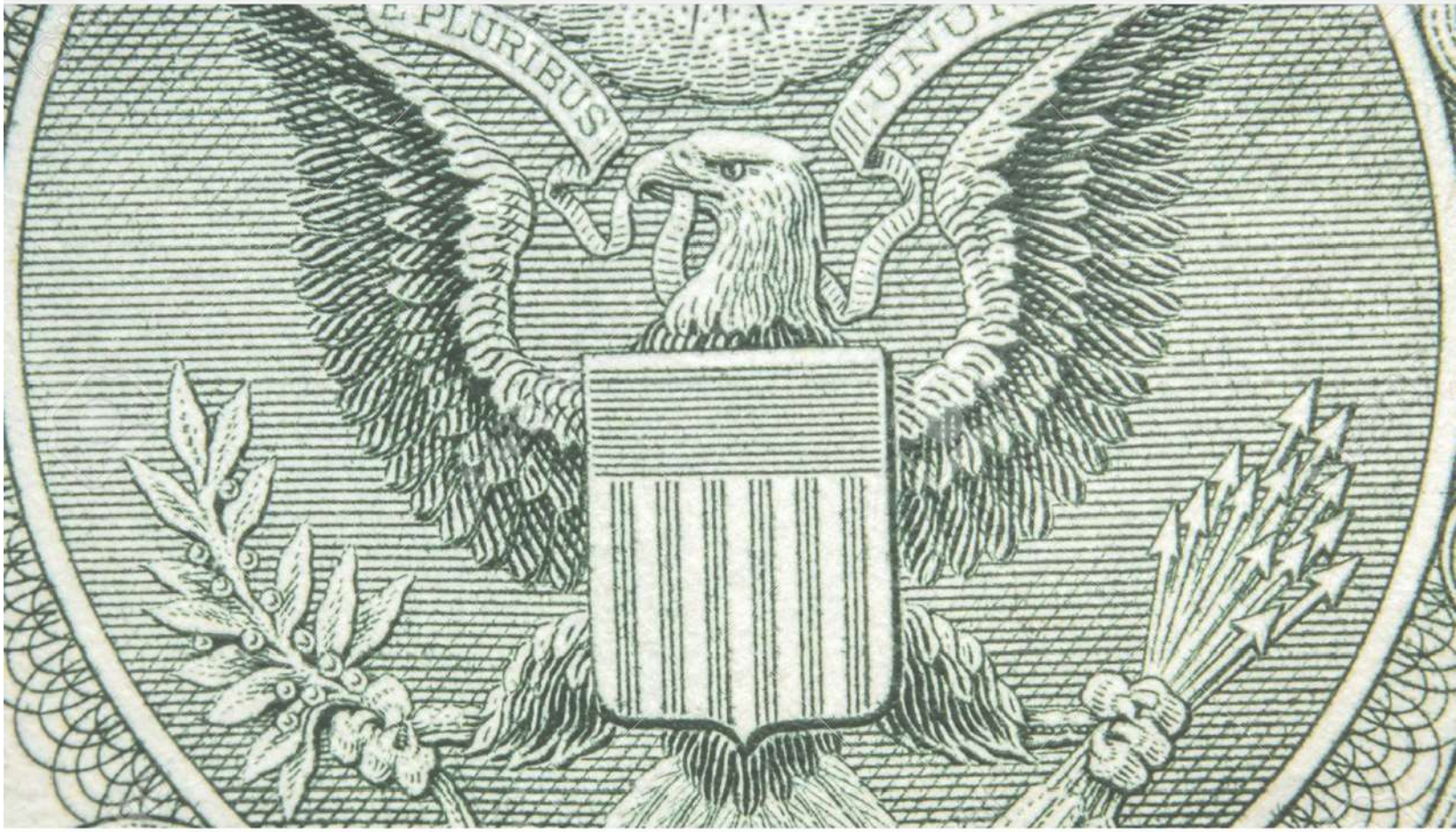
FISCAL BRIEF

Broadband Spending: Bridging the Digital Divide



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The COVID-19 pandemic and its impact on distance learning and working from home has helped illuminate the digital divide, the gap between those who have access to high speed internet and devices and those who do not. Despite some evidence that the divide is narrowing, the dramatic shift to a virtual world shows a large gap still exists. During the COVID-19 pandemic, people working remotely, getting treatment through telehealth and students attending school online, amplifies the need for consistent, quality broadband in all areas of the country. More importantly, those without access to broadband and devices run the risk of being left farther behind the longer the pandemic continues.

According to its 2020 Broadband Deployment Report, the Federal Communications Commission (FCC) reported that the number of Americans lacking a connection of at least 25 Mbps/3 Mbps dropped from 55 million in 2014 to 18 million by the ed of 2018. However, some challenge that the deployment numbers reported by the FCC are being overstated because the numbers are calculated by census blocks. If service is provided anywhere within the census block, then deployment can be counted, even if service is provided in only one connection within the census block.

In contrast to the FCC calculation method, a recent report published by Common Sense and the Boston Consulting Group found that approximately 15 million to 16 million K-12 public school students, or 30% of all public K-12 students, live in households without either an internet connection or device adequate for distance learning at home. Of these students, approximately 9 million students live in households without an adequate connection and devices for distance learning.

The digital divide impacts more than just students. The Common Sense report found that 300,00 to 400,000 K-12 teachers—roughly 10% of all public school teachers—live in households without adequate internet connectivity and 100,000 teachers lack adequate home computing devices.

The digital divide is not limited to rural areas alone. The National Digital Inclusion Alliance (NDIA), using FCC data and the U.S. Census American Community Survey data, found that urban counties—those with few than 5% rural residents—accounted for more than 35% of Americans living in households with no broadband while rural counties—those with at least 75% rural residents—accounted for less than 8%. Looking at the numbers more closely, NDIA reports that substantial majorities of the residents in households without broadband in the urban data sets were people of color while 76% of residents in the most rural third of U.S. counties are white and non-Hispanic.

Furthermore, in New Mexico, the state Public School Facilities Authority reports that 23% of the student population does not have internet service at home. In Seattle, a leading technology hub, more than one out of five households with incomes under $25,000 do not have internet access where they live while nearly all households with incomes over $50,000 have internet access according to a survey performed by Seattle's Technology Access and Adoption Study.

State legislators and other policymakers have been working to expand broadband access. In the 2020 legislative session, at least 500 bills address broadband. For comparison, in 2019, nearly 400 bills were introduced addressing broadband.

In response to the pandemic, to ease the financial strain of state spending on COVID-19 mitigation and response measures, Congress included $150 billion in direct assistance for state governments, local and tribal governments as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. Known as

the Coronavirus Relief Funds (CRF), each state received a minimum allocation of $1.25 billion and local governments with a population of at least 500,000 were eligible for direct payments.

Provided the funds are spent by Dec. 30, states and other government recipients may use their CRF to expand broadband capacity for distance learning and telework if they are necessary for the public health emergency as specified by the U.S. Treasury guidance.

Here are examples of how states are utilizing its COVID-19 relief fund allocation for broadband and technology purposes:

Alabama

- The governor allocated $100 million in CARES Act funding for a public-private partnership to increase access to internet for K-12 students attending school in the fall who may need internet service for distance learning. The program, called Alabama Broadband Connectivity (ABC) for Students, will provide vouchers for families of students currently eligible for free and reduced-price school meals, or other income criteria. The vouchers will help cover equipment and service costs for high-speed internet service from the fall through Dec. 31, 2020. Providers will contract with the state to provide the service using existing lines and technologies.

Georgia

- $6 million of the state's CARES Act funding is allocated to purchase equipment for local school systems to improve connectivity options for students who do not have sufficient internet access at home. The funds will be used to purchase a variety of connectivity solutions for school districts, including Wi-Fi transmitters on school buses and other connectivity options as needed. For districts implementing a school bus Wi-Fi program, transmitters can be placed on buses that may be deployed for food delivery or on other vehicles that can be placed for one to three or more hours in students' neighborhoods. Some districts may also choose to permanently affix WiFi transmitters onto residential buildings where a high prevalence of students live (i.e. apartments/multifamily housing).
- Over $3 million to improvements to telework capabilities of public employees.

Idaho

- $1,967,680 to the Office of Information Technology Services to improve the state's firewalls.
- $50 million to the Department of Commerce for broadband infrastructure to support distance education, remote work, and telehealth.

Maryland

- To address the digital divide, $100 million is allocated to local school systems to ensure that students have access to the most up-to-date devices and connectivity. It is estimated that student devices need to be replaced when they are over four years old. Local school systems must also take into account having the staff necessary to deploy and maintain devices.
- $5 million is allocated to make Maryland's wireless education network for students available in urban centers, where access to the internet can be scarce for underprivileged populations. The

state plans to use a phased, targeted approach to ensure the populations who lack access will be connected first.

- The Governor's Office of Rural Broadband will construct a wireless education network for students' use in Western Maryland, Southern Maryland, and on the Eastern Shore. This network will initially be constructed in the areas that currently lack broadband service but could be expanded to cover other areas of the state where access may be limited for other reasons. The state is proposing a wireless, Long-Term Evolution (LTE) network using frequency provided by the Federal Communications Commission (FCC) for educational purposes, or available unlicensed frequencies.

New Hampshire

- $50 million allocated to the Connecting New Hampshire Emergency Broadband Expansion Program. The Connecting New Hampshire – Emergency Broadband Expansion Program will address challenges for students participating in remote learning, individuals working remotely, as well as other Granite Staters utilizing the internet to access telehealth services, including vital mental health services.

Oregon

- The Oregon Legislative Assembly Joint Emergency Board allocated $3.5 million for the Public Utility Commission, Residential Services Protection Fund, for funding to provide a greater discount on telephone and broadband services for eligible low-income households needing assistance due to the COVID-19 pandemic.
- In addition, the board allocated $20 million for the Oregon Business Development Department, for funding for a grant program for the Rural Broadband Capacity Program.

South Carolina

- $50 million for the Office of Regulatory Staff Broadband Mapping and Planning, Infrastructure and Mobile Hotspots. As specified in legislation, the Office of Regulatory Staff is directed to secure a vendor for the development of a broadband statewide county-by-county mapping plan and to secure a vendor for the development of a statewide broadband infrastructure plan. The infrastructure plan shall identify and prioritize communities in the state where access to broadband has impeded the delivery of distance learning, telework, and telehealth for the most vulnerable population of South Carolinians impacted by COVID-19. The plan must identify the role that public and private broadband operators can play in addressing the state's broadband plans. And, the Office of Regulatory Staff, in consultation with the State Department of Education and the Commission on Higher Education, shall procure mobile hotspots and monthly service through December 2020 for distribution to a minimum of 100,000 households. Eligibility shall be limited to households with an annual income of 250% or less of federal poverty guidelines that also have an individual attending a public or private K-12 school or a public or private college, university, or technical college. School districts, private schools, and institutions of higher learning will be responsible for distributing the hotspots and ensuring that appropriate security measures are installed on each hotspot. Priority should be given to households in counties that contain a school district that has been defined by the Department of Education as having a poverty rate greater than or equal to 86%.

For additional information regarding the ways states are utilizing its CRF allocations, please review the NCSL database, State Actions on Coronavirus Relief Funds.

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