

Transcript

FedTalk: Getting Connected: Closing the Broadband Access Gap in the US

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Presentation

Speakers:

- Julia Brinjac, Digital Equity Program Manager, Pennsylvania Broadband Development Authority
- Marycruz De Leon, Community Development Senior Advisor, Federal Reserve Bank of Dallas
- Amy Huffman, Policy Director, National Digital Inclusion Alliance

Moderator:

- Merissa Piazza, Lead Policy Analyst, Federal Reserve Bank of Cleveland

Merissa Piazza:

Good afternoon and thank you for joining us and welcome to today's *FedTalk*. I'm Merissa Piazza lead policy analyst in the community development department at the Federal Reserve Bank of Cleveland. It's my pleasure to kick off today's *FedTalk* session entitled Closing the Broadband Access Gap in the United States. The *FedTalk*, the Cleveland Fed Speaker Series in which we share research that is relevant to our community. Past events have covered such subjects as the racial wealth gap, access to the labor market and financial literacy. All of our events can be found on their website clevelandfed.org. Few housekeeping items before we begin. During this event, your microphone and camera are disabled. Please type and submit your questions to our panelists in the chat box. And in the case the Zoom meeting drops, please use the dial-in info provided in the invitation.

Before we begin our program, I would like to state that the views shared today by myself and the panelists are our own and not necessarily those of the Federal Reserve Bank of Cleveland or the Federal Reserve system. Today I'd like to welcome our esteemed panelists, Julia Brinjac, Director of Digital Equity Programs at the Pennsylvania Broadband Development Authority, Marycruz De León, Community Development Senior Advisor at the Federal Reserve Bank of Dallas, and Amy Huffman, Policy Director at the National Digital Inclusion Alliance. Our panelists will first provide some information regarding their organization, focus areas and then we will enter in a moderated Q&A. Please welcome Amy.

Amy Huffman:

Good afternoon, everyone. My name is Amy Huffman, I'm the Policy Director at the National Digital Inclusion Alliance. My pronouns are she/her and I am based in Durham, North Carolina. Next slide, please. So in case you're not familiar with the National Digital Inclusion Alliance, I'm just going to give a brief overview of who we are and what we do. We are a national nonprofit. We got started about nine years ago. Next year is our 10th anniversary. And we exist

to advance digital equity by supporting community programs and equipping policymakers to act. Today, we have over 1900 affiliates and our affiliates are the subject matter experts, the boots on the ground, folks across the country doing the really difficult work of digital inclusion. And we take what we hear from them in all 50 states and with 30 tribal entities across the country, we take what we hear from them, what we learn from them and we create tools, best practices, resources and we also take their needs to policymakers. Next slide, please.

With all of this, we create, again, resources to support practitioners. We advocate for the policy needs of these folks. We create awareness around the issue of the digital divide and digital inclusion and the practices that help us close the digital divide. And we do a lot of data analysis and research as well. Next slide. So for those of you that might not be familiar with these terms, I'm going to quickly define them before we move throughout our conversation today. So digital divide is the issue. It's the gap between those that have the resources and the opportunities that the internet provides, the resources to access the internet and the opportunities that it provides and those that don't. Next slide, please.

Digital equity then is our goal. That's the state of being that we want to get to where every person in this country can thrive because they have everything they need to get and stay online. And then digital inclusion is how we get there. Digital inclusion is the programs, the policies and the tools that help us achieve digital equity. Next slide, please. And when we talk about digital equity and digital inclusion, we intentionally use the word equity because in some instances, more resources have to be expended to ensure that some populations that we'll talk about later have equitable access to the internet and everything that it provides. Next slide, please.

So what are the ways that we can help support folks get and stay online? Well, we know from a lot of research over many, many years that there are a couple key barriers that keep people offline. And those are not having access at all to the internet, like a provider does not serve your household or your house or maybe a provider does serve your house but the service that they provide is not affordable or a household may not be able to get and stay online because they don't have a device that works for them or that is meaningful for them, maybe they have a smartphone but not a desktop computer or not a laptop, or maybe they don't have the ongoing technical support to stay online or perhaps they don't have digital skills, training opportunities or the digital skills necessary to effectively and efficiently navigate the internet and a computer. Next slide, please.

So to get to a place of digital equity, we need programs and policies and tools that address all those barriers to digital equity. And we also need robust and thriving digital inclusion ecosystems where there's organizations and governments at all levels that are working in tandem and alongside each other to help create an ecosystem where all of these types of programs are offered and an individual can get the specific needs that they need to get and stay online. And so an ecosystem helps coordinate this work across an entire community, state or the entire nation. Next slide, please.

One way that we've, so I'll just dive into a couple strategies that we've seen to support bridging the digital divide and one of those is a digital navigator. So a digital navigator provides consistent, holistic, individualized support through repeated interactions with an individual. You'll hear a lot about digital navigators today that are housed in different types of organizations across the country, whether they are libraries or K-12 schools or community colleges or even some healthcare institutions. A digital navigator can help an individual find an affordable

broadband offer or find access to an appropriate device or digital skills training opportunities. Next slide, please.

And then another type of resource that we've seen in recent years support digital inclusion are digital inclusion coalitions. And those are a group of organizations that come together to advance digital equity in their community and create that thriving digital inclusion ecosystem. And turning quickly to policy that we have around this issue, which is another key component of reaching digital equity, is the Infrastructure Investment and Jobs Act. And in 2021, this act passed and it included \$65 billion to address many of the different types of issues that we just talked about, many of the different types of issues that keep households offline. Particularly, there's the Digital Equity Act, which was \$2.75 billion and it directed funds to states to create digital equity plans and then to implement those plans. And then it also directed and reserved funds for individual organizations to create and develop their own programs. These dollars are about to hit the streets, they're about to go out the door in the coming months and hopefully by the end of this year and maybe into next year. Next slide, please.

And as you can see, this is the breakdown of the Digital Equity Act programs. Next slide, please. And then this is the timeline. We won't go through all of it, but you will have this after the webinar in case you need to refer to it. Next slide, please. And I just want to say thank you for having me here today. I look forward to interacting with each and every one of you. You can scan this QR code and get a list and link to all of the different resources that NDIA offers. We are a community of practice and we learn from each other in our community of practice and then we develop these resources. Next slide, please. And if you're not already part of this community, we would love to invite you to join us. It's free to join, to become an affiliate. And you can just scan the QR code or visit our website and find out more. Next slide, please. Thank you for having me. This is my contact information and now I'm going to pass it to Marycruz.

Marycruz De León:

Great. Thank you, Amy. So like Amy said, my name is Marycruz or Marycruz. I'm part of the Federal Reserve Bank of Dallas. And this afternoon, I'll be sharing about why this issue is important to the Federal Reserve and I'll share specifics on the Dallas Fed's digital inclusion initiatives. So next slide, please. I also have to share our disclaimer, the views expressed this afternoon, these are just mine, they don't necessarily reflect the official opinion of the Dallas Fed or the Federal Reserve system. Next slide. So the Dallas Fed has been working in the digital inclusion space for about the last 10 years. And at the Dallas Fed, this work lives in the community development department. Community development is one of the core functions of the Federal Reserve. It's specifically focused on advancing the economic mobility and resilience of lower income residents and communities.

Each of the 12 Reserve Banks has a community development department and this team connects to the overarching mission and develops their own research and outreach initiatives in various focal areas, but all of it in a response to local needs in their own districts. So each of the community development departments at the 12 banks looks a little bit different. At the Dallas Fed, we focus our work on three issues that are critical to an inclusive economy in our district. First, workforce development and educational attainment, small business development and critical infrastructure. And we focus on critical infrastructure because inequities in it can limit education and workforce opportunities, it can restrict access to essential services, make individuals more vulnerable to natural disasters or other emergencies. And in our district,

broadband is among the most inequitable infrastructures. So this is one of the reasons why we focus on this issue. So who is impacted by lack of connectivity? Can we go to the next slide, please?

So in the US and in the Dallas Fed District, it's particularly low-income and rural communities where access to broadband remains challenging. This chart shows census data and it's showing the share of households with a broadband subscription. Here, we can see that non-metro or rural households are less likely than metro households to have a broadband subscription, that's 74% in non-metro households compared to 85% in metro area households. Lower connectivity in these rural communities is often due to limited or missing infrastructure. So these sparsely populated rural areas mean fewer potential customers leading to a lower return on investment for internet service providers. And while metropolitan areas do tend to have higher rates of households with broadband subscriptions, there are pockets within metro areas that often suffer from a lack of access as well. And this is often due to high monthly subscription fees that make access unaffordable for some lower-income households. And this chart is showing national data, but the issue looks very similar in our district at the Dallas Fed, which includes all of Texas, Southern New Mexico and Northern Louisiana. Next slide, please.

Like I mentioned, at the Dallas Fed, we've been working in this space for about the last 10 years. We started working on the digital divide in 2013 when we were doing some research in colonias along the US-Mexico border and colonias are communities that lack basic infrastructure like water and electricity. And so we were doing research in these communities and we held a number of focus group conversations with residents from the colonias. And we were surprised to learn that while of course water was very important and one of the infrastructures that they wanted, one of the issues that really was top of mind for was actually broadband. They were really concerned that their children weren't able to complete homework assignments in the evenings because they didn't have connectivity and that their children were going to get left behind. They talked about not being able to access employment opportunities because they didn't have the access at home. So this really put the issue on our radar and we started to do a lot of research on the topic back then.

Fast-forward to the pandemic, of course, the issue rose in importance for a broader set of communities. And so in 2021, we launched Advancing Digital Inclusion Initiative. So this initiative, we really wanted to work in communities to get a better understanding of what it takes to get residents connected and to expand access to devices and digital skilling. And so we worked with four communities in our district and we provided support to them for a number of years and we helped these communities advance their goals. But at the end of this initiative, we learned that there's still a lot of work to do. So just this month, we launched round two of our Advancing Digital Inclusion Initiative and it's a two track model where we're supporting both the small and mid-size communities and major metros. And so I'll share more details on the initiative, but before that, I want to share what we're seeing in the broader ecosystem and what we're hearing from stakeholders and how that has influenced the set of supports that we are providing in round two. So next slide, please.

So Amy mentioned the Infrastructure and Investment Jobs Act that became law in 2021 and allocated billions of dollars for upgrades and expansion of the nation's infrastructure. So a historic amount of funding. Yet, estimates show that it's likely not enough funding to connect all of the households in the nation. One estimate shows that the true need is closer to double or three times that amount. So there's not enough funding. The federal funding that has been allocated for

this issue is likely not enough. Second, the Affordable Connectivity Program was a \$14 billion program that provided a subsidy towards internet access to eligible households. It provided a \$30 subsidy to these households and over 23 million households in the US participated. And I think reports show that every county in the country had at least one household that was participating in the program. Unfortunately, the funds for this program have run out. And going forward, we expect broadband affordability to remain a big issue for communities. So we know that there's not enough funding for infrastructure deployment and not enough funding to address the affordability gap. So what are we hearing from communities? Next slide, please?

So late last year, we hosted focus group conversations with digital inclusion leaders from the public and private sector and from both rural and urban communities in our district. And in these conversations, attendees highlighted the gaps and barriers that remained to address the digital divide in their communities. And so they mentioned that lack of capacity was one of the biggest issues. It's difficult for them to stay on top of the latest news and awareness of the issue and the opportunities that exist because they don't have enough organizational capacity dedicated to the issue. It's also difficult to really understand all of the technical aspects of broadband infrastructure deployment. And without that, it's difficult to apply for grants, to negotiate with internet service providers. So a lot of conversation really revolved around the lack of capacity that's small and mid-sized communities have and how that prevented them from doing more work on the topic. From the larger metros, what we heard was that affordability was a big issue. With the ending of the Affordable Connectivity Program, this was something that was top of mind for individuals leading digital inclusion work in the larger metros.

So to help address both the needs of communities and the challenges that we're seeing in the broader ecosystem, we launched this two track initiative to help communities both small and rural and the major metro areas find innovative ways to finance digital inclusion projects. So next slide, please. The Financial Innovations Academy for Digital Access will help digital inclusion leaders from major metros learn about impact investing practices and tools and how they can be applied to fund sustainable broadband affordability projects. So through this initiative, we will work with leaders from major metros, but also work to convene philanthropic funders from our district and invite everyone to learn about the basics of impact investing. Through these boot camps and collaborations, we hope to identify a broader system-level intervention in both policy and capital markets that support greater investment in underserved communities. So we're hoping to attract more private and philanthropic dollars to address the affordability issue in the major metros. And we'll be launching this initiative in the next month or so.

For our smaller communities, we have the Broadband Buildout Initiative. And next slide, please. So in this initiative, we're supporting four small to mid-sized communities in our district and they'll receive support from a nonprofit organization, Connect Humanity. And Connect Humanity will support these communities in evaluating their broadband technical plans, helping these communities solicit and structure partnerships with internet service providers. They will also help communities develop economic implementation and business plans and support funding and financing strategies so that these communities can actually deploy infrastructure, broadband infrastructure, in their regions.

So to receive this assistance, communities had to apply. Our application process was open in August and September. And we had members from an external advisory committee select the communities that will be participating. So this external selection committee reviewed

applications and interviewed teams. And ultimately, they decided to support four communities in our district, one in far west Texas, another in the Permian Basin, another in the Panhandle and then another in far east Texas. And so our work with these communities is just this month being launched. And so we're really excited to be able to help support both small and mid-sized communities in their endeavors to deploy broadband infrastructure and then support major metros in addressing broadband affordability in their communities. So next slide, please.

So with that, just wanted to share, wanted to let you all know that you can go to dallasfed.org to learn more about the initiatives that we're launching, learn more about the research that we've produced and hopefully keep up to date on our progress as we work with these eight communities in the Dallas Fed's 11th District. So with that, thank you. And I will pass it over to Julia.

Julia Brinjac:

Thank you, Marycruz. And thanks everybody for having me. Marycruz, really awesome work that you guys are doing. And I also just wanted to start by saying that I have to give a huge appreciative shout out to both NDIA and the Federal Reserve Banks. I'm Julia Brinjac. I am the Director of Digital Equity Programs for the Pennsylvania Broadband Development Authority. So we're the state broadband office for Pennsylvania and we could not do the work that we do without the support of entities like NDIA and the Federal Reserve. They have been incredible partners to broadband offices. They provide support, data and best practices that we use to develop our plans and programming. So I'm going to give you a little bit of a perspective about a state broadband office. So the PBDA in Pennsylvania, we're a semi-independent agency, more housed in Pennsylvania's Department of Community and Economic Development.

A lot of other states are structured similarly. So if you're looking for a state broadband office, you might find it embedded within departments of commerce, other departments of community and economic development. And a lot of state broadband offices are new. For example, the PBDA was established by ACT 96 of 2021, which was in response to the passing of the Infrastructure Investment and Jobs Act. We are governed by an 11-member board, and we have four subcommittees that report to that board, which are workforce and supply chain, data and mapping, outreach and education and our technical subcommittee. So when you hear people talk about the Infrastructure Investment and Jobs Act programs and internet for all, these state broadband offices are that are tasked with making internet for all the reality. It's our responsibility to connect every household with high-speed, affordable broadband service in Pennsylvania. And along with that residential access, we have grant program opportunities to support digital equity activities, everything from digital navigation, skill building, increased access for community anchor institutions like libraries and community centers and device access.

We're predominantly a grant-making entity, so we don't have boots-on-the-ground programs, but we are responsible for those grant programs to make that work possible and to provide opportunities for organizations that do, do that work. Other state broadband offices are structured differently than ours, so I'd encourage everybody here to get familiar with the structure of your state broadband office and the work that's happening in your state. States, every single one of us, had to develop both a digital equity plan and a five-year action plan to be able to move forward with getting access to the federal funding that we'll be putting out in grant programs. That involved extensive community listening sessions and community engagement to really understand what, in my case, Pennsylvanians needed when it came to broadband access and

digital equity. So I also encourage you to get really familiar with those plans and see how your state plans on tackling the digital divide. I'll keep my comments short and I'm happy to pass it back to Merissa.

Merissa Piazza:

Excellent. Thank you. I'm so excited for our conversation today. No matter who I talk to about whatever subject, I work a lot in small business, growth, I work in workforce development, economic development, and inevitably, digital equity, broadband access, affordability and digital skills comes up. So no matter what space, I feel like this comes up and I'm really excited for our conversation today. One of the things several of you have talked about was the Affordable Connectivity Program. So I wanted to touch on that. As you know, Marycruz talked about it, the program ended in June of this year. Just to reinforce the audience, if you don't know, the Affordable Connectivity Program subsidized broadband subscriptions as well as devices for low-income households. So knowing that that's not in the space anymore, I wanted the panelists to discuss what are some kind of innovative practices you're seeing that can create broadband access and device adoption for some low-income households. Amy, are you okay with starting there?

Amy Huffman:

Yeah, I'm happy to. So I'll start with the bad news and get to the good news. The bad news is there's no substitute for the Affordable Connectivity Program. We are all now implementing patchwork solutions. So there are different things happening across the country on the ground that are in response to the Affordable Connectivity Program not being around. And then in some places, there were efforts that were underway before it ended that would have complemented, but now are substitutes. So pre-Affordable Connectivity Program days, one way that folks were supporting affordable access was hotspots. So loaning out hotspots from via schools, K-12 schools, to students or libraries. We're seeing more of that, a return to that now, and other loan programs with devices as well.

On the devices side, the Affordable Connectivity Program provided \$100, so that didn't always cover a meaningful device that met the needs of the individuals that needed them. So there are lots of those solutions around the country, including device refurbishers that take donated devices from individuals or businesses, refurbish them and then get them out to folks who need them. And that is still a big way that solves the device access gap.

I will just plug on our website, you can find a couple things. One is a low-cost plan model, which is, if you are working with an internet service provider in your community, something you take to them and say, "Hey, this is what a good low-cost plan looks like for low-income households." We also have taken that model and graded the big plans from the large ISPs that we are aware of across the country. So we have a grading internet for good page on our website where you can see what those grades look like. And then finally, we also have an honor roll of those low-cost plans, which is also on our website. I'll make sure it gets in the chat.

Merissa Piazza:

Excellent. Thank you. Marycruz, what are you seeing in your district? Anything interesting happening there?

Marycruz De León:

No, no, unfortunately, like Amy said, there's not really a good substitute. I think, like Amy mentioned, libraries are a good resource for hotspots and they can loan out devices in some instances as well. But unfortunately, there is not a lot to assist those households that were participating in the Affordable Connectivity Program and can no longer receive that subsidy.

Julia Brinjac:

I would point out that any internet service provider that's going to participate in a BEAD program is going to be required to offer a low-cost rate and as well as a middle-class affordability rate. That is going to look different, each state has approached that differently. But again, I encourage you to look at what your states have put forward and what are called the initial proposals, volume one and two, you can find what those rates are going to be for participation in that BEAD program for each state in those documents. There's no doubt about it, ACP going away was a huge blow for low-income households and frankly, a very large blow for folks like myself who are in positions where we are trying to implement programs and policies to meet the needs of communities to then have a massive shift in the community needs. The need was always there, but now we have one less tool to solve the problem. And it was a very, very helpful tool.

So states are unfortunately in this position where we're trying to mitigate some of that damage, but it's very difficult. I will give an example of something that Pennsylvania is trying to do innovatively when it comes to device access states. States also, many states, have capital projects fund dollars. These were dollars that were allocated in the American Rescue Plan. Folks may remember that from COVID. We have a \$20 million program dedicated towards devices in Pennsylvania. We just actually ran our first round of that program. We'll run an additional round sometime early next year. We decided that we were going to use our purchasing power to purchase devices ourselves and give those devices to community anchor institutions and eligible nonprofits. What that helped us do was, one, get a really great price. When you're buying \$20 million of something, people tend to work with you on pricing, great partners with HP in that regard. The price we paid also includes four years of manufacturer's warranty, four years of technical assistance that are dedicated to those devices, four years of accidental damage coverage and a dedicated phone line for recipients to use.

And I know Marycruz talked about the lack of capacity for organizations, which is something we have also heard. Doing it this way means that those entities that get laptops through the program only have to track the laptops. They don't have to put things out for procurement. They don't have to track every dollar that they spend. They don't have to tell us why they picked one device over another and justify that. They just have to tell us where those laptops are when it comes to reporting. And that was something that we were really intentional about. We wanted this to be as easy as possible for the folks who are applying to get the devices to those who need the most.

Merissa Piazza:

For anybody who's listening who's in the state of Pennsylvania, can they just go to your website and find out how to get that connected?

Julia Brinjac:

Yep. Yes.

Merissa Piazza:

Okay, everybody.

Julia Brinjac:

It's right on our website.

Merissa Piazza:

Check out Julia's website. They have all sorts of resources.

Julia Brinjac:

I'll put the website in the chat.

Merissa Piazza:

Oh, excellent. And then if you are also following the chat, Amy put in some really excellent resources too. We're all about best practices here, so we're going to leverage those. Julia, I'm going to come back to you with a question. So I know you're furiously adding things to the chat.

Julia Brinjac:

I'll wait.

Merissa Piazza:

But I'm going to ask you a question at the same time. Okay. So again, we talked about there's a lot of moving pieces and parts happening with all of this, right? Amy's slide with the long timeline. So between infrastructure, digital equity programs, outside of going to your lovely website, what are some best ways individuals who want to increase access in their communities, whether they're nonprofits, community stakeholders or just an average citizen, how can they engage in these efforts? And what are you seeing way of funding of these initiatives?

Julia Brinjac:

Sure. Websites, the state broadband office websites are a great way to get involved and see what your state is doing. Going on websites, becoming an affiliate with NDIA, they give a ton of information about ways folks can be active in their state and their communities. There's often digital equity coalitions in states that are really working towards talking with policymakers. In Pennsylvania, we have one called the Keystone Internet Coalition. I attend that meeting every other week. I'm not a member, but what they have to say is really important to what the broadband office is doing. So there's a lot of community opportunity to really talk to policymakers about what communities need and ways that we can make accessing funding in particular more equitable. That's something that we have been exceptionally, in my opinion, intentional about in Pennsylvania. Amy gave the slide, so I won't bore you with all the dollars that are available for this, but there's billions available for broadband infrastructure access and over a billion dollars also available for digital equity initiatives.

At the end of the day, it's no coincidence that these things are funded together in the Infrastructure Investment and Jobs Act. Access isn't useful if folks can't adopt it. If they don't have the devices they need, the skills they need, the education they need, what is the point of

internet for all and connecting everybody? So digital equity and broadband access go hand in hand. We'll talk about them as different programs because they come with different funding streams, but they're not. They go hand in hand. They have to go together or all of this fails when it comes to advancing workforce development, advancing educational opportunities and getting everybody connected.

Merissa Piazza:

Thank you, Julia. Amy, Julia set you up, right into where I was going, she's doing my job for me. So again, for a lot of local leaders and stakeholders, it's kind of hard to navigate some of all of the funding and the issues. I know one of the pillars of NDIA is practitioner support, so technical assistance. What are some ways that practitioners can get involved in increasing digital inclusion in their communities? What are some technical assistance or support that you can guide them and what advice do you have for them?

Amy Huffman:

Yeah. So not to just repeat everything Julia just said, but I will say I think there's getting involved at the national level, the state level and the local level. And any one person, that's hard to do all of them at the same time, and they serve different purposes and support an individual or organization's growth through the digital inclusion work in different ways. Digital inclusion work is inherently local. So the actual work happens on the ground in a community. My neighbor is much more likely to listen to me than Julia because Julia is living in Pennsylvania and I'm living here and vice versa.

So getting involved in whatever local digital inclusion coalition or ecosystem is happening in your community is definitely the first place to go. However, those coalitions and ecosystems don't yet exist in every community. And so you might find a state coalition, like in Pennsylvania, the Keystone Coalition, and I just learned of one that's in Maryland. So some states have a statewide coalition. So that's definitely a great place to get plugged in and to learn about what's going on across the state. Regardless, it's great to learn about what's going on across the state because then you have allies in other communities in your state and you can also learn from them.

And then at the national level, our organization and there are others as well, like Next Century Cities, that help provide resources to folks across the country. And so definitely encourage you to get involved in our community. We have monthly community calls. We have a really awesome annual conference where you'll hear and meet some of the brightest minds and just the most down-to-earth and best people in the country. Next year, we will be in Gila River Indian Community outside of Phoenix, Arizona. So we definitely invite you to join us there and learn from folks from across the country.

But yeah, visit our website. We have a lot of different resources. We have a lot of individual working groups. For instance, we have a cohort of state digital equity administering entities like Julia where they can learn from each other. We have a digital navigator working group where digital navigators can learn from each other. We have a coalitions working group where coalitions can learn from each other and learn how a coalition in Hawaii is operating and learn from best practices there. Definitely encourage you to get involved where you can as you're able in these different areas.

Merissa Piazza:

I will say it keeps coming up, libraries are a great place to start. They're boots on the ground as it relates to digital, especially literacy. So if you're out there listening and you don't even know where to start, go to the library, the librarians will help you out. So Marycruz, Amy teed up kind of this administrative capacity issue that we've been talking about. We haven't really specifically focused on rural areas in our conversation, so I wanted to talk about small areas and rural areas. So there's just a confluence of issues in rural areas related to access, just the geography, you mentioned earlier the cost of connectivity, digital literacy issues that are across the country and administrative capacity.

So Julia had talked about how the state of Pennsylvania was trying to relieve that administrative capacity burden that's huge for especially smaller communities. So you talked about some of your work in smaller communities, some of the work that you're launching. But also, not only can you talk about your work, but what are you hearing, what support they need to help their work and how can kind of the greater broadband community help support these smaller areas and rural areas?

Marycruz De León:

Thank you. Well, I think it's capacity. So I was on a call this week and they said awareness, deadline and capacity. So I think there's so many of us that are so aware of the ins and outs of the issue that we sometimes forget that there's people out there that don't yet fully understand the importance of connectivity. So there's still a really big need to create awareness on the issue in some communities. But I think often the individuals that are leading this work in smaller and rural communities, they're not just leading the broadband work, they're leading several other initiatives. So they don't have the time to really understand the technical aspect of infrastructure deployment. They're less likely to be able to challenge the connectivity maps that overstate connectivity and that's a really big component of accessing funding. They have also mentioned the tight deadlines. So often, the grant applications require communities to submit their applications within a very small timeframe and that just causes additional challenges for them.

They also have talked about the difficulties with connecting with internet service providers. So connecting with them, attracting them to their region and then coming up with some sort of contract that is mutually beneficial, where the internet service provider, of course, will have a return on their investment, but they provide reliable and affordable access to the residents. So a lot of capacity with all of those issues. So I think what Julia said and you mentioned, Merissa, about relieving some of that from the communities. I think flexibility is really important when it comes to grant applications. So I think flexibility from state broadband offices in terms of grant applications and other funders is very important. But I think what both Amy and Julia mentioned, I would encourage smaller and rural communities that are beginning their digital inclusion journey, I would encourage them to join the NDIA calls and check out the website and learn about the resources that NDIA offers and go to the conference in Arizona next year.

I'd also encourage them to connect with their state broadband offices. The state broadband offices want to connect with individuals in smaller and rural communities. They often have newsletters or round tables where they share a lot of really important information. So I think connecting to those two resources is very important. And then there's also nonprofits. I think of Rural LISC as one that is doing a lot of good work to help support small and rural communities

and help them customize infrastructure plans and come up with a plan that can be deployed in their region. So those are some of the resources that I would suggest.

Merissa Piazza:

Excellent. Thank you. Julia, is there anything program-wise that the state of Pennsylvania is doing to help with this kind of the capacity issue?

Julia Brinjac:

Yeah. Other than the device program, actually this was one of the main things that we heard, and this is a shameless plug, Amy, that I put in for a speaker slot to talk about this at Net Inclusion. So capacity was one of the biggest things we heard. And Amy's heard this anecdote before. When I was doing community listen sessions, I met a man who was a reverend in Philadelphia who ran digital skills training with a library. And one of the things that someone said to me was, "Well, why does the money always go to statewide organizations? Why doesn't it go to Reverend Mike? Reverend Mike's the one doing the work, why does he never get any funding?" And I thought to myself, "Well, that's a really good question." So I asked Mike, "Why don't you get any funding?" And he said exactly what Marycruz said, capacity.

So one of the things that we were going to run pending NTIA approval, I have to put that disclaimer in there for our application, is a micro-grant program. And the way we're structuring it is we are going to work with the university who's going to provide grants 101 training. We're going to run five virtual cohorts of 25 where organizations that are specifically small and less sophisticated, for lack of a better terminology, can send a member of their staff to participate at no cost to do eight weeks, two and a half hours a week, different time slots, all of that stuff, to learn how to do grants and write a grant application. Additionally, the application they'll be trained on will be our application for the micro-grant program.

So at the end of this, they turn around and they hand us a finished application for a competitive grant. And then we have dedicated staff support on the back end, if they're awarded, they will have somebody dedicated to ensuring they understand how to do budgeting, they understand how to do reporting. Somebody that is an individual that they can call, that they will know by name to help them, to make sure that as much as is possible on our end, that they successfully are able to use that money, use it appropriately, expand their offerings or expand their capacity and then they have somebody that's available to be able to help get access to future funding. We're going to run that in our second tranche of funding out of digital equity capacity dollars and see how it goes as a pilot and look at maybe running it again for our third tranche if it's successful. So that's one of the ways we really looked at not just digital equity from the user standpoint, but digital equity and equitable access to funding when it comes to the folks who are doing this work.

Merissa Piazza:

All right, stay tuned folks. Hopefully it'll come through soon, right? We'll find out soon if you're launching the program?

Julia Brinjac:

This will be the second tranche of funding. So we put in NTIA, not Amy, NTIA structured the digital equity capacity grant in three separate tranches of funding. So this first tranche that we have put in application for purchases that training, that one-on-one direct training from a

university for those cohorts, and then the second tranche will actually fund the program itself. So the training part, we're hoping to hear that we will be approved very soon.

Merissa Piazza:

Well, I'd like to encourage, take a second to plug, I see there's some questions in the chat, if you have questions, please put them in the chat. I would like to transition real quick, we got a question before the webinar. Somebody said, "My parents live in a rural area, in an area of Ohio so remote that they do not have access to internet and my cell phone has no coverage at their house. Do you see the digital divide is more of a rural and urban problem, a financial status problem or a racial problem? And if so many different components to it, what do you tackle first?"

Amy Huffman:

I'll jump in. I'd love to hear Julia and Marycruz's opinion as well. It's E, all of the above or D, all of the above. So it's definitely a problem that crosses everything. So it's definitely a problem in rural areas and urban areas and low-income households and households of color. The Digital Equity Act, the one we've been talking a lot about actually, and both the Broadband Equity Access and Deployment program or the BEAD program single out specific populations that they believe are disproportionately affected by the digital divide. And that includes rural, low income, households of color, households with low literacy, et cetera, et cetera. So there is a disproportionate effect on those populations and it can also still affect people outside of those populations.

So where do you start? I think that's in your corner, in your community, supporting the folks you already support. So if you're already working in your community with veterans, then it's supporting veterans. If you're already working with low-income households, it's working with them. And if you're not working with any of those, it's doing what we talked about earlier, getting plugged into your digital inclusion community at the local level.

Merissa Piazza:

There is another question in the chat about rural areas. So it says, "Talking about capacity constraints for rural areas, how do programs ensure more people are connected versus a few that use up more bandwidth?" I believe they're talking about kind of what Marycruz was talking about, the cost of how can we make sure that access is provided to all, especially if it costs to run a line more to one person than another.

Julia Brinjac:

I can tackle part of that question. I certainly want to hear what Marycruz has seen in her community. For the federal funding programs, for the Broadband Equity Access and Deployment programs, the mandate's internet for all. It's not internet just for those who have more bandwidth internet, for those who are currently connected but want a better connection, it is internet for all. And there is requirements in that legislation regarding speed and what defines connected.

So it's not good enough to just run a DSL line to somebody and the person at the end of the line just doesn't get any service. Fiber is the preferred infrastructure and states are tasked and required to ensure that these folks, regardless of where they live, have access to broadband. And I mentioned it earlier, I see in the chat you joined a little bit late, but there are requirements

around low cost affordability and middle-class affordability within the Broadband Equity Access and Deployment programs, you can find those in your initial proposals, volume one and two, specific to your state. That rate is going to look different depending on how the state calculated it. So there are mandates for this when it comes from a state perspective and deploying these programs.

Merissa Piazza:

Go ahead Marycruz, please, jump in.

Marycruz De León:

No, I don't have too much to add. I was just going to say that there are, I think like Julia said, there's mandates with BEAD to connect all households and I think that there are definitely ways where internet service providers, mission-aligned and internet service providers can work in these smaller rural communities and still have a return on their investment. And I think that there's different models and it's about finding the right model for the right community.

Merissa Piazza:

Excellent. One of the questions that I want to ask, as a researcher, we all need data to inform our decisions. And if you're involved in the broadband conversations, you know that data in this space isn't the best and they're working on it. There's a lot of efforts happening and working on it. But knowing the data we have and knowing the data that we want, how are you kind of approaching level-setting the issue with your stakeholders? There's a lot of ways we can talk about this, but how other policymakers can better understand broadband data? As researchers, we know the nuances, but how can we kind of explain what people are or are not seeing in the data that can help inform decisions?

Julia Brinjac:

I'm happy to start as somebody who has a desperate need for data as restructuring grant programs. The data, just the amorphous data, it really depends on what you're talking about, can be really challenging. And in fact, I think states, even though we did the plans and those plans are exceptionally important, we're going to need to have a long-term plan on ensuring that we have actual statistically significant data when it comes to things like digital equity needs and connectivity. I think states did a really great job with the time constraints they had around the digital equity planning grants, but more is needed. And I think the education around the stakeholders around why this data is important is being able to index your impact against baseline data like that is what gets you opportunities to prove that your programming works, that you are serving the folks that you want to serve in a real way and opens up opportunities for access to funding.

I find that to be one of the most compelling discussions that I have with stakeholders because a lot of folks are kind of like, "Well, we've done a lot of data collection, but we have to do action." That's true. And we're going to, but we need a good baseline and we need to be able to measure our impacts or we won't be able to make the case around what we did and why it was important. And I would also like to put a plug in there that that's not just quantitative data, that is qualitative data as well. These are real people that we are trying to serve with real issues in marginalized communities and that means that their stories are as important as the surveys that they fill out.

Marycruz De León:

That's exactly what I was going to say, that yes, there's a big need for this quantitative data, but qualitative data is so important and helpful as well. There are so many compelling stories about the need that can really move policymakers and stakeholders to make decisions that can help communities get connected. And I also placed in the chat, oh, I'll place it in the chat, a link to the research that a number of Federal Reserve Banks hosted a digital inclusion research webinar series last week and the research from the presenters is available on the Dallas Fed website. Oh, yes, thank you. Erica just posted it.

Amy Huffman:

Yeah. And lastly, I'll add with this big influx of funds, we will have more data at the end of this than we had before and it probably still won't be enough. So I would love for us to be thinking over the course of implementation of these funds, what data we do need and asking Congress to make sure that we can get that data. And I often find that many members of Congress don't know that we don't have the data that they're asking for and there are ways that legislation can help us get that.

Merissa Piazza:

Well, I want to thank all of my panelists for this wonderful discussion today. Thank you so much for providing great information and some resources in the chat for everybody. Best practices are a great way to get started. In addition, just getting connected. So actually on the broadband connection and connecting to the ecosystem as you will. And thank you for everybody in the audience for attending. In the chat, you will see a link to the post-session survey. This survey will also pop up in your browser after Zoom is closed. We invite you to take a moment to complete it. We really value your feedback. Information on today's program will also be sent in a follow-up email and a recording will be posted on clevelandfed.org. Join us November 13th for the next *FedTalk*. It'll be at 3:00 PM and there'll be continued discussion on financial inclusion and the unbanked. Thank you again, Julia, Amy and Marycruz. This was a wonderful discussion. And thank you for joining us for today's *FedTalk*. Goodbye, everybody.