

State of Iowa
Performance Report

Capital Projects Fund
2026 Report

Table of Contents

Executive Summary.....	2
Uses of Funds	4
Addressing Critical Needs	5
Labor	7
Community Engagement	8

Executive Summary

The Iowa Department of Management, Division of Information Technology (DoIT) was granted funds to construct and deploy broadband infrastructure that reliably meets or exceeds symmetrical download and upload speeds of 100/100 or 100/20 (if this can be scalable to 100/100 in the future). DoIT has a three-step process to achieve the goals of the Capital Projects Fund (CPF) program.

1. Broadband Mapping

DoIT issued a new location-based broadband map of Iowa in August 2022. This map identified the conditions of broadband service availability as reported by providers throughout Iowa and identifies all address locations with (and without) access to fixed wireline 100/20 Mbps service or faster. From August to September 2022, DoIT hosted a public challenge, during which time communities, members of the public, and broadband providers could submit evidence challenging the conditions of broadband as reported on the broadband map. The final published map was posted March 1, 2023. DoIT received over 300,000 unique address location challenges during the map challenge 30-day window.

One of the challenges of facilitating the mapping exercise was the concurrent efforts of the FCC to develop their own location-based map. DoIT and the FCC did not have agreements in place to share the location fabric data, which required DoIT to develop a process for translating the address locations on the state's map to the FCC Broadband Service Locations after award. Iowa State University assisted DoIT by incorporating parcel data to further refine the classifications on the state's address location-based map.

2. Identification of Areas with Critical Need for Broadband via an Invitation to Qualify (ITQ)

On February 2, 2023, DoIT published a community-driven opportunity for the identification of areas of the state with a critical need for broadband investment. The ITQ solicited from communities the geographic areas of the state with the most critical need for broadband investment, with consideration for factors such as equity and critical needs exacerbated by the COVID-19 public health emergency. DoIT received 99 applications from communities that resulted in the identification of 96 Broadband Intervention Zones for project application. Additionally, over \$3 million in local funding was offered for the facilitation of last mile broadband service in the Community applications. Those funds can be made available to providers to assist with local cost share requirements.

3. Broadband Deployment Grants

On June 15, 2023, DoIT published a competitive grant opportunity to solicit bids from communication service providers for the deployment of 100/20 Mbps service or faster within geographic areas of critical need (Broadband Intervention Zones) as identified during the ITQ process, with consideration for equity, affordability, fiber buildout, and last-mile projects. Applicants could select locations on the map that are not part of a Broadband Intervention Zone, however they received less incentives for buildout and were only considered after the applications for all Broadband Intervention Zones were awarded.

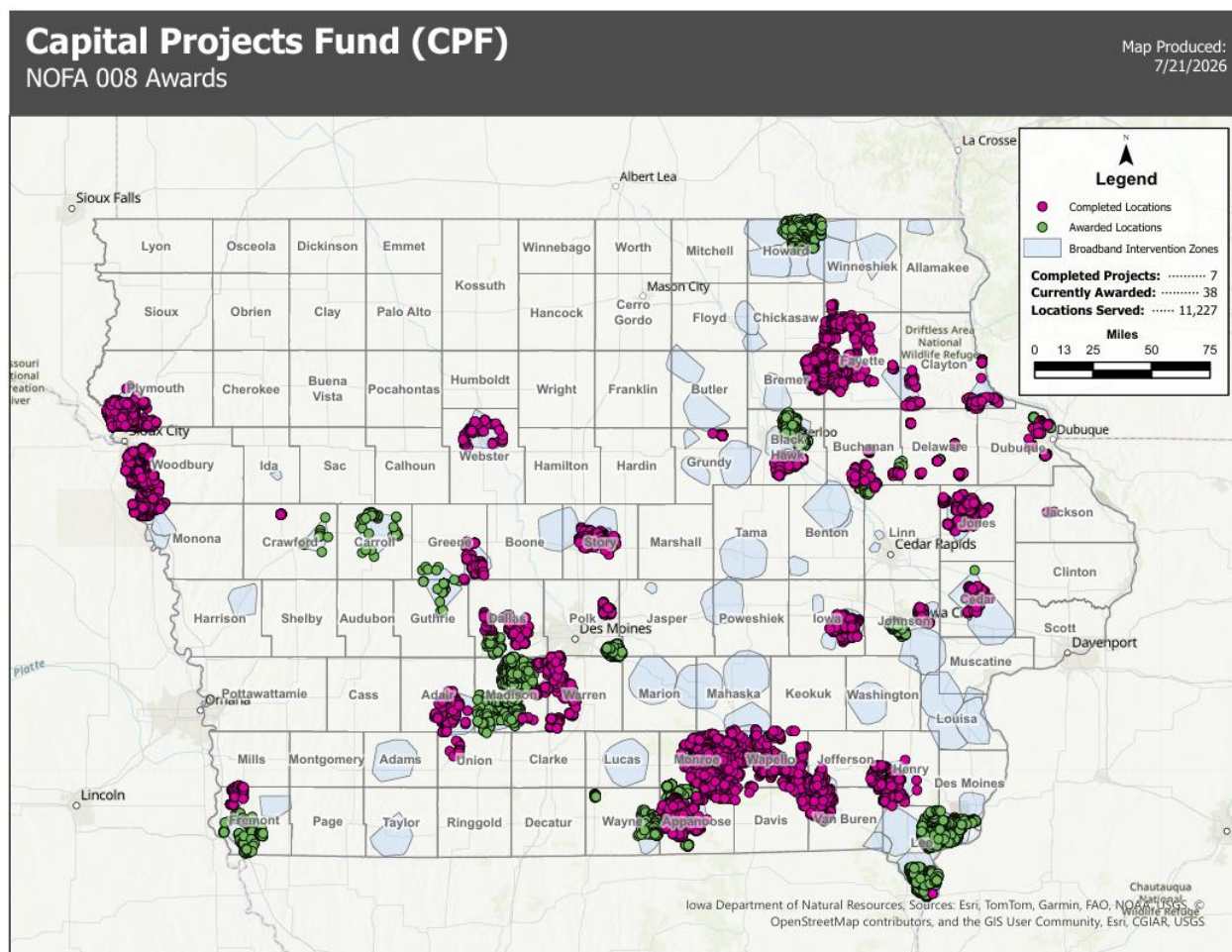
On August 24, 2023, DoIT closed the application window for the Capital Projects Fund NOFA #008. DoIT received 128 applications for broadband projects. The total funds requested totaled over \$325,000,000. Staff completed a technical review of the applications and clarified any omissions or errors with applicants. Once the applications were reviewed, a scoring committee reviewed the application materials and completed a qualifications review and scoring exercise. 38 applications were

recommended for funding and an additional 15 applications received contingent approval if funds became available at a later date.

On November 9, 2023, DoIT announced the Notice of Intent to Award for the Capital Projects Fund NOFA #008. DoIT made available \$148,960,000 for broadband expansion through 38 project applications. All 38 awarded projects contained at least one Broadband Intervention Zone (BIZ). Additionally, the applicant included over 80% of the locations within the BIZ as part of their project application.

After the appeal window ended, DoIT entered into grant agreement negotiations with 24 of the 38 awarded project applicants that received partial awards. DoIT was able to complete all negotiations by the end of April 2024. As a result of those negotiations, 38 fiber projects will be implemented serving 11,227 locations in the state of Iowa.

Figure 1: Map of awarded locations and completed locations through the Capital Projects Fund, NOFA #008



Note that the map above includes a number of projects that have submitted their final claim but have not been fully processed through the claims system. This lag between the completion process for GIS and the accounting teams may account for a difference in the number of projects shown.

Uses of Funds

DoIT has allocated \$3.21 million to support administrative costs associated with the program. In the last year, DoIT has incurred costs for internal staff time used for administration and oversight of the active grants. Additionally, DoIT has continued funding vendor contracts to support program development and grant administrative activities such as reviewing project completion materials for claims reimbursement, monitoring and compliance reporting, creating GIS layers for mapping, and facilitating technical assistance to the subgrantees during the period of performance.

The process for awarding subgrants, providing technical assistance, and allocating funds to providers began in 2024 and continues through project completion. Based on a number of workforce and economic factors, it is anticipated that project completion and claims reimbursement processes will mostly occur in the last year of the program. While these factors have increased materials delivery timeframes and costs, subgrantees believe most of the challenges have stabilized in the marketplace. Costs associated with monitoring, reporting, and compliance will be incurred throughout the life of the program, gradually increasing as project materials are made available for review or audit.

DoIT has allocated \$148.96 million for broadband deployment (project costs). DoIT allows subgrantees to request funds of up to 50% of the total award during the project construction phase. These requests began in 2024 and continue through 2026. Once projects are completed and final claim materials are submitted to DoIT for review, DoIT will release the remaining awarded funds.

During the reporting period, \$22,450,918.47 of funds were released following review of nine subgrantees' claim requests, resulting in a cumulative total of \$58,326,916.46 of funds released. The \$22,450,918.47 disbursed through the reporting period were allocated to the following project budget categories:

- Conduit: \$158,839.75
- Fiber/Copper: \$13,355,359.65
- OSP Engineering: \$1,200,241.58
- Design Engineering: \$148,301.03
- Construction Management: \$115,643.59
- Boring: \$1,779,538.07
- Trenching: \$2,005.48
- Knifing: \$2,564,422.48
- Switching Equipment: \$64,438.17
- Routing Equipment: \$772,291.14
- Optical Equipment: \$669,624.79
- Customer Premise Equipment: \$181,501.22
- Other: \$1,438,711.52

DoIT is currently managing over \$195 Million in State and Local Fiscal Recovery Fund dollars for broadband implementation. DoIT intends to utilize BEAD funds to facilitate service to all eligible unserved and underserved broadband serviceable locations when funds are available.

DoIT included performance data in the latest project and expenditure report submitted to the U.S. Treasury and will continue to do so as additional data becomes available. Performance data is collected

during the period of construction through a quarterly report and then a final version is made available at the time of project completion and claims reimbursement. Performance data includes the address location, speed facilitated, technology type, and cost per passing.

Grantee Project Completion Status:

There are currently 38 awarded projects. During the reporting period, one project was cancelled by an awardee and replaced with another awardee that had applied during the NOFA 8 process but had not been awarded to serve locations. Nine projects were completed during the reporting period, bringing the total number of completed projects to 11 when including two from earlier reporting periods. The remaining 27 projects are still active and are classified as “In Progress”.

Addressing Critical Needs

Critical need was defined in Iowa by convening a community-driven program to identify areas in the state with a critical need for broadband investment.

DoIT established a location-based map that identifies conditions of broadband service availability as reported by communication service providers with (and without) access to fixed 100/20 Mbps service or faster and hosted a public challenge to establish a statewide eligibility layer, identifying all locations where no provider reports that 100/20 Mbps wireline service is present.

With the establishment of a final map that incorporates all challenges received, communities in Iowa had the opportunity to identify areas with a critical need for broadband and submit evidence justifying the critical need via a process called an Invitation to Qualify (ITQ). This process began with reference to the map and was further refined by allowing communities to identify critical needs.

DoIT scored and ranked applications submitted to the ITQ to establish geographic areas of critical need. These areas were open to a competitive grant application available to communication service providers to bid to build out. Funds were awarded successively, by rank-ordered geographic areas of critical need, to ensure areas with the greatest critical need for broadband receive funding first.

Work Completed to Date

1. Broadband Mapping

DoIT convened a community-driven program for the identification of areas of the state with a critical need for broadband investment. The Invitation to Qualify (described in the next section) solicited from communities the geographic areas of the state with the most critical need for broadband investment, with consideration for factors such as equity and critical needs exacerbated by the COVID-19 public health emergency.

On August 2, 2022, DoIT posted the draft version of the Broadband Availability Map V5 and opened a 30-day challenge window wherein any person or party aggrieved or adversely affected by mapping determinations could appeal DoIT's final determination of whether the ‘likely eligible’ or ‘likely ineligible’ status for a particular address location is accurate. The map challenge process is a critical component of identifying critical needs in the state for broadband service.

The map could have been challenged by communities, communication service providers, or residents. DoIT encouraged community participation in the map challenge process. Staff developed technical assistance materials which included presentations, web forms, video tutorials, etc. FG, DoIT's community engagement vendor, also contacted community leaders to offer technical assistance and discuss the importance of the broadband map as it informs future investment in Iowa. DoIT received over 300,000 unique address location challenges during the map challenge 30-day window.

Residents challenging the map must have been residents of the State of Iowa, reporting the conditions of service at their place of residence or business. Communities included city/county governments, school districts, consortia of political subdivisions, non-profit organizations representing communities, and regional entities. Communication service providers include entities that provide broadband service. While many challenges received by DoIT included statements regarding a lack of broadband availability, other challenges included narrative regarding poor service standards by their current provider. These challenges are usually the result of aging infrastructure that is not being updated to handle the growing demand for broadband service.

DoIT posted all timely-submitted challenges to the website on October 3, 2022, thereby notifying all affected parties of challenges to address locations that may or may not be within an internet provider's service area. From the date of such posting, any affected persons or parties had 20 calendar days to submit evidence and information in support of, or in opposition to, such challenge. Once the map challenges were resolved, DoIT supplied the FCC with updated location-based data to support the determination of a missing location, unserved, or underserved.

2. Identification of Areas with Critical Need for Broadband via an Invitation to Qualify (ITQ)

DoIT hosted 55 community engagement meetings across the state to build awareness of Digital Equity concerns, including access and the affordability of broadband. Communities were also contacted individually by DoIT's vendor FG to build awareness of the program and offer technical assistance during the application development phase of the ITQ. Over 300 engagement activities took place within the last 6-months to promote community driven broadband expansion. Community meetings were scheduled during the evening to avoid an intersection with the typical workday. No resident was required to travel more than an hour to attend a meeting. Residents could request special accommodations through a resource provided by the Iowa Department of Human Rights. All notices of community meetings were advertised at least two weeks prior in the local paper and online. If a resident was not able to attend a meeting, they could still view/listen to the content and submit comments online on DoIT's website.

The ITQ solicited from communities the geographic areas of the state with the most critical need for broadband investment, with consideration for factors such as equity and critical needs exacerbated by the COVID-19 public health emergency. Further, DoIT considered the following qualitative data in the process to establish Broadband Intervention Zones for project application:

- Lack of access, affordability, reliability, and/or consistency within a community.
- Community characteristics including unemployment and educational attainment data.
- Evidence of community support via letters from key stakeholders within the community.

- Community broadband capital of in-kind or financial contributions that may be made by a community.
- Barriers to installation that have prevented prior broadband infrastructure development in the area identified, such as low population density, soil conditions, topography, and other factors.

Community characteristics were used to consider equity in the selection of project areas. All applications to the ITQ included a geographic area which was then cross-referenced by DoIT against established data sets measuring a variety of demographic, social, and population data (e.g., the US Census Bureau American Community Survey). To the extent such data is available at the level of a census block comprising a geographic area submitted to the ITQ, such measures included:

- Poverty level
- Aged 60 or over
- Veterans
- Households with an individual with a disability
- Households with an individual with limited English proficiency
- Low literacy calculated by the PIAAC at the county level
- Racial or ethnic minority residents (individuals who identify as non-white)

Using these and other related factors, a composite score was established for each community application to the ITQ, which subsequently comprised a component of each applicant's overall score. To the extent a community has a greater percentage of its population aligning with the above factors, it received a higher score and was prioritized in the allocation of CPF funding. The State of Iowa anticipates this approach will result in greater investment and thus broadband availability within historically underrepresented communities, thereby resulting in equitable access to broadband service. Over 99 community applicants applied to the ITQ. Additionally resident feedback indicated that access and affordability were top concerns related to broadband service.

More information about the ITQ process can be found here:

<https://dom.iowa.gov/broadband/broadband-grants/invitation-qualify-001-broadband-intervention-zones>

3. Broadband Deployment Grants

DoIT will continue to monitor the awarded projects during the established period of performance. DoIT contracted with RSM US LLP to provide grant technical assistance, compliance and monitoring activities for the subgrantees as projects move forward toward completion.

Labor

DoIT's technical assistance provider, RSM US LLP is currently collecting labor agreements from projects that meet the Davis-Bacon requirements under the Capital Projects Fund (CPF) program and will continue to do so throughout the duration of each project. The Davis-Bacon Act requires that

contractors and subcontractors performing work on federally funded or assisted contracts pay their laborers and mechanics no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. These requirements help maintain fair compensation and labor standards are upheld across all CPF-supported initiatives.

Community Engagement

The ITQ process provided communities a voice in the distribution of broadband funds. DoIT advertised the ITQ process by email bulletins, an online pre-application conference, presentations to community-based groups, and individual touchpoints throughout the spring of 2023. Communities applied to the ITQ to identify a geographic area with a critical need for broadband service. These areas were then evaluated by DoIT and prioritized for grant funding. Of the 99 applications received, 96 Broadband Intervention Zones were created.

DoIT completed procurement activities to contract with FG and other vendors to promote broadband expansion and digital equity. Activities included:

- community engagement activities (surveys, town halls, focus groups, etc.)
- the development of technical assistance webinars for subgrantees and their vendors
- the operation of a “help desk” for interested parties to contact DoIT with questions and concerns.

Iowa’s community engagement activities relating to the Invitation to Qualify process were completed in 2023. DoIT hosted 55 community engagement meetings across the state to build awareness of Digital Equity concerns, including access and the affordability of broadband. Communities were also contacted individually by DoIT’s vendor FG to build awareness of the program and offer technical assistance during the application development phase of the ITQ. Over 300 engagement activities took place within 6-months to promote community driven broadband expansion. Once the projects are underway, subgrantees will be required to meet the marketing requirements of the program and advertise service to the broadband locations in their service area.

DoIT released NOFA #008 for communication service providers to apply for broadband buildout. Providers were strongly encouraged to examine the Broadband Intervention Zones and evaluate community ITQ applications as part of the application process. NOFA #008 was publicly posted for applications following state procedures and awardees were publicly posted via Notice of Intent to Award once funding decisions had been made. A Notice of Intent to Award (NOIA) was posted online and a bulletin was sent to all subscribers that decisions were online for review. DoIT hosted a challenge process following the award decisions. This allowed the public to notify the broadband team if any items should be considered before contracting began.