State of Iowa

Performance Report

Capital Projects Fund

2023 Report

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Executive Summary

Provide a high-level overview of the Recipient's actual uses of funding and progress made during the reporting period towards objectives stated in the approved Program Plan(s). The Executive Summary should also include an overview of key outcomes and any noteworthy challenges or opportunities identified during the reporting period.

The Iowa Department of Management, Office of the Chief Information Officer (OCIO) 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). The Office has a three-step process to achieve the goals of the CPF program.

1.   Broadband Mapping

The OCIO issued a new location-based broadband map of Iowa in August 2022. This map identifies 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, OCIO 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. The Office 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. OCIO and the FCC did not have agreements in place to share the location fabric data, which will require OCIO 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 is currently assisting the Office 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, the OCIO 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. The office 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, the OCIO 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 can select locations on the map that are not part of a Broadband Intervention Zone, however they will receive less incentives for buildout and will only be considered after the applications for all Broadband Intervention Zones are awarded. OCIO anticipates making award decisions in the Fall of 2023.

Uses of Funds

Provide a short narrative describing the intended and actual use of funds and the performance of each Program Plan. Recipients should reference the objectives and activities outlined in the approved Program Plan(s). The narrative should also explain the data, including performance indicators, submitted via the Project and Expenditure Reports during the reporting period and must address the following topics:

- *Activities implemented over the reporting period, including summaries of key milestones achieved, outputs produced, and outcomes achieved;*
- *Activities planned for the next reporting period;*
- *Narratives about individuals/households benefiting from CPF funds, including information about methods used for collecting and measuring success;*
- *Notable challenges and the status of each challenge;*
- *Overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use (e.g., focused advertising to increase broadband subscriptions in high-need communities, digital literacy training to support device loan programs, community engagement to support successful operations, etc.)*

If appropriate, include information on your jurisdiction's use (or planned use) of other federal funds including other programs under the American Rescue Plan, such as the State and Local Fiscal Recovery Fund, and those under the Infrastructure Investment and Jobs Act, including the Broadband Equity, Access, and Deployment program.

Note: Through the Performance Report, recipients are encouraged to link to public documents, including, but not limited to, legislation, dashboards, survey results, community engagement reports, and equity frameworks to support the Performance Report narrative. Treasury recommends that Recipients make use of infographics, tables, charts, pictures, case studies, and other explanatory elements in describing their programs.

The Office has allocated $3.21 million to support administrative costs associated with the program. In the last six months, the Office has incurred costs for internal staff time used for the development of application materials. Additionally, the Office has concluded competitive procurement activities that will enable the Office to enter into 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 will begin in 2023 and continue 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 two years 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.

The Office has allocated $148.96 million for broadband deployment (project costs). The Office anticipates that competitive grant awards will be made in 2023. In previous grant offerings, the Office has allowed subgrantees to request funds of up to 50% of the total award during the project construction phase. These requests could begin in 2023 and continue through 2024. Once projects are completed and final claim materials are submitted to the office for review, the Office will release the remaining awarded funds. Those funds will most likely be disbursed in 2024 through 2026.

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

Performance related data is not yet available for reporting. The Office will include performance indicators in future reporting periods after the competitive grant award processes are complete and data becomes available. Performance data is collected during the period of construction through a quarterly report and then a final version will be made available at the time of project completion and claims reimbursement. Performance data will include the address location, speed facilitated, technology type, and cost per passing.

Promoting Equitable Outcomes

- *Treasury encourages uses of funds that promote strong, equitable growth, including racial equity, in communities with a critical need, such as high-poverty and rural areas. For the purposes of CPF, equity and underserved communities are defined in the Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as issued on January 20, 2021 (EO 13985). Treasury additionally supports "equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality" EO 13985 at 7009.*

Performance Report 1 must describe efforts and outcomes during the reporting period to promote equity and address critical needs as described in each approved Program Plan. Each Performance Report thereafter must provide an update, using qualitative and quantitative data, on how the Recipient achieved or promoted equitable outcomes or progressed toward equity objectives during the reporting period, and any constraints or challenges related to increasing equity.

Please describe how the Recipient considered and measured equity and addressed critical need at various stages of the Program during the reporting period, including:

a) **Objectives:** *Based on your definition of communities with critical need, are there particular historically underserved, marginalized, or adversely affected groups, including those living in rural areas and/or high-poverty areas, that the capital assets being funded by CPF are designed to serve? Include the definition of critical need used for each Program Plan.*

b) **Awareness:** *How equal and practical was the ability for members of these communities, including households, businesses, and other organizations, to become aware of the services funded by CPF?*

c) **Outcomes:** *What progress has the Program made toward addressing critical need(s) identified in targeted communities, such as closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions that are relevant to the policy objective? What methods (e.g., surveys, interviews) are being used (if applicable) to quantify and qualify Project and Program outcomes?*

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.

The Office 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.

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

Work Completed to Date

1.   Broadband Mapping

The OCIO 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, the Office 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 the Office'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. OCIO encouraged community participation in the map challenge process. Staff developed technical assistance materials which included presentations, web forms, video tutorials, etc. FG, OCIO'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. The Office 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 the Office 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.

The Office 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, the Office 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)

The Office 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 OCIO'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 OCIO'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, the Office 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 the Office 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 thus be 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 indicates that access and affordability continue to be the top concerns related to broadband service.

More information about the ITQ process can be found here: https://ocio.iowa.gov/invitation-qualify-001

3.   Broadband Deployment Grants

Next Steps:

The Competitive Grant Opportunity (NOFA #008) was released by OCIO on June 15, 2023. Communication service providers must apply for eligible service locations using Map V5, identifying locations to which no provider offers service at speeds greater than or equal to 100/20 Broadband consistent with the CPF Guidance established by the U.S. Department of Treasury. NOFA #008 gives special consideration to Broadband Intervention Zones which were established under the Invitation to Qualify. Broadband Intervention Zones will be used to prioritize NOFA #008 Broadband application awards. Once the applications are reviewed and awarded, the Office will be able to update the Treasury on where funds will be distributed and to what degree they are reaching marginalized communities.

More information can be found here: /ocio.iowa.gov/empower-rural-iowa-broadband-grant-program-notice-funding-availability-008

Labor

Describe workforce practices on any Broadband Infrastructure and/or Multi-Purpose Community Facility projects being pursued. How are projects using strong labor standards to promote effective and efficient delivery of high-quality projects while also supporting the economic recovery through employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and/or local hiring.

Once the project applications are reviewed and awarded, the Office will be able to update the Treasury on the use of project labor agreements and community benefit agreements. The Office anticipates that some of this information related to pay and hiring practices will not be known until project completion due to the updated procurement guidance issued in May 2023. Procurement records will no longer be available for review prior to the implementation of the project.

Community Engagement

Please describe how the Recipient incorporated or plans to incorporate feedback from communities, organizations, and constituents when selecting CPF Projects and how the Recipient plans to address feedback received during project construction and/or implementation.

Recipients should report on (and include quantitative information, such as counts) about the following activities related to community engagement in support of the implementation and operations of each Program and related Projects:

- *Community engagement efforts and activities that occurred with and/or in communities served by the Program; Recipients should include information about the types of organizations (such as training providers, community colleges, libraries, churches, and community-based groups) and, where possible, names of organizations and communities the Recipient and Subrecipient(s) were engaged with to support the implementation and operations of Projects;*

- *Outreach, advertising, and translation activities and services deployed to reach communities the Program is designed to serve; and*
- *Languages used in community outreach efforts and materials for people with limited English proficiency, and other approaches taken to solicit feedback from underserved communities. If relevant, Recipients must report on how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, populations with limited English proficiency, and other traditionally unserved or underserved groups.*

Recipients should also outline any plans to sustain, improve, and or grow community engagement efforts in the subsequent performance year.

The ITQ process provided communities a voice in the distribution of broadband funds. The Office 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 OCIO and prioritized for grant funding. Of the 99 applications received, 96 Broadband Intervention Zones were created.

OCIO has completed procurement activities to contract with FG and other vendors to promote broadband expansion and digital equity. Activities can include:

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

Iowa's community engagement activities relating to the Invitation to Qualify process were completed in 2023. The Office 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 the OCIO'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. 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.

The OCIO has released NOFA #008 for communication service providers to apply for broadband buildout. Providers are strongly encouraged to examine the broadband intervention zones and evaluate community ITQ applications as part of the application process. NOFA #008 has been publicly posted for applications following state procedures and awardees will be publicly posted via Notice of Intent to Award once funding decisions have been made. A Notice of Intent to Award (NOIA) will be posted online and a bulletin will be sent to all subscribers that decisions are online for review. The Office hosts a challenge process following the award decisions. This allows the public to notify the broadband team if any items should be considered before contracting begins.