

Commonwealth of Massachusetts Performance Report

Capital Projects Fund 2023 Report

Revision Log

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Executive Summary

US Treasury approved \$145 million for the Commonwealth of Massachusetts to implement a Gap Networks Infrastructure Grant Program (the “Gap Networks Program”). The Gap Networks Program will be administered by the Massachusetts Broadband Institute (“MBI”). MBI serves as the central broadband office for the Commonwealth of Massachusetts. MBI is finalizing the grant program documents and is on track to launch the Gap Networks Program in August 2023. The Commonwealth will provide copies of all grant program documents to US Treasury. Review and approval of the proposed Residential Internet Audit and Upgrade Program was still pending with US Treasury as of June 30, 2023. Therefore, this initial Performance Report is limited to the Gap Networks Program. The only expenses incurred to date are administrative costs, primarily for staff time and consulting support.

Uses of Funds

The application site for projects funded by the Gap Networks Program will be launched in August 2023. No individual projects are yet underway. Intended uses for Gap Networks Program funds are designed to support the Commonwealth’s goal to make affordable, high-speed internet available to homes, businesses, schools, libraries, medical facilities, government offices, and other public places across the Commonwealth to support towns and cities with critical needs, particularly those communities that have substantial low-income households and other disadvantaged populations. The Gap Networks Program funds will address gaps in broadband infrastructure where reliable broadband service is unavailable by expanding access and connectivity in unserved and underserved locations across the Commonwealth.

Activities implemented Over the Reporting Period

MBI is in the process of developing the program guidelines and application forms for the Gap Networks Infrastructure Grant Program.

Activities Planned for the Next Reporting Period

MBI will launch the Gap Networks Program in August 2023. MBI will accept and review grant applications on a quarterly basis. MBI intends to administer three quarterly funding rounds during the next reporting period, subject to the availability of remaining uncommitted funds.

MBI expects to complete the quarterly application review process and announce awards within 60 days of the close of each quarterly application deadline. The contract negotiation and execution process with grant awardees is expected to take approximately 2 – 3 weeks due to the programmatic requirement for grant applications to specify any objections to the standard grant agreement terms and conditions and propose alternative language. Federal flow down

requirements and core programmatic requirements shall be non-negotiable.

Narratives About Individuals/Households Benefiting From CPF Funds, Including Information About Measures Used For Collecting and Measuring Success

Each grant agreement shall include an exhibit with a detailed project schedule that will include timeframes for achieving the following milestones:

- Site surveys, field work and completion of preliminary design and engineering
- Negotiation and execution of cable television license agreement (if applicable)
- Filing make ready applications with utilities for pole and conduit licenses and payment of associated fees
- Payment of make ready estimates to utilities
- Receipt of all make ready licenses needed to complete the project
- Completion of 50% of the construction buildout (measured by premises passed)
- Final completion – 100% of premises passed and completion of initial customer installations

MBI will require that each grantee achieve final completion within 12 months of receipt of all make ready licenses subject to excusable delay justifications for force majeure events.

Grantees will be required to submit quarterly status reports to MBI detailing the percentage of each milestone completed during the reporting period and any factors or challenges impacting the progress of the project.

Notable Challenges and the Status of Each Challenge

The Commonwealth seeks to maximize the investment of federal broadband infrastructure funds through the Capital Projects Fund and the Broadband Equity, Access and Deployment (BEAD) Program under the Infrastructure, Investment and Jobs Act (IIJA). The primary challenge involves aligning the program timelines and reconciling differences in program guidelines and objectives.

Overview and Outcomes of Ancillary Costs Incurred to Support Bringing the Capital Asset(s) into Full Use

Not Applicable – The Gap Networks Program was not launched prior to the end of the reporting period.

Promoting Equitable Outcomes

Objectives

MBI will direct investments under the Gap Networks Program to areas that include one or more households (“Broadband Serviceable Locations”) that do not have access to wireline internet service offering at least 100 Mbps download speed/20 Mbps upload speeds. Communities with no access or access speeds below 100 Mbps download/20 Mbps upload will be considered in critical need. Support for a proposed project area’s critical need will be collected in applications for Gap Networks Program grants. Priority will be provided to areas that have Broadband Serviceable Locations that lack wireline access to 25 Mbps download speed/3 Mbps upload speed service. Priority will also be provided to applications with proposed project service areas in Qualified Census Tracts, Gateway Cities and other locations with low-income and economically disadvantaged households. Gateway Cities are 26 midsize urban centers that anchor regional economies around the state and are defined by Massachusetts statute as a municipality with: (1) a population greater than 35,000 and less than 250,000; (2) a median household income below the state average; and (3) a rate of educational attainment of a bachelor’s degree or above that is below the state average. Qualified Census Tracts must have 50 percent of households with incomes below 60 percent of the Area Median Gross Income or have a poverty rate of 25 percent or more. Low-income populations are more likely to have affordability barriers to broadband access and grant applications that address affordability concerns will receive a higher score.

Awareness

Not Applicable - The Gap Networks Program was not launched prior to the end of the reporting period.

Outcomes

Not Applicable - The Gap Networks Program was not launched prior to the end of the reporting period.

Labor

Not Applicable - The Gap Networks Program was not launched prior to the end of the reporting period.

Community Engagement

MBI will incorporate community and stakeholder feedback by requiring that each grant application include a letter of support from the municipal governing body of the town or city in each proposed project service area. MBI will provide opportunities for residents in approved project service areas to provide direct feedback to MBI during the pre-and-post implementation phases of the project.

After the launch of the Gap Networks Program, MBI will support robust community and stakeholder engagement that is modeled after and builds upon MBI's existing programs, activities and stakeholder networks, including:

- Digital Equity Partnerships Program – MBI is establishing partnerships with enabling organizations with strong connections to individuals and households that face barriers to accessing or using the internet to implement high impact projects designed to mitigate those barriers and close the digital divide. Partners work with organizations such as community development corporations (CDCs), community-based organizations (CBOs), municipalities and municipal agencies, public housing authorities, community colleges, local and regional school districts, healthcare and telehealth organizations (including federally qualified community health centers), and other entities to implement projects. MBI has already approved seven partnerships that cover most regions of the state.
- Municipal Digital Equity Planning Program – This program enables municipalities, or other local bodies of government, to engage in planning activities related to digital equity and bridging the digital divide, including broadband access and adoption. These planning activities result in strategic documents designed to identify the community's needs, interest, and key assets and provide a framework that will guide future municipal decision-making. Sixty-five towns and cities have enrolled in the program to date, including eleven Gateway Cities.
- Lead for America - 15 American Connection Core Members are being recruited and placed in full-time, year-long fellowships to serve as Massachusetts-based, "boots-on-the-ground" support at local host site organizations to help with expanding broadband awareness and digital adoption.
- Broadband and Digital Equity Working Group - MBI organized a Broadband and Digital Equity Working Group that is currently providing guidance and advise on the IIJA planning efforts. The Working Group is comprised of leaders across all sectors with an intention to include leaders who work with populations disproportionately impacted by the digital divide.

- Statewide Listening Tour – MBI will promote the Gap Networks Program at each of the regional forums that will be held in late summer/early fall throughout the state in connection with the development of the Statewide Digital Equity Plan and the BEAD Initial Proposal.

MBI recognizes the diversity of languages spoken within the Commonwealth, particularly within communities that are disproportionately impacted by the digital divide. MBI will continue the practice developed through the programs and activities noted above to invest in translation services to ensure that stakeholder communications are published in languages commonly spoken in the towns and cities with broadband infrastructure projects funded through the Gap Networks Program.