
FISCAL TOPICS

Fiscal Services Division

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Empower Rural Iowa Broadband Grant Program

Background and Purpose

The Department of Management's Division of Information Technology (DOM DoIT), formerly the Office of the Chief Information Officer (OCIO), administers the Empower Rural Iowa Broadband Grant Fund. The Fund was initially established in 2015 Iowa Acts, chapter [120](#) (Iowa Cell Siting Act), as the Connecting Iowa Farms, Schools, and Communities Broadband Grant Fund. Moneys in the Fund were to be used to provide grants to communication service providers pursuant to Iowa Code section [8.91](#). Moneys that remained unencumbered or unobligated at the close of the fiscal year were not to revert but to remain available until the close of the succeeding fiscal year.

The Fund was subsequently amended in 2019 Iowa Acts, chapter [159](#) (Empower Rural Iowa Act). This allowed moneys appropriated to the Fund, that remain unencumbered or unobligated at the close of the fiscal year, to remain available for expenditure for up to three years following the last day of the fiscal year in which the funds were originally appropriated. 2020 Iowa Acts, chapter [1078](#) (Empower Rural Iowa Act), changed the name of the Fund to the Empower Rural Iowa Broadband Grant Fund. The Act allowed the Division to use no more than 1.0% of the moneys in the Fund at the beginning of the fiscal year for administrative costs associated with the Fund.

2021 Iowa Acts, chapter [47](#) (Broadband Policy Act), provided that moneys in the Fund can be used for the Fiberoptic Network Conduit Installation Program established in Iowa Code section [8.86](#). The Act allows the Division to use up to 2.5% of the moneys available in the Fund at the beginning of the fiscal year to administer the Grant Program and Fiberoptic Network Conduit Installation Program.

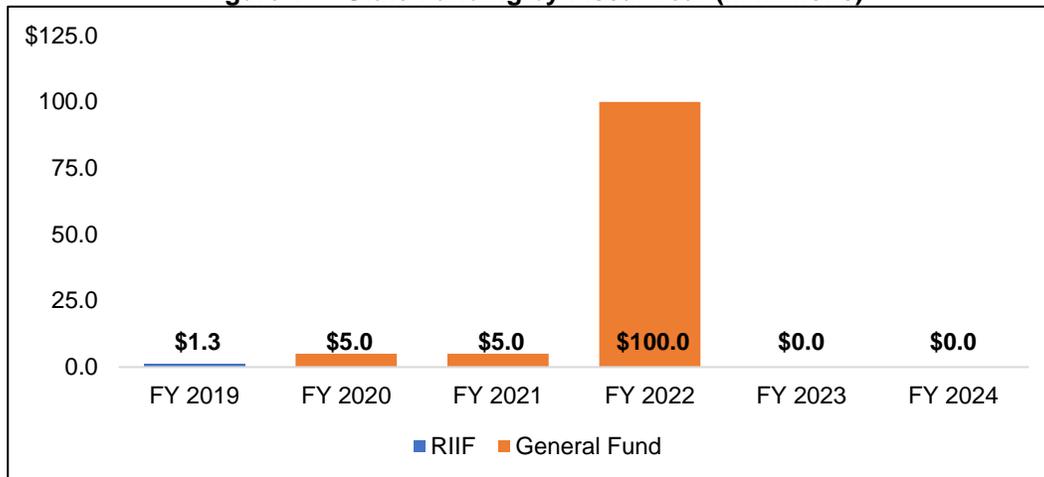
State Funding History

The Empower Rural Iowa Broadband Grant Program was first funded in 2019 and last received a General Fund appropriation in FY 2022. **Figure 1** includes a history of appropriations from the General Fund and the Rebuild Iowa Infrastructure Fund (RIIF).

More Information

Department of Management, Division of Information Technology Broadband: dom.iowa.gov/broadband

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Figure 1 — State Funding by Fiscal Year (in millions)

Current Award Criteria for State-Funded Grants

In 2021, the General Assembly amended the criteria for administering State grant awards. Under 2021 Iowa Acts, chapter 47, the State share of a grant is set as a percentage of the communication provider's total project costs and the percentage is determined by the broadband service that is currently available in a Targeted Service Area (TSA). The definition of a TSA includes the following three-tiered system and was reflected on an earlier version of the Division's broadband availability [maps](#):

- Tier 1: Maximum download speed of less than 25 megabits per second (mbps) and maximum upload speed of less than 3 mbps.
- Tier 2: Minimum download speed of greater than or equal to 25 mbps but less than 50 mbps.
- Tier 3: Minimum download speed of greater than or equal to 50 mbps but less than 80 mbps.

At least 20.0% of funds available for award are granted to projects that provide broadband in difficult-to-serve TSAs within which no communications service provider offers speeds less than or equal to the Tier 1 speeds. The remaining funds available are granted from the Fund as follows:

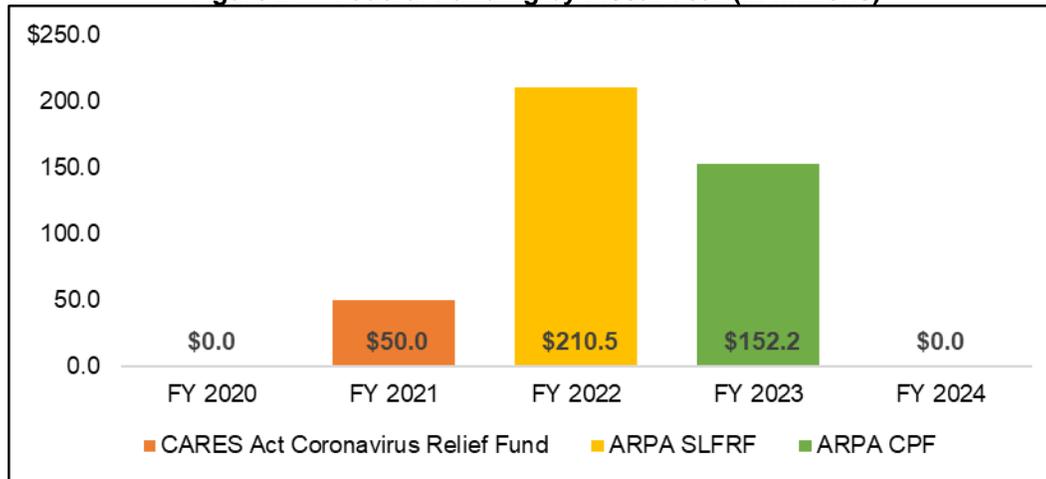
- 75.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum upload speed of 100 mbps within Tier 1 TSAs.
- 50.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum upload speed of 20 mbps within Tier 1 TSAs.
- 50.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum upload speed of 100 mbps within Tier 2 TSAs.
- 35.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum upload speed of 100 mbps within Tier 3 TSAs.

These criteria were first used to administer grants under the Division's Notice of Funding Availability (NOFA) [#006](#).

Federal Funding History

In 2020, the Division received \$50.0 million in funding for broadband grants from the Iowa Coronavirus Relief Fund, part of the federal [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). In 2021, \$210.5 million in funding was allocated from the [American Rescue Plan Act \(ARPA\) of 2021](#) State and Local Fiscal Recovery Fund (SLFRF), and these funds were made available under NOFA [#007](#) in October 2021. In 2022, \$152.2 million in funding was allocated from the ARPA Capitals Projects Fund (CPF). These funds were made available under NOFA [#008](#) in 2023. **Figure 2** includes a history of federal funding to the Empower Rural Iowa Broadband Grant Program.

Figure 2 — Federal Funding by Fiscal Year (in millions)



Award Criteria for Federally Funded Grants

Grants administered under NOFA #007 used federal guidance and criteria and did not use the criteria established in Iowa Code chapter 8 by 2021 Iowa Acts, [chapter 47](#). In compliance with the requirements for the funding made available under the ARPA SLFRF for NOFA #007, the Division issued an amended version of its Statewide Broadband Availability [Map Version 4](#) to include additional layers consistent with the federal guidelines, which identified eligible service areas within which no provider offered wireline broadband service that facilitated a minimum download speed of 25 mbps and a minimum upload speed of 3 mbps. Under NOFA #007, applicants were granted awards based on a combination of State and federal guidelines. In March 2023, the Division published the final version of Statewide Broadband Availability [Map Version 5](#), which is designed to facilitate spending decisions for future federally funded grant opportunities and, as a result, does not conform to guidelines under Iowa Code chapter 8B. Eligible service locations were determined using the Statewide Broadband Availability Map Version 5, as required under the ARPA CPF for NOFA #008.

Total Award History

Figure 3 includes a history of the funding and awards administered from the Empower Rural Iowa Broadband Grant Program through issuances of a NOFA.

Figure 3 — Empower Rural Iowa Broadband Grant Fund Awards

NOFA	Awards	Award Funding
#001	7	\$ 1,300,000
#002	17	5,000,000
#003	53	33,037,114
#004	13	4,950,000
#005	14	15,452,302
#006	39	97,500,000
#007	160	210,454,219
#008	39	148,960,000
Total	342	\$ 516,653,635

Note: NOFAs #003 and #005 consist of federal Coronavirus Relief Funds; NOFA #007 consist of federal ARPA CSLFRF moneys; and NOFA #008 consists of federal ARPA CPF moneys made available under the Empower Rural Iowa Broadband Grant Program.

Under NOFA #006, awarded projects may expend funds through 2025. Under NOFA #007 and #008, awarded projects may expend funds through September 2026, consistent with federal guidelines.

Broadband Equity, Access, and Deployment Program

The federal [Infrastructure Investment and Jobs Act \(IIJA\)](#), passed in November 2021, includes various broadband infrastructure funding through the Department of Commerce National Telecommunications and Information Administration (NTIA). Most notably related to infrastructure is the Broadband Equity, Access, and Deployment (BEAD) Program. The BEAD Program includes \$42.450 billion in total funding to U.S. states and territories for broadband deployment, mapping, and adoption projects to expand broadband to underserved areas, defined as areas with no access to broadband service facilitating a minimum download speed of 100 mbps and a minimum upload speed of 20 mbps, and unserved areas, defined as areas with no access to broadband service facilitating a minimum download speed of 25 mbps and a minimum upload speed of 3 mbps. Each state is allocated a minimum of \$100.0 million in funding, with the remaining funding distributed based on the number of unserved and high-cost locations in the state, determined by [maps](#) published by the Federal Communications Commission in 2022. The State of Iowa received an allocation of \$415.3 million to implement the BEAD Program. In September 2024, the Initial Proposal Volume 2 was approved by the NTIA. Additional information on the BEAD Program is available on the NTIA's BroadbandUSA [website](#) and on the DOM's Broadband [website](#).

Related Statutes

Iowa Code sections [8.79](#) and [8.91](#)

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