
FISCAL TOPICS

Fiscal Services Division

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Empower Rural Iowa Broadband Grant Fund

Background and Purpose

The Office of the Chief Information Officer (OCIO) of the Department of Management 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 [8B.11](#). 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.

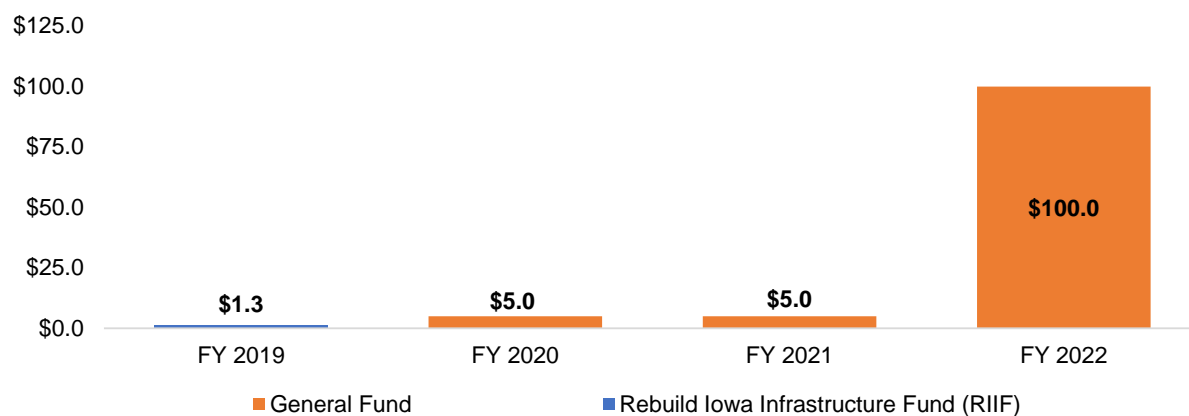
The Fund was subsequently amended in 2019 Iowa Acts, chapter [159](#) (Empower Rural Iowa Act), to allow moneys in the Fund that remain unencumbered or unobligated at the close of the fiscal year to remain available for expenditure until three years following the last day of the fiscal year in which 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 and allowed the OCIO to use not more than 1.0% of the moneys in the Fund at the beginning of the fiscal year for costs associated with the administration of the program.

Most recently, [House File 848](#) (Broadband Policy Act), enacted during the 2021 Legislative Session, provided that moneys in the Fund can be used for the fiberoptic network conduit installation program established in Iowa Code section [8B.25](#). The Act also provided that the OCIO can use up to 2.5% of the moneys available in the Fund at the beginning of the fiscal year for the administration of the grant program and fiberoptic network conduit installation program.

State Funding History

The Empower Rural Iowa Broadband Grant Program was first funded in 2019. **Chart 1** includes a history of funding from the State General Fund and the Rebuild Iowa Infrastructure Fund (RIIF).

**Chart 1 — Empower Rural Iowa Broadband Grant Program
State Funding by Fiscal Year (in millions)**



More Information

Office of the Chief Information Officer of the Department of Management: ocio.iowa.gov/broadband-grants

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Current Award Criteria for State-Funded Grants

The criteria for administering State grant awards changed significantly in 2021 Iowa Acts, House File 848 (Broadband Policy Act). Under the new legislation, the State share of a grant is 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 OCIO’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:

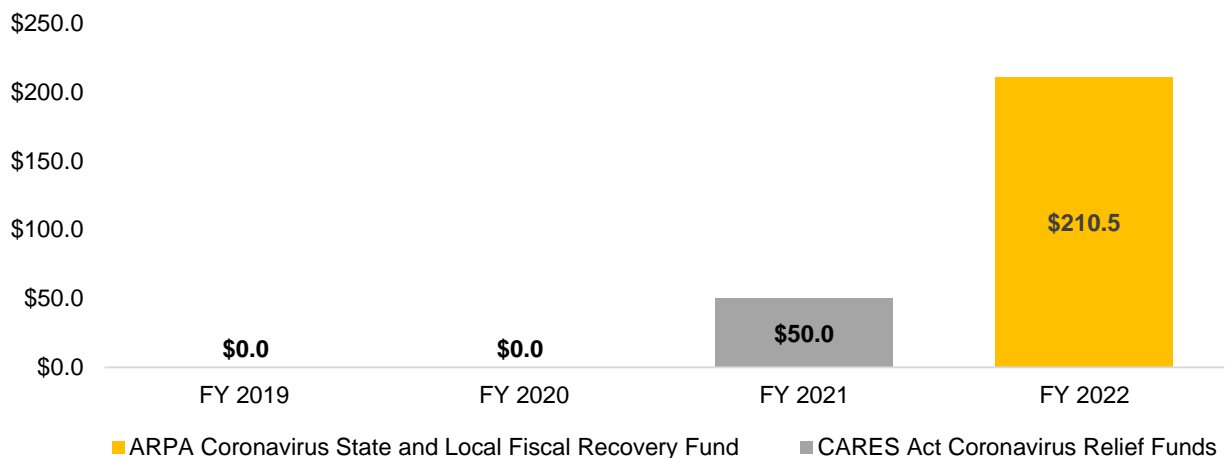
- 75.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum upload speed of 100 mbps within Tier 1 TSAs.
- 50.0% of project costs for installation of broadband service that facilitates a minimum download speed of 100 mbps and a minimum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

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

Federal Funding History

In 2020, the OCIO 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](#). These funds were awarded in FY 2021. In 2021, the OCIO awarded \$210.5 million in funding from the [American Rescue Plan Act \(ARPA\) of 2021](#) Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), and these funds were made available under NOFA [#007](#) in October 2021. **Chart 2** includes a history of federal funding to the Empower Rural Iowa Broadband Grant Program.

**Chart 2 — Empower Rural Iowa Broadband Grant Program
Federal Funding by Fiscal Year (in millions)**



Note: FY 2022 funding amount includes the amount announced under [NOFA #007](#).

Award Criteria for Federally Funded Grants

Grants administered under NOFA #007 were administered utilizing federal guidance and criteria and were not administered utilizing the criteria established in Iowa Code chapter 8B by 2021 Iowa Acts, House File 848 (Broadband Policy Act). In compliance with the requirements for the funding made available under the ARPA CSLFRF for NOFA #007, the OCIO issued an amended version of its 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 guidelines, outlined in Iowa Code section 8B.11 and federal guidelines. In August 2022, the OCIO published 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.

Total Award History as of August 2022

Table 1 includes a history of the funding and awards administered from the Empower Rural Iowa Broadband Grant Program through issuances of a NOFA.

Table 1 — Empower Rural Iowa Broadband Grant Fund Awards

NOFA	Total Awards	Total 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
Total	303	\$ 367,693,635

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

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

Infrastructure Investment and Jobs Act — Federal Broadband Funding

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. As of July 15, 2022, the State had filed an intent to participate in the BEAD Program with NTIA. Additional information on the BEAD Program can be found [here](#).

Related Statutes and Administrative Rules

Iowa Code section [8B.11](#)
[129 IAC 20 to 129 IAC 22](#)

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