

Nebraska Capital Projects Fund Plan

Program Narrative

Program Summary

In a separate document, provide responses for each of the following prompts and questions. Please clearly indicate which responses correspond with each prompt and question.

Provide a description of the Program (approximately 2 – 3 pages), including the Program objectives, target capital assets, and the program's history, if applicable. This should also describe the Recipient's approach for carrying out the Program, including the Program's project eligibility and selection criteria, as well as its application process, as appropriate.

Program Objectives:

- A. To provide broadband service of at least 100 Mbps download and 100 Mbps upload to Nebraska residences and businesses in Congressional Districts 1 and 3 which currently lack reliable broadband service of 100 Mbps download and 20 Mbps upload between 2023 and 2026 through a competitive grant program.
- B. To provide enhanced multi-purpose community facilities with funding in order to address the social and economic challenges experienced as a result of the COVID-19 public health emergency in qualified census tracts in Congressional District 2 between 2023 and 2026 through a competitive grant program. Qualified census tracts in Congressional District 2 are located primarily in North and South Omaha.

Target Capital Assets: Grant-funded broadband infrastructure capable of providing at least 100 Mbps download and 100 Mbps upload and multi-use community facilities enabling work, education and health monitoring and broadband infrastructure projects.

Program Description: Broadband Infrastructure Projects

The Department will make funding available in Congressional Districts 1 and 3 for Broadband Infrastructure projects that facilitate the deployment of broadband networks in unserved and underserved areas of Nebraska. For administration, the Department will partner with the Nebraska Public Service Commission (PSC), the statewide entity that oversees broadband planning and implementation. As the State has a similar grant program in place, the state will utilize the framework of the established program to accept applications and award grants. See [Microsoft Word - NBBP Program Guide - FINAL \(nebraska.gov\)](#) Nebraska will prioritize those investments in fiber-optic infrastructure where feasible, and prioritize projects that address affordability as a barrier.

Program History

This should also describe the Recipient's approach for carrying out the Program, including the Program's project eligibility and selection criteria, as well as its application process, as appropriate.

Allocation of Capital Projects Funds

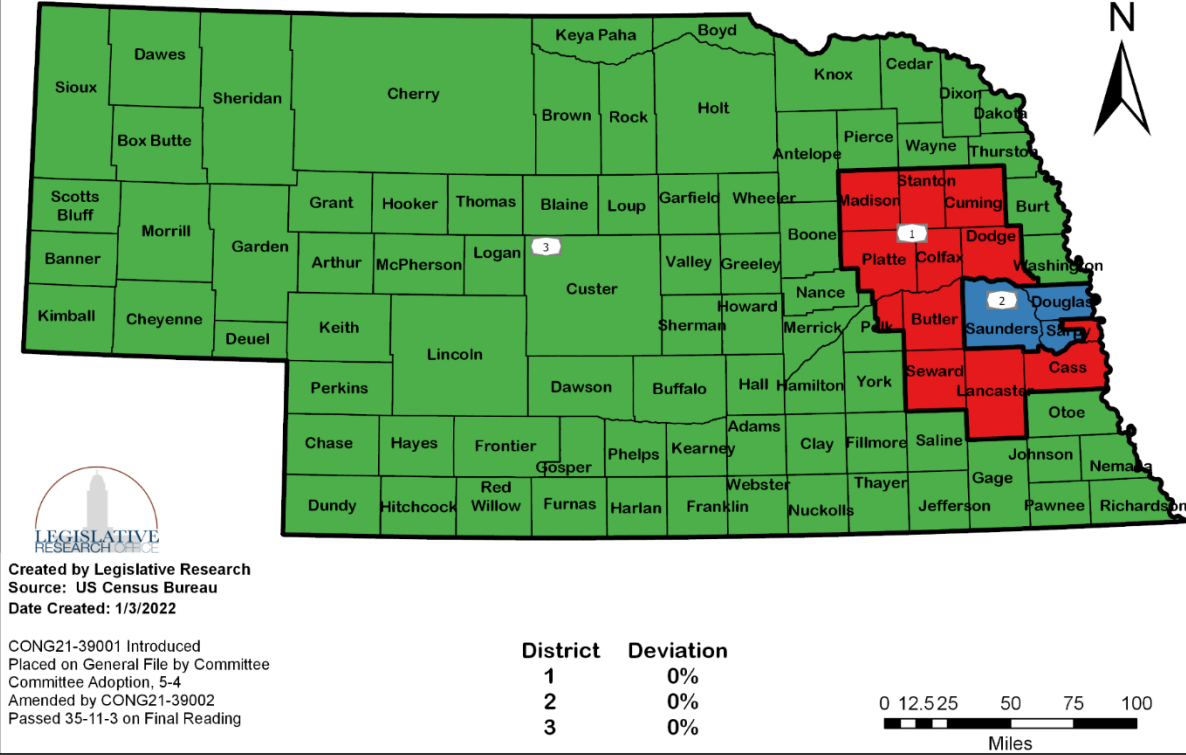
Nebraska proposes allocating \$128,740,178 from the Capital Projects Fund between broadband infrastructure and multi-purpose community facilities by Congressional District in order to equitably distribute funding across the state and to address the differing needs of each Congressional District. Nebraska is allocating approximately \$88,000,000 for broadband infrastructure projects in Congressional Districts 1 and 3 --the two districts which contain most of the state's rural areas. The initial allocation of funding was determined by the Nebraska Legislature in [LB 1024](#) which was passed 45-1 on April 12, 2022 and signed into law by Governor Ricketts on April 18, 2022.

- A. Governor Ricketts has allocated approximately \$44,000,000 for broadband infrastructure in Congressional District 1 which includes Lincoln, Norfolk, Columbus, and Fremont. The 12 counties in Congressional District 1 differ in their demographics and needs. County populations range from nearly 325,000 in Lancaster County to just over 5,000 in Polk County. The percent of rural population without wired broadband of at least 100 Mbps down and 20 Mbps up ranges from 10.3% in Cuming County to 85% in Madison County.
- B. Governor Ricketts has allocated approximately \$44,000,000 for broadband infrastructure in Congressional District 3. In 39 of these counties, less than half of the county's rural population has wired broadband of at least 100 Mbps down and 20 Mbps up available, making it difficult or impossible for rural residents to work, participate in online education, or utilize health monitoring remotely. Compounding the challenges in District 3, 67 of the 80 counties in the district have population densities below 20 persons per square mile which increases the cost to build out broadband in the district.

A map of Nebraska's Congressional Districts is shown below.

United States House of Representatives - LB 1 (2021)

CONG21-39002



Nebraska Broadband Bridge Program

Nebraska plans to utilize the Nebraska Broadband Bridge Program which was established by the Nebraska Legislature in 2021 to award broadband grants using Capital Projects funding to eligible entities to build out broadband infrastructure to provide service of at least 100 Mbps download and 100 Mbps upload to areas lacking service of 100 Mbps download and 20 Mbps upload or greater.

The Nebraska Legislature passed, and the Governor signed [LB 388](#) on May 26, 2021. This bill included a framework designed to target communities and the rural areas around them that have a critical need for broadband services. This framework, called the Broadband Bridge Program, and now contained in the Nebraska Revised Statutes as Chapter 86, sections 1301-1310, puts in place guidelines for administration of a broadband grant program. The authority for carrying out the provisions of the program was granted to the Nebraska Public Service Commission (NPSC), a state agency that also administers Nebraska’s Universal Service Fund. The Commission commenced a process to enact the guidelines provided in statute and provided additional guidance regarding the administration of the program. The NPSC recently awarded \$19.2 million in funding to 61 projects to connect 12,634 locations in the Nebraska Broadband Bridge program’s first grant cycle.

The program targets areas that are unserved, defined as lacking broadband at speeds of at least 25 Mbps download and 3 Mbps upload, as well as areas that are underserved, defined as lacking speeds of

at least 100 Mbps download and 20 Mbps upload. As part of the criteria by which applications would be evaluated, priority is given to projects that would provide broadband access to areas that were unserved and that showed a need for reliable service. Lower priority is given to applications that are targeted to underserved areas.

The Legislature appropriated \$20 million per year for two years for the program. Anticipating the possibility of federal broadband funding becoming available, the legislation also specified that federal funds received for broadband enhancement purposes would be deposited in the Nebraska Broadband Bridge Fund for broadband grants and costs of administering the grant program. Those funds would then be distributed through the Nebraska Broadband Bridge Program.

2022 Orders and Legislation

After the initial round of grant awards in 2021, both the Nebraska Public Service Commission and the Nebraska Legislature adjusted program requirements so that the program more efficiently and effectively distributes both state and anticipated federal broadband funding.

[LB 1144](#) which was approved by the Legislature 46-0 on April 13, 2022, and signed by Governor Ricketts on April 19, 2022, reduces the matching requirement to 25% of total projects for projects in high-cost areas and would also permit the Commission to grant extensions for good cause shown.

[LB 1024](#) stipulates that the matching funds requirement for the Nebraska Broadband Bridge program would not apply to broadband grants funded through the Capital Projects Fund. The bill also requires grants in Congressional District 3 to be awarded to “eligible projects in cities of the second class and villages.”

The Nebraska Public Service Commission issued [an order \(C-5368\)](#) opening a docket, seeking comment and setting a hearing on proposed changes to the Nebraska Broadband Bridge Program (NBBP) on Feb. 1, 2022. On May 10, 2022, the Commission entered an [order](#) making several changes to the program including:

- Reducing the match for projects in high-cost areas to 25%
- Adjustments to the scoring system
- Implementation of a tiebreaker
- Adjustments to the challenge process, including requiring challenging parties to provide speed tests of a specific percentage of the locations being challenged
- Re-evaluating the Commission’s approach to speed-testing
- Revisions to the application
- Awarding points for offering a discounted plan for low-income consumers

Eligibility

Eligible Applicants

Eligible applicants include: (1) a broadband Internet service provider including any telecommunications company, cable television company, or wireless network provider that provides broadband Internet service; (2) a cooperative; (3) a political subdivision; (4) an Indian tribe. Applications from a political

subdivision or an Indian tribe must be part of a public-private partnership with a broadband Internet service provider.

Eligible Areas

A project involving development of a broadband network in an unserved area, or an underserved area in Congressional Districts 1 and 3 may be considered.

- An unserved area is an area of Nebraska in which locations lack access to broadband Internet service at speeds of at least 25 Mbps download and 3 Mbps upload.
- An underserved area is an area of Nebraska in which locations lack access to broadband Internet service at speeds of at least 100 Mbps download and 20 Mbps upload. Applications involving underserved areas must also include a digital inclusion plan.

Prioritization

- **Priority Tier 1** - An unserved area is an area of Nebraska in which locations lack access to broadband Internet service at speeds of at least 25 Mbps download and 3 Mbps upload, and has not received public assistance for development of a broadband network;
- **Priority Tier 2** - An unserved area is an area of Nebraska in which locations lack access to broadband Internet service at speeds of at least 25 Mbps download and 3 Mbps upload, and has received federal support for development of a broadband network but construction will not be completed within twenty-four months after the grant application deadline if it is determined that NBBP grant funding will accelerate deployment of the broadband network; and
- **Priority Tier 3** - An underserved area is an area of Nebraska in which locations lack access to broadband Internet service at speeds of at least 100 Mbps download and 20 Mbps upload.

Maximum amount per project

By statute, the maximum grant amount awarded under the program with respect to any single project is \$5 million.

Match

No match is required as stipulated in [LB 1024](#).

Selection Criteria

Selection Criteria for the 2022 grant cycle are listed below:

- Financial Capability- Up to 10 points
- Legal Capability—Up to 10 points
- Technical Capability—Up to 15 points
- Digital Inclusion Plan/Discounted Plan for Low-Income Subscribers—5 points
- Rate Comparability—10 points
- Speed Additive—Up to 10 points
- Match Source—Up to 10 points
- Match Percentage—Up to 30 points for projects that include non-high-cost areas, up to 55 points available for projects that cover high-cost areas
- Location Density—Up to 20 points
- ETC Certification—Up to 5 points
- Public Private Partnership—5 points

A detailed explanation of the scoring criteria can be found in the [2022 Nebraska Broadband Bridge Scoring Reference Sheet](#).

Eligible Program Costs

Eligible development costs include the amount paid for acquisition and deployment of infrastructure that provides broadband internet service scalable to at least 100/100 Mbps, such as costs for project planning, obtaining construction permits, construction of facilities including both middle-mile and last-mile infrastructure, equipment, and installation and testing of the broadband Internet service. The Commission has issued guidance on allowed and disallowed costs available at <https://psc.nebraska.gov/sites/psc.nebraska.gov/files/doc/NUSF%2099108%20Allowable%20and%20Dis%20allowable%20Expenses.pdf>.

Application Process

Applicants are required to submit applications via e-mail to the Public Service Commission, including shapefiles of the proposed project area and the locations to be served through the project. Cooperation with local organizations and public officials was encouraged in development of applications. Supplemental information could be submitted with applications to provide additional justification of the need in each project area.

Applications are sorted into their appropriate priority tiers and then evaluated according to criteria laid out in the statute, and further defined by the Commission. The NBBP applications are reviewed by a team composed of Commission staff who prioritize, score, and recommend grant awards using the prioritization and selection criteria described earlier. A majority vote of Commissioners during regularly scheduled public meetings is required for the final approval of grant awards.

Challenge Process. A framework for a challenge process is also a component of the grant application and award process. The challenge process ensures that grant funds utilized through this program aren't used to build a duplicate network and guarantees that projects funded are truly targeted to the areas of greatest need. Outside parties may challenge applications if one of two criteria are met:

- 1 – that an existing provider has 100/20 Mbps (download/upload) available in the project area
- 2 – that a provider is constructing a network capable of at least 100/20 Mbps (download/upload) in the project area and will have that project complete within 18 months

Within three business days after the application, the Commission must publish the proposed projects, project areas, and broadband Internet service speeds for each application submitted. Any provider may submit a challenge to an application within 60 days after the publication of the applications submitted. Within three business days after the submission of a challenge, the commission must notify the applicant of a challenge. An applicant has 10 business days following the notification of a challenge to provide supplemental information and/or respond to the challenge.

The Commission evaluates the information submitted in a challenge and shall not award a grant if the information submitted is credible and if the provider submitting the challenge agrees to submit documentation no later than eighteen months after the date grant awards are made substantiating that the challenging provider has fulfilled its commitment to deploy broadband Internet service in the proposed project area.

The Commission has developed a more detailed process for dealing with partial challenges to a portion of a project area. The commission will first make an initial determination as to the credibility of a challenge. If a partial challenge is deemed not credible, the original application will be considered. If a partial challenge is found to be credible, applicants will be allowed an opportunity to resubmit their application with the successfully challenged portions removed.

If the commission denies an application for a grant based on a challenge and the provider which submitted the challenge does not provide broadband Internet service to the proposed project area within 18 months, the provider shall not challenge any grant for the following two fiscal years unless the failure is due to factors beyond the provider's control.

Describe the Program timeline and list Program milestones to be achieved each year.

Program Timeline and Milestones

The Nebraska Public Service Commission anticipates distributing the initial round of Capital Projects funding in the 2023 Nebraska Broadband Bridge Program cycle so that eligible areas for funding can be established using improved broadband availability data from the FCC's new broadband map and/or data collected by the State of Nebraska. A second round of funding would be distributed through a 2024 grant cycle. Two grant cycles utilizing Capital Projects funding (instead of one) would allow additional opportunities for potential applicants to target their grant applications to areas of greatest need. Both grant cycles would be completed, and funds expended, prior to the December 31, 2026 deadline. By statute, the application deadline for the program in 2022 and subsequent years is July 1. The following program timeline is proposed for the 2023 and 2024 Broadband Bridge grant cycles.

Tentative 2023 Broadband Bridge Grant Cycle

Submission of Capital Projects Application	June 2022
Development of Broadband Public-Private Partnership Case Studies and other materials	June 2022-April 2023
Outreach Efforts to Local Leaders and Communities	October 2022-April 2023
Outreach Efforts to Providers	October 2022-April 2023
FCC Makes New Broadband Map Available	Late 2022 or early 2023
Commission Makes Application Available	April 25, 2023
Application Period Begins	Mid-June, 2023
Deadline to Submit Applications	July 3, 2023
Applications Posted to Commission Website	July 7, 2023
Notices of Intent to Challenge due to Commission and Applicant	July 17, 2023
Challenges Due	Sept. 1, 2023
Commission Provides Formal Notice of Challenges Received	Sept. 8 2023
Deadline for Applicants to Supplement or Modify Applications	Sept. 22, 2023
Results of Partial Challenges Released	October 25, 2023
Deadline for Applicants to Submit Modified Applications in Response to Partial Challenges	November 10, 2023
Grant Awards and Results of Remaining Challenges Released;	December 6, 2023
Projects Completed	June 6, 2025
Project Expense Information/Speed Test Results	September, 2025

Tentative 2024 Broadband Bridge Grant Cycle

Outreach Efforts to Local Leaders and Communities	October 2023-April 2024
Outreach Efforts to Providers	October 2023-April 2024
Commission Makes Application Available	April 25, 2024
Application Period Begins	Mid June, 2024
Deadline to Submit Applications	July 3, 2024
Applications Posted to Commission Website	July 7, 2024
Notices of Intent to Challenge due to Commission and Applicant	July 17, 2024
Challenges Due	Sept. 1, 2024
Commission Provides Formal Notice of Challenges Received	Sept. 8 2024
Deadline for Applicants to Supplement or Modify Applications	Sept. 22, 2024
Results of Partial Challenges Released	October 25, 2024
Deadline for Applicants to Submit Modified Applications in Response to Partial Challenges	November 10, 2024
Grant Awards and Results of Remaining Challenges Released;	December 6, 2024
Projects Completed	June 6, 2026
Project Expense Information/Speed Test Results	September, 2026

Program website, guidance documents, or rules, if applicable. Provide links or attachments if available.

Program website

<https://psc.nebraska.gov/telecommunications/nebraska-broadband-bridge-program-nbbp>

Nebraska Revised Statutes – Chapter 86, starting at Section 1301

<https://nebraskalegislature.gov/laws/statutes.php?statute=86-1301>

Program Guide

<https://psc.nebraska.gov/sites/psc.nebraska.gov/files/doc/2022%20NBBP%20Program%20Guide.pdf>

Scoring Reference Sheet

https://psc.nebraska.gov/sites/psc.nebraska.gov/files/doc/NBBP%20Scoring%20Reference%20Sheet_1.pdf

Eligibility

Explain why the communities identified to be served by Broadband Infrastructure Projects have a critical need for those projects as is related to access, affordability, reliability, and/or consistency. Recipients are encouraged to invest in projects that are designed to provide service to households.

Capital Projects funds will be targeted to areas lacking broadband service of at least 100 Mbps/20 Mbps. Broadband availability is a critical need for Nebraska communities and households—especially in rural areas of the state which are the most likely to lack 100/20 Mbps wireline broadband and to lag in broadband adoption:

- 13% of Nebraskans and 41% rural Nebraskans do not have wireline broadband service at 100 Mbps download and 10 Mbps upload according to the FCC’s Dec. 2020 Form 477 data. Given the limitations of the FCC’s Form 477 data, these figures likely overstate broadband availability in Nebraska.
- 91% of Nebraska households have an internet subscription according to the U.S. Census Bureau’s 2019 American Community Survey one-year data. However, the percent of households with an internet subscription varies by county from a high of 94.2% in Sarpy County to a low of 67.6% in Garfield County with larger metropolitan counties more likely to have higher subscription rates than smaller, rural counties. Seven of the top ten counties are parts of metropolitan statistical areas, while the bottom ten counties are small counties ranging in population from 494 to 8,846.

The COVID-19 pandemic has increased the need for broadband connectivity and exacerbated the impact of the rural-urban digital divide.

- Rural Nebraska residents were less likely to participate in online activities than metropolitan residents according to the 2022 Nebraska Metropolitan and Rural Polls. The differences were most pronounced in the percent working at home (70% metropolitan v. 52% rural), using videoconferencing (79% metropolitan v. 65% rural), and accessing health care via telehealth (53% v. 42%).
- Seven percent of rural residents and five percent of metropolitan residents with home internet service reported that their internet service limited their ability to work at home. The percent of

residents reporting limitations due to their internet service varied by region and size of community, however, with 15-17% of residents living in or near very small communities in metropolitan counties and 13% of residents of Nebraska's Panhandle reporting that their home internet service limited their ability to work at home.

Nebraskans with lower incomes, lower levels of education, and minority populations are less likely to have a broadband subscription. The FCC's Emergency Broadband Benefit Program and Affordable Connectivity Program are helping to make broadband more affordable. Over 29,000 households or approximately 14% of eligible Nebraska households enrolled in the FCC's Emergency Broadband Benefit Program.

Rural broadband availability and adoption are also critical to the economic vitality of rural Nebraska. Rural broadband availability and adoption are associated with attraction and retention of millennials, greater economic growth, attraction of new firms, higher household incomes, and small business growth (Gallardo, R., Whitacre, B., Grant, A., 2018). New research indicates that broadband availability and wired broadband adoption both had significant, positive impacts on the employment rates in rural counties during the pandemic (USC Annenberg, 2022), highlighting the importance of broadband availability and adoption in mitigating the economic impact of the COVID-19 pandemic on rural areas.

Utilizing Capital Projects funding to expand the Nebraska Broadband Bridge Grant program will enable the deployment of broadband infrastructure capable of providing 100/100 Mbps broadband in areas of the state lacking broadband of 100/20 Mbps and enable residents in those areas to work at home, participate in online education, access health care via telehealth, and monitor health conditions. Encouraging providers to offer a low-income price tier and to participate in the FCC's Affordable connectivity program will make services more affordable for low-income consumers.

What quantitative and qualitative data informed this Program Plan?

The State of Nebraska relied on several sources of quantitative and qualitative data in developing this program plan, including:

- FCC Broadband Map available at <https://broadbandmap.fcc.gov>
- Nebraska Broadband Map available at <https://broadbandmap.nebraska.gov>
- U.S. Census Bureau American Community Survey available at <https://data.census.gov>
- 2021 Metropolitan and Rural Polls available at <https://ruralpoll.unl.edu/21report>
- Rural Broadband Task Force Report available at <https://ruralbroadband.nebraska.gov/reports/index.html>
- Nebraska Broadband Bridge Program Materials <https://psc.nebraska.gov/telecommunications/nebraska-broadband-bridge-program-nbbp>
- Nebraska Revised Statutes – Chapter 86, starting at Section 1301 <https://nebraskalegislature.gov/laws/statutes.php?statute=86-1301>
- Comments provided through Nebraska Public Service Commission Broadband Bridge hearings and request for comments available on the Nebraska Broadband Bridge Program website at <https://psc.nebraska.gov/telecommunications/nebraska-broadband-bridge-program-nbbp>

- USC Annenberg School for Communication and Journalism. Measuring the Effectiveness of Digital Inclusion Approaches (MEDIA) Policy Brief 1: A Roadmap for Affordable Broadband: Lessons from the Emergency Broadband Benefit. (January 2022). Available at <https://arniscusc.org/publications/a-roadmap-for-affordable-broadband-lessons-from-the-emergency-broadband-benefit/>
- Isley C. & Low S.A., Broadband adoption and availability: Impacts on rural employment during COVID-19, Telecommunications Policy (2022), doi: <https://doi.org/10.1016/j.telpol.2022.102310>
- Gallardo, R., Whitacre, B., Grant, A., Broadband’s impact: A brief literature review. (January, 2018). Available at <https://pcrd.purdue.edu/wp-content/uploads/2018/12/Broadbands-Impact-Final.pdf>

How has, or how will the Recipient identify communities with critical needs? In the response, describe any community engagement and public participation that has informed the definition of critical need for this Program, including efforts to solicit input from and/or partner with communities. How was equity considered in the design of this program and how will equity be considered in the selection of projects and the distribution of funds?

Identification of Communities with Critical Needs. The Nebraska Public Service Commission and the Nebraska Legislature have determined that communities and rural areas lacking broadband of 100/20 Mbps have a critical need for improved broadband service in order to mitigate the impact of the COVID-19 pandemic. The Commission uses multiple sources of information to determine which areas lack 100/20 Mbps, including FCC Form 477 data and speed tests. The Nebraska Broadband Bridge Program also incorporates a challenge process to avoid providing funding to areas already receiving broadband of at least 100/20 Mbps. The Commission issued an order on May 10, 2022 which amended the challenge process and requires challengers who are currently providing service in a contested area to provide speed test data in order to make challengers more accountable.

Community Engagement and Public Participation. Early in the COVID-19 pandemic, Governor Pete Ricketts identified the lack of broadband as a critical issue for households unable to work from home, participate in online learning, or access health care services via telehealth or monitor health conditions. In October of 2020, he announced the award of more than \$29.5 million in CARES Act funding for broadband projects connecting over 17,600 locations.

Recognizing the need for additional funding for broadband deployment, Governor Ricketts proposed a new Broadband Bridge Grant Program with \$40 million in funding over 2 years in his State of the State address in 2021. The Speaker of the Legislature, Mike Hilgers, introduced LB 388 at Governor Ricketts’ request. Seventeen individuals from a wide range of organizations testified in support of LB 388 at the Legislative hearing on Feb. 8, 2021. Those testifying included:

- Governor Pete Ricketts
- Commissioner Dan Watermeier, Nebraska Public Service Commission
- Patrick Pope, Nebraska Public Power District
- Mark McHargue, Nebraska Farm Bureau
- Burke Brown, School District OR1, Palmyra
- Tip O’Neill, Nebraska Telecommunications Association
- Brett Bieber, speaking on behalf of the statewide eduroam pilot project
- Brad Moline, Allo Communications

- Jim Smith, Blueprint Nebraska
- Jack Moles, Nebraska Rural Community Schools Association
- Johnathan Hladik, Center for Rural Affairs
- Jina Ragland, Nebraska AARP
- John Hansen, Nebraska Farmers Union
- John Idoux, CenturyLink
- Julia Plucker, Nebraska Internet and Television Association
- Camdyn Kavan, OpenSky Policy Institute
- Lash Chaffin, League of Nebraska Municipalities

The Nebraska Public Service Commission solicited comments and held public hearings before implementing the Nebraska Broadband Bridge Program. The Commission opened a second docket soliciting comments and setting a hearing on proposed modifications to the Nebraska Broadband Bridge Program on February 1, 2022. Testimony was offered by the following parties:

- Cullen Robbins, Director of the Communications and NUSF Department of the Commission (“Department”), on behalf of the Department
- Tim Goodwin, Vice President of Regulatory Affairs, on behalf of Charter Communications
- John Idoux, Director of Public Policy and Governmental Affairs, on behalf of CenturyLink
- Patrick Pope, Special Assistant to the Vice President of Strategy and Innovation, on behalf of Nebraska Public Power District
- David Young, Partner, Universal Broadband Consulting, on behalf of Nebraska Public Power District
- Brent Comstock, on behalf of BCom Solutions, LLC
- Kyle Arganbright, member of the public 8) Tom Shoemaker, President, on behalf of Pinpoint Communications
- Carol Lemke, Controller, on behalf of Glenwood Telecommunications, Inc.
- Andrew Pollock, on behalf of the Nebraska Rural Broadband Alliance
- William King, on behalf of Media King Communications
- Dan Davis, Consortia Consulting, on behalf of the Rural Independent Companies
- Lash Chaffin, on behalf of the League of Nebraska Municipalities

Equity. Equity is at the heart of the Nebraska Broadband Bridge Program with a goal of bringing broadband service to all areas lacking 100/20 Mbps service. The program recognizes that areas without 25/3 Mbps service have the greatest need and prioritizes applications for areas lacking 25/3 Mbps service.

Applications for areas lacking 100/20 Mbps broadband are required to have a digital inclusion plan that demonstrates access to and use of information and communication technologies by all individuals and communities in the project area, including the most disadvantaged individuals and communities. The plan must describe the carrier’s efforts to ensure members of the community to be served will be able to afford the services offered and must describe any discounts and/or support programs to be offered for low-income individuals. Digital inclusion plans were not scored in the initial round of the program. The Commission has strengthened the digital inclusion plan requirement by awarding 5 points for projects whose digital inclusion plan includes a discounted service plan for low-income subscribers that

is less than \$50 per month prior to Lifeline or Affordable Connectivity Program discounts or cost 25% less on a monthly basis than the carrier's next lowest price plan offering, whichever is lower.

The Nebraska Legislature and the Nebraska Public Service Commission have also taken steps to make more projects in very rural areas financially feasible. LB 1144 reduced the match requirement to 25% for projects in high-cost areas. The Nebraska Public Service Commission also added location density to the scoring criteria for the 2020 grant cycle, awarding up to 20 points to projects which serve rural areas. Points for location density will be allocated as follows:

- Less than or equal to 10 locations per square mile – 20 points
- More than 10 locations per square mile, but less than or equal to 20 locations per square mile – 12 points
- More than 20 locations per square mile, but less than or equal to 42 locations per square mile – 5 points

How is the program designed so that it does not duplicate investments from enforceable federal or state funding commitments for reliable wireline service at speeds of at least 100 Mbps of download speed and 20 Mbps of upload speed (e.g., program requirement, state law, process)?

As described in the Program Summary on the Nebraska Broadband Bridge Program, each grant cycle includes a challenge process was designed to ensure that grant funds aren't used for duplicative purposes. The Nebraska Public Service Commission, who also administers the Nebraska Universal Service Fund (NUSF), maintains a publicly available map that tracks both state and federal programs that support broadband buildout. Even prior to the development of the Broadband Bridge grant program, the Commission has worked to ensure that NUSF support is provided to develop broadband-capable networks in areas that are not already receiving support to do so. This includes coordination with existing federal support mechanisms, including the federal universal service fund and its subprograms such as ACAM, RDOF, and CAF, and the USDA ReConnect program, for which Nebraska companies have received two grants. The Commission has the mapping and technical expertise to ensure that funding through federal and state programs is not duplicative.

Program Administration

Describe the Recipient's approach for ensuring compliance with award requirements, including subrecipient monitoring. The narrative should also discuss the Recipient's institutional, managerial, and financial capability necessary to ensure proper planning, management, and completion of any such Project. How will you incorporate participation of and engagement with the communities with critical needs in order to shape Program implementation and operations?

The Nebraska Department of Economic Development (Department) is a cabinet agency within the State of Nebraska. The Department is funded by the State of Nebraska and administers several state and federally funded programs. The Department's largest federally funded programs are through HUD, and include the HOME Investment Partnerships Fund, the Community Development Block and Grant Program, and the Community Development Block Grant Disaster Recovery CDBG-DR. The Department's

largest state funded program is the ImagiNE Nebraska Act, Nebraska's flagship tax incentive program. In addition to its housing and incentive divisions, the Department also runs several programs through its business recruitment, development, and innovation divisions.

As a state agency with current federal and state programs and resources, the Department, with over 80 employees, has the organizational resources, infrastructure, and systems in place to manage federal dollars. The management of these federal dollars will utilize the same internal control environment and financial management practices that the Department has in place for current and prior federal programs. The state will also incorporate its internal compliance monitoring that is used for all state funded programs and overseen by the Nebraska State Auditor, Auditor of Public Accounts and Legislative Fiscal Office. For the Capital Project Community Fund, the Department plans to model the program after its other grant programs wherein payments for funds will be paid on a reimbursement basis to guard against fraud, waste and abuse and ensure that projects are completed. The Nebraska Department of Economic Development will conduct semi-annual internal audits in addition to other compliance oversight and performance activities. Additionally, where required, the Department will monitor each recipient's compliance with the Single Audit Requirement.

At the program inception, each recipient will sign a contract with the Department agreeing to follow all requirements for funding. Each recipient will be subject to reporting requirements and will be required to provide quarterly updates to ensure completion of the project.

For administration of the Broadband Infrastructure component, DED will partner with the Nebraska Public Service Commission who administers the State's broadband grant program. DED and PSC will follow established rules for the program in addition to incorporating the federal guidelines of this program. Rules for the Broadband Bridge Program can be found at:

[Microsoft Word - NBBP Program Guide - FINAL \(nebraska.gov\)](#). While the Nebraska Bridge Program requires a match, any projects funded under this program will not.

Community participation will be built into the program in several ways. Prior to the passage of LB1024, the State was able to weigh in on the usage of these funds through the legislative hearing process. In addition to participating in the legislative process, the community is also able to engage their local leaders. By requiring the State to prioritize projects in Congressional District 2, that are initiated by the city, the State is enabling local input and involvement at the local level. For Congressional District 3, applications must be initiated at the local level. The State has also conducted multiple studies throughout the state to determine areas those areas that underserved and unserved when it comes to broadband. By prioritizing those communities in this program, the state is responding to their needs.

The NBBP contains several provisions to ensure both compliance and recipient's capability to perform the actions necessary to deploy broadband as outlined in their application. The weighted scoring system considers the institutional, managerial, and financial capability of the applicant to provide the services as indicated in the application. The absence of information demonstrating the financial, legal, and technical capability of the applicant disqualifies the application from further consideration. Further details on the weighted scoring system can be found in the [Program Guide](#).

Additionally, once a grant is awarded, provisions within the NBBP require speed testing a condition for accepting a grant award. Recipients are required to test a random sample of the consumers served by

the project, and the number of consumers depends on the size of the project. Speed tests must be performed on an hourly basis for one week and must include tests during peak times of usage.

To ensure compliance with grant requirements, funds for projects are distributed at specific intervals during and after construction, and the final grant payment is not made until all requirements of the program have been met by the recipient. The NBBP grant funds are distributed as follows:

- 1/4 of the funds awarded will be distributed upon award of the grant,
- 1/4 of the funds awarded will be distributed in the ninth month following the grant award,
- 1/2 of the funds awarded will be distributed upon completion of the project, successful speed testing results, and receipt of invoice submittals to justify eligible expenses.

The Nebraska Public Service Commission has the institutional, managerial, and financial capability necessary to ensure proper planning, management, and completion of the program. The Commission has enacted the guidelines provided in statute, developed additional guidance, and hired two staff members to administer the program. In implementing the Nebraska Broadband Bridge Program, the Commission was able to draw upon and build on its knowledge of the telecommunications industry and telecommunications policy and utilize its existing processes and procedures for administering Nebraska Universal Service Funds through a grant-like process for broadband deployment projects.

How will you incorporate participation of and engagement with the communities with critical needs to shape Program implementation and operations?

The Commission uses an open rule-making process in implementing its programs, including requesting written comments and holding hearings. The Commission opened a docket open on proposed amendments to the Nebraska Broadband Bridge Program on February 1, 2022. Communities with critical needs were invited to submit comments by March 1, 2022, and to participate in the hearing on March 22, 2022. The Commission will likely open an additional docket in 2023 to adjust the Nebraska Broadband Bridge program to improve the administration of the fund and/or to meet Capital Projects Fund requirements.

The Commission also participates in advisory groups such as the Nebraska Rural Broadband Task Force and the Nebraska Information Technology Commission Community Council. Meetings of these advisory groups provide opportunities for Commissioners to engage with stakeholders.

The Commission and partner organizations such as the Nebraska Information Technology Commission and Nebraska Department of Economic Development also engage in outreach efforts such as speaking at conferences and meetings, developing resource materials, and hosting webinars.

The Broadband Equity Access and Deployment (BEAD) and State Digital Equity Capacity Planning processes requires outreach with stakeholder groups. These outreach efforts will likely provide an additional avenue for engaging communities with critical needs to shape program implementation and operations.

Program Budget

Specify the amounts of funds that the Recipient proposes to allocate to each of the following elements. The budget should include line items and sub-totals for which information is available and appropriate for the types of activities anticipated for the program. **These estimates may be approximations but more detailed and accurate information will be required in reporting.**

Eligible costs must adhere to eligible uses as outlined in CPF guidance and are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, including Subpart E of such regulations for states and non-profit organizations. Federal funds committed to an award may only be used to cover allowable costs incurred during the period of performance and for allowable closeout costs incurred during the grant closeout process. Detailed descriptions of each eligible cost element can be found in the Guidance.

PROGRAM BUDGET						
Program Administrative Costs						
	2021	2022	2023	2024	2025	2026
2a. Administering the CPF funds (by the Recipient)			945,000	945,000	945,000	945,000
2b. Technical assistance to potential subrecipients			255,000	255,000	255,000	255,000
2c. Complying with grant administration and audit requirements			193,750	193,750	193,750	193,750
2d. Community Engagement			275,000	75,000	75,000	
2e.						
2f.						
2g.						
2. Total Program Administrative Costs (not to exceed amounts listed in source of funding)			1,668,750	1,468,750	1,468,750	1,393,750
Project Costs						
3a. Recipient Project Costs			30,740,178	17,000,000	10,000,000	30,000,000
3b. Subgrant Project Costs						

3a.vi.						
3a.vii.						
3a.viii.						
3a.ix						
3. Total Project Costs			30,740,178	17,000,000	10,000,000	30,000,000

PRE-AWARD COST ANNEX

This annex is only required if you answered “Yes” to question 5 of the Program Questionnaire. Complete the table below for program costs incurred after March 15, 2021 but prior to execution of the grant agreement (“Pre-Award Costs”). Does the applicant provide reasonable assurance that the intended source of funds for the PreAward Costs was the CPF Grant?

Yes ___ No ___

Submit an attachment describing each project that includes Pre-Award project costs. Also describe the current source of funding for the project and how the CPF funding was contemplated to be used in coordination with current sources of funding.

PRE-AWARD COSTS	Amount (\$)
3a. Recipient Project Costs (Total)	
3a.ii. Pre-project development, including datagathering, feasibility studies, community engagement and public feedback processes, equity assessments and planning, and needs assessments.	
3a.iii. Personnel Costs	
3a.iv. Repair, rehabilitation, construction, and improvement, of facilities	
3a.v. Acquisition of real property, leases, and related	
3a.vi Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews.	
3a.vii. Ancillary costs necessary to operationalize and put assets to full use	
3a.viii. Collecting and measuring performance data and activities needed to establish and maintain a performance management and evaluation regime related to projects funded by CPF.	
3b. Subgrant Project Costs (Total)	

<p>3b.i. Pre-project development, including datagathering, feasibility studies, community engagement and public feedback processes, equity assessments and planning, and needs assessments. (Do not include costs from #1 above)</p>	
<p>3b.ii Personnel Costs</p>	
<p>3b.iii. Repair, rehabilitation, construction, and improvement, of facilities</p>	
<p>3b.iv. Acquisition of real property, leases, and related</p>	
<p>3b.v Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews.</p>	
<p>3b.vi. Ancillary costs necessary to operationalize and put assets to full use</p>	
<p>3b.vi. Collecting and measuring performance data and activities needed to establish and maintain a performance management and evaluation regime related to projects funded by CPF.</p>	