Federal Resources for Funding Digital Equity

What federal resources can cities use to fund digital equity?

Various financing and funding options for digital equity efforts are available. Many state and federal funding sources, particularly those established in response to the COVID-19 pandemic, are limited in amount or program duration and may not be available permanently. City leaders should verify all funding information.

Cities can use federal grant and loan programs to support local digital equity work, from needs assessment, to network infrastructure construction, to digital skills training, and broadband device and subscription affordability assistance for residents.

The National Telecommunications and Information Administration (NTIA) maintains a record of all federal funds that cities can use for broadband.

Federal Communications Commission Universal Service Fund Programs

The Federal Communications Commission oversees the Universal Service Fund (USF) to promote broadband development and adoption through four targeted problems administered by the Universal Service Administrative Company (USAC). The FCC's Schools and Libraries program, better known as E-rate, provides discounts for telecommunications and information services, internal connections and basic connection maintenance to schools and libraries.

Emergency Connectivity Fund

The American Rescue Plan Act (ARPA) established a $7.1 billion Emergency Connectivity Fund (ECF) to help schools and libraries support remote learning. The ECF will enable eligible schools and libraries to purchase Wi-Fi hotspots, modems, routers and connected devices. Schools and libraries can also reimburse households for internet service that students need to participate in remote learning.

Lifeline

Unlike other USF programs, the Lifeline program directly supports individuals. The program provides monthly discounts to low-income consumers for phone and broadband services and is available in every state, commonwealth and on tribal lands. Many cities have dedicated significant resources to ensure that their low-income residents enroll in the program.[1]

Emergency Broadband Benefit

Congress appropriated $3.2 billion for a new Emergency Broadband Benefit (EBB) program, which the FCC will administer.[2] The EBB provides eligible low-income households with a monthly $50 discount for broadband service and a $100 discount on an internet-enabled device, such as a laptop, desktop computer or tablet. Eligible tribal households receive a $75 monthly discount for broadband service. The FCC will directly reimburse participating internet service providers.

American Rescue Plan Act State and Local Coronavirus Fiscal Recovery Fund

The ARPA provides $65.1 billion in direct flexible grant support to every municipal government in the nation, to spend in various ways, including necessary investments in water, sewer or broadband infrastructure.[3] The rules for the fund allow cities to spend grant dollars on broadband infrastructure in certain areas and to provide assistance to households facing negative economic impacts due to COVID-19. This assistance could include digital literacy training, paying for broadband subscriptions or devices and other programs that promote internet access.[4]

Other Federal Funds

Cities may be able to leverage other federal grant and loan programs to support digital equity work. The Infrastructure Investment and Jobs Act provides more than $65 billion to promote broadband access through new infrastructure and digital equity grant programs, some of which are directly accessible to local governments. Cities may also be able to access federal funds for which they are not otherwise directly eligible, by partnering with local institutions or organizations, including universities, school and library systems, and local internet service providers. Many federal programs are also administered primarily through state offices. Local governments unable to access federal broadband funding directly may be eligible to participate in state funding or financing programs.

Endnotes

1   *Lifeline Program for Low-Income Consumers*. Federal Communications Commission. www.fcc.gov/general/lifeline-program-low-income-consumers

2   Panettieri, A. (2021, March 5). *FCC Establishes Rules for New Low-Income Emergency Broadband Benefit.* National League of Cities. www.nlc.org/article/2021/03/05/fcc-establishes-rules-for-new-low-income-emergency-broadband-benefit

3   *Coronavirus State and Local Fiscal Recovery Funds.* U.S. Department of Treasury. home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds

4   *Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions.* U.S. Department of Treasury. home.treasury.gov/system/files/136/SLFRPFAQ.pdf

Visit nlc.org/resource/digital-equity-playbook-how-city-leaders-can-bridge-the-digital-divide to view the complete Digital Equity Playbook.