

State of Indiana  
**Performance Report**

**Capital Projects Fund**  
2023 Report

## Table of Contents

Executive Summary.....	2
Uses of Funds .....	3
Promoting Equitable Outcomes.....	4
Labor .....	5
Community Engagement .....	5

## Executive Summary

The Next Level Connections (NLC) Broadband Grant Program is a competitive grant program focused on awarding grants to internet service providers to deploy broadband infrastructure for the delivery of eligible broadband service to unserved and underserved end users. First launched in 2018, this program originally targeted locations in the state without access to service speeds of 25/3 Mbps. Three competitive funding rounds have been conducted. Governor Holcomb originally allocated \$100 million toward broadband expansion in 2018, which spurred the development of the NLC program. The \$79 million initially awarded has leveraged another \$76 million in private or local capital, totaling over \$155 million in total investment providers to extend access to 21,900 homes and commercial locations across 41 counties.

In the budget bill adopted during the 2021 legislative session, the Indiana General Assembly appropriated \$250 million from the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) to be used for broadband infrastructure deployment. This action was taken prior to the finalization of the funding amount for the Capital Projects Fund (CPF). The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Broadband Office (IBO) began the planning for this appropriation using NLC as its program template. In addition, NLC service speed guidelines were targeted for 100 Mbps symmetrical with 100/20 Mbps minimums. Upon the confirmation of its \$203 million allocation from the CPF, Indiana directed that funding source to these broadband deployment efforts. The remaining \$47 million of the state appropriation will be funded from the SLFRF.

The CPF grant plan was submitted to capture the work initiated in the [third round of the NLC program](#) which focused on the unserved and underserved rural areas of the state. The first program plan was approved for \$187 million and resulted in awards of \$170 million with matching provider contributions of \$218 million to serve almost 47,000 residential and commercial end users. Round three awards were made to 29 different providers for 123 last mile projects with almost all fiber installations.

In total, the [first three NLC rounds](#) have resulted in \$250 million in grants from both state and federal sources, \$295 million in matching contributions to serve over 69,000 households, commercial operations and anchor institutions in 81 of Indiana's 92 counties.

Governor Holcomb has long had a vision for "One Indiana." This vision contains an interconnected state, not just by roads and bridges, but by internet connectivity, with people, with culture, with the economy, with nature, with trails and more. This cannot happen without reliable broadband infrastructure, and the continuation of the Next Level Connections Broadband Grant Program via the Capital Projects Fund.

## Uses of Funds

The State of Indiana received approval for two CPF programs in 2022. Each 1A Broadband Infrastructure Projects program has the same objective: to continue infrastructure deployment for the delivery of affordable and quality broadband service to areas lacking such service with priorities for opportunities to promote work, education and healthcare.

The first program plan (CPF\_GP\_000191) was approved for \$187 million and is essentially a continuation of the NLC Grant Program started in 2018. The NLC grant program is a competitive grant program with the focus of providing financial assistance to internet service providers to extend broadband infrastructure and service to unserved and underserved end users. The process begins with eligible applicants submitting a letter of intent (LOI) with the locations they are seeking funding to serve. It includes a challenge process prior to the full and competitive application processes. More information on the previous grantmaking process, including guidelines, scoring criteria and applications can be found [here](#).

Eligible applicants must be a qualified broadband provider and present evidence for OCRA's review to deem them financially, operationally, and technically sound to build and operate a broadband network.

Once the application process is completed, a [scoring matrix](#) is used. There are both objective and subjective criteria included in the scoring criterion. The major criteria are: 1.) Project Description and Readiness; 2.) Project Impact; 3.) Community Support and Engagement; 4.) Technical Qualifications and Resources; 5.) Economically Disadvantaged Student Household Service Packages; and 6.) Objective Scoring (Speeds, Passings, Match).

Other priorities in state statute to be considered for awards were included for this program. School buildings, rural health clinics and student households received prioritization for awards. Additionally, projects that provide service to unincorporated areas, projects that provide more than 50% match, and projects that required a lower cost to the state per passing.

This first program effort resulted in awards of \$170 million with matching provider contributions of \$218 million to serve almost 47,000 residential and commercial end users. Grant agreements have been signed with 29 providers for 123 last mile projects with service to the end user. Almost all projects are installing fiber service.

While most projects have commenced, no CPF funds have been drawn as of June 30, 2023. Grant funds will be drawn soon and disbursed to the grantee on a reimbursement basis. The grantee is required to file quarterly progress reports which provide a description of work completed during the period supported by outcome metrics such as number of passings, adoption rate, cost of service and other information as may be required by OCRA and for completing the quarterly Project and Expenditure Report. A final report will be required upon project completion which will also include an engineering report and speed verifications.

A fourth round of NLC has recently been [announced](#) and plans included using the remaining funds of the first plan (CPF\_GP\_000191), the \$12.8 million allocation for the second approved CPF plan (CPF\_GP\_000315), \$47 million from the appropriation from the ARPA SLFRF, as well as any residual state funds from the original 2018 NLC allocation. This amount is estimated to be \$80 million.

In addition, OCRA is altering somewhat the sequence of engagement with stakeholders. In prior NLC funding rounds, the internet service providers were generally the initiators of the application. Prior to opening the application window for this round, OCRA is encouraging local governments, primarily counties, to work from priority lists or maps of addresses which have been deemed unserved or underserved. The goal is for the local officials to engage eligible service providers in the selection of addresses for the filing of letters of intent which initiate the application process. In addition, applications can be scored higher for serving addresses which are known to have been unattended or dropped from other state or federal programs.

### Promoting Equitable Outcomes

The NLC Grant Program was developed with the intention of helping rural areas that lack access to any broadband infrastructure. Indiana set aside state funding to begin addressing this gap in service, recognizing the digital divide long before the pandemic brought it to the forefront. Areas of critical need were originally identified for NLC program as areas where internet connections are unavailable, or the only available connections are at actual speeds of 25 Mbps download and 3 Mbps upload. That service threshold was increased to 100/20 Mbps minimums after the first two rounds of NLC.

Other criteria taken into consideration in the Round 3 scoring matrix focused on economically disadvantaged student households. Providers that receive these funds are offering packages and price points that meet the unique needs of economically challenged areas were a priority. Upload speeds that reflect unique circumstances such as multiple remote learners or unbundled options at reasonable price points are being provided. These options also earn applicants more points towards a successful award.

To complement information provided from provider's applications and in coordination with the IBO, OCRA relies on the digital inclusion indicators developed by the Purdue Center for Regional Development (PCRD) to better understand the digital equity landscape ([Rural Indiana Stats | Home \(purdue.edu\)](https://www.purdue.edu/pcrd/)). These include a digital distress metric as well as a digital divide index.

A related NLC program but not funded by CPF is the Indiana Connectivity Program (ICP). This tool allows residents and businesses that lack access to broadband service to enter their address to a portal which providers may access and submit bids to provide service. OCRA then evaluates those bids and can make awards to extend service to the identified addresses.

The IBO has also been leading the broadband efforts related to the Infrastructure Investment and Jobs Act. Planning activities have been ongoing for the Broadband Equity Access and Deployment (BEAD) Program as well as efforts specifically funded by the Department of Commerce (NTIA) State Digital Equity Planning Grant Program. PCRD is leading the digital equity task force whose vision and goals are:

## Vision

Indiana residents trust & use innovative connectivity for improved quality of life, resulting in inclusive, resilient, & impactful communities ensuring opportunities for all.

**Goal 1:** Provide all Hoosiers with universal connectivity that is affordable, accessible, reliable, equitable, and available in public and private spaces to ensure maximum adoption.

**Goal 2:** Ensure all Hoosiers have access to affordable devices needed to live, work, and thrive along with the education to utilize that technology safely and successfully.

**Goal 3:** Build digitally resilient and equitable communities by supporting new and existing ecosystems for Hoosier prosperity.

## Labor

The disclosure of labor practices is incorporated into the grant process. A separate form documents the grantee's acknowledgements and assurances of labor practices which support high-quality broadband infrastructure projects. A copy of this form is included in Appendix A.

## Community Engagement

In 2018, the Lt. Governor's Office created the IBO whose sole function is to be the one stop shop in Indiana government for all things broadband and connect the public, stakeholders, government, and providers. The IBO assists local governments with broadband planning through the creation and support of broadband task forces across the state.

With assistance from several state agencies and leadership associations, IBO has created a 10 step "playbook" [document](#) titled "[Steps to Success](#)," This handbook aims to give communities the tools they need to prepare for broadband services and further their connectivity. The community is encouraged to work through these steps in no particular order as some steps may already be covered in previous local efforts and others may not apply to their locale.

Additionally, the IBO administers the Indiana Broadband Ready Communities Program ([BBRC](#)). This is a certification program where communities and local jurisdictions take actions and make commitments to reduce barriers for broadband investment, signaling to the telecommunication industry they are ready and eager for partnership; notably the NLC Broadband Grant Program. Interest in the BBRC program has flourished over the last two years, as the need for access has become even more critical. We now have over 86 BBRC certified communities or counties, making them even more attractive for provider investment and NLC applications.

The Broadband Ready Certification Program, housed within the IBO, is a designation that signals to the telecommunication industry that a community has taken steps to reduce barriers to broadband investment. By completing and agreeing to selected requirements, the community essentially agrees to work as efficiently and diligently as possible with the service provider.

One step in the BBRC process involves the selection of a community single point of contact. Just as IBO acts as the State's single point of contact for all broadband matters within Indiana state government, these community contacts are tasked with connecting an inquiring provider or resident with the correct individual/office to assist them.

Other steps in the BBRC process include accepting all permits, and signatures electronically as well as reviewing permit requests and on-site construction updates in a timely manner.

Finally, the IBO works with these leadership groups and anchor institutions to promote the OCRA NLC grant program, ICP, and federal subsidy programs like EBB/ACP as well as engaging institutions on digital training and adoption education opportunities.

Constituent service is also a major component of the IBO's mission. As the single point of contact, IBO handles all constituent calls and meetings, traveling hundreds of miles each year, meeting with Hoosiers in need of broadband related assistance. Interacting directly with the public is critical to helping inform IBO and OCRA of the areas of need and facilitating communication between service providers and residents.

Due to the timing of NLC rounds 3 and 4, the IBO and OCRA will also be in the public outreach and engagement process of the five-year Broadband Plan required by BEAD. The input and data that we plan to collect from residents, organizations and the local jurisdictions will identify those areas most in need, while also helping us develop our BEAD program. We see these Capital Project Funds as a bridge allowing us to continue to build out and get Hoosiers served while developing the long-term plan.

## APPENDIX A





**Indiana Office of Community & Rural Affairs  
Next Level Connections (NLC) Program  
Labor Standards & Civil Rights Certifications**



OCRA NLC Form #

**Section 1: Grantee Information**

1. Grantee Name	2. Award/Grant #	3. Award Amount	4. Grant Agreement #
5. Program Contact Name, Title	6. Program Contact Email	7. Program Contact Phone #	

**Section 2: Grantee's Statement of Exemption to Davis Bacon & Related Acts**

Check the box and initial to whichever statement applies to the award.

Funding Status	Statement & Certification
<input type="checkbox"/> Award is less than \$5,000,000 and no additional federal funds will be contributed as match toward this project.	Grantee certifies the award is less than \$5M and not subject to Davis Bacon & Related Acts pursuant to Appendix A, Section (b)5 of the U.S. Treasury Compliance & Reporting Guide for States, Territories, and Freely Associated States, as amended. However, grantee acknowledges the project is subject to the Contract Work Hours & Safe Standards Act (CWHSSA) and will comply with it and all other applicable federal, state, and local labor laws and regulations.
<input type="checkbox"/> Award is \$5,000,000 or greater, and/or additional federal funds will be contributed as match toward this project.	Grantee certifies the project is \$5M or greater and/or other federal funds are being contributed as match toward this project. Therefore this award is subject to Davis Bacon & Related Acts pursuant to Appendix A, Section (b)5 of the U.S. Treasury Compliance & Reporting Guide for States, Territories, and Freely Associated States, as amended. Grantee further acknowledges the project is subject to the Contract Work Hours & Safe Standards Act (CWHSSA) and will comply with it and all other applicable federal, state, and local labor laws and regulations.

Initial

Initial

**Section 3: Grantee's Commitment to Strong Labor Standards & Acknowledgements**

Review and check the boxes for each statement below. Initial after all boxes have been checked.

<input type="checkbox"/> Grantee states its commitment to strong labor standards in order to promote effective and efficient delivery of high-quality infrastructure and services while also supporting to the economic recovery through employment opportunities for workers.	<input type="checkbox"/> Grantee affirms it will, where and whenever practicable, prioritize employers (including contractors and subcontractors) without recent violations of federal and state labor and employment laws in order to minimize project disruptions and delays.
<input type="checkbox"/> Grantee affirms it will, where and whenever practicable, prioritize procurement decisions for employers (including contractors and subcontractors) who can demonstrate their workforce meets high safety and training standards and who prioritize hiring of local workers and/or workers from historically disadvantaged communities.	<input type="checkbox"/> Grantee acknowledges and affirms that regardless of Davis Bacon's applicability to the award, all contracts in excess of \$100,000 made by the Grantee, its subrecipient, and/or its contractors and subcontractors shall include a provision for compliance with certain provisions of the Contract Work Hours & Safety Standards Act, 40 U.S.C. 3702 – 3704, as supplemented by 29 CFR Part 5.

Initial

**Section 4: Grantee's Civil Rights Assurances & Statement of Compliance**

Review and check the boxes for each statement below. Initial after all boxes have been checked.

<input type="checkbox"/> Grantee provides its assurance that it will not deny benefits or serves, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 C.F.R. part 28; Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 C.F.R. part 23. Grantee acknowledges it may be required to periodically submit data for post-award compliance reviews.
---

Initial

**Section 5: Acceptance of Above Commitments, Assurances, & Certifications**

Signature <b>X</b>	Printed Name	Date
-----------------------	--------------	------